
Impact of E-banking on customer satisfaction level : with special reference to Jabalpur (M.P.)

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Abstract

E-Banking has added new dimensions in the Banks' service delivery mechanism. Banks both public and private sectors have taken a paradigm shift from traditional banking to E-Banking. So as to be competent enough to face new challenges that are coming in the way of Banking system, Banks are now focused on Digital transformation in their operations and practices.

With the advancement in computer and telecommunications, Banks have adopted new techniques in their applications and to be highly competitive amongst other financial players. There is a shift in the technology available, which has transformed the concept of branch banking to anytime, anywhere and anyhow banking. Change in technologies has created a makeable impact on Banks as well as customers. This paper aims to understand the impact of transformation in banking services and products from traditional banking to Digital Banking on

Customers. This paper also focuses on understanding the customer satisfaction level towards various digital services being offered by Banks.

Keywords :E-Banking, satisfaction level, transformation

Introduction

Technology transformation has added new dimensions in the Banks' service delivery mechanism. Conventional brick-mortar banks are now adding new products and services, so as to be competent enough to face new challenges that are coming in the way of Banking system. Banks are now focused on Digital transformation in their operations and practices. The advances in computer and telecommunications have enabled banks to adopt new techniques in their applications and to be highly competitive amongst other financial players. There is a paradigm shift in the

technology available, which has transformed the concept of branch banking to anytime, anywhere and anyhow banking. Change in technologies has created a makeable impact on Banks as well as customers.

Definition of Banking

The word 'Bank' is said to be derived from French word 'Bancus' or 'Banque' i.e. a bench. It is believed that the early bankers, the Jews of Lombardy, transacted their business on benches in the marketplace. Others believe it is derived from German word "Back" meaning a Joint Stock Fund.

As per the definition by RBI, "Banking means accepting deposits of money from the public, for the purpose of lending or investment. The money is repayable to public on demand or otherwise and withdrawable by cheques, draft, order or otherwise."

Under Section 5 b of Indian Law Banking Regulation Act of India, 1949 "Accepting, for the purpose of lending or investment, of deposits of money from the public, repayable on demand or otherwise and withdrawal by cheque, draft, and order or otherwise".

About E-Banking

E-Banking is a medium of delivery of banking services and products. It is a strategic tool for business development. It has not only gained wide acceptance internationally, it is also being widely used in India. E-Banking is of great importance to customers as well as Bankers. With E-Banking customers can save their time, money and efforts. Now, with E-Banking services, it has become very easy for the customers to operate their Bank accounts. Customers can now access their accounts from anywhere in the world by using a home computer.

E-Banking has many benefits and certain issues and challenges for the customers. Customers are having different perception towards various E-Banking services. Though, E-Banking has made Banking very easy, there are a large number of people who are still unaware about these services and still using banking services in the traditional way.

It is necessary for Bankers to make people aware about E- Banking services and to solve any issues/ challenges that come in the way while using E-Banking services.

Research problem

Banks have moved from traditional banking to Digital Banking. Banks are providing man services through various online modes. Banks

are also trying to make people aware about these services, so that they make use of these services and make their life simple. Banks have introduced various awareness programs to make people in different age groups aware about these E-Banking services. Therefore, this paper aims to understand the impact of transformation in banking services and products from traditional banking to Digital Banking on Customers. This paper also focuses on understanding the customer satisfaction level towards various digital services being offered by Banks.

Research Objective

- To understand the impact of transformation in banking services and products from traditional banking to Digital Banking on Customers.
- To understand the customer satisfaction level towards various digital services being offered by Banks.

Research Methodology

The study is confined to Indian Banking Industry. This research study is intended to be a descriptive research. The data is obtained through the use of structured questionnaire and convenience sampling. A questionnaire has been drafted understand the impact of transformation in banking services and products from

traditional banking to Digital banking on customers and tounderstandthe satisfaction level towards E - Banking services being provided by Public and Private sector Banks.

Sample

Convenience sampling method has been used to collect sample data for the study. Data was collected from 100 respondents. The respondents are from the city of Jabalpur, Madhya Pradesh.

Age group of the respondent	No. of respondents
18 – 25	09
25 – 35	41
35 – 45	32
Above 45	18
Total	100

Gender	No. of respondents
Male	42
Female	58
Total	100

Qualification	No. of respondents
Under Graduate	0
Graduate	30
Post Graduate	70

Others	0
Total	100

Occupation	No. of respondents
Business	22
Professional	12
Housewife	11
Student	3
Retired	2
Service	50
Total	100

Data Collection method

The study is based on primary data collected through structured questionnaire. The questionnaire is divided into 2 parts :Part A and Part B.

