

# A Study of Measure Satisfaction Levels of Customers of Internet Banking

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**Abstract –** *Virtually all Indian banks now offer financial services through Internet banking, a new addition to the conventional branch banking structure. Indian bank clients are hesitant to use online banking services despite the convenience and better customer service that internet banking offers, Development of online banking, a rise in online banking influences the online banking system Internet banking has both pros and drawbacks. Internet banking's effect on consumers using the internet for banking, the conception of the internet as a banking medium, using the internet to conduct financial transactions Web-based banking and pleasure with the client Indian Banking Sector History There are possibilities with online banking. Customer satisfaction and online banking, Impact of internet banking on customers, Internet banking and customer satisfaction.*

**Keywords –** Internet Banking, Online, Banks

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## INTRODUCTION

There is no assurance that technological progress will lead to successful consumer adoption since the customer is extremely important for development and marketing because it is acceptable and focused on adopting new technologies. The effective spread of new technology may partly be decided by the adoption of innovation by prospective consumers. Every company aspires to provide its product and service through different electronic channels in the age of information technology. Nowadays Banks are increasingly more focused on electronic services and have decreased the value of conventional branch networking. The primary cause for the transition of conventional banking into online banking is marvelous technological advancements and the aggressive integration of information technology. In the competitive age of the financial sector, technology plays an essential role. Recent technological advancements have produced a whole new service and service environment. [1] The nature of the purchase and sale of services has altered from technology. The shift from conventional banking to e-banking such as the Internet, telephones, and mobile phones has been one of the major developments in the banking sector. This study is carried out to investigate the impact of Channel convenience, online banking information, perceived risk, prior internet knowledge, security perception on the use of online banking services

## CUSTOMER SATISFACTION AND ONLINE BANKING

Because consumers are becoming more intelligent, it's critical to think about how to utilize technology to keep up with their constant evolution. It seems that customers in emerging countries tend to use the "technical aspects" of services as a standard for comparing excellent and poor services, with the "human factors" playing a less important role. [2] The wide range of services provided by banks allows them to provide consistently high levels of service quality. It's no longer accepted that banking is only a company that deals with money transfers; it's instead seen as a service that provides information about financial transfers as well. Customers have always been important to banks, whether they are large corporations or individual customers.

To offer greater service quality at a lower cost, today's banks rely on IT. It offers many innovations, including ATMs, smart cards, credit/debit cards, mobile/phone banking, and anywhere/anytime banking, as well as a variety of simple-to-use services for customers. In addition to improving service quality, these services also enhance client happiness, which in turn decreases customer retention. Customers have a higher regard for banks that provide these services in big quantities. However, in both public and private sector banks, technology-based products vary. Electronic banking

and bank automation are advancing rapidly in the commercial sector compared to the public sector. [3]

Customer satisfaction with e-banking has increased for a variety of reasons:

- Anytime, anywhere, the customer may withdraw or transfer money as desired.
- With technological advancement, consumers may do business from the comfort of their own homes or workplace.
- It simplifies banking operations and transactions enormously.
- Direct bank oversight is not required since services may be provided anywhere the client desires.
- As a result, customers no longer have to stand in line for lengthy periods.
- These services are offered 24 hours a day, seven days a week, therefore workers are not needed to be available at all times.
- Corporate and retail clients may now trade from their homes, offices, and on the road thanks to Internet-based services.

## INTERNET BANKING AND CUSTOMER SATISFACTION

E-banking, which is short for electronic banking, is a kind of online banking that has transformed banks from providing conventional services to providing technology-based services in the contemporary day. It is also known as an electronic funds transfer (EFT) according to Choudary (2013), and it is used to transfer money between accounts between clients.[4] This procedure is much simpler than transferring money manually or visiting a branch office, according to the author. Most banks are now adopting this method, however, due to the advancements in internet and communications technology across the globe and the important role they played in increasing the level of E-banking service available to consumers. Because E-banking is less expensive, clients may avoid visiting branches for every transaction and keep track of and check their account balances at any time by downloading an app to their Smartphone or visiting the bank's website.[5] These are both alternatives to visiting a branch. Most banks now provide an online banking service, allowing them to save money by employing fewer people and reducing costs as a result.

