



## A Study on Customer Satisfaction Towards Online Banking Services

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### ABSTRACT

The research work has been conducted in order to examine the level of satisfaction towards internet banking services. The main reason behind this study is to analyze the purpose of using internet banking, reasons behind choosing internet banking and reasons behind not choosing online banking. The primary data has been collected with the help of questionnaire and the sample size is 100 respondents. Random sampling technique was used. The results indicate that the users of internet banking have high level of satisfaction. It also indicates that the main reason behind using internet banking is the amount of convenience users have while dealing with any banking transactions. Biggest fear that users have with online banking is the security.

**Key Words:** *Online banking, Customer satisfaction, E-banking, Internet banking*

### INTRODUCTION

Internet banking is an electronic payment system that helps customers to conduct financial transactions on a website which is operated by the financial institution. Online banking is also referred to as internet banking, e-banking or virtual banking. This new channel has added a new dimension to the concept of customer satisfaction and how it can be affected in a positive way. All organizations exist and strive to become an integral part of the lives of their customers and therefore always strive harder to keep satisfying their customers through better channels of delivering their offerings. There are many factors which have an impact on customer satisfaction, one of the most important being service quality. Due to the varying nature of the products offered in manufacturing sector and in the services sector the definition and measurement of service quality, it was seen could not be the same for both. Especially, in the present era, with the emergence of internet as a major channel of

service delivery, the need for a scale to measure the service quality in electronic media of services was felt strongly. Hence, service quality was taken up by the research scholars specifically in terms of the e-services which lead to the development of various models that helped in measuring e-service quality in the services sector.

### LITERATURE REVIEW

“Bank customer satisfaction is regarded as banks fully meeting the customers expectation; it is also said to be a feeling or attitude formed by bank customer after service, which connects the various purchasing behaviour (Jamal and Naser, 2002)”.

“Oluoch, in 2012 examined the factors affecting the adoption of online banking by customers where she looked at the relationships between the perceived usefulness, perceived ease of use, and perceived risk toward the use of mobile banking technology and found out that customers were opened to use of mobile banking technology”.

“Customer satisfaction has received wide attention as an important variable in business strategy in a very dynamic and competitive market (Lovelock and Wirtz, 2007). This study approaches customer satisfaction in a process perspective because in online banking, customers’ evaluation of quality happens during the delivery process.”

### OBJECTIVE OF THE STUDY

The objectives of the study are as follows-

- To study the level of satisfaction among customer regarding online banking.
- To understand the reasons for using and not using online banking
- To understand the perception of the customers regarding online banking.

**RESEARCH METHODOLOGY**

**Data Collection-** The research carried out in this project is based on primary data through questionnaire and surveys.

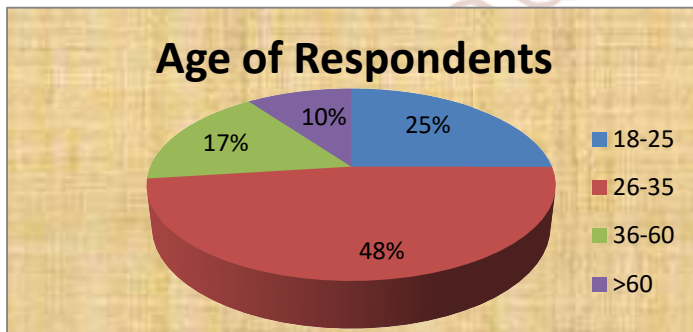
**Sample size-** In this paper, a sample size of 100 individuals is selected from the target population.

**DATA ANALYSIS**

Based on the objective, a well structured questionnaire was formed and the following clearly represents all the related data and their interpretation in a detailed form.

Age of respondents

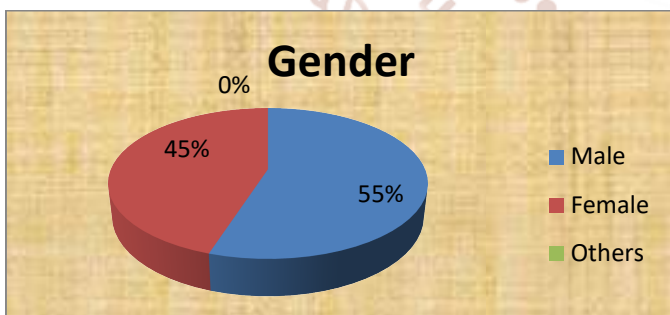
Age	No of Respondents	Percentage
18-25	25	25%
26-35	48	48%
36-60	17	17%
>60	10	10%



In the pie-chart, out of hundred respondents, 48% respondents are between 26-35 age brackets, 25% are between 18-25 age brackets, followed by 17% between 36-60 years and 10% are above sixty.

