

# **A Study on Customer Satisfaction towards E-Banking Service**

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**Abstract:** *This study examines customer satisfaction with E-banking services, exploring how digital banking platforms influence consumer experiences and perceptions. With the growing trend of online financial services, understanding factors that drive customer satisfaction is crucial for banks aiming to enhance their digital offerings. The research focuses on various elements such as ease of use, security, transaction speed, customer support, and the overall convenience of E-banking platforms. Through surveys and interviews, the study analyzes customer feedback to identify key drivers of satisfaction and dissatisfaction. The findings suggest that while customers appreciate the convenience and accessibility of E-banking, concerns around security and user interface design remain significant challenges.*

**Keywords:** E-banking services

## **I. INTRODUCTION**

### **Definition of Banking**

Electronic banking, also known as electronic funds transfer (EFT), is simply the use of electronic means to transfer funds directly from one account to another, rather than by cheque or cash. You can use electronic funds transfer to:

- Have your paycheck deposited directly into your bank or credit union checking account.
- Withdraw money from your checking account from an ATM machine with a personal identification number (PIN), at your convenience, day or night.
- Instruct your bank or credit union to automatically pay certain monthly bills from your account, such as your auto loan or your mortgage payment.
- Have the bank or credit union transfer funds each month from your checking account to your mutual fund account

### **Internet Banking:**

Internet Banking lets you handle many banking transactions via your personal computer. For instance, you may use your computer to view your account balance, request transfers between accounts, and pay bills electronically. Internet banking system and method in which a personal computer is connected by a network service provider directly to a host computer system of a bank such that customer service requests can be processed automatically without need for intervention by customer service representatives. The system is capable of distinguishing between those customer service requests which are capable of automated fulfillment and those requests which require handling by a customer service representative. The system is integrated with the host computer system of the bank so that the remote banking customer can access other automated services of the bank. The method of the invention includes the steps of inputting a customer banking request from among a menu of banking requests at a remote personnel computer; transmitting the banking requests to a host computer over a network; receiving the request at the host computer; identifying the type of customer banking request received; automatic logging of the service request, comparing the received request to a stored table of request types, each of the request types having an attribute to indicate whether the request type is capable of being fulfilled by a customer service representative or by an automated system; and, depending upon the attribute,



directing the request either to a queue for handling by a customer service representative or to a queue for processing by an automated system.

#### **DEBIT CARD:**

Debit cards are also known as check cards. Debit cards look like credit cards or ATM (automated teller machine) cards, but operate like cash or a personal check. Debit cards are different from credit cards. While a credit card is a way to "pay later," a debit card is a way to "pay now." When you use a debit card, your money is quickly deducted from your checking or savings account. Debit cards are accepted at many locations, including grocery stores, retail stores, gasoline stations, and restaurants. You can use your card anywhere merchants display your card's brand name or logo. They offer an alternative to carrying a checkbook or cash.

#### **E-CHEQUE:**

An e-Cheque is the electronic version or representation of paper cheque. • The Information and Legal Framework on the E-Cheque is the same as that of the paper cheque's. • It can now be used in place of paper cheques to do any and all remote transactions. • An E-cheque work the same way a cheque does, the cheque writer "writes" the eCheque using one of many types of electronic devices and "gives" the e-Cheque to the payee electronically. The payee "deposits" the Electronic Cheque receives credit, and the payee's bank "clears" the e-Cheque to the paying bank. The paying bank validates the e-Cheque and then "charges" the check writer's account for the check.

#### **ELECTRONIC DATA INTERCHANGE (EDI):**

EDI is the exchange of documents in the standardized electronic form, between organizations, in automated manners, directly from a computer application in one organization to an application in another. EDI can be compared and contrasted with electronic mail. Email enables free-format textual messages to be electronically transmitted from one person to another. EDI, on the other hand, supports structured business messages (those which are expressed in hard copy, pre-printed forms or business documents) and transmits them electronically between computer applications rather than between people (Kaptan and Choubey, 2003).

#### **Benefits of EDI:**

1. EDI enables paperless transactions, reduces mailing cost, and reduces inventory holdings because of fast filling of orders.
2. EDI facilitates higher quality and speed of information.
3. Results in lower processing costs.
4. Less reliance on human interpretation of data.
5. Creates innovative modern images. any monetary transaction involves banks, the banks have to offer EDI services to their customers. Banks that provide EDI services to their customers always have an advantage over those who do not provide such services. It can be said that EDI can be used for automating the existing processes, an opportunity to rationalize the procedures, reduce the costs and improve the quality of services.

