

## **A COMPARATIVE STUDY OF LEVEL OF CUSTOMER SATISFACTION IN SELECTED INDIAN BANKS WITH SPECIAL REFERENCE TO E-BANKING**

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### **ABSTRACT**

In the Present day world, the revolutionary development of the information and communication technology has contributed towards the development of the banking sector. Bank Play an important role in all the economic and financial activities in modern Society. E-banking is an innovation which allows customers to access banking services electronically such as to pay bills, funds transfer or to obtain all banking services through the Net at any place and at any time. The study has been conducted in order to meticulously evaluate and examine the level of Customer satisfaction towards E-banking services. The primary data for this study was compiled through well-structured questionnaire filled in on a one-to-one basis by 100 customers of selected Public and Private sectors bank. Regarding the profile of the selected customers from public sector and private sector banks, it is inferred that the customers in the age group 19-25 years in both sector banks is the dominant group. The Study Result indicated that majority of respondents are happy by E-banking services for bill payment, booking ticket and for fund transfer. Hence the study highlight that majority of respondent feel that of money can be stolen while using E-banking so Banks should make customer aware of it. Keywords: Customer Satisfaction, E-banking, Ahmedabad

### **INTRODUCTION**

Nowadays banking has gone beyond the traditional system and the online banking system has been emerged dramatically as a necessary part of our financial Life. People cannot even imagine of standing in queue for Enhancement of cheques, paying bills, for depositing money or even shopping with a bulk of amount taking with them. The people are fully dependent on E-banking services. Customer Satisfaction on E-Banking Services: A research paper Present scenario Of Level Of Customer Satisfaction In Selected Indian Banks With Special Reference To E-Banking Services. The Practice of E-banking service and its execution on regard to Customer satisfaction is the main objective of this study. Recently in past years Bank has introduced fully internet banking in order to give their better services towards customers. E-banking is also known as Online Banking. Virtual Banking, Cyber banking. It overcomes the Ordinary Banking. It establish the trustworthy, dependable, professional, fair, reliable and dynamic banking In the India. E-banking helps to do bank activities from any place and at any time. Understanding Customer needs and requirements, monitoring service performance, measuring customer satisfaction and dissatisfaction and the way services delivered to customers have

been highlighted in this study. The research has been conducted among the 6 Banks which provide E-banking service in Ahmedabad, Gujarat. The main purpose of this study is to represent the clear scenario of level of customer satisfaction towards E-banking services.

### **CONCEPT OF E-BANKING**

In India RBI outlined the mission to ensure that payment and settlement system are safe, efficient, interoperable, authorised, accessible, inclusive and compliant with international standards .The vision is to proactively encourage Electronic payment system for ushering in a less cash society in India .Regulation is keen to promote innovation and competition with an intention to help payment system achieve international standards. Various initiatives by RBI, in mid-eighties and early nineties, resulted in offering technology based solutions. The need evolved to provide cost effective alternative system. Electronics Clearing Service (ECS) was launched in 1990s to cater to bulk and repetitive payments. By September 2008, a new avatar in the form of National Electronics clearing cell was launched to handle multiple credits to beneficiary accounts. National Electronic Clearing Service (NECS) rides on core banking solution of member banks. The retail funds transfer system was introduced in 1990s to allow electronic transfer of fund for people to people payment. In November 2005, a robust system was launched to allow one to one funds transfer requirement of individuals and corporates. Prepaid instruments allow transaction for goods and services against the value stored on payment instrument. It may be in the form of smart cards, magnetic stripe cards, internet wallets, mobile accounts, mobile wallets and paper vouchers. Consequent to the guidelines in mobile banking, selected banks were permitted to offer the service after receipt of necessary

permission from Reserve Bank of India. Indian Retail payments pose significant challenges and opportunities. Based on Payment system vision document released by Reserve Bank of India, the number of non-cash transactions, at 6 per person, is low in India. It is estimated that Government subsidies alone constitute more than Rs.2.93 trillion and electrification has a potential to translate 4.13 billion electronic transactions in a year. Based on the report of Internet and Mobile Association of India (IAMAI), internet commerce reached Rs3500 billion as on March 2018.

