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**Dr. Burri Umashankar**  
Assistant Professor (P),  
Department of Public  
Administration & Human  
Resource Management,  
Kakatiya University,  
Warangal, Telangana, India

## Consumer satisfaction in E-Banking

**Dr. Burri Umashankar**

### Abstract

Today's world is one with increasing online access to services. One part of this which is growing rapidly is online banking. Customer satisfaction is imperative for the incessant survival of any organization around the world. Electronic Banking incorporates a variety of platforms such as internet banking, automated teller services and mobile phone banking to deliver banking products to the customer. The study aimed to identify most popular electronic banking services among consumers. Consumer service being an integral part of banking, the study also focused on the satisfaction of consumers utilising E-Banking services.

**Keywords:** Electronic banking, automatic teller machine, internet banking, mobile banking, level of satisfaction

### Introduction

Technology has played a vital role in today's world. Internet has made this world a Global village and the same has revolutionized the banking industry. Conversion from the manual based ledger system to systemized processes and the overture to internet based facilities has given a new facet to the banking sector. The competition in banking sector augmented over the last few years and to stay competitive, banks are espousing novel tools and techniques to attain customer retention and satisfaction and E-Banking is one tool towards it. E-Banking is one of the technology advancements that help consumers to perform their financial transactions on a secured platform from a retail or automated bank, credit union, or any financial institution. E-Banking, also known as electronic banking, is the digital distribution of new banking services and products to consumers directly through electronic, interactive contact networks. When opposed to conventional banking, it offers many advantages and strengths to consumers. E-Banking is a simple and convenient way to obtain 24-hour access to your bank using a smartphone. E-Banking makes use of the internet as a distribution mechanism for banking transfers. E-Banking services have made bank transfers a thing of the past when it comes to everyday errands. Since online banking is one of the most popular services provided by banks, it is also a very stable platform. Encryption systems are often used by banks to ensure that all customer information is secure and that no data breaches occur.

### Indian Banking Sector and Information Technology

The banks were also selling their products and services through a variety of creative and appealing technology-based multichannel. The method began in the 1970s with the introduction of computers as ledger posting machines. The use of technology has been implemented in Banking operations have a wide range of back-office and customer facing tasks. Early in the 1980s, The Reserve Bank of India established two committees to speed up the modernization of the banking system. operations in the financial industry A high level committee were formed under the auspices of the Under the chairmanship of Dr C. Rangarajan, a phased strategy for computerization and automation was created. In the banking industry, there has been a lot of automation. Banks are now using a range of innovative and attractive technology-based multichannel to market their goods and services. With the invention of computers as ledger posting machines in the 1970s, the system was born. Banking operations use automation for a variety of back-office and customer-facing activities. The Reserve Bank of India formed two committees to speed up the restructuring of the banking system in the early 1980s.

**Corresponding Author:**  
**Dr. Burri Umashankar**  
Assistant Professor (P),  
Department of Public  
Administration & Human  
Resource Management,  
Kakatiya University,  
Warangal, Telangana, India

Economic processes A high-level committee was organised under the auspices of the and a phased plan for computerization and automation was established under the chairmanship of Dr C. Rangarajan. Banks that once relied solely on the branch to provide services have now begun to sell their products and services across several creative and technology-based channels. Internet Banking, Automated Teller Machines, and other platforms are examples of these. 'ATMs,' 'Mobile Banking,' 'Phone Banking,' 'TV Banking,' and so on. Any of these are E-banking or online-banking is the domain of new delivery networks. In the type of digital banking, electronic banking has been around for a long time. Telephone transfers and automated teller machines (ATMs). It has been more common in recent years. The internet has changed everything – it's a digital distribution system that had enabled banking simpler for its transactions.

### **E-Banking in India**

E-Banking is a relatively new phenomenon in India. The conventional banking paradigm has been through branch banking. Non-branch banking services were only introduced in the early 1990s. The old manual systems that Indian banking relied on for centuries seem to have no place today. ICICI Bank is responsible for the introduction of internet banking in India. In 1999, Citibank and HDFC Bank launched internet banking services. The Government of India and the Reserve Bank of India have taken many steps to encourage the growth of E-Banking in India. With effect from October 17, 2000, the Government of India passed the IT Act, 2000, which offered legal recognition. To deal with the pressures of the rivalry, Indian commercial banks have implemented several initiatives, one of which is E-Banking. The competition has been internal disagreements for public sector banks, as the newly formed private sector and foreign banks have emerged. EBanking provides three broad services: Convenience- Complete your banking at your leisure in the privacy of your own house, there are no lines at an online bank, 24x7 service- Bank online transactions are available 24 hours a day, 7 days a week, 52 weeks a year.

### **Review of Literature**

Dr. S. Sangeetha, 2020 <sup>[1]</sup>: studies the customer's satisfaction towards E-Banking Services and its impacts on banks. Electronic Banking technology is useful to consumers as well as banks and other organizations. and there is no significant difference between personal factors like age, profession, annual income and category of the bank chosen and the satisfaction level of the consumers.

