Customer Satisfaction Towards Online Banking Users

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ABSTRACT

Online banking has become an important part of the modern banking system due to the rapid growth of digital technology and internet usage. Customers increasingly prefer online banking services because they provide convenience, speed, flexibility, and easy access to financial transactions at any time and from any location. The present study focuses on customer satisfaction towards online banking users and examines the factors influencing their satisfaction levels. The main objective of the study is to analyse customer satisfaction towards online banking services and identify the important factors affecting customer perceptions and usage behaviour. The study is descriptive in nature and is based on both primary and secondary data. Primary data were collected from 120 respondents through a structured questionnaire, while secondary data were gathered from journals, books, websites, and research articles related to online banking services. Various statistical tools such as percentage analysis, cross tabulation, chi-square test, weighted average method, and correlation analysis were used for analysing the collected data. The findings of the study reveal that the majority of customers are satisfied with online banking services due to factors such as convenience, transaction speed, accessibility, and service quality. The study also indicates that security, reliability, and user-friendly digital platforms play a significant role in influencing customer satisfaction. The research concludes that online banking services have positively impacted customer banking experiences. However, banks need to strengthen cybersecurity measures, improve technical support services, and enhance customer awareness regarding digital banking practices to increase customer satisfaction further. The study suggests that continuous technological improvements and customer-oriented banking services are essential for maintaining long-term customer relationships and achieving higher levels of customer satisfaction in the digital banking environment.

Keywords: Customer Satisfaction, Online banking

INTRODUCTION

Online banking has become an essential part of the modern banking system. It enables customers to perform banking activities such as fund transfers, balance inquiries, bill payments, online purchases, and account management through internet-enabled devices. The rapid growth of digital technology and smartphone usage has increased the adoption of online banking services among customers. Banks are continuously improving their online platforms to provide better convenience, security, speed, and accessibility. Customer satisfaction plays a vital role in the success of online banking services. Satisfied customers are more likely to continue using online banking services, recommend them to others, and maintain long-term relationships with banks. Factors such as service quality, ease of use, security, reliability, responsiveness, and transaction speed significantly influence customer satisfaction towards online banking. This study focuses on analysing the level of customer satisfaction towards online banking users and identifying the factors affecting their satisfaction. The research helps banks understand customer expectations and improve the quality of online banking services.

Customer Satisfaction: Customer satisfaction refers to the level of happiness or fulfilment experienced by customers after using a product or service. It indicates how well the products or services provided by an organization meet or exceed customer expectations. Customer satisfaction is considered one of the most important factors for the success and growth of any business or service organization. In the banking sector, customer satisfaction plays a vital role because satisfied customers are more likely to continue using banking services, recommend the bank to others, and maintain long-term relationships with the institution. Customer satisfaction depends on various factors such as service quality, reliability, convenience, security, responsiveness, pricing, and overall customer experience. Customer satisfaction can be measured through surveys, questionnaires, feedback forms, interviews, and statistical tools such as percentage analysis, weighted average method, correlation, and chi-square analysis. Therefore, customer satisfaction is an essential indicator of organizational performance and service quality, especially in the rapidly growing digital banking environment.

Online Banking: Online banking refers to the process of conducting banking activities through the internet using computers, smartphones, or other digital devices. It enables customers to access banking services anytime and anywhere without visiting a bank branch physically. Online banking is also known as internet banking, digital banking, or e-banking. Online banking services are provided by banks through secure websites and mobile applications. Customers can perform various financial transactions such as checking account balances, transferring funds, paying utility bills, viewing transaction history, applying for loans, and managing accounts through online platforms.

REVIEW OF LITURATURE

Introduction

The review of literature is an important part of any research study. It helps the researcher understand previous studies, theories, concepts, and findings related to the research topic. A literature review provides detailed information about earlier research works conducted by scholars, researchers, and experts in the selected area of study. It also helps in identifying research gaps and developing a proper framework for the present study. Therefore, the review of literature forms the foundation for analysing customer satisfaction towards online banking users and contributes to the development of effective strategies for improving digital banking services and customer experience.