Gender

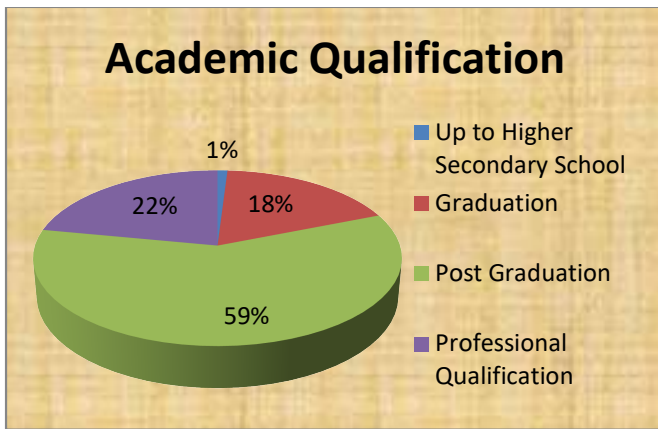
Gender	No of respondents	Percentage
Male	55	55%
Female	45	45%
Others	0	0%



In the pie chart, it is clear that 55% of respondents are male and remaining 45% of respondents are females.

Academic Qualification

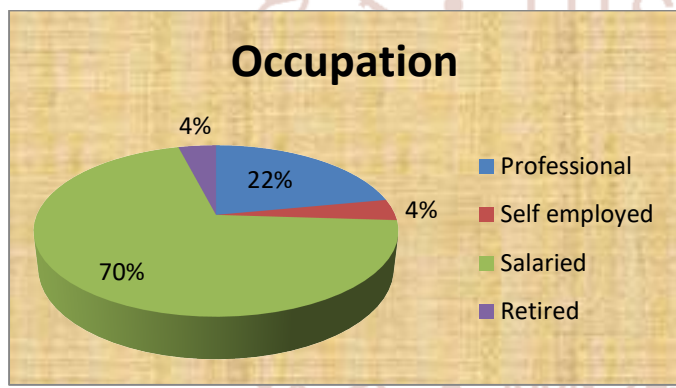
Academic Qualification	No of respondents	Percentage
Up to Higher Secondary School	1	1%
Graduation	18	18%
Post Graduation	59	59%
Professional Qualification	22	22%



59% of respondents are post graduate, 22% are having professional qualification, followed by 18% of respondents are graduate.

Occupation

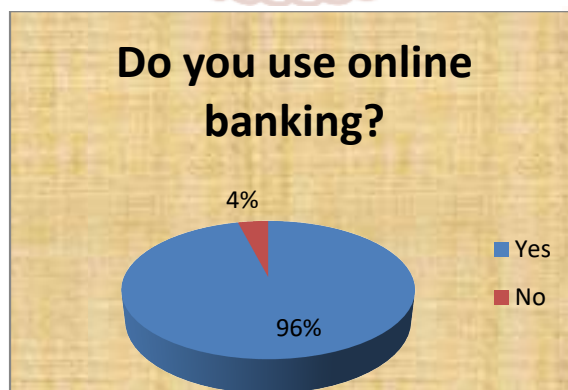
Occupation	No of respondents	Percentage
Professional	22	22%
Self Employed	4	4%
Salaried	70	70%
Retired	4	4%



70% of respondents are salaried employees, 22% are professional, and remaining 4% are self employed and retired.

1. Do you use online banking?

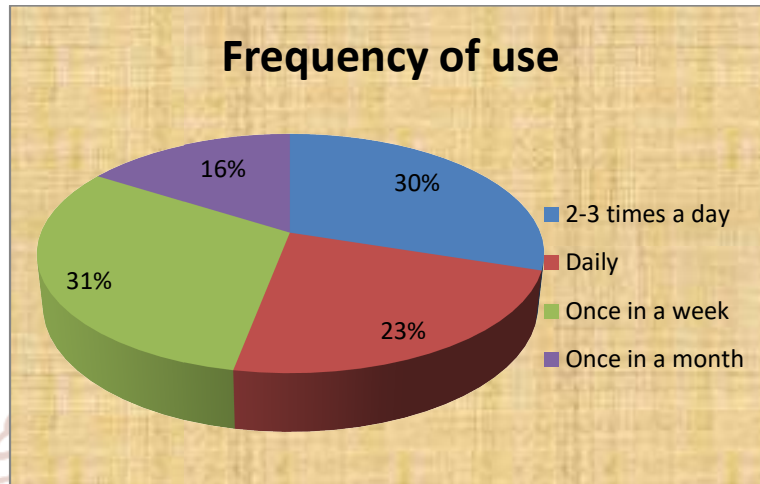
Do you use online banking?	No of respondents	Percentage
Yes	96	96%
No	4	4%



This question tells us the number of respondents who are using online banking. From the above pie chart it is clear that 96% of respondents are using online banking service while 4% of the respondents are not using any such services.

