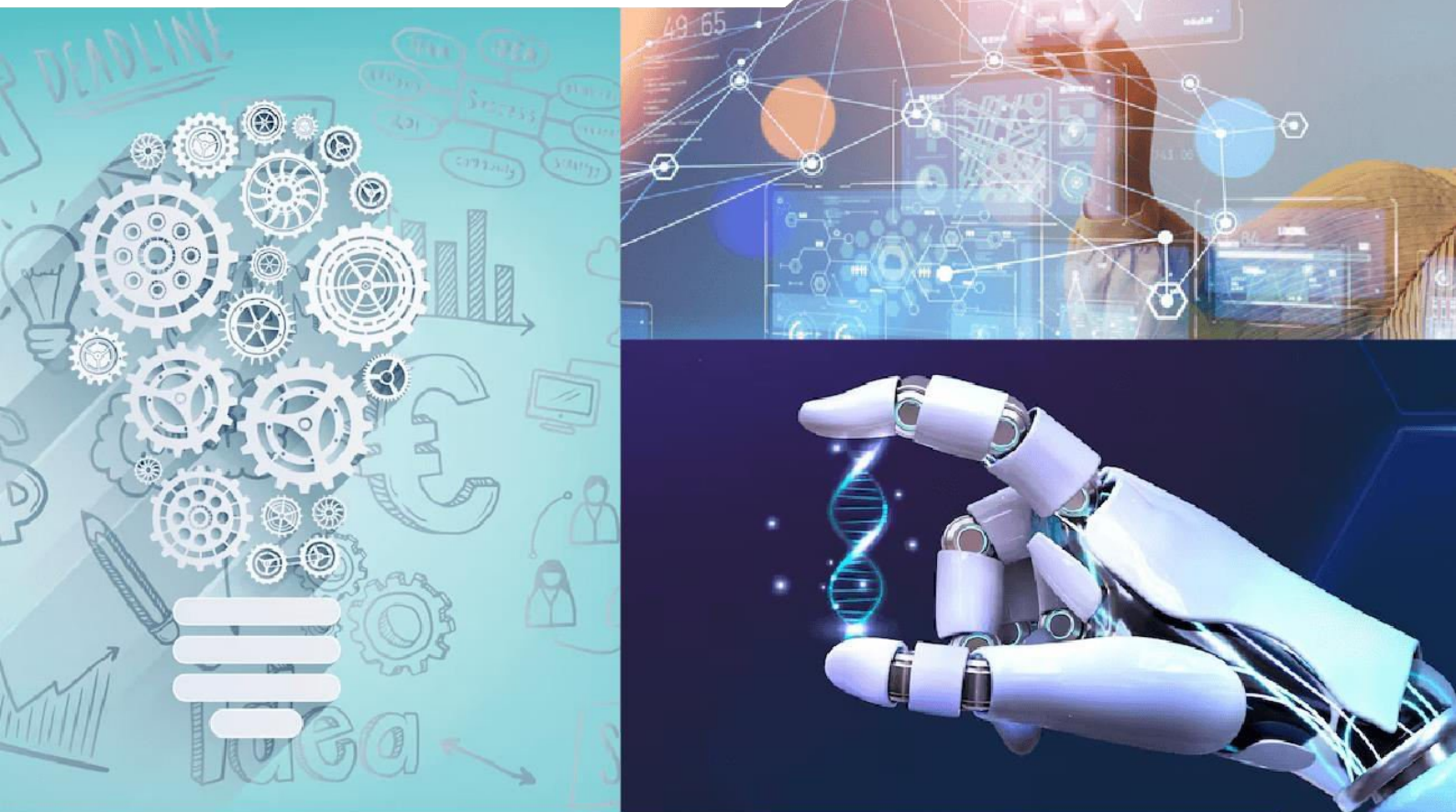




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Analysis of Customer Satisfaction on Internet Banking Service Quality

