



## STUDY OF CUSTOMER SATISFACTION ABOUT E-BANKING SERVICES: WITH RESPECT TO BANK OF BARODAIN PUNE

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### ABSTRACT

Globalization has impacted the banking industry, in last decade, banking is not the exception, fast emerging the use of Internet banking and other Internet Operation Technique (IOT) like ATM, E-Banking and many other development has taken place. The entire operations of Banking is happening around the globe, facilities like Electronic Banking (E-Banking), Transferring deposits, Asynchronous Transfer Machines (ATM) is an effective and feasible tool to make customer value. Advancement in Banking brought in various Internet operations. These operations were later made mandatory in banking. This is among the common facilities that traditional banks provide which enables quicker as well as consistent services to online customers. E-Banking may be accustomed toward having more consumers for achieving bank trades in associated banks. Main challenge of E-Banking faced by the employees is, the customers aren't eager for practicing the offered E-Banking services.

'Customer satisfaction' is the key factor to be considered while setting the standards for helping banks for sustaining competitive advantages. The study's aim is inspecting factors that influence customer satisfaction to E-Banking. Customer Satisfaction can be influenced by the five factors which are content, service quality, privacy, web design, security, convenience, and speed.

The pilot study has been agreed to study and classify 50 respondents (customers) detailed questionnaire were taken. Furthermore, the same questionnaires are used for the survey and 200 more customers were added for getting genuine responses and feedbacks. These customers provided the important factors influence customers' decision about e-banking services. The outcomes of this research displays convenience and speed, web design and content are closely related to customer satisfaction toward E-Banking. The outcome of this study is expected to work out how content and web design, speed and convenience are the factors influencing customer satisfaction towards E-Banking.

Qualitative empirical research with the help of two dissimilar questionnaires had been applied. After the initial screening, more than 100 respondents were selected for the research. All of them were bank consumers.

Researches revealed that gender, education as well as income play a significant role in utilization of Internet banking. This particular area never went under any research as they were mostly regarding recognition of new technology than individuals. The study verified theoretical basis affirming that there will be greater resolve for usage of internet banking by consumers if skills can be progressed. Inhibitory aspects like gender, faith, culture, educational qualification, security, price, etc. can have least result on customers' mentality in the direction of E-Banking.

**Keywords:** E-Banking, Internet Operation Technique (IOT), Asynchronous Transfer Machines (ATM), Customer Satisfaction, Internet Banking.

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## 1. Introduction

In India, Reserve Bank of India and all other banks are classified in various forms like Nationalized Bank, Commercial Bank, Cooperative Bank, Private Bank are amongst the few of them. Bank of Baroda is multi-national, public sector banking as well as financial services bank that is 3<sup>rd</sup> largest Indian Public Sector Bank. Bank of Baroda has 131 million customers and largest lender among banks. Bank of Baroda which is a Nationalized Bank which provided internet banking facilities and other facilities to increase their effectiveness. Bank of Baroda helps connect customers through internet banking facility by 24x7 services either at home or office.

The Bank of Baroda's corporate office is located at Mumbai and the head office located at Baroda. Bank of Baroda has 5458 branches and 10027 ATMs. The Bank of Baroda has a presence in 23 countries with a network of 105 branches/offices subsidiaries.

E-Banking provides customers the suitability and encourages them for opting easy and efficient transactions through it as well as helps the banks reduce their operating charges. Indian Banking has undergone a transformation after nationalization. The change is attributed by fundamental transformation in its role, scope and amount of business processes.

Internet banking is at its infancy. Many researches have been dedicated on Internet banking implementation but many aspects on non-utilization were unnoticed. The purpose of this research was validation of Internet banking as theoretical concept. The reasons were recognized as well as investigated over modifying the contributor aspects for allowing more number of people to get recognized with Internet E-Banking.

## 2. NEED FOR E-BANKING

E-Banking is among the extensive versions of E-commerce around the world. Numerous writers describe E-Banking in different ways but most depicting definition and features of E-Banking are as follows:

- E-Banking is an amalgamation of automated technology and Banking.
- E-Banking is the procedure where a consumer makes trades electronically and not being involved in any kind of visiting infrastructural organizations.

- E-Banking indicates facilitation of finance and banking oriented services overall-inclusive usage of IT without direct option by the customer to the bank.

