

A Study on Customer Satisfaction towards Online Banking System with Special Reference to Guwahati City

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Abstract: *This article focuses on the customer satisfaction towards the online banking system as in today's competitive market. Customer satisfaction plays an important role in the success of any organization. Customers are the main target for any business, and their satisfaction is the key factor in evaluating the individual perception towards products and services, particularly in the context of online banking systems. The purpose of this study is to investigate the level of customer satisfaction towards online banking systems in Guwahati City, Assam India. The study collects the data from 100 customers through a survey to accurately gauge the extent of customer satisfaction. By understanding the needs and preferences of customers in relation to various banking products and services, this research aims to shed light on the factors influencing customer satisfaction in the online banking sector. The findings from this research will provide valuable insights to banking institutions and other organizations operating in the online service domain, helping them devise strategies to improve customer satisfaction levels. Ultimately, this study contributes to enhancing the overall quality of online banking services and fostering customer loyalty, which are essential for sustained success in the market.*

Keywords: customer satisfaction, online banking systems, competitive market, case study, Guwahati City

1. Introduction

Customer satisfaction is most important for any organization as it says without customer you will not able to survive in the market as customer are the main target for any business. As it is also measured for evaluating the individual level of person perception towards the product and services which intimately connect the factor of customer support towards the services. Usually, customer satisfaction identifies the loyalty of the satisfied customer. Customer satisfaction is defined through indicating the percentage and the number of customer visit and product they indicate the level of customer satisfaction through the level of purchase. According to Philip Kotler "Customer satisfaction is a 'person's feeling of pleasure or disappointment, which resulted from comparing a product's perceived performance or outcome against his/her expectation at the level of satisfaction depends on the number of physical and psychological connect on between the customer behaviour level of satisfaction." The customer satisfaction has been described for understanding the customer need on the various form of product it has been measured through the survey by collecting the feedback of the customer from 100 people which helps to measure the accurate level of the customer satisfaction.

Banks are the source for the development of country. Banking sector in India uses technology from 1980 where there is a need of customer service. Then information technology has gained a place in Indian industrial banking sector in 1990 when private banks come to India for the market digitalize banking services the public bank also started to provide the services digitally to the customer. Government of India passed the information technology act 2000 to provide the lawful recognition to automated transaction and electronic machine. The first internet

banking has started with the ATM (automatic teller machine) in India.

The internet penetration has also provided the new horizons and scenarios for the small retail banking industry. The retail bank is now giving the facility to the customer on access of internet their product and service through the electronic medium. The information technology has become the most important factor for development of the future banking. Information technology has also started to influence from banking market of financial intermediation. The advancement of the internet - based technology has changed the business form in different ways and takes the major role in interacting and communicating through technological with the customer. This internet - based technology has been adopted by the bank and financial corporations. Internet banking is service provided by the particular bank where it enables financial service to connect customer and business to access and obtain information regarding the financial of product and services through the internet. The internet banking also provides in performing the wide range transaction electronically via the bank website. The development of technology has secured electronic technologies were all the banks have come forward to use e - banking for the transactional and informational medium. The customer is now able to perform the following common banking functions –

- Paying bill
- Checking balance
- Mobile recharge
- DTH
- Credit card bill payment
- Loan repayment
- Education fees
- Rent payment
- Utilities payment

Volume 12 Issue 8, August 2023

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2. Literature Review

1) *Arcot Purna Prasad. et al. (2019)* in their research paper titled "Customer Satisfaction towards E - Banking" is published to identify E - banking and to sustain a reliable customer satisfaction towards the preference test of the customer with the proper measurement of e - banking by collecting the sample of 352 respondent. The method of segment of the study include through questionnaire journal and random sampling.

2) *Amit Shankar, Charles Jebarajakirthy 2019* in their paper titled "The influence of e - banking service quality on customer loyalty" focused on the quality service of the e - banking and the customer loyalty towards the e - banking. The method in this paper includes the segment primary data through questionnaire from the sample collected of 1028 by sample and survey administration and measure and instrument development for analysing the data. The limitation that come across while conducting with e - banking and doing cross sectional data.

3) *C. Nithya 2021*, in their paper titled "A study on electronic banking in India" is published to identify the further aspect of E - Banking system in India evaluation, challenges, and future of banking in India. This study evaluate that the E - Banking system has changes over the past 10 years with the more development of information technology. He also found out that the customer does the most transaction with mobile phone. The method of these paper includes the segment of secondary data of the annual report of RBI and website of RBI.

4) *Sowmya Praveen, C. K. Hebbar (2021)* In their paper titled "A REVIEW ON CUSTOMERS PERCEPTION TOWARDS E - BANKING SERVICES - A COMPARATIVE STUDY aimed to gain the knowledge E - banking transaction and also to know the perception of the customer towards the online banking which also include the benefits and difficulty. The paper has defined that private sector bank service of online banking is better than the public bank. The method of the segment is collected from the secondary data and is taken journal and website.