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ABSTRACT: Digital banking is also called internet banking or online banking. When a bank provides its services online and customers can make transactions, submit requests, and handle other banking activities online, it is called digital banking. The first bank in India to offer internet banking was the ICICI bank in 1996. Since then a number of other banks have followed suit and today most of the banks provide online banking facilities. Digital banking is part of the broader context for the move to online banking, where banking services are delivered over the internet. The shift from traditional to digital banking has been gradual and remains ongoing, and is constituted by differing degrees of banking service digitization. Digital banking involves high levels of process automation and web-based services and may include APIs enabling cross-institutional service composition to deliver banking products and provide transactions. It provides the ability for users to access financial data through desktop, mobile, and ATM services. A digital bank represents a virtual process that includes online banking and beyond. As an end-to-end platform, digital banking must encompass the front end that consumers see, the back end that bankers see through their servers and admin control panels, and the middleware that connects these nodes. Ultimately, a digital bank should facilitate all functional levels of banking on all service delivery platforms. In other words, it should have all the same functions as a head office, branch office, online service, bank cards, ATM, and point of sale machines.

KEYWORDS: Internet Banking, Customer Satisfaction, Service Quality, Digital Banking, E-banking, Online Banking, Banking Technology, Service Efficiency.

I. INTRODUCTION

Digital banking is also called internet banking or online banking. When a bank provides its services online and customers can make transactions, submit requests, and handle other banking activities online, it is called digital banking. The first bank in India to offer internet banking was the ICICI bank in 1996. Since then a number of other banks have followed suit and today most of the banks provide online banking facilities. Digital banking is part of the broader context for the move to online banking, where banking services are delivered over the internet. The shift from traditional to digital banking has been gradual and remains ongoing, and is constituted by differing degrees of banking service digitization. Digital banking involves high levels of process automation and web-based services and may include APIs enabling cross-institutional service composition to deliver banking products and provide transactions. It provides the ability for users to access financial data through desktop, mobile, and ATM services. A digital bank represents a virtual process that includes online banking and beyond. As an end-to-end platform, digital banking must encompass the front end that consumers see, the back end that bankers see through their servers and admin control panels, and the middleware that connects these nodes. Ultimately, a digital bank should facilitate all functional levels of banking on all service delivery platforms. In other words, it should have all the same functions as a head office, branch office, online service, bank cards, ATM, and point of sale machines. The reason digital banking is more than just a mobile or online platform is that it includes middleware solutions. Middleware is software that bridges operating systems or databases with other applications. Financial industry departments such as risk management, product development, and marketing must also be included in the middle and back end to truly be considered a complete digital bank. Financial institutions must be at the forefront of the latest technology to ensure security and compliance with government regulations.

OBJECTIVES OF THE STUDY

- To study the frequency of using internet banking by customers.
- To know the purpose of using internet banking by customers.
- To find out the satisfaction level of customers from the services of internet banking.

II. REVIEW OF LITERATURE

Rakesh H. M. and Ramya T. J. (2014) in their research paper titled “A Study on Factors Influencing Consumer Adoption of Internet Banking in India” examined the factors that influence the adoption of internet banking. Using PLS, a model was successfully tested and it was found that internet banking adoption is influenced by perceived reliability, perceived ease of use, and perceived usefulness. The study suggests that in the marketing process of internet banking services, marketing experts should emphasize these benefits, and awareness can also be improved to attract consumers’ attention toward internet banking services.

Bahram Meihami, Zeinab Varmaghani& Hussein Meihami (2013) In their researchpaper “The Effect of Using Electronic Banking on Profitability of Bank“ This paper deals with Electronic banking is the use of electronic means to transfer funds directly from one account to another, rather than by check or cash. Through reducing bank costs, electronic banking can increase bank incomes. In this research the role of electronic banking (i.e. automated teller machines, bank card, internet bank, telephone bank, point of sale) in increasingbank incomesis studied.

Dr. G. S. Gireesh Kumar, Bijoy A. P., and Ajimon George (2012) in their research paper “Effect of Service Quality Dimensions on Adoption of Internet Banking – An Empirical Investigation of Customers’ Perspectives in Kerala” stated that the purpose of the study was to examine the interrelationship between internet banking service quality dimensions and the adoption of internet banking by customers in Kerala. Using a structured questionnaire, primary data were collected from 240 internet banking users from both public and private sector banks, selected randomly from various parts of Kerala. The study found that the adoption of internet banking by customers is influenced by various service quality dimensions and that the extent of adoption is determined by the level of satisfaction with these elements. Multiple regression analysis was used to study the relationship between the dependent variable (adoption, i.e., years of internet banking use) and independent variables (web security, reliability, responsiveness, fulfillment, efficiency, and privacy). The findings revealed that the strongest predictor was website security, followed by privacy and responsiveness.

