

An Empirical Study on Customer Satisfaction towards Online Banking Services

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ABSTRACT

Online banking offers its clients a plethora of services in today's globalized world. From account opening to tax payment, everything is now done online. The vast majority of economies worldwide use digital, or cashless, transactions. The economies are benefiting from internet banking as they work toward becoming digital economy. Customers of banks and other financial organizations can conduct a range of financial transactions via the institution's website using e-banking, also referred to as virtual banking. An internet banking system will frequently connect to or be a part of a bank's main banking system, as opposed to branch banking, which was the traditional method by which clients accessed financial services.

This study aims to assess consumer satisfaction with online banking services, focusing on user experiences, service quality, and convenience. Moreover, it determines the degree of consumer satisfaction with online banking services.

Keywords

Customer satisfaction, Online Banking, Financial Transactions, Facilities, Services

Introduction

Many banks now operate solely on the internet. These internet-only banks do not have actual bank branches, as their predecessors did. They differentiate themselves by offering higher interest rates and internet banking.

Financial institutions now assign customer numbers on a regular basis, regardless of whether the user has shown a desire to use their online banking service. The consumer goes to the safe website of the financial institution and logs in with their pre-established customer number and credentials to access online banking. The financial institution will decide what kinds of financial transactions a customer can complete via online banking, but typically speaking, these include checking account balances, viewing a history of recent transactions, paying bills electronically, and transferring money between one's own and another's accounts. In addition, the majority of banks

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allow their clients to download bank statement copies that they can print from customer's side (some banks charge a fee for delivering physical copies of bank statements).

Literature Review

In his research, **(Karjaluoto, 2002)** determined the elements that affect consumers' perceptions of online banking. With the use of standardized questionnaires and in-depth interviews, the study was carried out in Finland. It was found that variables like education and wealth significantly influences the customer attitude towards online banking. **(Singh & Sabol, 2002)** mentioned in their study that innovation in technology has paved the way for E-banking. They stated that banks should make a strategic change in their traditional operations by adopting technological changes and should be ready to provide various services to their customers for differentiating themselves with other banks. **As per (Joseph & Stone, 2003)**, banks should emphasise on providing speedy, efficient and hassle free services to their customers. Banks also started realizing that regular marketing surveys are necessary to know how effectively they can serve their customers. To boost bank customer loyalty and market share, improvements to ATMs, phone banking, and Internet banking have been prioritized. **(Pikkarainen et al., 2004)** found that factors such as website usability, security and privacy, and service quality influence how accepting clients are of internet banking in Finland. In his research, **(Srivastava, 2007)** identified a number of factors that influence customers' acceptance of online banking, including income, gender, and education. The purpose of the study was to validate the online banking conceptual model. The research "Internet Banking Customer Satisfaction and Online Service Attributes" **(Riquelme & Mekkaoui, 1970)** uses online service attributes to gauge customer pleasure and dissatisfaction.

It was demonstrated that most customers are happy with the services provided by Middle Eastern and Kuwaiti banks. An investigation of the factors affecting "e-banking in Nigeria" was conducted by **Auta (2010)**. Customers believe that e-banking is the most convenient, adaptable, and quick way to do business with banks. But study showed that Nigerian customers were facing the issues like security, ease of access and lack of knowledge regarding E-banking services. The study stated that vital infrastructure such as power and telecommunications should be provided and maintained at a high level of stability to ensure the use of E-banking in Nigeria. **(Khandelwal, 2009)** identified the "E Banking: Factors of Adoption in India" and discovered that the use of smartphones and the internet plays a crucial part in encouraging users to adopt E-Banking practices in India. As per banks point of view Technology has become a key tool for them to achieve more productivity, better and faster control over operations, and higher revenue. **(Alagarsamy & Wilson, 2013)** evaluated the range of issues that clients encounter when interacting with public sector banks as well as the standard of services provided by these banks to its patrons. Perceived reliability, perceived ease of use, and perceived utility are some of the characteristics that affect the rate of Internet banking adoption in India, according to **Rakesh and Ramya (2014)**.

Methodology

Research Objective

1. To explore how online banking affects the degree of consumer happiness.
2. To ascertain the numerous challenges that that consumers of online banking services encounter with.
3. To contrast the degree of client satisfaction between public and private banks.

