

# Impact of E-Banking Services with Customer Attitude & Satisfaction with Special Reference to Mumbai & Pune Region

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**Abstract – Today's world is one with increasing online access to services. One part of this which is growing rapidly is online banking. Customer satisfaction is imperative for the incessant survival of any organization around the world. Purpose – This study aims to provide an analysis of the customer attitude and customer satisfaction toward three banking services technologies namely, automated teller machines (ATMs), mobile banking and internet (online) banking. The study started by conducting a correlation and Regression analysis, on the valid responses received from a convenience sample of bank customers. This research work intends to investigate the impact of E-banking variables on Customer Attitude and customer satisfaction in Mumbai & Pune region. Data has been gathered through questionnaire from E-banking users as respondents, from different region in Mumbai & Pune.**

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## INTRODUCTION

Results of the study have revealed that there is momentous relationship between service quality dimensions and customer satisfaction in E-banking in these regions. Through this study we can conclude that service quality in E-banking leads to satisfied customers needs and wants and thus banks can gain competitive advantage by offering better-quality services to their customers in today's emulous world. The result implicated that the internet banking service quality dimensions have a significant impact on the customer satisfaction of internet banking customers. Each of the dimension namely efficiency, system availability, fulfilment, privacy, contact, responsiveness and contact individually contribute 70% to the overall customer satisfaction in internet banking. The paper provides empirical evidence to show that the internet banking service quality dimensions area an important factor to satisfy the customers since each of them is positively related to customer satisfaction.

## REVIEW OF LITERATURE

Chand Suresh (1986) studies have been conducted in various aspects of transformation and its impact on banks performance in foreign countries but in Indian context. The studies conclude that transformation is taking place and IT is playing vital role in bringing this transformation. Present study is

devoted to how transformation is taking place in Indian banks, role of e-channels in banks" efficiency and what the customers and banks employees observe about e-services of the banks. The study also analyses the service quality in partially and fully IT-oriented banks. Based on empirical analysis, study travels around the problems of banks in managing transformation through IT and suggests some possible measures to manage the problems in a better way. The study ends with the conclusion that e-banking is a challenging opportunity for the number of public and all the old private sector banks.

Qureshi T.M., Zafar M.K. and Khan M.B. (2008) Evaluate the customer acceptance of online banking Study concludes that majority of customers are accepting online banking culture because of many favourable factors, usefulness, security, and privacy are the main perusing factors to accept online banking system in Pakistan. The other factor is amount of information which is provided to the customers by different means like advertisement through print and electronic media about online banking is useful in customer acceptance of online banking in Pakistan. These factors have a strong and positive effect on customers to accept online banking system. Online banking system is getting appreciation in different parts of the country due to which almost 50% of the

customers have shifted from traditional banking system to online banking System.

Yakhlef (2001) evaluated the services provided through internet and website. The researcher explored the major services of Swedish banks provided via internet. The results of the study indicated that although internet banking provided more safe, convenient, and efficient services to the customers, yet as far as personal contact and direct information was concerned, brick and mortar was preferable than internet. Internet has reduced number of branches of banks, added value to the customers, attracted new customers and developed more customized services but at the same time it also requires huge investment, infrastructure, and trained employees of bank.

## GAP ANALYSIS

The above literatures have given ample insights about the banking services and use of technology in banking system, but the literature shows a huge gap in assessing the impact of e banking on Indian retail banking system. Thus, the study would help in great sense to bring newer insights and open the path for the further study.

## OBJECTIVES OF THE STUDY

- To analyse the impact of E banking on retail banking services in selected research area.
- To understand the customer perception towards E –banking and their e-banking enabled retail banking services experience in selected research area.
- To identify the critical factors, induce customer towards adaptation of e banking over traditional channels.
- To identify the customer satisfaction pre and post e banking services in retail banking.
- To examine the impact of e banking on customer demographics such as Age, education. And Income level in behavioural changes towards retail banking.
- To study the difference between uses of traditional channel against e-banking in retail banking services.

## HYPOTHESIS

H00: There is no significant impact of e banking on growth and business transaction of Retail banking services.

H11: There is a significant impact of e banking on growth and business transaction of Retail Banking services.

H02: There is no significant impact of e banking on customer satisfaction in availing retail banking services.

H22: There is a significant impact of e banking on customer satisfaction in availing retail banking services.

H03: There are no critical factors identified in adaptation of e banking by customer in availing retail banking services.

H33: There are significant critical factors identified in adaptation of e banking by customer in availing retail banking services.

H04: There is no significance difference in Pre and post customer satisfaction in E banking enabled Retail Banking Services.

H44: There is a significance difference in Pre and post customer satisfaction in E banking enabled Retail Banking Services

H05: There is no significance association between demographics of customer and adaptation rate of e banking.

H55: There is a significance association between demographics of customer and adaptation rate of e banking.

H06: There is no significance difference in uses of Traditional channel and e banking channel in retail banking services.