One has to pay a visit to the bank in order to perform financial operations such as payments, loan, requesting for a statement, etc. In core Internet Banking, operations are carried out without any reference to branch of the bank i.e., banking can be carried out anytime, anywhere. Facilitating Internet banking is gradually becoming a necessity rather than a want for service. Hence, Net Banking currently is moreover a standard rather than an option in many developed nations because of it being cost efficient.

Banks have always been in favor of technological advancements for efficient operations when it comes to products and services. They have also been using them since a while. The delivery channels consist of private networks, uninterrupted dial up connections, public networks, etc. and devices like PCs, ATMs, telephones, etc. With large scale usage of PCs and World Wide Web (WWW), it has been a lot easier making it a common practice amongst banks for offering their products and services.

More number of people keep on using E-Banking products and services which constitute to make a base of customers full of technologically-literate people. This forces the banks to stay updated with the technology and E-Banking. If they couldn't do this, they will simply not survive.

## 2. Impact of employee relations in of E-Banking Services.

Today's world moves an overwhelming degree and technology is well-thought-out to be crucial in influencers for such variations in the society. A study about technology and their usages demonstrate them to be infused in our daily life. Many actions run by electronic means because of recognition of IT in each and every place. Slowly and steadily, Indian consumer is advancing to internet banking. ATM and Net banking are being more and more prevalent. Nonetheless, the client expects the interface to be much easier to access and understandable in order to carry out the further process. The customer also expects it to be his/her walk mate taking baby steps. E-banking is a general terminology for delivery of bank products plus services through electronic channels like internet, cell phone, telephone, etc. It facilitates an effective

accounting system and payment thereby considerably improving the delivery speed of banking services.

Government of India and RBI have taken several initiatives in order to facilitate development of E-Banking in India. IT Act, 2000 was enabled by Government of India that recognized electronic transactions through various media that came under as well as facilitated E-Commerce. RBI has been organizing itself for updating as supervisor and regulator of technically conquered system in finance. It allotted procedures on controls as well as risks in telecommunication systems as well as computers for all banks, guiding them for assessing the inherent risks in systems and put suitable mechanisms for control in place for addressing these risks.

### 3. Literature Review

Just like ATMs, Internet can also be used as an option for buying traditional financial products and services. Core capabilities such as channels, advice, products, etc., were initially promoted by the banks through Internet. Then, they came across E-Commerce market as distributors/providers of their own products and services. E-Banking is now full of people who accepted electronic transactions and support this idea of technological advancement.

According to **Ahanger (2011)**, "E-Banking acts as a kind of financial intermediation which makes transaction through Internet."

According to group of experts, **Malhotra, Pooja & Singh, B. (2010)**, "Internet banking in India and the extent of Internet banking services offered by Internet banks and it seeks to examine the factors affecting the extent of Internet banking services."

**Uppal, R.K. and Chawla, R. (2009)** mentions that their research emphasizes consumer insights with respect to E-Banking services. Current research examines the observations of the bank consumers regarding the requirement of E-Banking services, their service quality, bank frauds, scope of E-Banking in the future, clients' bank preference, comparative analysis of banking services in numerous banking organizations, preferences with respect to usage of electronic channels and challenges confronted by E-Bank consumers. Main result of this research is that clients of bank groups altogether are attentive in E-Banking facilities and are facing problems like insufficient knowledge, lack of infrastructure, poor network, inconvenient place,

misapplication of cards and facing problems while opening an account. Considering all these difficulties challenged by a bank customer, this paper sets some strategies like seminars/meetings, consumer learning, infrastructural facilities and appropriate setup, operational shopping amenities, appropriate connection of working ATM machineries, etc., for enhancement of E-Banking facilities. Most of the commercial class clients and professionals and also less educated and highly educated clients are of the same opinion that E-Banking consumes enhanced the feature of client facilities in banks.

**Azouzi D. (2009)** mentions a check for up-to-date and apt technological uprising changing the entire world has vital influences upon banking sector of Tunisia. Mainly, the survey pursues certain evidences which may be relied on for understanding the clients' response with respect to the acceptance of E-Banking. For achieving this resolve, an experimental research has been carried out in Tunisia which reveals display of factors affecting the customer's approach towards E-Banking. Additionally, the survey illustrates that in spite of the official inducements and despite having full awareness of E-Banking's welfares, many respondents still prefer using Traditional Banking. This is important to comment a fact that the terror of losing the fund or unauthorized access by unauthorized users became a major reason for separating customers of Tunisia as of E-Banking.

