

A Survey on Customer Satisfaction and Quality of E-Banking Services – With Special Reference to South Goa

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ABSTRACT

The banks in India and also across the globe have contributed to the evolution of electronic banking as one of the most innovative services. The mutation through the traditional banking initiated by the application of Automatic Teller Machines (ATMs), Electronic Fund Transfer (EFT), direct bill payment etc. With the scope of development in the field of education along with the rising awareness among users, there has been a generation of a revolution in the process of online banking. Customers are voluntarily accepting the application of e-banking services that further allowed them to maintain their accounts at a minimum cost from anywhere at any time. This paper mainly reviews the researchers conducted by various researchers on the evolution of e-banking in India with the significant pros and cons related to it and how the online banking facilities have been affected as well as customer's satisfaction and quality of e banking services in South Goa. It would also discuss the influencing criterion for online customers satisfaction with the overall service quality of their banks.

Keywords: electronic banking, customer services, evolution, facilities, demonetization, satisfaction.

INTRODUCTION:

The Indian banking sectors accepted technology for their better functioning with the resounding of the Indian IT companies. This embracement covered the path for business process automation in the banking sector which would strengthen the customer service processes, reduction of costs in handling the workforce and rise in the profitability. The Reserve Bank of India played a significant role by furnishing guidance and regulations on the computerization and banking mechanization. Some of the significant turning points in the revolution of banking technologies are the establishment of computerized interconnectivity across different branches of banks, introduction of MICR-based cheque clearing, development in the payment services and settlements through Electronic Clearing Services (ECS). Real Time Gross Settlement Services (RTGS), National Electronic Fund Transfer (NEFT). The progress in the Automated Teller Machines (ATMs) gave the customers an easy to access money anytime while credit cards were made available for the cashless transactions and therefore unshackling a revolution in the world of banking. The next achievement was the availability of internet banking through SMS generation. At present, the concept of direct or virtual banking is capturing the vogue. Certain things like the use of less paperwork and wireless transactions are projected out with the acquisition of technology by the banks. Indian banks in the past few years have developed content management for performing paperless transactions with the assistance of the imaging and workflow capabilities of certain software (Thought paper on Banking in India: Evolution in Technology, 2012). Currently, the access to their money and other financial transactions 'anytime and anywhere' the banks had implemented wireless solutions in device self-sustaining ways. To enhance the economy of India, a robust and healthy banking system is noteworthy. There have been different challenges for the regulators and supervisors through the evolution of E-banking facilities which is efficient and

proved to be convenient. There has been a rise in the banking automation of Indian banking industries due to the upcoming contest among the banks (Lakshmi Bhai, 2018). Therefore, the purpose of the study is to explore the pieces of literature from various papers and develop an understanding on the evolution, prospects and complications of e-banking in context of Indian banking sector, and study on customer's satisfaction and quality of e banking services in South Goa.

Advantages of E Banking:

There are diverse forms of advantages that steer the e-banking usage. Some of the discussed advantages are:

Convenience for customers:

Indirect banking services balance information and other real-time information can be gathered at a touch of few buttons thus developing better, more accessible and faster as well as practical services to the users.

Services:

The availability of more sound websites is in direct banking that provides an extensive set of features which generally lacked through the websites of the traditional banks. It includes a provision of online tax forms, free online bill payments and taxes.

Mobility:

The mobile capacities were also involved in internet banking services. To enhance and broaden such services latest applications through smartphones and other mobile devices were being generated seamlessly.

Ease of use:

Another advantage of e-banking is the generation and management of online bank accounts. It has the provision of inserting users' data online and therefore downloading online forms and mailing them online. There are also options provided by the e-banking facility to call or send them in case of any problem or queries (Sharma, 2016). The disadvantages associated with the e-banking usages are:

Transaction issues

In some direct banking facilities, complication can arise for consumers opting for international transactions. Therefore, a conventional bank with a drive-through window could be more productive or practical if a user deposits cash on a regular basis.

Service issues:

The direct bank services may not provide detailed financial facilities like brokerage and insurance accounts which are provided by the traditional banks. Further, routine services like bank signatures are not present online in case of some conventional banking services.

