



# THE EFFECT OF E-BANKING ON CONSUMER SATISFACTION

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## ABSTRACT:

The world has become a worldwide village as a result of the customers' increasing demands and complexity in their day-to-day activities, and this has revolutionized the banking sector as technology has become a catalyst for quick changes in banking. Insurance and financial services industry. With the advent of technology-enabled banking channels (TEBS), the banking sector has undergone a radical change, enabling consumers to conduct their banking transactions online and without the need for realpresence. The present research used a questionnaire survey technique to gather information from a sample unit of 100 participants selected using basic random sampling. Following statistical testing of the premise, discussions were held to achieve useful findings. The purpose of this paper is to describe customer satisfaction analysis and results based on presumptions made to determine the relationship between customer satisfaction and customer reliability. It also looks at the proposed relationships and examines the applicability of modern financial practices.

**Keywords:** *Customer Reliability, Customer Satisfaction, Correlation, Technology Enabled Channels.*

## INTRODUCTION:

In the contemporary period, e-banking has emerged to support economic growth by combining funds and luring customers to make online purchases of goods and services, which may then be further documented. E-banking has transformed the BFSI sector thanks to technology that is easy to use. The main force behind this development is the improvement of encryption and security methods. The second justification is that banks do not want to cede possible market share to rival companies who introduce online service offerings first. The acceptance of credit and debit cards, the launch of clearing services like ECS, the idea of e-banking, and mobile banking are just a few changes that have occurred in the financial sector. All banks today follow a multi-channel business strategy as a result of the introduction of ATMs, credit cards, smart cards, debit cards, as well as online banking, mobile banking, telephone banking, computerized currency transfers, point of sale, and EFTs, among other things. And the small number of online

purchases to internet banking increased significantly after the NCPI introduced UPI. The newly launched UPI lite will also boost the already modest volume of online commerce. In addition to acting as financial middlemen, banks now provide a range of surveillance services under one roof.

### **OBJECTIVES:**

1. To investigate the connection between customer happiness and trustworthy e-banking procedures.
2. Assessing customer confidence in technology-driven E-Banking platforms
3. To point out the flaws in contemporary financial systems

### **SIGNIFICANCE OF THE STUDY:**

Given that reliability is the key element that has a substantial influence on customers' usage of e-banking services, the SERVQUAL model's service quality dimensions serve as the main forecasts for forecasting customers' happiness with e-banking. The current study has helped me to better understand whether there is a direct connection between customer satisfaction and customer reliability.

### **REVIEW OF LITERATURE:**

Numerous studies have discovered a connection between client happiness with E-banking services. These factors can be categorised as effectiveness, reliability, privacy and security, responsiveness and communication, and efficiency, according to my study of the literature. A buyer's market has emerged in the banking sector as a result of greater rivalry and liberalisation.

Customer happiness is a crucial factor that is directly affected by service excellence in the market today.

F. Singh, D. Kaur, and (2011). The banking business can concentrate on which aspects of service quality have the largest ability to affect customers satisfaction by understanding the relative significance of these aspects. (Amith Kumar Reddy and Dr. Megharaja, B 12).

Khadem and Mousavi (2013) and Wirtz and Bateson (1995) both support effectiveness in terms of prompt and effective service. Reliability is one of the most crucial qualities that consumers look for when assessing the standard of their E-Banking services, according to Liao and Cheung (2002).

Researchers have recognized and examined a number of elements related to privacy and security, including upholding organisational confidentiality and refraining from disclosing client personal information. (Agarwal, Rastogi and Mehrotra, 2009).

According to Madu and Madu (2002), being attentive means being eager to help clients and offer prompt service.

In accordance with Ghai, M.E. and Nagar, D.N. (2019), E-channels are a group of useful tools that have changed the financial sector into a customized, anytime, anywhere service. Any business that wants to succeed must consistently please its consumers.

The foundation of the SERVQUAL model's service quality dimensions is the ability to forecast client happiness in e-banking. Shoaib Ali, Toor, Hunain, Hussain, T., and Shahid, A. (2016).

**METHODOLOGY:****CONCEPTUAL FRAMEWORK:**

The SERVQUAL model's conceptual structure was developed under the assumption that a customer's level of dependability on the e-banking services—which is itself drawn from four main service quality dimensions greatly impacts their level of satisfaction.

1. Confidentiality and security are
2. Receptivity
3. Effectiveness
4. Reliability

This underlines the fact that in order for a customer to completely rely on e-banking services, the aforementioned criteria must be met. Therefore, greater happiness is associated with greater dependability.

**RESEARCH TYPE:**

The study's representative unit is the retail client of banks, specifically with regard to Chennai City. It is an inductive method because it shifts from a focused to a broader perspective. In order to analyse and effectively understand the findings, I also recorded the answers of 100 participants in a survey using a google form with 10 questions. Simple random sampling was used to select the sample units, and data was collected from web sites and review papers. In addition to inquiries about demographics, the survey probed respondents' preferences for a range of e-banking channels, the causes of their behaviour patterns, and the degree of dependability and satisfaction that might have influenced their decision to use e-banking rather than more traditional physical banking methods.