### **REVIEW OF LITERATURE**

Ms. Shobha Hangarki (2011) in their study entitled “E-banking service and its impact on customer satisfaction in India.” The researcher examines the success of E-banking related to ATMs, credit cards & Internet banking and its impact on customer satisfaction in India. A sample size of 400 customers was chosen from three selected states namely Karnataka, Maharashtra & Andhra Pradesh. This research is conducted to analyse the problems faced by the Indian customers and their satisfaction level. The analysis shows that ATMs are one of the best service providers and customers are highly satisfied, followed by credit cards & finally Internet banking. Mahtab Alam (2012) in the work entitled “Measurement of Customer Satisfaction of internet banking: An Analytical study with reference to selected customers and banks in Gujarat.” In this paper he examines the satisfaction level of customers with the uses of internet banking services facilities provided by the banks across the state which leads to make more loyal customer and hence loyalty leads to the attracting more customer, expansion of business and increase in net profit. Data were collected with the help of open ended questionnaire in and around

Vadodara city. The Snow ball sampling has been used to identify the respondents. The data have been analysed with the use of Statistical Package for Social Science [SPSS]. The finding of the study shows that there is a significant variation in the level of satisfaction among internet banking users across the state. The overall satisfaction of an Internet banking users totally depends upon Reliability, Responsiveness, Security, Ease of use, Access and Tangible. Mr. Ramraj T. Nadar (2012) in the work entitled "Customer Satisfaction towards ATM services-A study of bank customers in Navi-Mumbai." Examines the ATM services offered by the bank, ATM services play key role to minimize customer's time and energy. Having satisfied customers and to retain them for a longer period of time it is necessary to provide ATM services on round the clock as well as anywhere in the nation. The study focus on the customer satisfaction toward ATM services offered by the banks and tries to suggest some ways to improve their level of services to keep the force on. The study area is restricted to Navi-Mumbai city of Maharashtra. Poonam Sawant, R V Kulkarni, S D Mundhe (2013) in the work entitled "Customer Satisfaction with E-Banking: A Comparative Study of Public and Private Sector Banks." Examines the present impact of E-services on customer satisfaction. A comparative study of customer satisfaction level in three major public sector banks (State Bank of India, Bank of Maharashtra and Bank of Baroda) and three major private sector banks (ICICI Bank, HDFC Bank and Federal Bank) is done, with special reference to the problems faced by customers using online services. The paper also examines the relationship between various online facilities, factors affecting the choice of Internet banking and its interplay with

customer satisfaction. Ms. Fozia (2013) in the work entitled "A Comparative study of customer perception towards E-Banking services provided by selected Private and Public sector bank in India." Examines the customer's perception toward the e-banking services. A total of number of customer taken for the study is 196. Analysis of variance technique is employed to study the significant relationship between the occupation and customer perception of e-banking services and significant relationship between the age and customer perception of e-banking services. The result of the study clearly shows that different age group of customer and different occupation group of customer have different perception toward the e-banking services. The result also proposes that demographic factors impact significantly internet banking behaviour, specifically, occupation and age. Finally, this paper suggest that an understanding about the customer's perception regarding the e-banking services of public and private banks it will help to the banker to understand the customers need in the better way. Vivek Jangid, Sanjeeet Kumar (2015) in the work entitled "Comparative Study of Customers' Satisfaction towards E-Banking in Public and Private Sector Banks." In this paper the effort is made to analyse the customers' satisfaction towards e-banking in public and private sector banks by using various statistical techniques such as mean, percentage and frequency distribution. The sample of 240 respondents (125 from public sector banks and 115 from private sector banks) has been taken from Haryana state by using convenience and simple random sampling technique through well-structured questionnaire. In order to test the hypothesis, ANOVA has been applied at five percent level of significance. Muslim Amin (2016) in their study

entitled “Internet Banking Service Quality and its Implication on E-Customer Satisfaction and E-Customer Loyalty.” In this paper researcher examine the internet banking service quality and its implication on e-customer satisfaction and e-customer loyalty. A total of 1,000 questionnaires were distributed for internet banking customers and 520 were returned (resulting 52 percentage of response rate). The results confirmed that the all four dimensions (personal need, site organization, user friendliness, and efficiency of website) are distinct constructs. The results also indicated that internet banking service quality consisting of four dimensions has appropriate reliability and each dimensions has a positive significant relationship with internet banking service quality. The efficiency of banking website is the important aspect of internet banking service quality. The finding found that the relationship between internet banking service quality, e-customer satisfaction and e-customer loyalty are significant. The results show that the higher level of internet banking service quality significantly impacts to e-customer satisfaction and consequently leads to e-customer loyalty and a lower intention to leave the relationship with bank. This study proposes a model to understand the effect of internet banking service quality on e-customer satisfaction and e-customer loyalty in developing country. The constructs truly reflect the dynamism of customers’ banking relationship and a better understanding the attitude on internet banking will help the bankers in implementing more effective marketing strategies. Munir MMM (2016) in their study entitled “E-Banking Service Quality and Customer Satisfaction of a State Owned Schedule Bank of Bangladesh.” In this paper researcher examines the relationship between e-banking service quality (i.e.

