

## CONSUMER'S SATISFACTION TOWARD'S E-BANKING SERVICES (WITH SPEACIAL REFERENCE TO COIMBATORE CITY)

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### ABSTRACT

The dynamic landscape of electronic banking (E-banking) and examines the significant impact of electronic banking on consumer satisfaction. Given the increasing prevalence of electronic banking services, our study reviewed the existing literature to identify the complex aspects that shape the user experience. We investigate the impact of user-friendly interfaces, transaction efficiency, security protocols, and customer support on consumer satisfaction. Additionally, the article examines the accessibility of services across devices, the integration of innovative features, and the level of customization and personalization that e-banking platforms offer. The results highlight the important role that clear communication, cost efficiency and compliance with regulatory standards play in overall satisfaction. As the digital realm continues to redefine traditional banking paradigms, this article provides a comprehensive synthesis of current knowledge and identifies gaps for future research. By investigating the complex relationship between e-banking features and consumer satisfaction, we aim to help both academics and industry participants improve the quality of e-banking services.

**Key Words:** E-banking, customer satisfaction, E-commerce, cost saving, 24/7 access

### 1. INTRODUCTION

Online banking, also known as internet banking, e-banking or virtual banking, is an electronic payment system that enables customers of a bank or other financial institution to conduct a range of financial transactions through the financial institution's website. The online banking system will typically connect to or be part of the core banking system operated by a bank and is in contrast to branch banking which was the traditional way customers accessed banking services. Fundamentally and in mechanism, online banking, internet banking and e-banking are the same thing. To access a financial institution's online banking facility, a customer with internet access would need to register with the institution for the service, and set up a password and other credentials for customer verification. The credentials for online banking is normally not the same as for telephone or mobile banking. Financial institutions now routinely allocate customers numbers, whether or not customers have indicated an intention to access their online banking facility. Customers' numbers are normally not the same as account numbers, because a number of customer accounts can be linked to the one customer number. The customer number can be linked to any account that the customer controls, such as cheque, savings, loan, credit card and other accounts.

### 2. OBJECTIVES OF THE STUDY

- 1.To study the relationship between security towards the satisfaction level of customers using E-Banking services of Coimbatore city.
- 2.To study the relationship between convenience and satisfaction level of the E-Banking customer of Coimbatore city.
- 3.To study the effect of E-Banking on quality services and customer satisfaction.

### 3. SCOPE OF THE STUDY

The study focuses on E-Banking and the variables that impact E-Banking users in Coimbatore, as well as the level of customer satisfaction with these services. It also allows everyone to see how many new banking services are used by consumers. The research goes on to say that modern facilities help to build a stronger relationship with consumers. Customers nowadays want banking services to be available 24 hours a day, seven days a week. Because of the extensive use of internet technologies, the entire banking system has changed in the current era. E-Banking has given all customers the ability to operate across borders. E-Banking is an electronic payment system that allows a bank or financial institution's customers to perform financial and non-financial transactions over the internet. Customers can use this service to access almost every banking service that was formerly only accessible at a local branch, such as fund transfers, withdrawals, and online bill payments. It is a system designed for online banking that helps customers to reach them to bank account easily and safely.

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## TYPES OF ELECTRONIC BANKING

### Online Banking:

Online banking empowers customers to manage their accounts seamlessly. With online platforms, users can easily access their accounts, view activities, make payments, and do transactions.

### Mobile Banking:

Designed for on-the-go convenience, mobile banking brings banking to customers' fingertips. With smartphones or other mobile devices, users can access accounts, view activities, make payments, and transfer funds effortlessly.

### ATM Banking:

ATM banking extends the reach of e-banking. Customers can access accounts, view activities, make payments, and transfer money conveniently through automated teller machines (ATMs).

### Direct Deposit:

Direct deposit simplifies income management. Users can have salaries, government subsidies, or other income directly deposited into their bank accounts, streamlining financial transactions.

### Electronic Funds Transfer (EFT):

It is helpful for electronic payments and money transfers, providing a fast and secure means for customers to manage their finances.

### Electronic Bill Payment:

This e-banking branch enables customers to settle bills electronically, offering a convenient and efficient way to manage financial obligations.

### Online Investing:

For those venturing into financial markets, online investing within e-banking allows customers to conveniently purchase stocks, bonds, and mutual funds through online platforms.

## BENEFITS OF E-BANKING

### Account Management

E-banking allows users to effortlessly manage different accounts from a single online platform, including current and savings accounts, credit cards, and loans.

### Fund Transfers

Another important **feature of e-banking** is that it enables quick and secure fund transfers through NEFT, RTGS, IMPS, or UPI modes.

### Bill Payment

Online banking simplifies bill payments, allowing users to settle utility bills, credit card payments, loan repayments, online mobile recharges, etc.

### Online Statements and Alerts

E-banking offers access to online account statements, eliminating the need for paper statements.

## ONLINE E-BANKING SERVICES

### Mobile Banking (M-banking)

M-banking facilitates financial transactions through mobile devices, allowing users to perform account transfers, bill payments, credit applications, balance checks, and other transactions via smartphones.

### Electronic Clearing System (ECS)

An innovative solution for busy individuals, ECS automatically debits credit card bills or loan EMIs from the user's savings account, eliminating concerns about missed or late payments.

### Electronic Fund Transfers (EFTs)

EFTs enable electronic money transfers between individual and multiple accounts, within or across financial institutions, using computer-based systems without direct bank staff intervention.

### Internet Banking

Internet banking, accessible day or night, empowers users to conduct routine transactions, inquire about balances, stop payments, and even apply for credit cards or loans through traditional or online banks.