### 3. LITERATURE REVIEW

**Prof. Sultan Singh and Deepak Kumar Sharma (2017)** Internet banking has become an integral aspect of one's life. But in the early or later stage, everyone

encounters various difficulties. A sample of 150 respondents chosen by utilizing the Sirsa sample from Haryana is the issue identified in this research, which is exploratory, which tries to discover the difficulties encountered by clients while using IBM. Some statistical methods were employed for data analysis, such as frequency allocation, percentage, mean, standard deviation (S.D.). Validating the findings was utilized using the ANOVA method. It is discovered that clients have had problems because of lack of expertise, lack of adequate training, obsolete technology, technical bottlenecks, electronic frustration, decreased personal effectiveness, and burden as compared to bank visits directly. There is thus a suggestion that banks create sophisticated apps or software, user-friendly and customer-friendly, and customer-friendly.

**Wan-Rung Lin (2017)** this study mainly aims at proposing a model of research to investigate the major variables influencing the desire of customers to utilize internet banking. This study has two phases. To begin with, an analysis of the main elements of businesses involved in online Banking was made of the decision making and evaluation laboratory (DEMATEL) and analytical network process (ANP). The second was to investigate the main variables in customer usage of online banking using structural equation modeling (SEM). The findings revealed variations in the variables embraced by businesses and consumers. Based on the results, company tactics may be modified and the consumer's readiness for online banking use improved. The main element that both businesses and customers appreciate is confidence. To minimize risk and win client confidence, businesses must improve in the Internet banking industry, such as liquidity monitoring, information security, and financial laws compliance.

**Dr.Kiran.G, Dr. Appasaba. L.V, (2017)** at now a fast change has occurred in the banking sector across the globe. The strengthening of IT has made it possible, for online consumers to better monitor and meet their obligations, to provide various channels, and resolve problems quicker. Customer satisfaction for banks' maintenance is an essential criterion; currently, banks are offering customer-based online banking services. This research examined the satisfaction of customers with public sector banks' online banking services in the district of Tiruchirappalli. The current research shows that banking websites and technological platforms have different know-how on financial services. Banks have to perform frequent customer satisfaction surveys to retain current clients. The findings of the research indicate that the three main drivers that impacted consumer satisfaction are characteristics such as rapid reaction, security, and Web design, and simplicity of use.

**MR. RAM BABU CHERUKUR (2017)** Because of ease and flexibility, internet banking is becoming

popular. The study examines the main elements in online banking based on the opinion of respondents on different internet apps. It also offers a framework for the criteria used to evaluate the impression of Internet banking. The banking sector has quickly evolved into a viable and efficient instrument to generate client value via the usage of internet banking. It is one of the conventional banks' most popular offerings to provide internet customers with faster and more dependable services. As computer technology is rapidly developing as a business tool, Internet banking may be utilized to attract more consumers to financial activities in linked institutions. The major issue with Internet banking encountered by providers is, however, that a significant percentage of bank clients are not ready to utilize the services provided by Internet banking. This is because Internet banking services have not yet satisfied their consumers. Customer satisfaction is a key element in ensuring that banks maintain competitive benefits. The objective of this research is thus to investigate and study the variables affecting consumer satisfaction with Internet banking,

**Viktorija Skvarciany (2018)** Trade banks' trust survey should concentrate particularly on online banking since it is the most rapidly increasing banking service. This paper examines and assesses the effect in the Baltic nations of variables that influence confidence in Internet banking. The following factors are Information provided e-banking system, a bank website, and features of the bank. The present research included 1013 interviewees and 21 specialists. Results from the study show that in Lithuania information and the bank, in Latvia, the website, and in Estonia the banking system is different, which is essential for establishing confidence in all studied nations. The experts say the electronic banking system is the most significant element in the confidence-building process in Lithuania and Latvia. The following restrictions apply to research: The online survey for each client (internet banking is not required, however), analyzing just the elements of the trust-building process which have a favorable impact; the sub-variables were only evaluated by specialists.

## OBJECTIVE OF STUDY

- To identify factors of adoption and non-adoption of Internet banking.
- To measure satisfaction levels of customers of Internet banking.
- To explore consumer expectations from Internet banking.
- To suggest an Internet banking adoption model of users in India

## RESEARCH METHODOLOGY

Based on a literature study, a model is developed in which the variables are viewed as being precursors to

consumers' adoption or non-adoption of Internet banking. Both exploratory and descriptive aspects of the study's research design are present. The study used exploratory research methods by examining variables in an experience survey. As a result, the questionnaire was developed based on feedback from an experience survey and descriptive research. Public sector and private banks in India's Delhi and NCR region are the subjects of the investigation.

The cities in Delhi-NCR were chosen since Delhi-NCR is India's capital and has the greatest concentration of internet users. According to the study's objectives, all public and private sector banks are located in the capital city and its surrounding regions. Internet banking is widely used in metro areas, and there are a large enough number of users to warrant a survey. Due to a lack of funding, the research can't look at other cities. Ghaziabad, Noida, and Gurgaon have all been regarded in the NCR.