service quality, information quality and system quality) and Customer satisfaction among customers of a state owned schedule Bank in Dhaka, Bangladesh. A judgmental sampling technique was employed for this research. This study was quantitative in nature. It will see the relationship of these variables i.e., service quality, information quality and system quality and customer satisfaction of the customer of state owned schedule Bank. 200 questionnaires were sent to different customer of that Bank within Dhaka city and the study will be analysed by applying multiple regression analysis using SPSS software version 22, because there are 3 independent variables and their affects have to be seen on the customer satisfaction which is the sole dependent variable.

#### **STATEMENT OF THE PROBLEM**

Today, the banks are having developed technology in order to maintain its customers as well as to attract more new customers. Providing E-banking is one of the technical facilities offered by the banks to its valued customers, as the user of E-banking is increasing day by day. It is important to make a study of the customer satisfaction level with respect to various aspects of E-banking services offered to them. The main purpose of this study is to know the level of satisfaction of various customers having E-banking Services facility of selected Private and Public banks in Ahmedabad.

#### **OBJECTIVE OF THE STUDY**

To evaluate customer satisfaction with banks of India with reference to E-banking.

To evaluate the factors affecting customer preference in banks with special reference to E-banking.

To make suggestions for improvement of quality of services in Banks with reference to E-banking.

#### **LIMITATION OF THE STUDY**

Research is limited Survey. As it is based on Random Sampling, No equal chance to be selected of the whole population residing in specific Area.

### METHODOLOGY

The Study is based on a primary data collected through the structured questionnaire. It covers the sample size of 100 respondents selected randomly from Ahmedabad city

TABLE 01: TOTAL RESPONDENT CHOSEN FOR STUDY

Bank				
BANK	Frequency	Percent	Valid Percent	Cumulative Percent
BOB	16	16.0	16.0	16.0
HDFC	25	25.0	25.0	41.0
ICICI	14	14.0	14.0	55.0
SBI	16	16.0	16.0	71.0
Axis	12	12.0	12.0	83.0
IOB	17	17.0	17.0	100.0
Total	100	100.0	100.0	

Table 01 gives a clear picture of the participant of the respondents and the data are collected by random sampling.

TABLE 02: DEMOGRAPHIC PROFILE OF THE ATM CUSTOMERS

Gender				
GENDER	Frequency	Percent	Valid Percent	Cumulative Percent
Male	61	61.0	61.0	61.0
Female	39	39.0	39.0	100.0
Total	100	100.0	100.0	
Age				
	Frequency	Percent	Valid Percent	Cumulative Percent
19-25	47	47.0	47.0	47.0
26-40	32	32.0	32.0	79.0
41 - 60	19	19.0	19.0	98.0
Above 60	2	2.0	2.0	100.0
Total	100	100.0	100.0	
Occupation				
	Frequency	Percent	Valid Percent	Cumulative Percent
Student	32	32.0	32.0	32.0
Business	28	28.0	28.0	60.0
Household	10	10.0	10.0	70.0
Service	30	30.0	30.0	100.0

Table 02 gives a clear picture of the demographic profile of the sample respondents. It shows that the male respondents are 61 % which more than

the female respondents (39%) in using the E-banking services of the banks. It also depicts that the majority of the respondents using E-banking services falls in the age group of 19-25 years (47%) and Student & service (62%) people constitute a major portion of the E-banking customers.

TABLE 03 QUALIFICATION LEVEL OF RESPONDENTS

Qualification				
	Frequency	Percent	Valid Percent	Cumulative Percent
HSC	10	10.0	10.0	10.0
Graduate	40	40.0	40.0	50.0
Post Graduate	37	37.0	37.0	87.0
Professional	11	11.0	11.0	98.0
Other	2	2.0	2.0	100.0
Total	100	100.0	100.0	

GRAPH: 1 QUALIFICATION LEVEL OF RESPONDENT



TABLE 03 revealed that most of the respondents had educational qualification of graduation or higher (88%). Only 10 % of the total respondents had educational qualification of HSC & other level

TABLE 04 YEARLY INCOME OF RESPONDENTS

Income				
	Frequency	Percent	Valid Percent	Cumulative Percent
Below 2 Lac	26	26.0	30.2	30.2
2 Lac - 4 Lac	25	25.0	29.1	59.3
4 Lac - 6 Lac	13	13.0	15.1	74.4
More than 6 Lac	22	22.0	25.6	100.0
Total	86	86.0	100.0	
Not Reported	14	14.0		
Total	100	100.0		

TABLE 04 reveal that 1/4 of respondents fall into the income group of Below 2 lac and 22% of the respondent had income of More than 6 lac.