5) *M. Karthikeyan and. V. Ganapathi Sankara Krishnan (2021)* in their research paper titled "CUSTOMER SATISFACTION TOWARDS E - BANKING SERVICES WITH SPECIAL REFERENCE TO AXIS BANK IN TIRUNELVELI TOWN" focuses on E - banking towards customer satisfaction on what attracting more customers to use the service internet banking through the service provided by AXIS Bank Tirunailveli town. The study in this paper analysed the benefit of the customer which they can access the account easily and conduct the transaction using his computer or phone. The method in this paper he collected 60 sample including primary and secondary with the help of systematic random sampling. The limitation or research gap is focusing on the attitude of customer service towards the axis bank cannot be fully explored by researcher which also include the aspect of follow up work and improvement over the other studies

6) *M. Raja (2019)* in their paper titled "CUSTOMER'S SATISFACTION ON ONLINE BANKING SERVICES OFFERED BY SELECTED PRIVATE AND PUBLIC SECTOR BANKS IN CHENNAI CITY" is published to analyse the modern working life of the consumer and to identify the employee stress level in the private and public sector bank and the workload which identify the balancing of physical and psychological status. The main aim of this paper is to provide the legal recognition to electronic - transaction with the specific working group on internet banking especially focusing on understanding the existing payment system and upgrading technology system towards the customer satisfaction on the online banking which influence the customer to get the facility of the financial transaction of the growth of future of internet banking through the survey by analysing the sample data collected from 150 person from both the private and public sector bank.

7) *Rabees Rasheed (2022)* in their paper titled "A Study of Performance of Online Banking in Comparison with Traditional Banking and Its Impact on Traditional Banking" is published to identify the concept of online banking system and traditional banking system which analyse the different service provided by bank which is ATM, NEFT, internet Banking, mobile banking, SMS banking, telephone Banking. In this method the information is collected through the data collection and other source with the help of SPSS software and Microsoft excel sheets. The limitation during the research gap is focusing on the colleges and institution by considering the academic preparation on the online and internet banking.

8) *Vnayar, GV. et al (2022)* "A study on Online Banking System" - The work in these paper is to identified the online banking system which include access G - pay and phone pay, RTGS, NFT and cashless transaction of the customer, development of information Technology. The method of these includes secondary data which help them in analysing the customer behaviour of the online banking system of core connected with the banking service in addition to tradition banking they also mention that the online banking allow the customer to make the financial transaction through the access of internet e - banking also offer the customer with the more services. The advantages of using online banking which help in paying the bill, transferring money from account to other account.

Objective of the study

- 1) To ascertain the factors influencing the level of satisfaction among the users of online banking services.
- 2) To analysis the challenges encountered by customer using online banking service

Research Methodology

A research methodology is a certain procedure which helps the researcher to conduct its research. It can be described as a systematic plan which is used by the researcher to gather information related to a particular topic.

- 1) **Nature of Research:** The research is descriptive in nature. Descriptive research is used to describe a particular phenomenon that is being studied. Both

qualitative and quantitative methods were used while conducting the research.

- 2) **Sampling Technique:** The sampling technique used in the research is purposive sampling and snowball sampling techniques.
- 3) **Population Size:** The population size consists of the people using online banking in the Guwahati city of Assam.
- 4) **Sample Size:** The sample size consists of 100 respondents using Online banking services.
- 5) **Sources of Data:** Both primary and secondary sources of data were used for the research. Primary data: Primary data was collected from users of online banking services from various locations of Guwahati through questionnaires. Secondary data: Secondary data was collected through articles, papers, journals and websites.
- 6) **Area of Study:** The study was conducted in the Guwahati city of Assam. Guwahati is the largest metropolis in northeastern India with a total population of 23.8 lakhs and a literacy rate of 91.47% with a male literacy rate of 77.85% and a female literacy rate of 66.27%.
- 7) **Statistical Tools:** The percentage method has been used in analyzing and interpretation of the data. The data which has been collected from 100 respondents have been analyzed by constructing tables and converting it into percentages. The data collected has been represented in the form of bars and pie charts. The ranking method has also been used in some of the questions

Significance of the study

The study has been conducted to understand the concept of modern banking which includes online banking as a method of carrying out financial transactions through the internet. The study will help the various banks in ascertaining the factors which influences the level of satisfaction among its customers which will help them to upgrade and boost their online banking services. The finding of the study will also benefit the banks to scrutinize the challenges faced by customers while availing their online banking services. The study will highlight the importance of availing online banking services which will as a result influence the customer to captivate themselves more on modern banking methods as compare to traditional banking methods.