Type of Research: To ascertain the degree of client satisfaction with online banking services, an exploratory study is carried out.

Sample: One hundred public and private bank clients from the Delhi and NCR area are identified.

Sampling Method: To gather the data, the Convenience Sampling approach was utilized.

Statistical Tools: SPSS 20.0 was employed the data evaluation. The data's reliability was evaluated using the Cronbach alpha test. To validate the findings, both descriptive and inferential statistics were used.

Results & Discussion

The study's data gathering tools were divided into six categories, each of which included elements that affect how satisfied customers are with online banking services. These characteristics were: Information supplied, ease of use, risk associated, effectiveness of services, awareness of online banking services, and satisfaction with online banking services.

**Reliability Statistics
(Table 1)**

Cronbach's Alpha	N of Items
.788	20

The coefficient of alpha (α) was computed to evaluate the data's reliability. Because the coefficient of alpha (α) was found to be higher than 0.5, the results were deemed acceptable and credible.

R square & Adjusted R square Values (Table 2)

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.700 ^a	.491	.464	.44037

The coefficient of determination, or R² value, is displayed in the "**R Square**" column. It represents the percentage of the dependent variable's variance that can be accounted for by the independent variables. The above table's coefficient of R², which stands at 0.491, indicates that 49.1% of the variance in online banking can be accounted for by every independent variable, which include risk, efficacy, simplicity of use, information, and awareness.

Coefficients^a (Table 3)

Model	Unstandardized Coefficients		Standardized Coefficients	t	Sig.	Collinearity Statistics	
	B	Std. Error	Beta			Tolerance	VIF
1 (Constant)	-.342	.319		-1.074	.286		
awareness	.394	.095	.352	4.166	.000	.759	1.317
informatio n	.205	.098	.172	2.102	.038	.810	1.234
effective	.323	.080	.320	4.043	.000	.864	1.157

Risk	.000	.076	.000	.005	.996	.954	1.048
Ease of use	.241	.076	.234	3.161	.002	.985	1.015

Dependent variable: Satisfaction

Since the VIF values in the preceding table fall within acceptable bounds, we may infer that there is no indication of multi-collinearity. Moreover, by observing the p-values of each factor in the sig. column, we can conclude that awareness, effective, ease of use are significant in explaining dependent variable, since p-value for these factors is less than 0.05. This result supports hypothesis H1, H3 & H5. The above table also shows that the p-value for risk and information is greater than 0.05, suggesting that H2 (p-value.038) and H4 (p-value .996) are greater than 0.05 so they are insignificant in explaining the satisfaction level of customer towards online banking. Therefore, ruling out hypothesis H2 and H4.

Independent Sample T-Test (Table 4)

Variables	Groups	Means (Std. Deviation)	t- statistic (p- value)	Remarks
Awareness	Private Sector Bank	2.45 (.543)	.443	There is no discernible change.
	Public Sector Bank	2.65 (.504)		
Inform	Private Sector Bank	2.43 (.516)	.358	There is no discernible change.
	Public Sector Bank	2.46 (.482)		
Risk	Private Sector Bank	2.04 (.591)	.864	There is no discernible change.
	Public Sector Bank	2.01 (.621)		
Effect	Private Sector Bank	2.43 (.630)	.445	There is no discernible change.
	Public Sector Bank	2.48 (.527)		
Satisfaction	Private Sector Bank	2.40 (.625)	.882	There is no discernible change.
	Public Sector Bank	2.49 (.556)		
Ease of Use	Private Sector Bank	2.09 (.625)	.873	There is no discernible change.
	Public Sector Bank	1.89 (.587)		

Primary data for the survey is gathered from clients of both public and private banks about how they view various aspects of online banking services. Below is the independent sample t-test null

hypothesis. **H0: The degree of customer satisfaction at public and private banks is not profoundly different.** The p-values show that there is no discernible difference between banks in the public and private sectors customers' levels of satisfaction with online banking services.

Conclusion

Based on this study, consumers of banks in the public and private sectors are pleased with the internet-based offerings offered by them. It is proposed that banks focus more on simple features so that senior citizens and less educated recipients can simply access online banking services. It is suggested that majority Indian banks should improvise their infrastructural facilities like Internet Speed, Server Breakdowns, Handling of traffic congestion, Regular updates on mobiles so that customers can experience uninterrupted and quality services that can make them feel satisfied.

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