Part A comprise of 4 questions which are related to personal information like age, gender, qualification, and occupation of the respondent.

In Part B, questions have been framed to study the impact of transformation from traditional

banking to digital banking on customers. Also questions related to customer satisfaction have been framed based on likert scale – agree, Neutral and disagree.

Data Analysis

The analysis of primary data was carried out usingMS Excel for preparing graphs and tabulation of data.

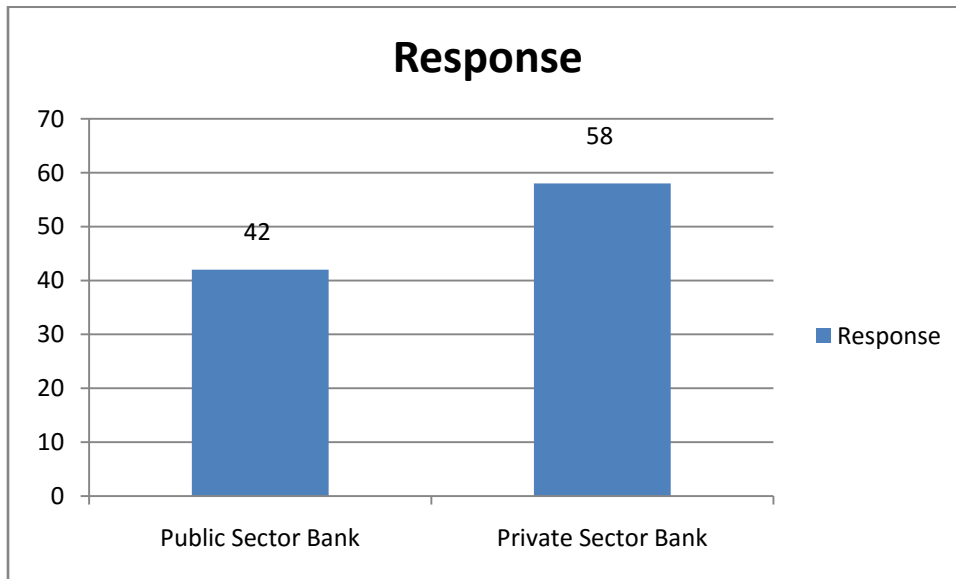
Q. 1. Do you have a Bank Account ?

Options	Response
Yes	100
No	0
Total	100

Interpretation : All the respondents are having a Bank account.

Q.2. Your Account is in which type of Bank : (you use the most)

Options	Response
Public Sector Bank	42
Private Sector Bank	58
Total	100

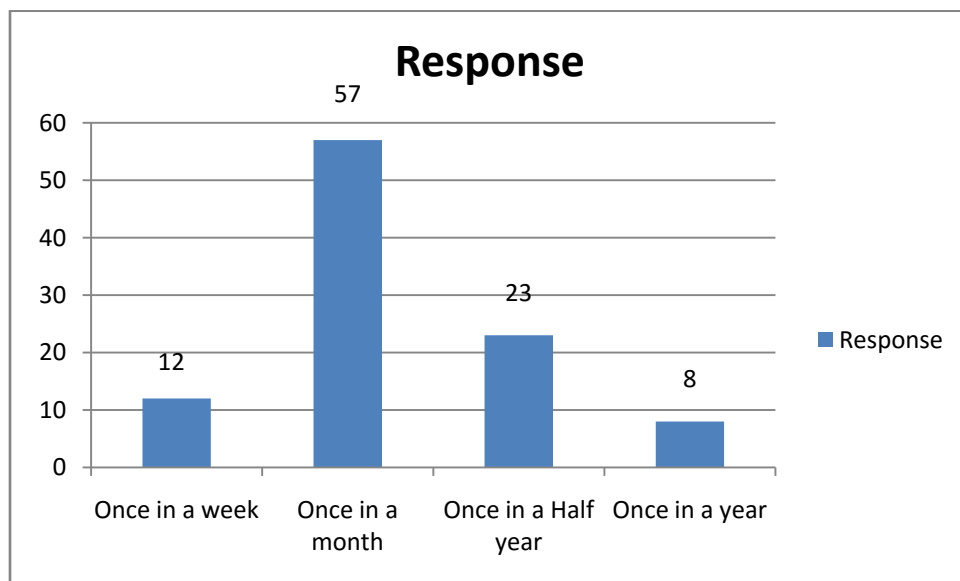


Interpretation : Out of 100 respondents, 42 are having account in Public Sector Bank and 58 have account in Private Sector Bank.