Limitation of the study

- 1) The study is confined to a limited geographical area which may affect the accuracy of the result.
- 2) Due to time constraint, only 100 respondents could be taken into consideration for the conduct of the study.

Concept of Online Banking

Online banking is also known as E - banking or internet banking this method of banking is define for the electronic fund transfer from one account to another account without physical touch through the electronic mood. Online banking are the means of financial cashless monetary transaction which carry throughout financial work through the online banking facilities This can be accessed through the smartphone, or computer. Online banking is the mode of making payment or transaction digitally in electronic mode the facilities and monitor the account from any place. It a

range to conduct the financial transaction through the website of bank or mobile app.

Most of the services the online banking has are listed below: -

- 1) Transferring the fund from one account to another account from anywhere.
- 2) Checking the balance from the personal account by giving the security pin in any smartphone or computer.
- 3) Withdraw the money through the ATM by giving the security pin from any place.
- 4) It gives the reminder automatically before due date to pay the pending bills of the loan or mortgage payment.
- 5) This can also be use in purchasing the groceries and medicine which can be paid directly through the online mode without giving the cash.
- 6) The online banking has also given all the facilities to do recharge like phone, expressway road toll, TV recharge etc.

Adaptation of Technology in Online Banking System

The Revolution of information Technology had a great impact on the India banking industry Which internet leads to introduce the internet banking system were the customer can do the financial transaction or do the operation through the computer by connecting the internet. The IT has become the great source for the banking by developing the modern technology in the computerization and also innovate the new software in banking sector. In the year 1991 the banking sector has been analysing to the world on liberalisation which affect the economic system. The India banking system is a very slow in compare to the international banking system as the international banking has the advance technology, they provide better customer service but the Indian banking system are the lack of new technology which left behind on understanding the customer satisfaction level.

In the year 1984 the RBI form the committee on mechanisation in banking system which the RBI manage to bring the MICR new technology in the market of banking in India. This will help to standardize the banking service in functioning and operation in the fastest way. In 1988 RBI set the committee as an computerize bank offered by the DR. C. R. Rangarajan which give the payment operation on the technology in the clearing house of RBI in Guwahati, Jaipur, Patna, Bhubaneshwar and Thiruvananthapuram by clearing the inter cheque in intercity. The information technology has also covered the branches of the banking by increasing the connectivity on the computer system. These moods of online banking have implemented by the banking. The RBI committee has submitted the report in 1989 and started to adopt the computerization in banking system by 1993.

In 1994 the committee has started to issue on the form of cheque and the security settlement on the Indian banking system which also leads to emphasized the online fund transfer and it was said the new technology system should to adopt the 100 branches in the communication banking network.

In the 1995 the committee has introduced the online fund transfer or the electronic payment on the banking system with the computer by authority accessing with the internet

networking. This lead to increase the efficiency of the service and show the transparency transaction.

Risks associated with online banking

The online banking gives a very convenient service to the customer which help the customer benefit in the different way but it's also associated with some risk in some stages. Most of the customer before availing the online banking service they are most concern about their account is safe. This provides with the high encrypted with an authentication process for availing the online service. while the online banking has served to accept the services by the customer but still it has the gap to conclude to adopt the online banking due to hesitation and security apprehension towards the services. The risk should be well - defined with the level of infrastructure and human capability towards its working capacity. The most important banking sector ware successfully manage by all over the world on the pre - internet times. The level of the communication has open across the insecure channel which lead to the breaking of internet over the customer relation towards its trust. Online banking has come across with many risks and challenges towards its management and regulatory authorities. They have increased the potential of the cross - border transaction as well as the domestic transaction based on the new technology and services which raise many issued and its security. Even though there is a secure security there have been always a risk on any services

There are some types of risk involve in online banking system for the Bank and customer has to come across which are: -

- 1) **Security Risk:** Security is the most vital part for every customer concern. In the term of transaction every customer has that thought to be secure with every transaction they make while doing online or electronic mode. The security involved the customer confidential information and help with the unauthorized access with the bank.
- 2) **System Architecture and Design:** The online banking system have the different operational mode of managing its various operational and security risk of online banking, its very much vital part for the user to know the appropriate system of its function. Bank always has a risk while on its system and function of technology on an inadequate control. Sometime the bank has the outdated system when it became difficult to manage with the new upgrade technology. Bank always need to keep updated with the system as its rapidly changing technology which help to avoid any pits in the security. Though its required to update with the system still it also very important for the staff to get the proper training to keep up flow with the new technology.
- 3) **Legal Risk:** online banking has also need to flow some rules and regulation and to its practice of the legal right while transaction. Online banking always has the comparatively risk involve in the legal transaction which is not established properly towards the new industry and uncertainty involve in the online banking. The involvement of the certain law and regulation while transaction claims to involved the risk
- 4) **Money Laundering Risk:** The financial transaction which to be made from account to account in

transferring the fund has the risk of channelising the difficulty with the bank itself. while the customer involve with the risk in money laundering were the place of online mode payment take feasibility towards its questionable outcome. which the bank has to face the unethical monetary transaction and it involve with some risk.