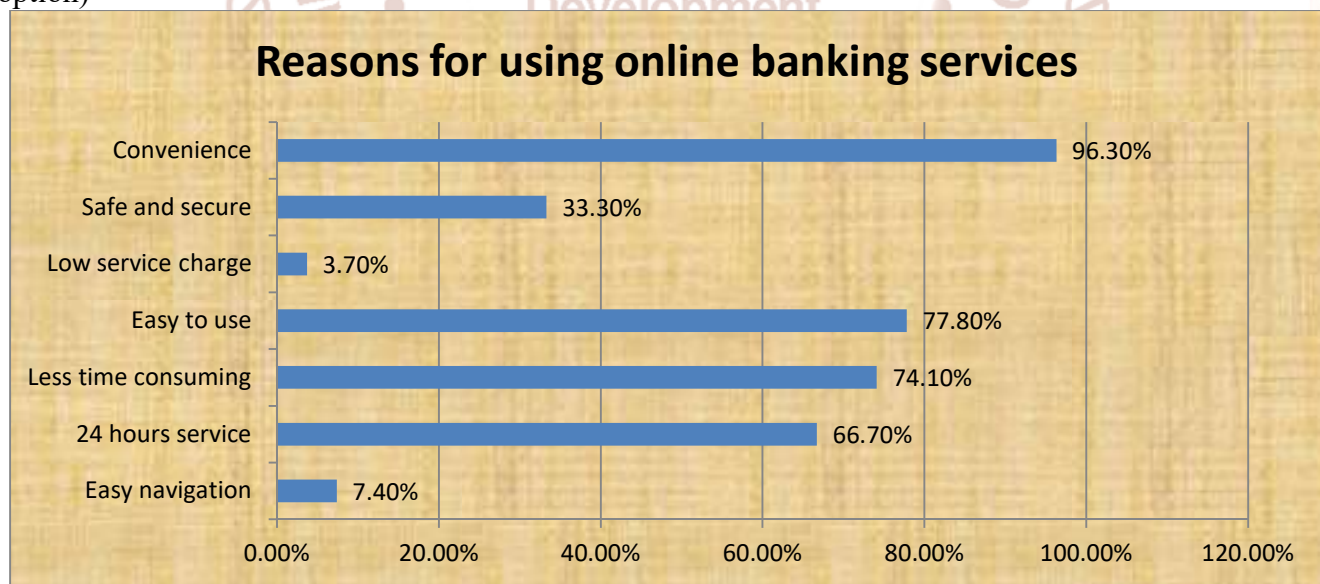
1.1 If answer to above question is yes, then please mention the frequency of transactions

Frequency of use	No of respondents	Percentage
2-3 times a day	30	30%
Daily	23	23%
Once in a week	31	31%
Once in a month	16	16%



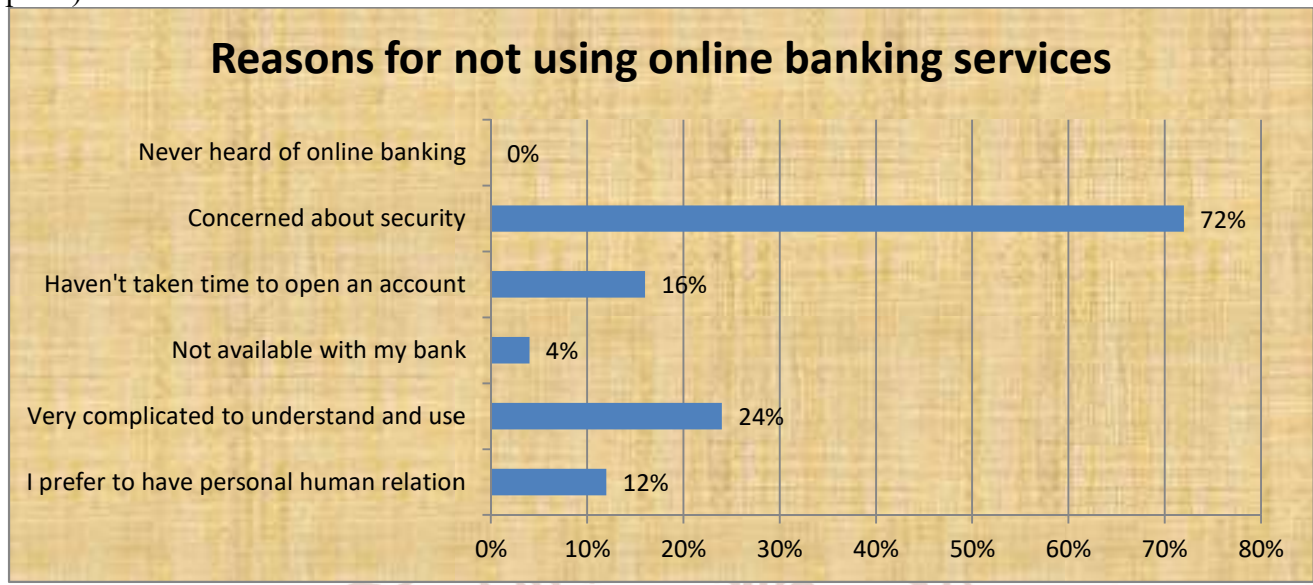
The main objective behind this question was to know how frequently respondents use online banking. In the pie chart, it is clear that about 31% of the respondents use online banking once in a week, 30% use 2-3 times in a week, 23% use daily and remaining 16% use once in a month.

2. What do you think could be the reasons for using online banking services? (You can tick more than one option)



This question is concerned with the reasons for using online banking services. This question highlights the advantages of using online banking. From the above pie chart, it is clear that the biggest reason in favor of online banking is convenience, followed by easy to use and less time consuming. Online banking has an advantage of 24 hours service, i.e. it can assess anytime throughout a day. The least preferably reason for using online banking is low service charges, which is followed by easy navigation.