**DATA ANALYSIS TECHNIQUES APPLIED:**

The following statistical techniques were employed to analyze the data that had been gathered

- Cross tabulation
- Statistical analysis – Pearson's correlation

**FINDINGS AND INTERPRETATION:**

The study's objective was to ascertain whether client dependability and satisfaction with internet banking have an advantageous and significant relationship. In order to grasp customer mindset and identify any possible e-banking limitations, we also tried to understand client perception. attempting to prove a link between the two ideas in this manner. The information gathered and their findings are as follows:

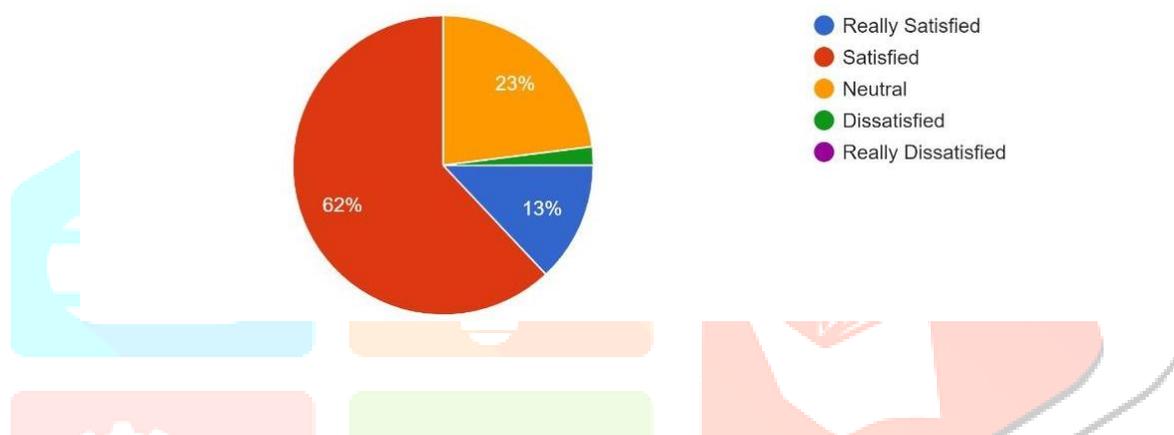
**CROSS TABULATION:**

The table and pie chart is shown above demonstrates the youth population's supremacy, which is more reliant on e-banking in terms of choice and utilisation. The fact that there are more people in the 18 to 25 age group than in the senior population shows that these people are less likely to embrace technology, which may be because they are uninformed.

Age *satisfaction on security Crosstabulation						
Count						
		Dissatisfied	Neutral	Really Satisfied	Satisfied	Total
Age	18-25	2	21	13	53	89
	26-35	0	1	0	3	4
	36-45	0	1	0	4	5
	46-60	0	0	0	2	2
Total		2	23	13	62	100

**Table 1.1**

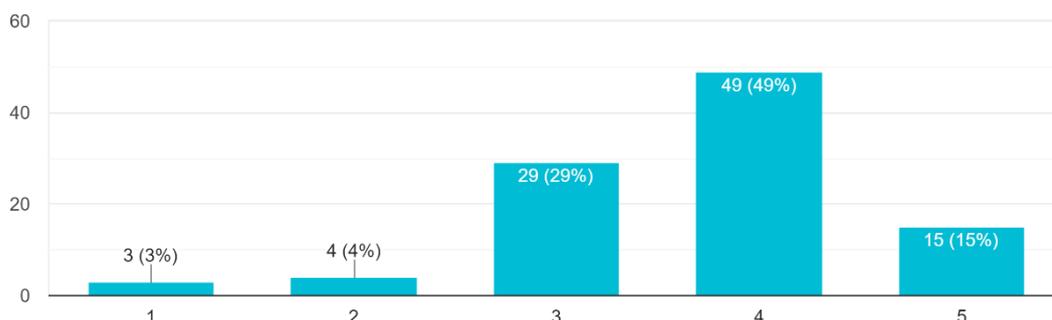
Satisfaction level of security provided by customer banks’s E-Banking platform



**Figure 1.1**

According to the data points in Figure 1.1 and Table 1.1, it can be seen that the questions focus on evaluating the reliability factor of online banking among the samples gathered, indicating the level of predominance of the critical role that online banking plays in a technology-driven modern era. Even if the cost to use certain services rises, customers would still prefer these services because there is a higher degree of reliability, which is a result of the other service quality dimensions.

Satisfaction of overall performance of customer bank’s E-Banking



**Figure 1.2**

The figure 1.2 shows to which these elements are satisfied determines the level of dependability, which in turn leads to reaching a greater level of customer happiness, according to a test of customer satisfaction with the e-banking service based on the e-banking service quality dimensions.

## STATISTICAL ANALYSIS:

### Hypothesis I - Pearson's Correlation:

H0 - There is no significant relationship between customer reliability and customer satisfaction with respect to preference of e-banking facilities.

H1 - There is a significant relationship between customer reliability and customer satisfaction with respect to preference of e-banking facilities.

## Correlations

Correlations			
		Reliability	Satisfaction
Reliability	Pearson Correlation	1	.517**
	Sig. (2-tailed)		<.001
	N	100	100
Satisfaction	Pearson Correlation	.517**	1
	Sig. (2-tailed)	<.001	
	N	100	100

**Table 1.2**

From Table 1.2 the correlation coefficient of .517, hence H0 null hypothesis is rejected proving the relationship between customer reliability and customer satisfaction.

## CONCLUSION:

The study's focus is on consumer satisfaction in the Indian banking industry. With the testable dimensions generated from the SERVQUAL Model, the key general hypothesis in this study presented a positive and substantial association between customer dependability and customer happiness with e-banking that has been attempted to be validated. This study was conducted solely taking into account 100 individual responses. Two major drivers in India's rapid e-banking growth were the effect of COVID and the demonetization of the currency.

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