## SAMPLING DESIGN

This is a comprehensive list of all commercial banks in Delhi and the National Capital Region, compiled by the Reserve Bank of India. On the list of banks, there were four different types: government-owned, privately owned, rurally owned, and foreign-owned banks. Only public and private sector banks, as well as foreign and rural banks, were taken into consideration for the research. The Reserve Bank of India chose the top four scheduled commercial banks, two of which are private sector banks and the other two are public sector banks. (<http://rbi.org.in>). The four banks were chosen based on factors such as more foot traffic, similar Internet banking use, local presence, and the number of online clients, among others, via judicial sampling. Two public sector banks and two private sector banks were included in the selection proposal. SBI and PNB were selected as public sector banks, along with HDFC and ICICI as private sector banks. Quota sampling was used to pick the bank branches, with a list of five branches from each chosen bank

## SAMPLE SIZE

A total of forty customers and non-customers from each of the bank's branches were used to produce the data. A total of 1600 observations were gathered from five branches in each bank type, yielding a sample size of 1600. Samples were drawn from selected Delhi-NCR bank branches, and respondents included both current and former customers. A total of 8-10 intercepts were collected each day from each branch over four to five days. It was necessary to call forty regular customers and forty non-customers from every branch to gather 1600 users' samples from four banks, including both public and private sector ones. It's presented in the following way

Table 1: Internet Banking Users

| Region       | PNB        | HDFC       | ICICI      | SBI        |
|--------------|------------|------------|------------|------------|
| Gurgaon      | 40         | 40         | 40         | 40         |
| Delhi        | 40         | 40         | 40         | 40         |
| Delhi        | 40         | 40         | 40         | 40         |
| Noida        | 40         | 40         | 40         | 40         |
| Ghaziabad    | 40         | 40         | 40         | 40         |
| <b>Total</b> | <b>200</b> | <b>200</b> | <b>200</b> | <b>200</b> |

Table 1: indicates the size of the sample for Internet banking in four areas of four banks.

## DATA ANALYSIS

### Internet banking: issues & concerns

Many issues must be addressed for an internet banking business to succeed. Consumer trust is a significant issue when it comes to internet banking. A large number of non-users have a shaky belief in the internet company from whom they purchase goods and services. Consumers are less opposed to a traditional business model centered on well-known brands with a physical presence.

Bank Company necessitates the distribution of goods or services in physical form to the client after the transaction is completed over the Internet. Good distribution and careful monitoring of product delivery are essential for these logistical facilities. Logistics and distribution problems need the use of advanced technologies. This will never push customers to switch to a competitor's bank because of it

### Internet Banking: Customer Expectations

Banks in India have varying degrees of adoption of Internet banking. Only a few financial institutions are still in the early stages of implementing Internet banking. Depending on the situation, the client may be a regular user or not. Email and other interfaces are available to users for logging into the banks. The branch banking system is still popular among customers due to the lack of issues. Banks must build a security wall around their Internet banking services and educate non-users who visit their facilities about the risks.

## FACTORS OF SATISFACTION FOR INTERNET BANKING ADOPTION- PUBLIC SECTOR AND PRIVATE BANKS

Table 2: Factors of Satisfaction for Internet Banking Adoption between Public Sector Banks

| Factors                | PNB            | SBI            | Overall Public Sector Banks | p-value | F Value |
|------------------------|----------------|----------------|-----------------------------|---------|---------|
| RELIABILITY            | 3.45<br>(.462) | 3.39<br>(.606) | 3.50<br>(.561)              | .022    | 5.254   |
| ACCESSIBILITY          | 3.59<br>(.560) | 3.54<br>(.652) | 3.61<br>(.607)              | .460    | .548    |
| ACCURACY               | 3.51<br>(.635) | 3.51<br>(.823) | 3.58<br>(.683)              | .946    | .005    |
| SECURITY               | 3.60<br>(.543) | 3.54<br>(.622) | 3.64<br>(.579)              | .295    | 1.100   |
| EFFICIENCY             | 3.56<br>(.434) | 3.70<br>(.679) | 3.65<br>(.541)              | .020    | 5.461   |
| RESPONSIVENESS         | 3.61<br>(.489) | 3.63<br>(.609) | 3.71<br>(.521)              | .667    | .185    |
| FULFILLMENT            | 3.69<br>(.428) | 3.67<br>(.642) | 3.71<br>(.539)              | .801    | .063    |
| PERCEIVED EASE OF USE  | 3.55<br>(.550) | 3.64<br>(.644) | 3.64<br>(.655)              | .192    | 1.706   |
| PRICE                  | 3.49<br>(.426) | 3.62<br>(.675) | 3.64<br>(.541)              | .021    | 5.402   |
| TANGIBILITY            | 3.40<br>(.517) | 3.60<br>(.628) | 3.62<br>(.533)              | .001    | 11.775  |
| PERFORMANCE EXPECTANCY | 3.47<br>(.584) | 3.68<br>(.677) | 3.65<br>(.581)              | .001    | 11.021  |
| SOCIAL INFLUENCE       | 3.35<br>(.565) | 3.61<br>(.632) | 3.57<br>(.559)              | .000    | 17.727  |
| SIZE OF BANK           | 3.43<br>(.654) | 3.69<br>(.787) | 3.69<br>(.699)              | .000    | 12.416  |
| EXPERIENCE OF BANK     | 3.35<br>(.577) | 3.63<br>(.588) | 3.56<br>(.597)              | .000    | 18.445  |
| EFFECTIVENESS          | 3.52<br>(.579) | 3.70<br>(.881) | 3.71<br>(.666)              | .015    | 5.984   |
| OVERALLFACTORS         | 3.50<br>(.290) | 3.61<br>(.471) | 3.63<br>(.368)              | .011    | 6.570   |