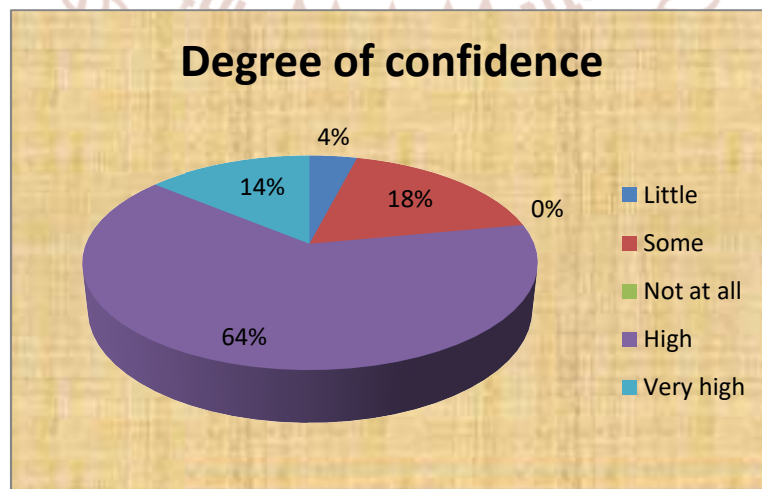
3. What do you think, could be the reasons for not using online banking services? (You can tick more than one option)



This question gives the reasons for not using online banking services. From the above pie chart it is clear that the biggest disadvantage of using online banking service is that the people are concerned about the security. Since the number of frauds which takes place online is increasing drastically with time, people do not feel very secure with the online transactions they make. The second reason is that the people find it very complicated to understand and use online banking.

4. Degree of confidence on online banking

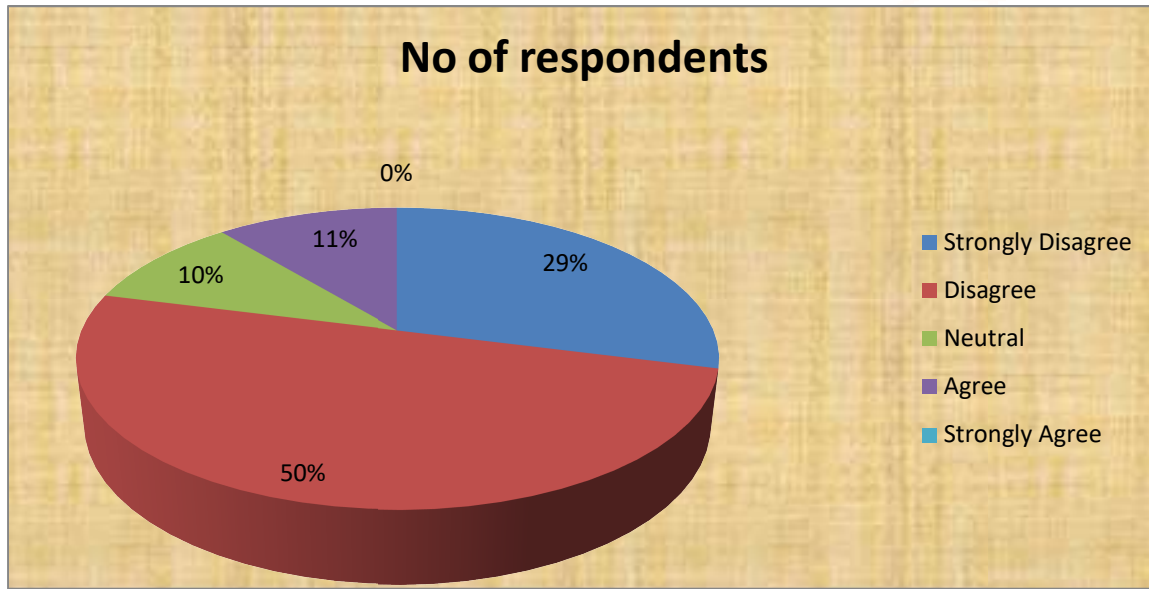
Degree of confidence	No of respondents	Percentage
Little	4	4%
Some	18	18%
Not at all	0	0%
High	64	64%
Very High	14	14%



This question has been asked in order to understand the amount of confidence people have in online banking services. In the pie chart, it is shown that the people have high degree of confidence in online banking services. Only 4 % of the respondents have little degree of confidence in online banking services.

5. Manual Banking is more convenient than Online Banking.

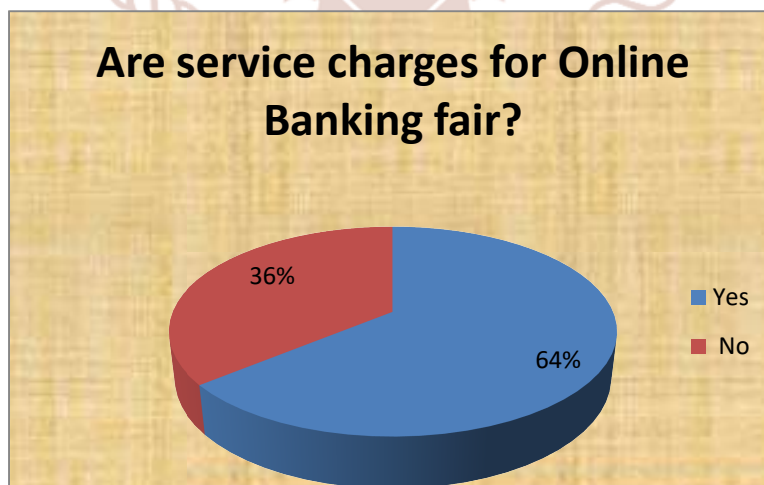
Likert Scale	No of respondents	Percentage
Strongly Disagree	29	29%
Disagree	50	50%
Neutral	10	10%
Agree	11	11%
Strongly Agree	0	0%



The main objective behind asking this question is to know whether “Manual Banking is more convenient than Online Banking”. From the above pie chart, it is clear that 50% of respondents disagree with this statement.