Dr. Jagdeep Singh, 2018 <sup>[2]</sup>: investigates the effect of E-Banking on service quality Likert scales with five points have been established. To accomplish this task, the Service quality model was extended to 42 statements. A total of 42 statements were included. Respondents were requested to score these products on a scale of 1 to 5 based on their interactions with E-Banking services. The effect of E-banking on service quality was examined using nine factors: connectivity, tangibility, understanding, credibility, stability, access, responsiveness, competence, and reliability, all of which have a major impact on service quality.

Kavitha.S, 2016 <sup>[3]</sup>: According to the research, the banking sector is the dominant sector, which is regarded as the gateway to savings for the general public and the government, which is a source of GDP. The research is based on secondary data. The study's tools included trend

and compound Annual Growth Rate (AGR). According to the analysis, E-Banking is both a strength and weakness and the banking sector will be able to solve all of the obstacles in the coming years.

Rajput, 2015 <sup>[4]</sup>: explores customer satisfaction of online banking systems and its consequences for banks. This paper aim is to assess consumer perceptions towards E-Banking facilities. The data was collected via questionnaire and descriptively evaluated using percentages and ANOVA. Consumers were discovered to be using E-Banking systems such as ATMs, home banking, including the use of payment cards, it can be inferred that about 45 per cent of people have a favourable view of and are satisfied with E-Banking. ATM withdrawals, bill payments, and bank statement retrieval are all common E-Banking services.

### **Objectives of the Study**

1. To know the relationship between security towards the satisfaction level of consumers using E-Banking services.
2. To understand the effect of E-Banking on quality services and customer satisfaction.

### **Methodology**

Secondary data were gathered from text books, websites. Here, the proportion of the proportion of secondary data that is used in the study.

### **Consumer Satisfaction**

A consumer is distinguished from a consumer in the sense that a customer pays for a product or service while a consumer is the end user who experiences a product or service. But in some contexts, a consumer and a consumer can be the same. Satisfaction, as widely accepted, is the consumer's fulfillment response and is a judgment that a product or service feature or the product of service itself, provided a pleasurable level of consumption-related fulfillment, including levels of under or over fulfillment, consumer satisfaction as a measure of how products or services supplied by a firm meet or surpass consumer expectations. Consumer satisfaction incorporates such provisions of goods or services that fulfill customer expectations in terms of quality and service, in relation to the magnitude of payment.

Core banking solutions have enabled banks to extend full benefits of ATM services, mobile and internet banking solutions to all the consumers. Core banking solutions offer a package of benefits to consumers on a round the clock basis from a single centralized location through all possible delivery channels. Such a centralized approach has made a 'one – stop solution' for all financial services a possibility. Results of the survey do indicate customer inclination towards the use of ATM services when compared to other technology counterparts. But this phenomenon may not continue indefinitely. The dynamic nature of technology and time may lead to change in customer preferences. Again, consumers will be forced to review their preferences with changes in policies and regulations of the ruling elite, which became evident during the recent demonetization regime. Consumers today are left with a multitude of offers, options and opportunities when choosing banking services. They are rapidly evolving in their use of banking services and technologies. Changing customer preferences and behaviours indicate need for introduction of new strategies

and latest technologies to attract and maintain consumers. In fact, customer behaviours seem to change faster than lead times for new products and services. The question of how far technology enabled banking services has met the needs and expectations of consumers in an ever changing dynamic environment need frequent and timely investigations and revisions. The credibility of entire banking system will be at stake if rapid changing customer preferences are not identified or sensed, consumers are not sufficiently informed, their fears, resistances and issues are not resolved as and when required and real time solutions are not offered.

### Conclusion

Over the past two decades several studies have been carried out to investigate the significant factors of customer satisfaction. In this competitive era of technological environment, it is important to understand the significant factors of E-banking customer satisfaction. On the other hand, ease of use does not have a significant impact on the E-Banking customer satisfaction. Financial institutions may generate a competitive advantage by focusing on E-banking service quality and preserving customer engagements through the use of the internet and the newest technology innovations. The customer is looking for quality services which can provide satisfaction. From the study it is understood that the consumers are highly satisfied with the E-banking services in Mysore city. The suitable services available may be improved to give better customer satisfaction leading to retention of existing consumers and attracting new consumers. In recent years many changes have been taken place in the banking sectors. These changes do not reduce the errors and mistakes in terms of operational activities. The consumers are still facing various problems while using banking transactions. Therefore, the banks need to focus more on service sector and operational activities, which makes the customer more comfortable and satisfied in dealing with banking activities. Central Bank and government have to ensure that all of the banks provide a similar or better quality of E-Banking service to achieve a higher percentage of customer satisfaction. The service quality of the banks must be updated to remain competitive. Policymakers can formulate effective intervention and remediation programs to strengthen the E-Banking services in order to move towards vision 2030 challenges.

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