## RESEARCH METHODOLOGY

**Sample Universe:** The samples of the survey were people living in Mumbai & Pune region that have been users of Internet Banking system for at least one year. This ensured that all respondents had sufficient experience in internet banking. The resulting sample (valid) comprised of 1530 people that were asked to participate in the survey.

## RESEARCH INSTRUMENT

Stratified Random Sampling will be used to identify the sample candidates for the study. Since this study is designed to understand the different set of strata of employees and their training requirements, Stratified Random Sampling techniques has been applied. SPSS Ver. 21 will be used to carry out the statistical calculations and data analysis of the study.

DATA ANALYSIS

Table 1

Question	N		Mean	Median	Std. Deviation	Minimum	Maximum
	Valid	Missing					
I understand what it means by E-banking	1530	0	4.08	4	0.94	1	5
E-banking is easy to use	1530	0	4.03	4	0.76	1	5
E-banking is safe for business transactions	1530	0	3.69	4	0.903	1	5
E-banking is a cheaper way to conduct banking	1530	0	3.99	4	0.855	1	5
E-banking helps customers to complete transactions quickly	1530	0	4.01	4	0.926	1	5
E-banking can do everything for me an employee does	1530	0	3.53	4	1.02	1	5
E-banking makes transferring money between accounts easier	1530	0	4.05	4	0.869	1	5
I get the services of E-banking 24 hours per day and 7 days a week	1530	0	3.86	4	1.111	1	5
do most of my banking the transactions with E-banking	1530	0	3.26	3	1.037	1	5
I think using mobile banking puts my privacy at risk	1530	0	3.26	3	1.331	1	5
I trust the devices used in E-banking	1530	0	3.62	4	0.976	1	5
I expect to continue to use E-banking in the future	1530	0	3.8	4	0.897	1	5
Controlling my bank account has improved after using E-banking	1530	0	3.61	4	0.977	1	5
Using E-banking avoids contact with bank-employees	1530	0	3.34	4	0.993	1	5
Becoming skilful using E-banking is easy	1530	0	3.74	4	1.042	1	5
When compared with the cost, do you think the quality of E-banking service that you received is appropriate	1530	0	3.43	4	1.14	1	5

Table 2

Question	N		Mean	Median	Std. Deviation	Minimum	Maximum
	Valid	Missing					
I am satisfied with the online services provided by my bank	1530	0	3.65	4	0.933	1	5
The bank provides Enough ATM machines	1530	0	3.24	3	1.202	1	5
I don't expect the bank's online service to have an error or defect in the service	1530	0	3.29	3	1.054	1	5
How well do you expect the bank's online banking service to respond to your personal needs	1530	0	3.46	4	1.004	1	5
I am satisfied with the service charges of my bank account	1530	0	3.43	4	1.073	1	5
I prefer using E-banking instead of visiting branch for making transactions.	1530	0	3.94	4	1.009	1	5
If there is a mistake, the bank can make it right quickly and effectively	1530	0	3.52	4	0.972	1	5
The bank always provides the services at the promised time.	1530	0	3.57	4	1.002	1	5
The behaviour of the bank's employees instils confidence in customer.	1530	0	3.66	3	1.093	1	5
Employees of bank have the knowledge to answer customer questions	1530	0	3.78	3	1.033	1	5
Will you continue using the E-banking service from the same bank	1530	0	3.39	3	1.079	1	5
Would you recommend other people to use the online banking service offered by the bank	1530	0	3.76	4	1.023	1	5
when I use mobile banking Hackers might control my bank account	1530	0	3.09	3	1.137	1	5
Even if not monitored, I would trust Mobile banking to do the job right	1530	0	3.24	3	1.13	1	5
I feel secure in providing sensitive information (like credit card details) for online transaction	1530	0	3.62	4	1.093	1	5

The above table 1 has shown the mean, median, standard deviation, minimum and maximum of respondents in internet banking section that indicate (16) questions who customers fill it, the highest std. deviation in the independent variables related to those customers who thought mobile banking the service puts their privacy and security information at risk and threat (M=3.26, SD=1.331), respondents were believed service of internet banking provided by banks is appropriate when compared with cost