**B. Dizon J.A. (2009)**, opines that while large banking organizations continue conducting the greater part of their trades in traditional bank's offices, the financial sector has been progressively making investments on E-Banking amenities for offering 24x7 'queue-free services' to their consistent customers, by the means like ATM apparatuses, Internet and smart phones.

**Nitsure R.R. (2003)** affirms that "E-banking opportunities and challenges lying in the banking industry and E-Banking have the potential of changing the banking businesses as they considerably lower delivery and transaction costs".

**Shah and Braganza (2007)** according to the specified analysis states, 'the Critical Success Factors' in E-Banking suggest that administrative factors that remain perilous for the accomplishment of E-Banking are examined. The production of existing texts is a foundation for questions in survey. The top most aspects are initiated as more serious for the

achievement in E-Banking are: quickly approachable services/ goods, elasticity amongst organizations, development of services, incorporation of systems besides enhancement in customer services.

**Malhotra P and Singh B. (2007)** explore the concepts specified around the research that tells that greater banks with much recent establishments, reserved ownership and advanced expenditure for fixed resources, higher deposits and inferior branch frequency experience upper chances of acceptance in this novel era of technical know-how.

The consumers' perceptions about E-Banking according to **Reeti, Sanjay, and Malhotra A. (2009)**, in an emerging economy is determination of various factors that affect customers' vision, approach besides satisfaction thru E-Banking stays an important portion of the bank's calculated devising procedure in emergent economic country.

#### 4. Rationality of E-banking.

With the use of internet and computer requirement, a login account with a bank offering services online and the tolerance for completing about 'single-page' of submission can be done online. The following services can be availed:

- 1. Fund transfer:** Cash and Funds can be transferred between two banks or within the same bank anywhere in India and recipient's account details, bank and bank branch are supposed to be cited post account login. In such a case both the transaction is considered as two separate transactions.
- 2. Bill payment service:** Payments of Bill can be made using e-banking services without any hassle. Most of the banks having an option of applying through the Debit / Credit card option. With e-banking services payment can be made very easily, only you are expected to remember the pin number and after successful login you shall get the receipt of the amount. It enables payment of bills, credit card, mobile phone as well as insurance premium. For payment of bills, a easy one-time registering for every biller must be done and further upright guidelines could be set online for payment of recurrent bills, spontaneously. One-time upright guideline ensures that bill payments aren't delayed because of shortage of time. Interestingly, bank doesn't charge consumers for online bill payment which can

be followed as a facility.

- 3. Credit card customers:** With E-Banking, banks can set the limit for each and every transaction, and as far as possible, customer can make payment for their credit card bills online as well as get a loan. Additionally, they may also apply for additional card, appeal for a credit line increment and even report for lost card online in case the card is lost.
- 4. Recharging your prepaid phone/ Tickets pass:** E-banking has made the recharge process much easier and convenient as it eliminates the need to go to the vendor for recharging every time the talk time runs out. E-banking, licenses user to purchase railway, air ticket, travel ticket online. This pass will be delivered at your doorstep.
- 5. Investing through Internet banking:** Opening an account for fixed deposit would never have become this easier. Now stockholders with linked demat and bank accounts can easily be involved in share trading. Amount will be automatically withdrawn from respective individual bank accounts and shares will get accredited into their respective demat account.
- 6. Shopping convenience:** E-banking allows the customer to purchase various goods and services and account to be maintained after purchasing and no need to maintain the cash. This facilities are collaborated with various online shopping websites. This way shopping and online payment make the work easier in a lot of ways. One can also book tickets through E-Banking

#### 6. Objectives of the Study

1. To assess consequence of E-Banking facilities to customer fulfillment from consumers' perspective.
2. To evaluate the influence of service quality aspect on customers' satisfaction in E-Banking.
3. To analyze the factors affecting customers' view to E-Banking.

#### 7. Hypothesis

Researcher has come out with the following Hypothesis

H<sub>1</sub>: The Quality Service and speed of Bank Of Baroda has a correlation with customer satisfaction towards E-Banking.

H<sub>0</sub>: The Quality Service and speed of Bank Of Baroda has no relation with customer satisfaction towards E-Banking

## 8. Research Methodology

Bank of Baroda has got many services branches in and around Pune, a survey has been conducted to understand the role of E-Banking, phone and internet services by customers and questionnaire has been collected from 250 respondent customers by Convenient Random Sampling method. Customer satisfaction is dependent upon the anticipations and insights regarding the services offered while the concept of satisfaction depends upon numerous physical and psychological variables. The customer fulfillment towards electronic services is totally based on the customers' benefits. The satisfaction with respect to E-Banking facilities presented by the banks that are translated into their way of approach and conduct make a positive outlook towards the banking services.