## IMPORTANCE OF E-BANKING

#### Banks

- Lesser transaction costs – electronic transactions are the cheapest modes of transaction
- A reduced margin for human error – since the information is relayed electronically, there is no room for human error
- Lesser paperwork – digital records reduce paperwork and make the process easier to handle. Also, it is environment-friendly.
- Reduced fixed costs – A lesser need for branches which translates into a lower fixed cost.
- More loyal customers – since e-banking services are customer-friendly, banks experience higher loyalty from its customers.

#### Customers

- Convenience – a customer can access his account and transact from anywhere 24x7x365.
- Lower cost per transaction – since the customer does not have to visit the branch for every transaction, it saves him both time and money.
- No geographical barriers – In traditional banking systems, geographical distances could hamper certain banking transactions. However, with e-banking, geographical barriers are reduced.

#### Businesses

- Account reviews – Business owners and designated staff members can access the accounts quickly using an online banking interface. This allows them to review the account activity and also ensure the smooth functioning of the account.
- Better productivity – Electronic banking improves productivity. It allows the automation of regular monthly payments and a host of other features to enhance the productivity of the business.
- Lower costs – Usually, costs in banking relationships are based on the resources utilized. If a certain business requires more assistance with wire transfers, deposits, etc., then the bank charges it higher fees. With online banking, these expenses are minimized.
- Lesser errors – Electronic banking helps reduce errors in regular banking transactions. Bad handwriting, mistaken information, etc. can cause errors which can prove costly. Also, easy review of the account activity enhances the accuracy of financial transactions.
- Reduced fraud – Electronic banking provides a digital footprint for all employees who have the right to modify banking activities. Therefore, the business has better visibility into its transactions making it difficult for any fraudsters to play mischief.

## 4. REVIEW OF LITERATURE

**Adewuyi, 2014** Have conducted a study on electronic banking product and service in Nigeria. Their results revealed that all banks provide at least one form of electronic services, such as EBanking, even though many E-Banking schemes have been adopted and embraced by customers, e-payment is the most commonly used E-Banking solution.

**Hindu J. Amin P. E., 2018** According to another researcher, customer satisfaction is the source of service efficiency. Efficiency and satisfaction are not the same things. There is no agreement about how to define service efficiency and customer satisfaction. Any organisation expects service efficiency to increase customer satisfaction.

**Khrais, 2013** This study aims to look into the important determinants that make it easier for customers to use E-Banking services. The survey method is used in this study to investigate the relationship between independent and dependent variables. Data was collected using questionnaires that were followed by a letter explaining the intent of the study and assuring respondents of the confidentiality of their responses; the participants were online banking users in Poland. To test hypotheses and accomplish goals, statistical instruments were used; hence, the analysis is descriptive, and quantitative methods were used.

**Jamil Hammoud, 2018** This study aimed to investigate the relationship between the factors of E-Banking service quality and customer satisfaction to decide which component has the greatest potential impact on customer satisfaction. Responses were extracted by the use of a survey instrument, which was distributed to bank clients in the Lebanese banking sector. The data was statistically analysed using SPSS. According to the results, dependability, performance, and ease of use; responsiveness and communication; and protection and privacy all have a major effect on consumer satisfaction, with dependability having the greatest impact.

**P.V, 2016** The demonstrates that online banking allows for a greater understanding of customers' attitudes toward technology. The research is primarily focused on primary data collected via the distribution of questionnaires to 200

Coimbatore residents. The tools used are basic percentage analysis and chi-square analysis. According to the study, banks adopt new technology to satisfy their customers and to improve the way services are delivered to attract new customers.

**Dixit & Datta (2010)** refers security as a form of assurance that guarantees the safety of clients and prevents hackers from breaching their privacy. Ahmad & AlZu'bi (2011) stated that security has a major impact on consumer satisfaction. The following significant element that consumers are usually concerned about is privacy.

**Pooya (2020)** defined perceived ease of use as the consumer's opinion that online banking requires minimal effort in usage. Pooya (2020) also described that perceived ease of use is the driving force of electronic banking because it provides convenience, security, standardised, and easy access to banking business through the use of information and communication technologies. Ease of use or user-friendliness is an essential concept in e-banking since they have a substantial impact on client satisfaction. Asfaw (2017) explained that the ease of use of online banking websites and applications is one of the most significant elements to consider.

Two measurements of TAM that are built on positive attitudes in order to achieve the success of technology adoption are perceived usefulness and ease of use. In this study, the perceived ease of use variable (TAM) had been adopted.

## 5. SUGGESTIONS

There is lack of awareness about E-Banking usage among rural people. Banks should take necessary steps to create awareness among them about the various services of E-Banking that are available and also the advantages of using such services. Demonstration of E-Banking should be provided to the customers to promote Electronic banking. The banks should focus on the security issues regarding the confidential credentials which are under the risk of hacking in the cyber world. The cost involved in using the Internet Banking services can be minimized in order to increase the number of users of Internet banking.

## 6. CONCLUSION

Customer satisfaction is a very wide area to be studied because of rapid change in technology perception of consumers, services, etc. Banks are providing very good services and they maintain good relations with consumers, they also provide modern banking facilities and help the consumer to make easy transactions. Traditional banking has been converted into modern banking. Consumer expectations are increasing in terms of service quality. Banks are always concerned about the satisfaction of the consumer. The bank should concern about the requirement of knowledge and

awareness. The result of my study significantly shows that bank is serving their customer and what the response of the customer is to the service provided by them. This report shows the bank should identify their strength and need to recover its weak side. The study concludes that the use of online banking transaction services and their satisfaction must be improved. The success of online banking transaction services not only depends on the technology but also on commitment etc.

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