#### **RISKS IN E-BANKING:**

E-banking improves a bank's performance and competitiveness so that existing customers can benefit from greater degree of convenience in effecting transactions. However, the banks are facing different levels of risks and expectations arising from electronic banking as compared to traditional banking services. Financial institutions have faced difficulties over the years for a multitude of reasons. The major cause of serious banking problems continues to be directly related to lax credit standards for borrowers and counterparties, poor portfolio, risk management that can lead to deterioration in the credit standing of a bank's counterparties. Banks need to manage the credit risk inherent in the entire portfolio as well as the risk in individual credits or transactions. Banks should also consider the relationships between credit risk and other categories of risks. Various kinds of risks are involved with e-banking .Some of these risks are discussed below:



### **Operational Risk:**

Due to the introduction of e-banking technology, operational risks are on the rise and should be managed in a proper way. The bank needs to manage these risks in the areas of security, data confidentiality, data system integrity, system availability and outsourcing. These risks are closely linked to reputation risks and legal risks for banks as if the security breaches then it will have damaging effects on the reputation of the bank which could have the legal consequences also. Security constitutes an important part in the operational risk of e-banking. Threats can come from inside and outside the system. It includes “hijacking”, “sniffing” or “spoofing” to retrieve and use confidential consumer information, add customer assets and subtract customer liabilities or interrupt operations. Human resource management must ensure that personnel involved in maintaining and operating the websites and system are adequately trained in security practices. In order to have a proper security system, there should be segregation of duties, which means access and control should be different. These practices should be regularly tested and reviewed by outside experts.

### **Reputational Risk:**

Reputational risk is the risk related to negative opinion of the customers that result in critical loss of funding of the customers. Reputational risk may arise due to action taken by the bank itself or in response to action of the third parties. This risk mainly arises when the system is not able to perform as expected. This risk may also arise from targeted attacks on banks. For example, a hacker penetrating a bank’s website may intentionally spread inaccurate information among the customers regarding the bank's products and services. So, reputational risk is increased through e-banking if the bank fails to deliver secure, accurate and timely services on a consistent basis.

## **II. LITERATURE REVIEW**

A study on customer satisfaction towards net banking with special reference to general banking customers in Coimbatore city” the objective of the study to know about the factors influencing and customers satisfaction of net banking service and service provided to the general banking sector. Questionnaire is collected form online banking used by customers and convenient simple percentage method and customer feedback and reference samples were collected by 70 number of respondents. As per the basic assumption we consider only those customers who know how to use the internet and access to the internet and provide internet banking service. The study is mainly based on primary data through issuing questionnaires to 200 respondents who reside in Coimbatore. The tools used are simple percentage analysis and chi-square analysis. From the study, it is conducted that bankers adapt new technology to satisfy their customers and also to change the way of services for attracting customers.

## **III. RESEARCH METHODOLOGY**

### **Research problem statement:**

The research problem is to study the customer satisfaction towards E-banking service.

### **Research objectives:**

#### **Primary objective**

To study the customer satisfaction regarding E-banking service in Surat city.

#### **Secondary objectives**

To study the factor influences customer satisfaction towards E-banking. To find the problems faced by customers during deadlines with online banking service. To find out the benefits associated with E-banking usage. To find out the challenges associated with E-banking usage.

### **Significance of the study**

This study is needed to find out the E-banking services and its importance to customer as well as to bank. In recent days, people are depending more on technology, because of advanced technological up-gradation. Through internet banking, any inquiry or transaction is processed without any reference to the branch at any time. providing internet



banking is increasingly becoming a “need to have” than a “nice to have” service. Net banking increases the speed of response to customer requirements, it will lead to greater customer satisfaction in handling a larger number of transactions.

#### **Limitation of the Study**

- The study is based on primary data also but the respondents chosen are limited and random.
- Some of the respondents were hesitant to provide us with true information, so it was difficult to communicate with them.
- Very limited secondary data are found in this topic and mostly based on primary data.

#### **IV. CONCLUSION**

- Some of the general problems faced by the respondents regarding the use of online banking
- Most of the customers expect helpline facilities. Most of the online banking users are not well educated about online banking usage and security precautions.
- Customers may have fear about risk associated with online banking. More complicated formalities and procedures are adopted.
- Electronic Banking technology is useful to customers as well as banks and other organizations. To increase efficiency, service quality of banks, safety, integrity, E-Banking can be used in a rightful way.
- Internet and mobile banking can be used only if the customers have knowledge about the usage of internet and mobile. Otherwise it is not possible so banks should take measures regarding these problems.

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