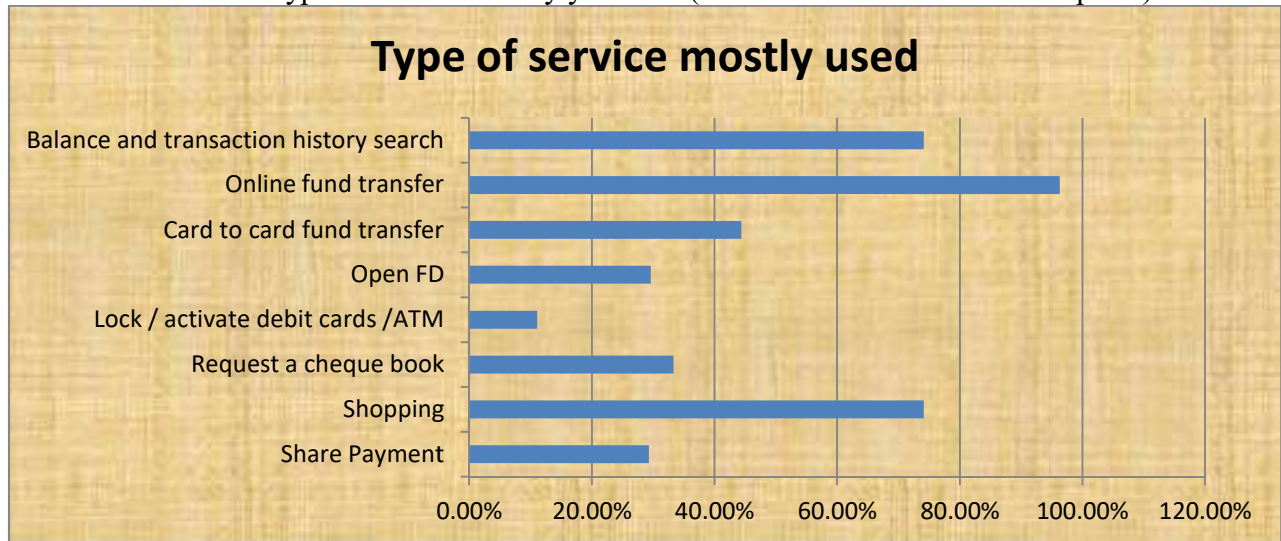
6. Are service charges for Online Banking fair?

Are service charges for Online Banking fair?	No of respondents	Percentage
Yes	64	64%
No	36	36%



From the above pie chart, it is shown that 64% of the respondents find that the charges they pay for getting online services are fair and just. However, remaining 36% of respondents find the charges for online banking are not fair.

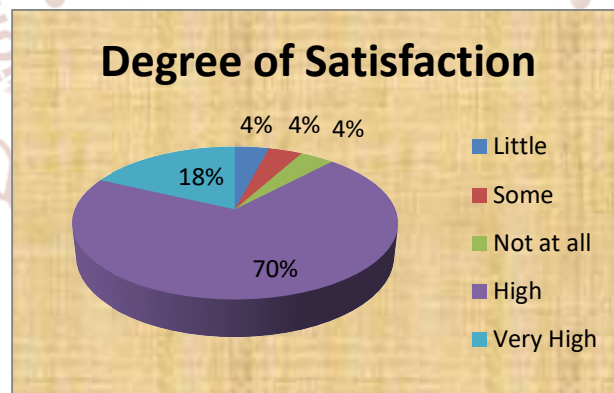
7. Which type of service mostly you use? (You can tick more than one option)



This question provides us with the different types of services that are mostly used in online banking. As surveyed, the most common services people use in online banking is funds transfer, followed by balance and transaction history search and spending money on online shopping. Least preferably service that people use is activate debit cards or ATM.