Table 3: Factors of Satisfaction for Internet Banking Adoption between Private Sector Banks

| Factors                | HDFC           | ICICI          | Overall Private Sector Banks | p-Value | F Value |
|------------------------|----------------|----------------|------------------------------|---------|---------|
| RELIABILITY            | 3.53<br>(.521) | 3.69<br>(.583) | 3.61<br>(.559)               | .003    | 8.754   |
| ACCESSIBILITY          | 3.66<br>(.583) | 3.68<br>(.621) | 3.67<br>(.603)               | .756    | .097    |
| ACCURACY               | 3.48<br>(.526) | 3.82<br>(.664) | 3.65<br>(.621)               | .000    | 31.198  |
| SECURITY               | 3.63<br>(.614) | 3.78<br>(.507) | 3.70<br>(.567)               | .006    | 7.684   |
| EFFICIENCY             | 3.58<br>(.517) | 3.76<br>(.501) | 3.67<br>(.507)               | .000    | 13.150  |
| RESPONSIVENESS         | 3.72<br>(.517) | 3.86<br>(.419) | 3.79<br>(.474)               | .003    | 8.996   |
| FULFILLMENT            | 3.68<br>(.526) | 3.80<br>(.534) | 3.74<br>(.532)               | .026    | 5.010   |
| PERCEIVED EASE OF USE  | 3.54<br>(.572) | 3.81<br>(.530) | 3.68<br>(.565)               | .000    | 23.736  |
| PRICE                  | 3.74<br>(.531) | 3.70<br>(.470) | 3.72<br>(.500)               | .455    | .559    |
| TANGIBILITY            | 3.74<br>(.427) | 3.76<br>(.467) | 3.75<br>(.446)               | .676    | .175    |
| PERFORMANCE EXPECTANCY | 3.66<br>(.527) | 3.76<br>(.485) | 3.71<br>(.509)               | .039    | 4.288   |
| SOCIAL INFLUENCE       | 3.56<br>(.531) | 3.78<br>(.408) | 3.67<br>(.484)               | .000    | 20.328  |
| SIZE OF BANK           | 3.77<br>(.664) | 3.88<br>(.607) | 3.82<br>(.637)               | .078    | 3.124   |
| EXPERIENCE OF BANK     | 3.63<br>(.563) | 3.65<br>(.504) | 3.64<br>(.535)               | .779    | .079    |
| EFFECTIVENESS          | 3.88<br>(.594) | 3.73<br>(.501) | 3.81<br>(.553)               | .006    | 7.702   |
| OVERALLFACTORS         | 3.65<br>(.281) | 3.76<br>(.352) | 3.71<br>(.322)               | .001    | 12.039  |

Note: Figures in parenthesis () are standard deviation values

## CONCLUSION

Internet banking customers have higher standards of service when it comes to the virtual platform. For bank customers, the technology must be effective, just like a genuine interface. According to the doctorate research, customers' decisions to use



Internet banking in the public and private sectors are heavily influenced by variables such as cost, convenience, and security. If speed and convenience are improved, the customer may use Internet banking more often. As a result, it's critical to raise awareness among bank customers who don't already utilize the service. Consumers may benefit from Internet banking's convenience and information, which helps customers feel comfortable about their risk management methods. Customers are dissatisfied with Internet banking because they are concerned about the security of financial transactions. Bank non-users ranked safety and security, as well as the dread of making a mistake, as the most important considerations in this research

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