TABLE 05 FREQUENCY OF ACCESSING THE E-BANKING SERVICES

How frequently do you access the E-banking Services				
	Frequency	Percent	Valid Percent	Cumulative Percent
Daily	51	51.0	51.0	51.0
Weekly	35	35.0	35.0	86.0
Monthly	14	14.0	14.0	100.0
Total	100	100.0	100.0	

How long have you been using the Internet Banking

How long have you been using the Internet Banking				
	Frequency	Percent	Valid Percent	Cumulative Percent
Less than 1 year	28	28.0	28.0	28.0
1 to 3 years	33	33.0	33.0	61.0
More than 3 years	30	30.0	30.0	91.0
Not using Internet	9	9.0	9.0	100.0
Total	100	100.0	100.0	

TABLE 05 reveals that 51% respondents access the E-banking service daily while 35% Respondents access the E-Banking Monthly. It also reveals that majority of using E-banking services from 1 to 3 year duration period. This indicates that there is increasing use of ATMs services by the customers over the last 3 years

Table 06 mean score and standard deviation of various dimensions of customer satisfaction in internet banking

Item Statistics			
	Mean	SD	N
I have no idea about E-banking because this facility not exists in my bank.	2.130	1.1777	100
I have not opened E-bank account yet because I don't see any real value in having this type of account.	2.250	1.2092	100
My interaction with the E-banking systems would be clear and understandable	4.220	.7987	100
It would be easy for me to become skill-full at using the E-banking systems.	4.300	.7850	100
I would find that bill payment, booking ticket, fund transfer is very easy and safe using E-banking.	4.400	.7385	100
I would find the E-banking systems useful in conducting my banking transactions	4.360	.8471	100
I can operate my bank account anytime and at any location that has Internet Connection.	4.280	.6975	100
E-banking eliminates restriction of time	4.300	.7850	100
I believe I could communicate with others the advantages and disadvantages of using E-banking	4.030	.6735	100
If I were adopting E-banking, I would be more prestigious among my peers than people who have not yet adopted it	3.910	1.0259	100
Using the E-banking systems would not disclose my personal information	3.650	1.0952	100
Others can tamper with information concerning my E-banking transactions	3.210	1.0945	100
Advances in internet security technology provide for safer E-banking.	3.970	.8814	100
It is very easy for my money be stolen if using E-banking	2.950	1.3286	100
Overall, I would find the E-banking systems easy to use.	4.310	.7063	100

Table 06 reveals that the majority of customers are of the opinion that the E-banking services are successful in fulfilling their Payment of Bills, booking ticket, fund transfer. Beside the customer are highly satisfied for the restriction in time in E-banking. But it is very evident that a major portion of the respondents is not happy with the safety purpose (Scared of stolen of money). Therefore the banks need to concentrate on addressing the grievances of the E- banking customers through efficient redressal measures to enhance the customer satisfaction.

TABLE 07 CRONBACH ALPHA RELIABILITY TEST

Reliability Statistics		
Cronbach's Alpha	Cronbach's Alpha Based on Standardized Items	N of Items
0.750	.813	15

## FINDINGS

The following are some the major findings found in course of the study:

- The majority of respondents belong to a male category and in the age group of 19 to 25 years.
- The majority of respondents are a Student and service doing customers and holding E-banking services since last 3 years.
- The primary purpose of all the respondents is to pay bills, transfer funds and for ticket booking.
- The majority of the respondents use E-banking service daily or weekly.
- The most significant problem faced by the customers regarding E-banking service is about safety & fraud.
- Most of the respondents are not happy with fear of that there banking information may get tampered by some other people.

## CONCLUSION

The information and communication technology has tremendously contributed towards the Development of the banking sector. E-banking services like mobile banking, internet banking, EFT, ECS, debit and credit cards have become the trend in the banking field. The present study makes an attempt to find out customer satisfaction regarding the E-Banking service provided by BOB, IOB, SBI and HDFC, ICICI, AXIS bank in Ahmedabad city. The study reveals that the most significant problem faced by the customers regarding safety & fear of Banking information may get tampered by some other person. The majority of respondents are fulfilling their purpose of

bill payment, Fund transfers & for ticket booking. Therefore the banks need to concentrate on addressing the grievances of the E-banking customers through efficient redressal measures to enhance the customer satisfaction.

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