8. Degree of satisfaction from the service via internet comparatively to service via banks

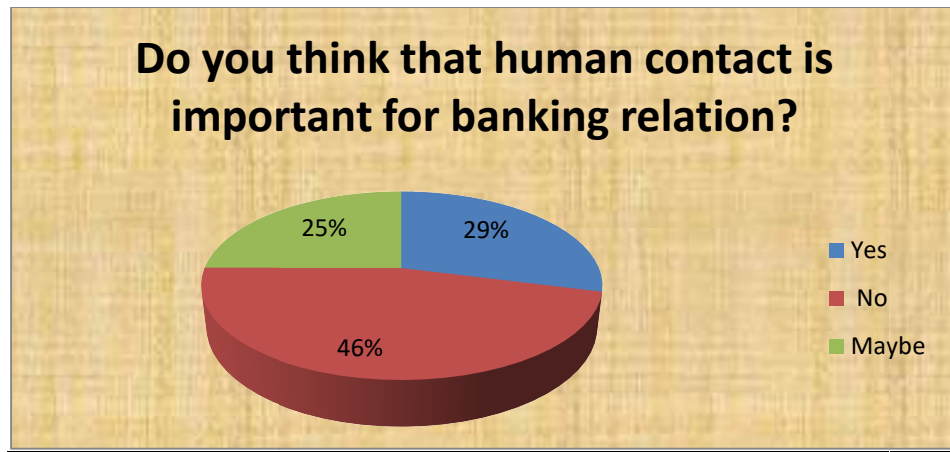
Degree of Satisfaction	No of respondents	Percentage
Little	4	4%
Some	4	4%
Not at all	4	4%
High	70	70%
Very High	18	18%



This question deals with the degree of satisfaction, people tend to have while using services online. It is seen from the above pie chart that 70% of the respondents have high degree of satisfaction, followed by 18% of respondents have little degree of satisfaction while using online services.

9. Do you think that human contact is important for banking relation?

Do you think that human contact is important for banking relation?	No of respondents	Percentage
Yes	29	29%
No	46	46%
Maybe	25	25%

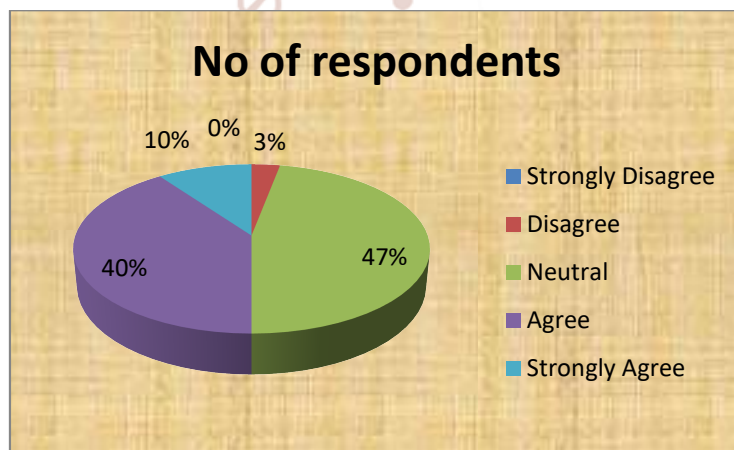


As surveyed, 46% of respondents were of the view that human contact is not important for banking relation. Whereas, on the other hand, 29% of respondents believe that human contact is important for banking relation.

**10. Please tick the most appropriate answer (5 being strongly agree, 4 Agree, 3 Neutral, 2 Disagree and 1 being strongly disagree)**

**10.1 The bank does not misuse my personal information**

Likert Scale	No of respondents	Percentage
Strongly Disagree	0	0%
Disagree	3	3%
Neutral	47	47%
Agree	40	40%
Strongly Agree	10	10%

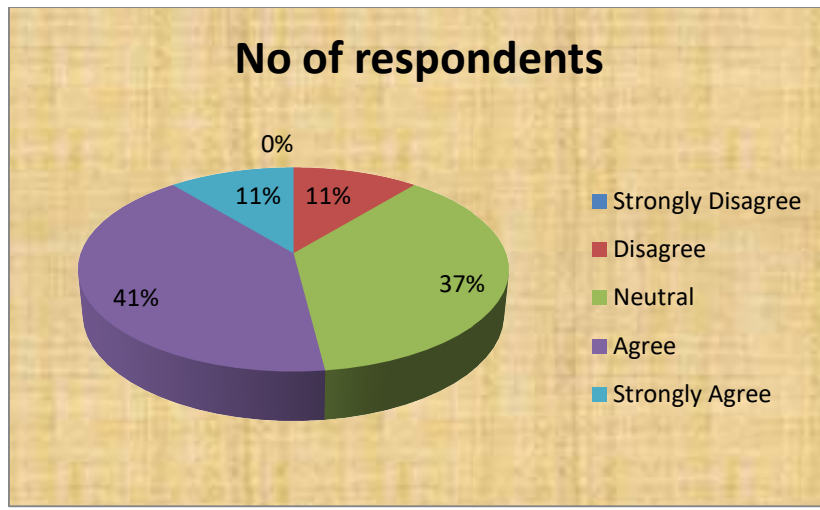


Around 47% of respondents are neutral with the statement that the bank does not misuse my personal information. Followed by 40% of respondents agree that bank do not misuse the personal information.