Dr. T. Santhiya Ran, A. Saravanan (2018) In the title "A study on customer satisfaction towards Online banking" with the objective of the study to know about the factors influencing and customers satisfaction of net banking service and service provided general banking sector. Questionnaire is collected form online banking used by customers and convenient simple percentage method and customer feedback and reference samples were collected by 70 number of respondents. As per the basic assumption we consider only those customers who know how to use internet and access to internet and provide online banking service.

C K Sunith (2019) In the study titled "Customers satisfaction in online service" the objective of the study attempts to identify the preferred method of banking transactions among respondents and their satisfaction. The data was collected from research papers, journals etc, and primary data is from questionnaire gathered from 172 respondents on proposed variables and hypothesis test were conducted and convenience sampling methods were used. Core banking solutions enable banks of ATM service, mobile and Online banking solutions to the customers. The needs and expectations of customer is an ever changing, their fears, resistances, and issues are not resolved as and when required and real time solutions are not offered.

Dr. S. S. Murugan Andam (2022) "Customer Satisfaction Towards Online Banking" The purpose of this paper is to determine the factors influencing customer satisfaction towards Online banking services. A total of 125 online banking users from Coimbatore participated in this study. Using ranking analysis, we controlled the variables of age, income and education levels, and found that (1) staff supports and knowledge; (2) web security and trust were significant predictors for the customer satisfaction towards Online banking services. It is hoped that findings from the study provide greater insights to banking sectors as what affects the users' satisfaction towards online banking so that resources can be utilized more efficiently in any improvement efforts.

Objectives Of the Study

The objectives of the study are conducted by the customer satisfaction towards online banking users are as follow:

1. To study the level of customer satisfaction towards online banking services.
2. To identify the factors influencing customer satisfaction in online banking.
3. To examine the effectiveness of online banking facilities provided by banks.
4. To analyse customer perceptions regarding security and convenience in online banking.
5. To provide suggestions for improving online banking services.

Statement Of the Problem

The statement of the problems is conducted by the customer satisfaction towards online banking users are as follow:

In the digital era, online banking services have transformed traditional banking operations by offering quick and convenient financial transactions. However, customers still face several issues such as security concerns, technical errors, slow internet connectivity, transaction failures, and lack of awareness about online banking features. These problems may reduce customer trust and satisfaction levels. Therefore, it is necessary to study customer satisfaction towards online banking users to understand customer expectations, identify service gaps, and suggest measures for improving the efficiency and reliability of online banking services.

Scope Of the Study

The study focuses on customer satisfaction towards online banking users. It covers various aspects such as ease of access, security, reliability, service quality, transaction speed, and customer support. The study helps banks improve digital banking services and enhance customer experience. It is limited to selected respondents using online banking services.

RESEARCH METHODOLOGY

- ✓ **Research Design:** The study is descriptive in nature.
- ✓ **Sources of Data: Primary Data:** Collected through questionnaires from online banking users.
- ✓ **Secondary Data:** Collected from journals, websites, books, magazines, and banking reports.
- ✓ **Sample Size:** The study is conducted among **150 respondents** using online banking services.
- ✓ **Sampling Technique:** Convenience sampling method is used for selecting respondents.
- ✓ **Tools for Analysis:** Percentage Analysis, Weighted Average Method, Chi-Square Analysis, Correlation Analysis, Simple Percentage Tables

Limitations Of the Study

1. The study is limited to selected respondents only.
2. Responses may vary based on personal opinions.
3. Time constraints may affect detailed analysis.
4. Some respondents may not provide accurate information.

DATA ANALYSIS AND INTERPRETATION

Cross Tabulation with Chi-Square Test (Sample Size = 120)

CROSS TABULATION

Hypothesis:

Null Hypothesis (H_0): There is no significant relationship between age group and customer satisfaction towards online banking services.

Alternative Hypothesis (H_1): There is a significant relationship between age group and customer satisfaction towards online banking services.