### Data and Methods

Based on the situation, a survey was conducted where questionnaires were designed. The survey is thought-out to be suitable because it is the best methodology for describing the features, opinions and priorities of the subjected bank. In addition, it enables researchers for critical analysis of banks from both professional and personal viewpoints. **Mugenda & Mugenda (2012)** consider that 5-10% of an approachable population can be subjected as samples for quantitative studies.

To accomplish objectives of the study, pilot survey has been conducted initially (50/200), 250 (Two hundred fifty) respondents were selected and the views of the 250 respondents can thus be believed illustrative of that of the whole group. These respondents were chosen randomly from Bank of Baroda in Pune city. Thus, 'random sampling method' is used for probability sampling which was included in the management of the research implementation for data collection in line with **Saunders, Saunders, Lewis, and Thornhill (2011)** state.

Data compiled during this research has been processed and analyzed using SPSS – statistical package for social sciences. Descriptive analysis in percentages and one way measures such as mean

were applied for analysis of the given data. After the analysis and presentation of both the data, the data was interpreted in a way that it allowed the researcher to either grant acceptance or denial towards the preconceived concept.

Pilot survey has been conducted initially (50/200) by scholars on 50 respondents, to understand the questionnaires response, and found satisfactory as far as the questions that were posed in questionnaires.

Since, customer satisfaction is dependent upon expectation and opinions regarding the offered services, the satisfaction as a concept depends upon a number of physical and psychological variables.

The following table indicates the pilot study from all dimensions:

**Table 1: Demographic Characteristics for study sample**

Data Type	Respondents	Frequency	Percentage
Sex	Male	37	74%
	Female	13	26%
	Total	50	100%

*Table 1: From pilot data of 50 participants, 37 (74%) of them were Male respondents, and 13 (26%) are Female respondents.*

**Table 2: Age wise allocations of pilot study**

Age Group	Frequency	Percentage
Less than 30 years	8	16%
30 yrs. to 40 yrs.	27	54%
Above 40 yrs.	15	30%
Total	50	100%

*Table 2: From pilot data of 50 respondents, on the basis of age group of respondents, Less than 30 yrs. were 8 (16%), between 30 yrs. to 40 yrs. No were 27 (54%) and above 40 years are 15 (30%).*

**Table 3: Operating of Accounts**

Account opening date	Frequency	Percentage
Since 1 year	7	14%
Since 2 years	6	12%
More than 2 years	37	74%
Total	50	100%

Table 3: From pilot data of 50 respondents, researchers expected to find the date on which customers opened their accounts since 1 year 7 (14%), since 2 years 6 (12%) and more than 2 years 37 (74%). Since the researcher has worked only on pilot survey.

**Table 4: Satisfaction level of the respondents**

Account opening date	Frequency	Percentage
Quality aspect of customers' satisfaction in E-Banking	37	74
Service Support and satisfaction	6	12%
Accessibility of ATM services /booths	7	14%
Total	50	100%

Table 4 :Here the respondents were asked questions related to their satisfaction level in relation the objectives under the study and its relation with different parameters . It is clear from the above table that 74 percent respondents ( bank customers) are satisfied with the quality aspect of E-banking services and they are loyal to the bank. As far as other aspects of the service are concerned twenty percent are happy with other services in relation to the E-banking of the bank under study.

### 8. Finding

Based on the pilot survey (50 respondents), further the detailed survey may be conducted another 200 respondents. Customer satisfaction, is a survey to understand whether customers are happy about the facilities they are receiving from e-banking or not. Their expectations from Bank of Baroda for Pune branches and services provided are of the quality and seventy four respondents are satisfied with it.

### 9. Conclusion

In the conclusion, on the basis of the findings and results of the study, it can be derived that quality of the services, accessibility to it and redressed of the

problem in time are significant aspects and they play significant role in the customers satisfaction.

At the end, there are significant statistical distinctions between the E-Banking facilities provided by Bank of Baroda branches and customer satisfaction. Also, there are significant statistical differences between customer anticipation to the quality dimension of E-Banking services and actual performances to E-Banking services. In addition to that, the customers turn out to be more satisfied with quality of E-Banking services like ATMs, mobile banking and net banking services or any other services offered by the bank, and the results, the overall result accepts hypothesis that the Quality Service and speed of Bank Of Baroda has a correlation with customer satisfaction towards E-Banking

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