

## Customer Satisfaction Measurement of Internet Banking

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### ABSTRACT:

This study is designed to evaluate electronic banking, more commonly known as e-banking as a strategy and related methods adopted by selected commercial bank to improve the customer satisfaction, which plays a major part in the service industry. Now all the banks are providing e-banking services to their customers. The usual E-banking services provided by banks are account management; bill payment and presentment; new account opening; consumer wire transfers; investment/brokerage services; loan application and approval; account aggregation; cash management ; small business loan applications, approvals, or advances; commercial wire transfers; business-to-business payments; employee benefits/pension administration etc. The purpose of the study was to find out the relationship that exists between electronic banking and customer satisfaction at IDBI Bank – Mysore Branch. The objectives were to evaluate the effectiveness of electronic banking methods employed by the Bank; to determine the current level of customer satisfaction at IDBI Bank – Mysore; and to find out the relationship that exists between electronic banking and customer satisfaction. A purposive sampling technique was employed to 50 respondents representing the desired range of demographic characteristics (e.g. gender, age, and computer use), previous internet experience levels and product-related knowledge. The data was collected using the questionnaires and interview guides; edited, coded and tabulated for completeness and accuracy; then analyzed using Statistical Package for Social Scientist (SPSS) program version 20. Findings on the effectiveness of electronic banking methods employed at IDBI bank, Mysore indicated that the methods offer quick services to its clients; respondents can easily transfer money from one account to another electronically; there is insufficient number of ATM booths. Findings revealed that Electronic Banking has satisfied most of people banking needs; IDBI bank is characterized by long ques; few break downs in ATM machine; the presence of breakdowns of ATM machines affects Electronic banking services hence affecting the level of client's satisfaction. Majority of the respondents strongly disagreed that the Customer are satisfied according to the way IDBI bank carry out their electronic systems and this implies that the relationship between electronic banking and customer satisfaction is weak. which is a weak direct relationship between the two variables It was recommended that there is a need to increase on the number of ATM booth of IDBI bank; this would eliminate the problem of long queues in the bank and at the ATM machines in turn increasing the level of customer satisfaction hence building a stronger positive relationship between electronic banking and customer satisfaction.

### INTRODUCTION:

Internet banking-Internet banking is changing the banking industry and is having the major effects on banking relationships. Banking is now no longer confined to the branches were one has to approach the branch in person, to withdraw cash or deposit a cheque or request a statement of accounts. In true Internet banking, any inquiry or transaction is processed online without any reference to the branch (anywhere banking) at any time. Providing Internet banking is increasingly becoming a "need to have" than a "nice to have" service. The net banking, thus, now is more of a norm rather than an exception in many developed countries due to the fact that it is the cheapest way of providing banking services.

E-banking is defined as the automated delivery of new and traditional banking products and services directly to customers through electronic, interactive communication channels. E-banking includes the systems that

enable financial institution customers, individuals or businesses, to access accounts, transact business, or obtain information on financial products and services through a public or private network, including the Internet. Customers access e-banking services using an intelligent electronic device, such as a personal computer (PC), personal digital assistant (PDA), automated teller machine (ATM), kiosk, or Touch Tone telephone.

Traditional banks offer many services to their customers, including accepting customer money deposits, providing various banking services to customers, and making loans to individuals and companies, compared with traditional channels of offering banking services through physical branches, e-banking uses the Internet to deliver traditional banking services to their customers, such as opening accounts, transferring funds, and electronic bill payment.

### **REVIEW OF LITERATURE:**

This study contributes to literature by focusing on the measurement of Customer Satisfaction of Internet Banking in India. The aim of literature reviews is to justify, rationale of an ensuring research study, provides an overview of historical perspectives and to bring to the light the research trends and problems.

Nitsure (2014) in his paper examines the problem being faced by developing countries in the adoption of E-banking initiatives due to low penetration of Information Technology. The paper highlighted the problems such as security concerns, rules, regulation and management. In India there is a major risk of the emergence of a digital divide as the poor are excluded from the internet and so from the financial system.

Lakes et al(2013) in their study explored the use of Internet Banking services. The study analyzed usage pattern and trends by tracking certain internet banking activities for a large sample of the bank's customer's. The analysis highlights some significant usage characteristics and patterns that have evolved around the more traditional Internet banking services, such as account status inquires and financial transactions.

Alabar, t. timothy (2012) has focused on e banking and customer satisfaction in Nigeria, and concluded that there is an impact of e banking on satisfaction of the customer of the banks in Nigeria. MajidKaboli, saeedFathi, MarjanAjiji,

Malhotra, Pooja & Singh, B.(2010) This study is an attempt to present the present status of Internet banking in India and the extent of Internet banking services offered by Internet banks. In addition, it seeks to examine the factors affecting the extent of Internet banking services.

Uppal, R.K. & Chawla, R. (2009)

this study highlights customer perceptions regarding e-banking services. The major finding of this study is that customers of all bank groups are interested in e-banking services, but at the same time are facing problems like, inadequate knowledge, poor network, lack of infrastructure, unsuitable location, misuse of ATM cards and difficulty to open an account.