**10.2 The website design is attractive**

Likert Scale	No of respondents	Percentage
Strongly Disagree	0	0%
Disagree	11	11%
Neutral	37	37%
Agree	41	41%
Strongly Agree	11	11%

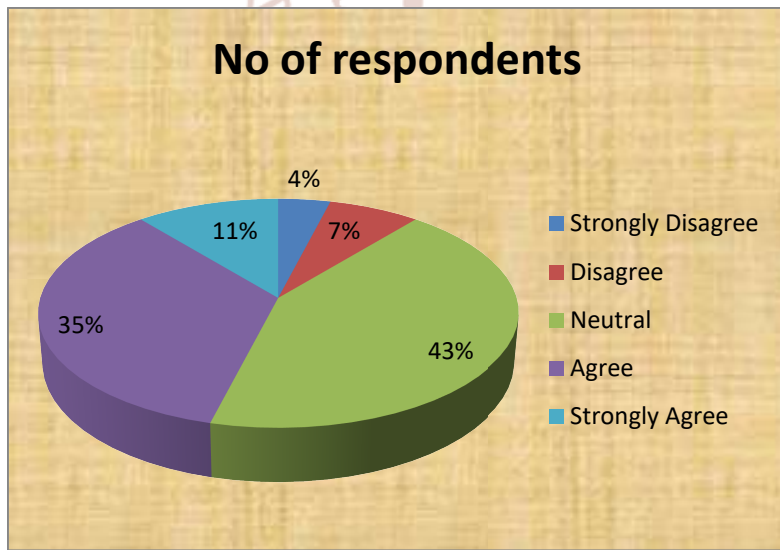




As per the pie chart, 41% of respondents agree that their bank website is attractive.

#### 10.3 The bank responds quickly to my requests

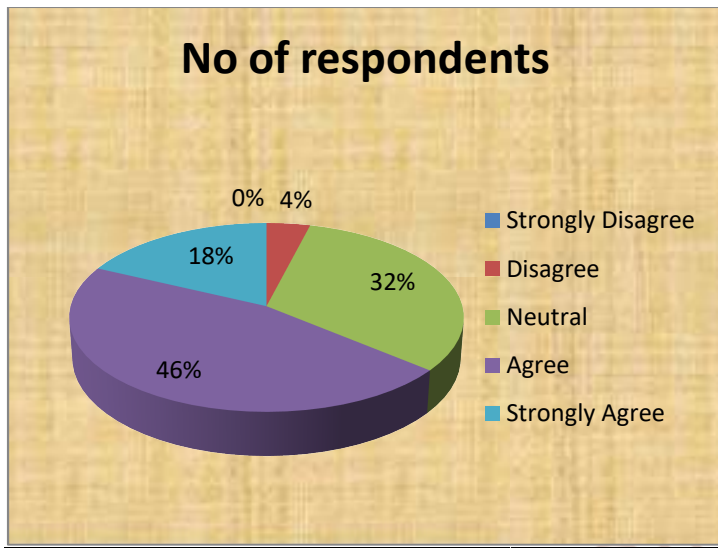
Likert Scale	No of respondents	Percentage
Strongly Disagree	4	4%
Disagree	7	7%
Neutral	43	43%
Agree	35	35%
Strongly Agree	11	11%



As per the pie chart, 43% of respondents are neutral that their bank responds quickly to the requests made by the customers. Followed by 35% respondents who agree that the requests made by them are quickly responded by the bank

#### 10.4 It is easy to find what I need on the website

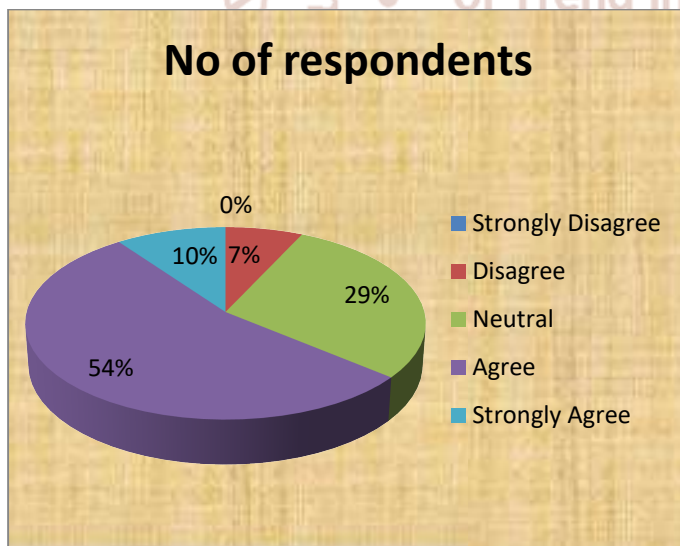
Likert Scale	No of respondents	Percentage
Strongly Disagree	0	0%
Disagree	4	4%
Neutral	32	32%
Agree	46	46%
Strongly Agree	18	18%



It is seen that 46% of respondents agree that it is easy to find what is needed on the website.

10.5 I feel my transactions with the banks are safe

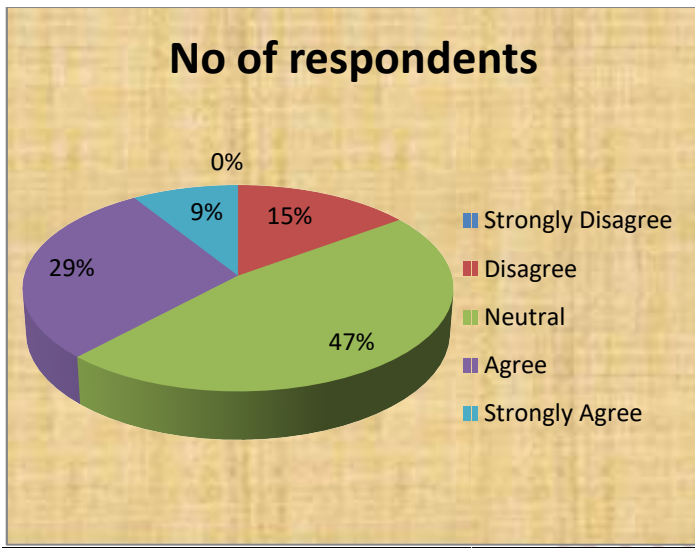
Likert Scale	No of respondents	Percentage
Strongly Disagree	0	0%
Disagree	7	7%
Neutral	29	29%
Agree	54	54%
Strongly Agree	10	10%



It is clear that 54% of respondents agree that the transactions they make with the bank are totally safe.