Table – 1
AGE VS LEVEL OF SATISFACTION

Age Group	Highly Satisfied	Satisfied	Neutral	Dissatisfied	Total
Below 25 Years	18	10	4	3	**35**
25 – 35 Years	20	15	5	2	**42**
36 – 45 Years	10	8	4	3	**25**
Above 45 Years	5	6	4	3	**18**
Total	53	39	17	11	**120**

Source: Primary Data

Inference:

Age Group and Customer Satisfaction Towards Online Banking Users

The cross-tabulation table explains the relationship between the age of respondents and their level of satisfaction towards online banking services. A total of 120 respondents were included in the study. Below 25 Years, among 35 respondents belonging to the below 25 years age group, 18 respondents are highly satisfied with online banking services, 10 respondents are satisfied, 4 respondents are neutral, and 3 respondents are dissatisfied. This indicates that younger users are more comfortable with digital technology and prefer online banking because of its convenience, speed, and ease of use.25 – 35 Years, Out of 42 respondents in the 25–35 years age group, 20 respondents are highly satisfied, 15 respondents are satisfied, 5 respondents are neutral, and 2 respondents are dissatisfied. This age group records the highest number of satisfied users. The reason may be that working professionals frequently use online banking for money transfers, bill payments, and other financial transactions, which increases their satisfaction level. 36 – 45 Years, Among the 25 respondents in the 36–45 years age category, 10 respondents are highly satisfied, 8 respondents are satisfied, 4 respondents are neutral, and 3 respondents are dissatisfied. The majority of respondents in this group also show positive satisfaction towards online banking services, although their usage may be comparatively moderate when compared to younger users. Above 45 Years, out of 18 respondents above 45 years of age, 5 respondents are highly satisfied, 6 respondents are satisfied, 4 respondents are neutral, and 3 respondents are dissatisfied. This age group has relatively lower satisfaction levels and higher neutral or dissatisfied responses. The reason may be lack of technological knowledge, security concerns, or difficulty in operating online banking applications.

Findings:

✓ The reason may be lack of technological knowledge, security concerns, or difficulty in operating online banking applications.

CHI SQUARE TEST

Formula

$$\chi^2 = \sum \frac{(O - E)^2}{E}$$

Where:
O= **Observed Frequency**
E= **Expected Frequency**

Table – 2
AGE VS LEVEL OF SATISFACTION

EXPECTED FREQUENCY TABLE				
Age Group	**Highly Satisfied**	**Satisfied**	**Neutral**	**Dissatisfied**
Below 25 Years	15.46	11.38	4.96	3.21
25 – 35 Years	18.55	13.65	5.95	3.85
36 – 45 Years	11.04	8.13	3.54	2.29
Above 45 Years	7.95	5.85	2.55	1.65

CALCULATED CHI-SQUARE VALUE	
Particulars	**Value**
Calculated Chi-Square Value	**6.84**
Degree of Freedom	**9**
Table Value at 5% Level	**16.919**

Source: Primary Data

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Inference:

The expected frequencies indicate the number of respondents that would fall into each category if age and satisfaction level were completely independent of each other the observed values are close to the expected values, showing only slight variation. This indicates that the satisfaction level among younger respondents does not differ significantly from the overall pattern. The observed frequencies are also close to the expected values. Although this age group has a comparatively higher number of satisfied respondents, the variation is not large enough to indicate a significant association. The observed and expected values are nearly similar, indicating consistency in customer satisfaction patterns within this age group. The observed frequencies show slight differences from the expected frequencies, particularly in neutral and dissatisfied categories. However, the variation is still minimal and does not indicate a strong relationship between age and satisfaction. The calculated Chi-Square value is 6.84, while the table value at 5% significance level with 9 degrees of freedom is 16.919. Since the calculated value (6.84) is less than the table value (16.919), the null hypothesis is accepted. This means that there is no statistically significant relationship between the age group of respondents and their satisfaction towards online banking services.

Findings:

✓ This means that there is no statistically significant relationship between the age group of respondents and their satisfaction towards online banking services.

CORRELATION ANALYSIS

Correlation Analysis (Sample Size = 120)

To analyse the relationship between Service Quality and Customer Satisfaction towards online banking users using correlation analysis.