Q. 3. How often do you visit your Bank Branch ?

- (a) Once in a week
- (b) Once in a month
- (c) Once in a Half year
- (d) Once in a year

Options	Response
Once in a week	12
Once in a month	57
Once in a Half year	23
Once in a year	8
Total	100



Interpretation : Out of 100 respondents, 12 visit Bank once in a week, 57 visit once in a month, 23 visit once in a half year and 8 visit once in a year.

Q. 4. What is the reason for visiting the Bank branch :

- (a) To make deposit
- (b) To inquire about a balance
- (c) To withdraw cash
- (d) Enquire about new services
- (e) Passbook updation
- (f) Issue of Cheque book/ Demand draft
- (g) Bill payment
- (h) Money transfer
- (i) Repayment of Loan
- (j) Anyother _____

Options	Response
(a) To make deposit	52
(b) To inquire about a balance	
(c) To withdraw cash	2
(d) Enquire about new services	33
(e) Passbook updation	2
(f) Issue of Cheque book/ Demand draft	5
(g) Bill payment	
(h) Money transfer	6
(i) Repayment of Loan	
(j) Any other	
Total	100

Interpretation : Out of 100 respondents, 52 visit Bank to make cash deposit and 35 visit branch to enquire about new services. Only a few visit Bank for passbook updation, issue of cheque book/demand draft and money transfer.

Q. 5. Do you use E-Banking services of your Bank ?

- (a) Yes
- (b) No

Options	Response
Yes	100
No	0
Total	100

Interpretation : All the respondents from whom data has been collected are using Electronic Banking.

Q. 6. How did you come to know about E-Banking services?

- (a) From bank officials
- (b) Advertisement in Print media
- (c) Television and Radio Advertisement
- (d) On line Advertisement
- (e) From your family members
- (f) From your Friends
- (g) Any other (Please specify)

Options	Response
(a) From bank officials	42
(b) Advertisement in Print media	
(c) Television and Radio Advertisement	5
(d) On line Advertisement	
(e) From your family members	32
(f) From your Friends	21
(g) Any other (Please specify)	
Total	100

Interpretation : Out of 100 respondents, 42 came to know about E-Banking through Bank officials, 5 came to know through television/radio, 32 came to know from family members and 21 through their friends.

Q.7. Which among the following E-Banking services are provided by your bank?(Tick as many as applicable)

- (a) ATM
- (b) Internet banking
- (c) Mobile banking
- (d) Phone Banking
- (e) SMS Banking
- (f) Credit Card
- (g) All of the above
- (h) Any other (Please specify)

Options	Response
(a) ATM	
(b) Internet banking	
(c) Mobile banking	
(d) Phone Banking	
(e) SMS Banking	
(f) Credit Card	
(g) All of the above	100
(h) Any other (Please specify)	

Interpretation : All the respondents are aware that ATM, Internet Banking, Mobile Banking, Phone Banking, SMS Banking and Credit Card is being provided by their Bank.

Q.8. Which of the following E-Banking services are personally adopted by you ?

- (a) ATM
- (b) Internet banking
- (c) Mobile banking

Q. 9. Banks provide various facilities to Customers. Here, I am requesting you to kindly express your satisfaction level about various services offered by your Bank.

(3 = Agree, 2 = Neutral, 1 = disagree)

- (d) Phone Banking
- (e) SMS Banking
- (f) Credit Card
- (g) Any other (Please specify)

Options	Response
(a) ATM	100
(b) Internet banking	52
(c) Mobile banking	21
(d) Phone Banking	
(e) SMS Banking	65
(f) Credit Card	
(g) All of the above	
(h) Any other (Please specify)	

Interpretation :Out of 100 respondents, all of them are using ATM facility, 52 are using Internet Banking, 21 are using Mobile Banking and 65 are using SMS Banking.