10.6 The site has a customer service representative available online

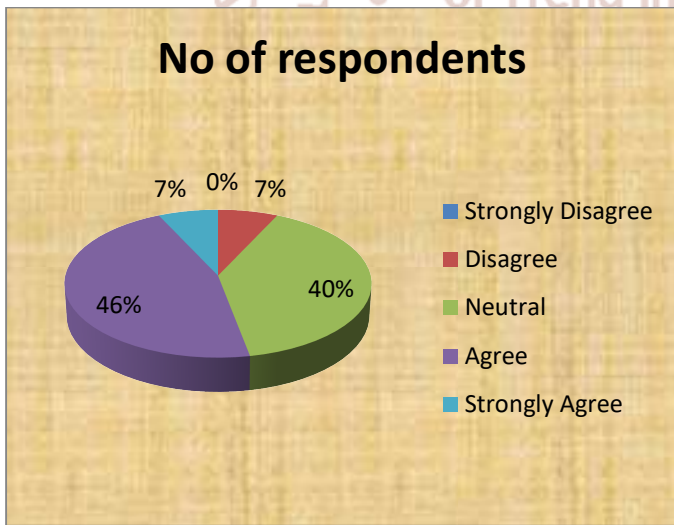
Likert Scale	No of respondents	Percentage
Strongly Disagree	0	0%
Disagree	15	15%
Neutral	47	47%
Agree	29	29%
Strongly Agree	9	9%



It is clear that 47% of respondents are neutral that their customer sales representative are easily available online, followed by 29% who agree that they are available online to direct or resolve the problem.

10.7 Services provided on the bank’s website are quick

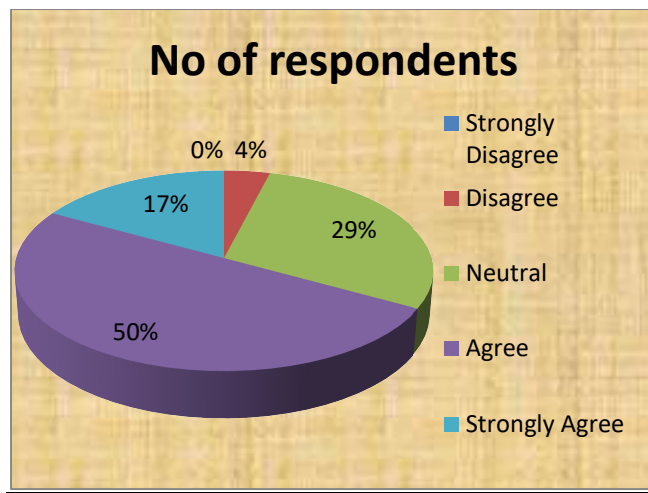
Likert Scale	No of respondents	Percentage
Strongly Disagree	0	0%
Disagree	7	7%
Neutral	40	40%
Agree	46	46%
Strongly Agree	7	7%



It is clear that 46% of respondents agree that the services provided on the bank’s website are quick.

10.8 The website structure and information is easy to follow

Likert Scale	No of respondents	Percentage
Strongly Disagree	0	0%
Disagree	4	4%
Neutral	29	29%
Agree	50	50%
Strongly Agree	17	17%



It is clear that 50% of respondents agree that their bank website structure and information is easy to follow.

### Findings-

The following are the findings-

- From the above data it is clear that 96% of the respondents use online banking services and 31% of them use once in a week, followed by 30% use in 2-3 times a day.
- It is clear that the biggest reason in favor of online banking is convenience, followed by easy to use and less time consuming.
- It is clear that the biggest disadvantage of using online banking service is that the people are concerned about the security.
- It is observed that 64% of respondents have high degree of confidence on online banking.
- As surveyed, the most common services people use in online banking is funds transfer, followed by balance and transaction history search and spending money on online shopping.
- 50% of respondents disagree that manual banking is more convenient than online banking.
- It is surveyed that 46% of respondents think human contact is not important for banking services.
- From the above collected data, it is clear that 54% of respondents agree that their transactions are safe with the banks and 46% of respondents feel that the services provided on the banks websites are quick.

### Conclusion

The research aims to find out the satisfaction level customers have as far as the online banking is concerned. The study brought out various factors that make internet banking attractive. Maximum number of respondents agrees that the internet banking is very

effective. They get the quick response for their queries. It helps to maintain the privacy also. The study shows that there is a direct relationship between the internet quality services and the level of satisfaction. As the time would progress, there can be chances that internet banking becomes more efficient and effective way of banking.

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