Security:

In online banking, the accounts are encrypted with sophisticated software in order to secure any users account information but there is no system that existed perfect. Cyber-attacks by hackers and other unauthenticated activities may destroy the security services and hack customers' bank account online. Nowadays banks generate scanned copies of cleared cheques online to avoid and check fraudulent. Further, verification of the checks signed by the users is being provided to maintain secured services for the users (Sharma, 2016).

OBJECTIVES OF THE STUDY:

This study aims to understand a concept of e-banking services and how it benefits in developing a consumers perception. The objectives of this paper are to:

- i) To study and explore the evolution and developments of E-banking in India.
- ii) To understand customers perception of E-banking.
- iii) To understand the satisfaction level of customers for Public and Private Banks with internet banking.

REVIEW OF LITERATURE:

The evolution of E-banking in India is moderate of recent origin. With branch banking, there has been a

development of a traditional model for banking. The initiation of non-branch banking services was during the early 1990s. At present, there has been the abolishment of the sound old manual systems on which the Indian Banking was dependent for ages. The Indian banks like ICICI Bank, Citibank and HDFC bank instigated the internet banking facility in India by the year 1999 (Lal et al., 2012). According to Asht et al. (2016), there has been an observed growth in the banking sector that ease the chances for deploying the financial resources, huge investment flux, intermediation activities that run swiftly to strengthen and facilitate the customers. E-banking technique is of supreme importance while attaining consumer expectations. With the deliverance of high-quality services, satisfaction for customers is achieved targeting the loyal consumers (Toor et al., 2016). The digital distribution of contemporary as well as traditional banking products and services directly to the customers by electronic, interactive communicating medium is termed as E-banking (Shahriari, 2014). The Asian consumers including India are on a speedy advancement to digital marketing along with the rest of the world (Barquin & HV, 2015).

A major milestone in the Indian Banking system was achieved post-independence when the nationalization of the major private sector banks took place during the year 1969 and therefore banking was made approachable to the non-banking Indian population (Thought paper on Banking in India: Evolution in Technology, 2012). Devulapalli et al. (n.d) in their paper suggested that it was the e-banking facility that was provided by the banks and approached by the Indian citizens at the time of demonetization in India as it was considered to be one of the most secured, flexible and adaptable methods of transactions in banks for the customers. In the year 1978, the demonetization was conducted where the banks were allowed to make all types of transactions, but presently people have access to the technologies to maintain all cash as well as cashless transactions. The Narendra Modi Government took the country and the people by amazed when he declared demonetization of Rs 500 and Rs 1,000 currency on 8th November 2016. Due to this phenomenon, the banks in India had experienced a growth spike which was previously at a 53 year low. Initially, demonetization focused as a surgical strike on the black money or untaxed wealth of the countrymen and therefore shifted India into a cashless economy i.e. banking. During that time online banking, online shopping through E-wallet, mobile banking, credit and debit cards was appreciated by the government. The prime target was to control the black money and raise the process of E-transaction in India (Usha Rani et al., n.d). Post demonetization the e-banking services turned out to be easier through the internet banking. It was further summarized in the paper that there must be the development of infrastructure and also in providing better education to the deprived generation as they encounter issues while using these services. Further, it will lead India to achieve a digital economy and achieve transparencies through the system. Sujata, (n.d) discussed that for providing a better and customized service by the banks in India, the bank authorities must be concerned of the attitudes of senior and other adult customers regarding the online banking services. Further e-banking became a requisite post-demonetization as both high society people along with the commoners were dependent on these services. Banks conducted and delivered seminars on facilities of e-banking pre-demonetization, but the customers were found concerned about the privacy and other security issues related to internet banking services.

The prosperous outcome of electronic banking has a direct correlation with the e-banking service calibre. Therefore, essentiality lies with which the banks have eased for handling the electronic services for assessment and satisfaction of the client and therefore raise the quality of e-banking (Jovovic et al., 2016). Among countless services where the satisfaction of customers had a rising significance in the corresponding research areas is the Banking sector as it is continuously gaining competition. In banking, the satisfaction of the customers was given importance (Khurana, 2009). From the findings, it was discussed that the least concentrated quality among the bank services was reliability. Further, it was observed that there was no important connection between the demographic variables and service quality factors like assurance, reliability etc. except for the income regarding marital status and empathy of a person. A further association was found to occur between factors like service loyalty and customer satisfaction from all dimensions. Therefore it was revealed that the quality of service provided by the State Bank of India in Tamil Nadu had a positive effect on the satisfaction of the customers and thereafter gaining the loyalty (Anand et al., 2012).