- 5) **Cross - border Risk:** Online banking system has given the range to do the transaction on the international transaction which involved the cross - border money transfer. To some extend the geographical border customer is involve between the two different customers and banks. The expansion of the customer

3. Findings

The major findings of the research are as follows:

- 1) From the study, out of 100 respondent the maximum no. of the age group were 79% falls under the age of 20 - 30 followed by 19 % falls under the age group of 30 - 40 and 2% are from the age group of 40 - 50.
- 2) From the study out of 100 respondents, 64% respondents are male and 36% respondents are female.
- 3) Out of 100 respondents, 87% people are unmarried and the rest 13% are married.
- 4) From the study out of 100 respondent 49% are students, 41% are the job holder and 8% are business men and the rest 2% are house wife.
- 5) From the above study out of 100 respondents, 53% have the income of below 1 - lakhs and 28% have the income of 1 - 2 lakh, 15% respondent have 5 lakh income and the 4% have the income of more than 5 lakh income.
- 6) From the study, out of 100 respondents, 100% respondent have the bank account and it has also been found that the respondents are availing different bank services from both public and private banks.
- 7) Majority of all the respondents ie.88% use the savings account followed by 13% of the respondents use current account and the rest 7 % and 6% are using the service of fixed deposit and recurring account and it has been also found that 92% of the respondents are satisfied with the banking services that they are availing and only 8% are dissatisfied towards the online banking services.
- 8) Majority of the respondents had preferred the mobile banking which is 96% and it has been found that 66% respondent use online banking transaction on daily basis.
- 9) According to the 100 respondents, 99% think that online banking is helpful for them and 65% of respondents are using the online banking for paying their bills online.
- 10) According to the survey, majority users ie.83% use Gpay for the transaction and 64% respondent are phone pay users followed by 53% are Paytm users and the other 30% are SBI yono users.64% of the respondent are availing the online service from the SBI followed by 21% respondents use HDFC online service.
- 11) From the study according to the 100 respondent most of the respondent uses the online baking for the good customer service and free checking of the transaction which help them to manage the individual account through the online mode.

Findings in relation to objective 1

The various factors that have influenced the level of satisfaction among the users of online banking services includes -

- 1) 22% of the respondents feel that online banking services are user friendly and easy to use.
- 2) 18% believes that service offers that are provided by the banks to its users for using online banking services provide them satisfaction.
- 3) It has also been found that 37% of the respondents feel that security measures provided by the banks also gives them satisfaction followed by 33% and 22% of the users believes that customer support and interest rates are some factors that influence them to use online banking.

Findings in relation to objective 2

The various challenges encountered by customer using online banking service includes -

- 1) 17% of the respondents feel that online banking is more time consuming in transferring the fund from one account to another,
- 2) 30% respondents face challenges with the speed of the online banking.
- 3) 20% of respondents have issue with the critical process.
- 4) 21% respondents feel that it is a challenge for the uneducated people to avail online banking services.

4. Recommendation

- 1) The bank should make aware and motivate the customer from the age group of 40 - 50 years to use the online banking which this will help them to manage the transaction instead of going to the Bank physically.
- 2) Bank should provide more facilities towards the large number of transactions to be made in a day through online banking.
- 3) The bank should make an aware more towards the risk associated by the customer on during the transaction.
- 4) Bank should improve more on the technical accessibility of the online service for the customer.
- 5) Bank should spread awareness about the easy access of online banking for the customer who are unaware about the online banking service very smoothly.
- 6) Bank should make more flexibility towards the online website design and apps and the server availability for the online banking

5. Conclusion

The end of the study is about the online banking service of the customer satisfaction. The study has been analysed that there is a strong level of customer satisfaction towards the online banking services provide by the bank. The result of the study has been shown that most of the respondent has the overall satisfaction towards the services of banking through the mode of online. Most of the customer use the online banking for accessing the transaction for the effectiveness and user - friendly of online banking. However, the study has been found out that most of the online customer are the public bank user and private bank user which most of the respondent are SBI customer which they are availing the online service some of them are not so satisfied with the

difficulties of the source of online banking for the no knowledge customer.

The study has been identified with the level of overall satisfaction of defendant by the gender and the level of experience and not by the education. The bank should improve the customer relation management by the online market research. The online banking users are more connected with the source of security transaction and also the confidential with their personal transaction. The online banking has become more important for the customer and the banking industry which it will help to manage the communication with the customer. The banking industry has made more case - based system to cashless system which has become convenient to the to the customer and reliable, where online banking has become more massive importance for the financial transaction.

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