Factors effecting satisfaction level of customers		Agree	Neutral	Disagree	Total
A	Factor – Tangibility				
1	Your Bank provides Computer based services	100			100
2	Your Bank offers 7 X 24 X 365 services	100			100
3	Computerization in Banks have reduced waiting time and queues in the branches	57	23	20	100
B	Factor - Understanding/ Communication				
1	E-Banking provides necessary information to the customer	78	12	10	100
2	E-Banking supports customer relationship	72	5	23	100
3	E-Banking service is self-explanatory	62	16	22	100
4	E-Banking is easy to operate	74	10	16	100
5	E-Banking provides cost of different services on the spot	34	21	45	100
6	E-Banking is best in getting up-to-date data	54	14	32	100
7	E- Banking service is faster than branch banking	65	15	20	100
8	Bank's site provides enough information for all customers in multiple languages	52	36	12	100
C	Factor - Security / Privacy of information				
1	E-Banking is safer for financial transactions	45	6	49	100
2	Bank provides clear information about security policies on their website	65	15	20	100
D	Factor – Responsiveness				
1	E-Banking has improved the quality of services of Banks	67	20	13	100
2	Customers gets full support of Bank employees in case of any problem that arises in online Banking	51	23	26	100
3	Bank displays important information on website quickly in case of any changes in service	67	16	17	100
E	Factor - Convenience				
1	The bank provides ATMs at several prominent locations	76	11	13	100
2	E-Banking has proved it as anytime banking	67	12	21	100
3	With E-Banking, it is easy to download and get printout of transaction history anytime	53	21	26	100
4	E-Banking has made all types of money transfers easy	54	34	12	100
F	Factor - Cost Saving / Bank charge				
1	Reward points/ discount offers etc. have motivated customers to use Debit Card/ Credit Card more	42	23	35	100
2	The charges that the bank collects are reasonable as compared to other banks	31	23	46	100
G	Factor - Feature Availability				
1	E-Banking has a wide variety of services available	61	23	16	100
H	Factor - Ease of use				
1	The output of transaction in the form of slip/ display on screen is self explanatory	57	15	28	100
2	E-Banking is user friendly	65	12	23	100

Interpretation :

Factor – Tangibility :

- Majority of the respondents are satisfied with this factor.

Factor – Understanding/ Communication :

- Majority of people feel that E-Banking is understanding and communicative.

- Majority of people disagree on the point that E-Banking provides cost of different services on the spot

Factor – Security/ Privacy of information

- Majority of people feel that E-Banking is not safe for their transactions

Factor – Responsiveness

- Majority of people feel that E-Banking services are responsive.

Factor – Convenience

- Majority of people feel that E-Banking services are very convenient in use.

Factor – Cost Saving/ Bank charge

- Majority of people feel that Banks charges are not reasonable for using E-Banking services

Factor – Feature Availability

- Majority of people feel that Bank is providing a wide variety of services through E-Banking

Factor – Ease of use

- Majority of respondents feel that E-Banking services are very easy to use.

Conclusion

- Majority of the respondents visit Bank branch once in a month
- Out of 100 respondents, 52 visit Bank to make cash deposit and 35 visit branch to enquire about new services. Only a few visit Bank for passbook updation, issue of cheque book/demand draft and money transfer.
- Out of 100 respondents, 42 came to know about E-Banking through Bank officials, 5 came to know through television/radio, 32 came to know from family members and 21 through their friends.
- All the respondents are aware that ATM, Internet Banking, Mobile Banking, Phone Banking, SMS Banking and Credit Card is being provided by their Bank.
- Out of 100 respondents, all of them are using ATM facility, 52 are using Internet Banking, 21 are using Mobile Banking and 65 are using SMS Banking.
- Majority of respondents are satisfied with various factors that E-Banking provides i.e. Tangibility, Understanding/ Communication, Responsiveness, Convenience, Feature Availability and ease of use.

- Majority of respondents are not satisfied with factors like Security/ Privacy of information and Cost saving/ bank charge.

Suggestions

- Bank customers should be educated about the feature of cash deposit through ATM, so as to avoid long queues at the cash counter.
- Awareness amongst bank customers regarding Internet Banking should be increased so that they can make their banks transactions easier and save time
- Customers of Public Sector as well as Private sector Banks should be made aware about ATM Services and internet Banking services.
- Banks should ensure that E-Banking is safe and secure for financial transactions
- Banks should organize seminar and conference to educate the customer regarding uses of E-Banking as well as security and privacy of their accounts
- Some customers are hindered by lack of computer skills. They need to be educated on basic skills required to use E-Banking facilities provided by their banks

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