RESEARCH METHODOLOGY:

Exploratory research methodology is used here to analyze the data. Data was collected from multiple sources such as books, journals to understand the benefits of e banking. In order to understand ground level Perception of e banking of the customer's primary data were collected from the South Goa. The main aim of the field survey was to know the perception, awareness and extent of benefits accrued by customers of private and public sector banks. Thus, eight banks were chosen in total, namely, State Bank of India, Punjab National Bank, Bank of India, Canara Bank and Corporation Bank from Public sector banks; ICICI (Industrial Credit and Investment Corporation of

India) Bank, HDFC (Housing Development Financial Corporation) Bank & Axis Bank from Private Sector Banks were chosen. Present study has been restricted to time period from May 2018 to July 2018 has been taken as a representative banking customers from South Goa. A survey of 300 Respondents from Public sector and Private Sector banks situated in South Goa consist of Margao, Cuncolim, Canacona, Quepem, Sanguem, and Ponda were interviewed. As per the set objectives of the study, the primary data from sample customers were collected by personal interview method by using pre-tested structured questionnaire prepared for the purpose.

ANALYSIS AND INTERPRETATION:

Table 1: Respondents’ Demographic Characteristics

	Category	No. of Respondents	Percentage
Gender	Male	168	56.00
	Female	132	44.00
Age	Below 30 years	113	37.67
	30 to 40 years	51	17.00
	40 to 50 years	53	17.67
	50 years and above	83	27.66
Educational Qualification	Upto XIIth	49	16.33
	Graduate	181	60.33
	Post Graduate	57	19.00
	Any other	13	4.34
Sector of bank	Public sector	179	59.67
	Private Sector	121	40.33

Source: Primary Data

As per the Table 1 it can be seen that majority of the respondents were of the age group of below 30 years accounting for 37.67 percent, 60.33 percent of the respondents were post graduates and 59.67 percent of the respondents are using Public Sector banks.

Source of Awareness about E banking System:

For a customer up to date information is very important. There are many developments takes place in banking sector. These are published in the books, journals, government publication and also in internet. This has also been discussed in seminars and symposia conducted by various bodies.

To know the sources of awareness about e banking system for the banking customers of South Goa the ranking were made among various sources and results are presented in Table-2

Table 2: Source of Awareness about E Banking system for the banking customers

Source	Rank
Government Publications	6
Books and/Journals	5
Seminars and Workshops	4
Bank Officials	3
Friends	2
Websites/internet	1

Source: Primary Data

The Table-2 depicts that source of awareness about e banking system for customer, website/internet stands in the first rank, followed by friends in the second rank and bank officials in the third rank. Seminars and workshops stand in fourth rank. It can be noticed that government publications stands in last position. It shows that there is a need of more government publications to the customers to update the knowledge about e banking system.

Perception E Banking:

The information and communication technologies were adopted by the banks to upgrade the quality of services of the banks. E-banking services which are based on Information and Communication Technology (ICT) or e-

banking provided by the banks to introduce customer centricity, convenience, raise the quality of services and effectiveness in the costs in bank services and enhancing the satisfaction of the customers were given preference. At present, the banks are been evaluated by the customers based on the e-services provided to them. But there aroused chances for certain gaps in the actual perception of the service quality, brand perception and the values supposed and needs of the customers through e-banking (Kumbhar, 2011). To understand the major factors influencing e banking perception Factor Analysis is conducted and results are discussed here under.

Table 3: KMO and Bartlett's Test

Kaiser-Meyer-Olkin Measure of Sampling Adequacy.		0.680
Bartlett's Test of Sphericity	Approx. Chi-Square	167.167
	df	82
	Sig.	.000

The value of KMO is determined as 0.680 and the Bartlett's Test of Sphericity as 167.167 significant at 1 percent, ($p < 0.000$) that justify the usage of factor analysis. Communalities represent the percentage of variance explained by the extracted components.