(M=3.43, SD=1.140), followed by customers receive their service of internet banking in 24 hours and 7 days in a week (M=3.86, SD=1.111), the users thought to learn and have been skilful is easy (M=3.74, SD=1.042), also customers doing a lot of transactions by internet banking instead of visiting branch (M=3.26, SD=1.037), respondents believe that in employee of the bank and internet banking doing same things so it means that internet banking is doing everything as employee does (M=3.53, SD=1.020), internet banking let customers avoid their self to contact with banks' employees (M=3.54, SD=.993), controlling or monitoring the account by internet banking is better than adopt by traditional service (M=3.61, SD=.997), customers have a trust with those device used by them-self (M=3.62, SD=.976), customers understand of internet banking (M=4.08, SD=.940), doing transaction is quicker after using internet banking (M=4.01, SD=.926), it is safe to doing transaction (M=3.69, SD=.903), they think will use the service in future (M=3.80, SD=.897), after adopting internet banking transferring money is easier than before (M=4.05, .869), internet banking service is a cheaper way for banking transactions (M=3.99, SD=.855) and using internet banking easy has the lowest Std. Deviation in whole (16) questions (M=4.03, SD=.940). however, the highest mean in all question on independent variables is (M=4.08) related to that questions ask about understand of internet banking means and the lowest mean is (M=3.26) two questions has a same result of mean and they are doing lot of transaction by internet banking and they think mobile banking puts there in risk. For all questions there are minimum answer is strongly disagree (1) and maximum answer is strongly agree.

The table 2 above shown the Mean, Median, Std. Deviation, Minimum and Maximum related to the dependent variable (Customer Satisfaction) that indicate (15) questions who fill it by 191 respondents and their answer showed this results as follow, the highest Std. when they give their private information to doing transaction in internet banking (M=3.62, SD=1.093), after that customers continue to use the service in the same bank (M=3.39, SD=1.079), satisfy with fee on bank account (M=3.43, SD=1.073), customers will not expect to face error when they use internet banking (M=3.29, SD=1.054), employee has a require knowledge to answer of what customers want (M=3.78, SD=1.033), customer recommend other people to use the system (M=3.76, SD=1.023), customer believe that using internet banking service is better than visiting the branches (M=3.94, SD=1.009), customer expect the internet banking service respond their personal require (M=3.46, SD=1.004), in every situation the bank perform the service in any time as they want to do (M=3.57, SD=1.002), before the last question there are banks that solve the problems as soon as possible (M=3.52, SD=.972), the last one is customers satisfy with that electronic service provided by bank (M=3.65, SD=.933). However,

the highest Mean is (3.94) that is customer agree and prefer using internet banking instead of visiting branches and the lowest Mean is (3.24) by two questions and they provide sufficient ATM and, in a situation, without monitoring the service it is doing all transaction correctly. The maximum answers for all questions are strongly agreed (5) and Minimum answers strongly disagreed (1).

## INTERPRETATION

This present study indicates the impact of internet banking on customer satisfaction also in this study researcher selected banks in Mumbai & Pune region in Maharashtra. The dependent variable is customer satisfaction was measured by 15 different questions were selected by seven dimensions of service quality and the independent variable internet banking were measured by 15 questions. The researcher findings that from Pearson correlation and explore there are a positive and strong correlation between dependent and independent variable and statistically significant, however, finding from the regression estimation the internet banking has a positive impact on customer satisfaction as researcher assume from the questions at the beginning of the thesis and it means that if the customer satisfaction increase by 1 unit the internet banking will increase by 0.579 and according to P-value (significant level) the model statistically significant due to the result is less than 0.05.

In this thesis researcher find that the majority in gender is male with 50.8%, the majority in the survey to age is related to those people who has between 24 to 30 years old by 35.6%, Also the married has a majority by 62.3% for marital status, in the income who received monthly the majority of responders has gotten 2 lacs – 4lacs by 41.9%, However, the bachelors has in first ranking with 66.5%, and the majority of respondents use internet banking between 1-4 years by 31.9% and in the last questions in demographic section related to professions and the majority of respondents working on private sector with 47.1%. and the results show that most of the questions are highly reliable because of the Alpha's Cronbach is 0.808. According to the results from responders there is a problem of internet banking service by banks due to just commercial banks adopt the system adopt the service and use only ATM and governmental banks did not use internet banking because of there are a several people is using it and the newest of the system related to un-adopt by governmental banks and they are using a traditional service, and this problem can distribute to all country, based on those people who researcher gives them a questionnaire to fill it they don't have a full awareness and information about internet banking, Based on the results only 73% on responders satisfy with bank's internet service, only 64.8% of people satisfy with the number of ATMs that provide by banks, and responders agree to use internet banking service instead of visiting branch it means that they need a service for

24/7 not just several time available in a day, in another question faced to responders they scared of hackers to control their accounts and still it.

## CONCLUSION

This research paper aims make an original contribution to the existing knowledge by investigating the impact of customer satisfaction on internet banking in Mumbai & Pune region of Maharashtra, followed by Core Services, Problem Resolution, Cost Saved, Convenience and Risk and Privacy Concerns were the major factors that strongly affect the overall satisfaction of online consumers. On the other hand, Feature Availability and Consumer Extension were found to moderately affect the overall satisfaction of customers using Online or E-banking services. To promote customer satisfaction, it is predictable for banks give due emphasis to all the above-mentioned factors. In closing, the researcher would like to add that a proactive and creative approach by banks, for example, providing consumer education re: Internet banking and friendly customer service will help improve the consumer confidence, and eventually overall customer satisfaction.

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