2001). Flavián, Torres, & Guinalú, (2004) argued that use of internet as an alternative channel for financial services has now become a competitive necessity instead of being simply a competitive advantage. Lustsik (2003) pointed out that offering of e-banking services facilitates better branding and responsiveness to the bank.

### **OBJECTIVES OF THE STUDY:**

The present study was conducted based on followings objectives

1. To identify the factor affecting of customer satisfaction level of internet banking users, which leads to make more loyal customer and hence loyalty leads to the attracting more customer, expansion of business and increase in net profit.
2. To measure the satisfaction level of internet banking users, this leads to make more loyal customer and hence loyalty leads to the attracting more customer, expansion of business and increase in net profit.

**RESEARCH METHODOLOGY:**

The data were collected from customer (N=50) of public sector bank in Mysore city of Karnataka during the month of June 2015. Survey was conducted using a close ended structured questionnaire aimed to collect the data related with the satisfaction level of customer who are using internet banking service facilities. Before the filling questionnaire scholar has clarify the objectives of the study to respondents. The respondents were selected using judgmental sampling method; because, banks are not providing customers' name and information due to legal restrictions. The data collected using the questionnaires and interview guides was edited, coded and Tabulated for completeness and accuracy. First raw data gathered was analyzed using Statistical Package for Social Scientist (SPSS) program version 20. Descriptive statistics such as tables were used in the presentation of the data and the qualitative data collected required a descriptive and content analysis.

**RESULTS AND FINDINGS:**

To identify the factors affecting satisfaction level of internet banking users in a selected city of India, which leads to make more loyal customers and hence loyalty leads to the attracting more customers, expansion of business and increase in net profit. The Qualitative and quantitative methods has been used to measure the customer satisfaction of internet banking users in selected population. On the basis of study various independent variables have been identified to measure the satisfaction level of internet banking users.

**a. EFFICIENCY OF A BANK:**

It is related with the Efficiency of a bank in terms of service provided. The main areas covered under this category are account log in of a customer, adequate information on the bank's website, user friendly website, instructions and notice statements for customer on the website, Hangout during transaction process and speed during login of customer account.

**b. RELIABILITY OF A CUDTOMER ON BANK:**

It is related with the reliability of a customer on a bank. The main area covered under this category are Reliability of web page, message about completion of transaction, page download facility, Accuracy of information, Information contents and text under standings, Satisfaction level of service in comparison of charge, Easiness of transferring money to branches/banks, Account statement through SMS/e-mail, Reputation of Bank and Maintaining error free records.

**c.SERVICE DELIVERY SYSTEM:**

It is related with the service delivery system to a customer by the bank. The main area covered under this category are Promptness of bank response at the time of occurrence of problem, Promptness in problem solving, Online customer service representative connectivity, Customer service representative on telephone, Bank initiative to educate customer, Bank response to complain, Ability of bank representative, Behavior and attitude of Employee/Bank representative.

**d. EXPECTATION OF A CUSTOMER:**

It is related with the expectation of customers from a bank when they are using internet banking services provided by the banks. The main points covered under this category are Confirmation message for the service availed and Online purchased facilities, Fulfillment of customer instructions.

**e.SECRECY OF CUSTOMER:**

It is related with the privacy of customer account by the banks. The main points covered under this category are Secrecy of personal information, Secrecy of credit card information and reliability on bank understanding for not sharing the information.

**CONCLUSIONS & MANAGERIAL RECOMMENDATIONS:**

Indian economy is witnessing stellar growth over the last few years. There has been rapid development in infrastructure and business front during the growth period. Internet adoption among Indian has been rapidly increasing over the last one decade. Indian banks have also risen to the occasion by offering new channels of delivery to its customer. But proportionately Indian customers of internet banking users are less than the

developed nations. It has been observed that dissatisfaction is one of the important reasons for the lesser participation in internet banking. So this study made an attempt to measure the customer satisfaction of internet banking users in a selected city of Indian states. The researcher tried to identify the important factor that will affect the customer satisfaction of internet banking users. The quantitative analysis of the model confirmed that the factors identified by the researcher namely Efficiency, Reliability, Service Delivery System, Expectation of a Customer and Secrecy of a Customer. The result of the finding shows that Reliability, Expectation of a Customer and Secrecy of a Customer had positive influence on Customer Satisfaction of Internet Banking users in selected city of Indian states and the two variables Efficiency and the Service Delivery System had negative influence on Customer Satisfaction of Internet Banking users in selected city of Indian states. The current study attempted to examine a contribution of various dimensions of service quality in customers' satisfaction. A result of the study indicates that, all five variables, efficiency, reliability, service delivery system, expectation of a customer, secrecy of customer were found significant and were good predictors of overall satisfaction in e-banking.

Therefore, banker and e-banking service designers should think over these dimensions and make possible changes in the e-banking services according to the customers' expectations and need of the time. It will be helps to enhance service quality of e-banking and increase the level of customers' satisfaction in e-banking

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