Table 4: Communalities practitioners perception about VAT System

	Initial	Extraction
Easy to use e banking	1.000	0.832
Convenience to operate	1.000	0.659
System availability in bank	1.000	0.396
Efficiency of bank the staff	1.000	0.610
Cost reduction	1.000	0.794
Security provided	1.000	0.725
Service delivery	1.000	0.513
Information security	1.000	0.563
Up to date information	1.000	0.470
Various online products	1.000	0.633
Sensitivity towards online enquiries	1.000	0.628
Availability information	1.000	0.532
Responsiveness of the bank	1.000	0.631

Source: Primary Data

Extraction Method: Principal Component Analysis.

Result:

The thirteen variables considered in the primary data were reduced into five factors model and each factor is given a name which associated with corresponding variables. The factor names and description of factors are given in the following table 5

Table 5: Factors Model Rotated Component Matrix

	Component					
	1	2	3	4	5	
Responsiveness of the bank	0.631					Advantages of E banking
Convenience to operate	0.659					
Information security	0.563					
System availability in bank		0.396				Benefits of E Banking
Efficiency of bank the staff		0.610				
Security provided		0.725				
Various online products		0.633				
Cost Reduction			0.794			Understanding of E Banking
Easy to use e banking			0.832			

	Component					
	1	2	3	4	5	
Up to date information			0.470			Outcome of E Banking
Service delivery				0.513		
Sensitivity towards online enquiries				0.628		
Availability information				0.532		

Source: Primary Data

Extraction Method: Principal Component Analysis.

Rotation Method: Varimax with Kaiser Normalization.

Rotation converged in 7 iterations.

Results:

From the Table- 5 reveals that the first factor consists of three variables with variable loadings, such as Responsiveness of the bank (0.631), Convenience to operate (0.659) Information security (0.563). This factor is known as “Advantages of E banking”. The variables System availability in bank (0.396), Efficiency of bank the staff (0.610), Security provided (0.725), Various online products (0.633) is named as “Benefits of E Banking”. The next three variables such as Cost Reduction (0.794), Easy to use e banking (0.832) and Up to date information (0.470) shows the “Understanding of E Banking”. And the variables consisting of Service delivery (0.513), Sensitivity towards online enquiries (0.628), Availability information (0.532) named as “Outcome of E Banking”

FINDINGS AND DISCUSSIONS:

By exploring the diverse aspects of the works of literature from different researchers it was found and discussed that for a dynamic nation like India, the implementation and success of the e-banking services solely relies on the calculative involvement of internet availability. For assessing e banking facilities there is a major obstacle is a low infrastructure with lower levels of internet penetration is considered as an issue. Also, lack of education and proper internet knowledge is a criteria for fear to avail e-banking services by the adults. Further, it was found that post demonetization the users availing e-banking services rose. Multiple access facilities combining telephone, internet, mobile and ATM would likely motivate the number of consumers’ to adopt and use E-banking would motivate more customers to avail these online services. Again it was found that security issues were of prime concern for the users and also the bank authorities as it hinders the initiation to uptake e-banking services by the people.

CONCLUSIONS AND RECOMMENDATIONS:

It can be summarized from the study that initiation of latest banking facilities through the e-banking services developed a bunch of occasions as well as produced challenges in the current banking scenario as well as with the perception of the consumers in India. The progress in the Automated Teller Machines (ATMs) gave the customers an ease to access money anytime while credit cards were made available for the cashless transactions and therefore unshackling a revolution in the world of banking. Further, major advantages and disadvantages contributed to the e-banking services like the accessibility and ease of use for the customers were the pros whereas security issues, transaction and service issues were grouped as the prime cons in the delivery of e-banking services. Again essentiality lies with which the banks have eased for handling the electronic services for assessment and satisfaction of the client and therefore raise the quality of e-banking. Service qualities like tangibility, reliability, responsiveness, assurance and empathy have shown more or less a great impact on customer satisfaction with internet banking services. The Study shows that customers were satisfied with the internet banking services being rendered by their respective Public and Private Sector banks.

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