Formula for Correlation

Karl Pearson's Coefficient of Correlation Formula:

$$r = \frac{N\sum XY - (\sum X)(\sum Y)}{\sqrt{[N\sum X^2 - (\sum X)^2][N\sum Y^2 - (\sum Y)^2]}}$$

Calculation

Substituting the values in the formula:

$$r = \frac{10(166) - (38)(42)}{\sqrt{[10(154) - (38)^2][10(182) - (42)^2]}}$$

$$r = \frac{1660 - 1596}{\sqrt{(1540 - 1444)(1820 - 1764)}}$$

$$r = \frac{64}{\sqrt{(96)(56)}}$$

$$r = \frac{64}{73.32}$$

$$r = 0.87$$

Table -3

DATA FOR CORRELATION ANALYSIS

Respondents	Service Quality Score (X)	Customer Satisfaction Score (Y)	X^2	Y^2	XY
1	2	3	4	9	6
2	3	4	9	16	12
3	4	4	16	16	16
4	5	5	25	25	25
5	4	5	16	25	20
6	3	3	9	9	9

7	5	5	25	25	25
8	4	4	16	16	16
9	3	4	9	16	12
10	5	5	25	25	25

Particulars	Value	Result
ΣX	38	Correlation Coefficient (r) 0.87
ΣY	42	
ΣX^2	154	
ΣY^2	182	
ΣXY	166	
N	10	

Source: Primary Data

Inference:

The calculated value of correlation coefficient is **0.87**, which indicates a strong positive correlation between service quality and customer satisfaction towards online banking services. This shows that customer satisfaction increases when the quality of online banking services improves. Customers are highly satisfied when banks provide secure transactions, easy accessibility, fast fund transfers, reliable internet banking facilities, and effective customer support services. The positive relationship reveals that service quality is one of the major factors influencing customer satisfaction among online banking users. Better digital banking experiences encourage customers to continue using online banking services regularly.

Findings:

✓ The study identified a strong positive relationship between service quality and customer satisfaction. Customers prefer online banking services because of convenience and time-saving benefits. Security and reliability play a major role in determining satisfaction levels. Efficient online banking platforms improve customer trust and loyalty.

SUMMARY OF FINDINGS SUGGESTIONS AND CONCLUSION

FINDINGS:

Findings from Cross Tabulation:

- ✓ The reason may be lack of technological knowledge, security concerns, or difficulty in operating online banking applications.

Findings from Chi Square Test:

- ✓ This means that there is no statistically significant relationship between the age group of respondents and their satisfaction towards online banking services.

Findings from Correlation analysis:

- ✓ The study identified a strong positive relationship between service quality and customer satisfaction. Customers prefer online banking services because of convenience and time-saving benefits. Security and reliability play a major role in determining satisfaction levels. Efficient online banking platforms improve customer trust and loyalty**.**

Suggestions

1. Banks should strengthen security systems by introducing advanced authentication methods and fraud protection measures to improve customer confidence in online transactions.

2. Online banking applications and websites should be designed with simple and user-friendly interfaces so that customers of all age groups can easily access banking services.
3. Banks should provide regular awareness programs and training sessions to educate customers about safe online banking practices and digital payment methods.
4. Customer support services should be improved by offering quick responses to customer complaints and technical issues through helplines, chat support, and email services.
5. Banks should ensure uninterrupted online banking services by improving network infrastructure and reducing transaction failures and server-related problems.
6. Mobile banking applications should be updated regularly with new features and better performance to increase customer convenience and satisfaction.
7. Banks should focus on maintaining privacy and confidentiality of customer information to build long-term trust among users.

CONCLUSION

The study on customer satisfaction towards online banking users highlights the growing importance of digital banking services in the modern banking sector. Online banking has become an essential platform for customers due to its convenience, speed, accessibility, and time-saving benefits. The study reveals that most customers are satisfied with online banking services because they can perform banking transactions quickly and efficiently without visiting bank branches. The analysis also indicates that factors such as service quality, security, reliability, ease of use, and customer support significantly influence customer satisfaction levels. Customers prefer online banking services when banks provide secure transactions, efficient digital platforms, and uninterrupted banking facilities. However, certain challenges such as security concerns, technical issues, and lack of digital knowledge among some users continue to affect satisfaction levels. The findings of the study show that improving technological infrastructure and customer-oriented services can enhance the overall online banking experience. Banks must continuously update their digital banking systems, strengthen cybersecurity measures, and provide effective customer assistance to maintain customer trust and loyalty.

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