III. RESEARCH METHODOLOGY

This study adopts a descriptive research design. Convenience sampling is adopted in this study. Both primary data and secondary data are applied to the study. The size of the sample to be used in this study is 90 respondents. Bar charts, pie charts and tables have been used in this study.

Data analysis and interpretation**Table No. 1 GENDER OF THE RESPONDENTS**

GENDER	FREQUENCY	PERCENT
Male	59	65.60%
Female	31	34.40%
Total	90	100

Source: Primary data

Interpretation

From the above data, it is observed that 65.6% of the respondents are males and 34.4% are females. So, it is concluded that the majority of the respondents are males.

Table No. 2 QUALIFICATION OF THE RESPONDENTS

EDUCATION	FREQUENCY	PERCENT
Below SSC	1	1.1
SSC	5	5.6
HSC	25	27.8
UG	35	38.9
PG	24	26.7
Total	90	100

Source: Primary data

Interpretation

From the above data, it is observed that 38.9% of the respondents are under graduated where as 27.8% have HSC, 26.7% respondents post graduated, 5.6% have SSC & the remaining 1.1% being below SSC.

Table No.3 OCCUPATION OF THE RESPONDENTS

Occupation	Frequency	Percent
Student	26	28.9
Service	50	55.6
Business	10	11.1
Retired	3	3.3
House-wife	1	1.1
Total	90	100

Source: Primary data

Interpretation

From the above data, it is observed that 55.6% of the respondents are in service, while 28.9% are students, 11.1% are in business, 3.3% are retired, and 1.1% are housewives. So, it is concluded that the majority of the respondents fall under the service category.

Table No.4 INCOME OF THE RESPONDENTS

Income Level	Frequency	Percent
5000-15000	25	31.3
15001-25000	34	42.5
25001-35000	11	13.7
Above 35000	10	12.5
Total	80	100

Source: Primary data

Interpretation

From the above data, it is observed that 42.5% of the respondents belong to the income category of Rs. 15,001–25,000 per month. So, it is concluded that the majority of the respondents fall under that income level.

IV. SUGGESTIONS

- Safe and security features of the webpage need to be improved because most of the respondents feel that internet banking is not safe and secure. People are highly conscious about security measures, especially regarding privacy and protection of personal information entered online.
- Out of the mentioned problems, it is found that low speed and connection problems due to server errors are the major issues faced by users. Therefore, banks need to take corrective measures to improve their server efficiency.
- Banks have to conduct various awareness programs in order to improve the level of awareness and knowledge of customers about the functioning of internet banking and its attributes.
- Only 34.4% of the respondents are female; hence, banks can look forward to designing more schemes to attract female customers.
- Since a large number of respondents are unaware of the services provided through internet banking, measures such as displaying the list of services at bank premises and providing demonstrations on the website can be implemented to make customers more aware and encourage them to use internet banking services.

V. CONCLUSION

The result of this research indicated that transaction efficiency, ease of use, and service content are important determinants of customer satisfaction with Internet Banking. However, privacy and security problems, low speed, and connection problems due to server errors are the main problems faced by Internet Banking users. It indicates that as the cost and time customers spend on internet banking increases, customer satisfaction will decrease. Therefore, this paper suggests certain policy implications for the banking industry. Thus, the proposed model can be of help in planning efforts towards increasing consumer satisfaction. By improving these factors, bank management may increase adoption and satisfaction among internet banking users. These also imply initiating appropriate actions to enhance basic facilities and improve privacy and security in internet banking. This, in essence, will improve business transactions and thus increase overall customer satisfaction.

Although the use of IT is expected to lead to a favourable impact on bank performance, banks need performance measures which are related to customers to improve their performance and minimize waste of productive customers. The way forward therefore is for banks to increase awareness about the use of this technological tool to help them capture relevant and timely information for decision-making. Managing e-banking demands analytical ability and attention to detail; for the satisfactory performance of this system, these determinants should be mixed in their right proportion to achieve high quality internet banking and incorporate newer ideas. There is a need to make concerted efforts towards operational efficiency of internet banking.

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