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# A Study on Customer Satisfication of E- Banking Services in Commercial Banks. - a Theoretical View

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**ABSTRACT**

*The bank system is facing challenges with stiff competition and advancement of technology. It becomes imperative for service providers to meet or exceed the target customers' satisfaction with quality of services expected by them. Hence, the present research attempted to study customers' perception of quality of services, both transactions based and IT enabled in terms of its constituent factors in commercial banks. Also through the present study, we would gauge the extent of IT adoption in public sector banks in this e-age. The present investigation was planned with the objective to assess the extent of use of services especially the IT enabled services in these banks and to analyze the constituent factors affecting customer satisfaction with the quality of services. The present study was conducted in public sector Bank. The study was proposed to be conducted only a theoretically view.*

**KEYWORDS : Transaction Based Banking Services, IT Enabled E- Banking Services, Customer Satisfaction, Service Quality.**

## INTRODUCTION

**"Customer to day is no longer the king,**
**He has emerged as an emperor."**

Commercial banks are the oldest, biggest, and fastest growing financial intermediaries in India. Banking system occupies an important place in a nation's economy. The banks have been doing the information technology in E- Banking service and provide facilities to cater to the needs of the customers. E- Baking services is an activity that one party can offer to another that is essentially intangible and does not result in the ownership of anything. Customer service implies the satisfaction of customers needs. They are the backbone of the success of every organization including commercial banks and there is no exception for this.

## MEANING OF CUSTOMER

Customer is anyone who comes to the banks having some work to do with the bank. It is not necessary that he must be an account holder or a direct user of banks services**.**

## "CUSTOMER"

C – ustomised care

U – niqueness

S - ervice orientation

T – enderness

O – penness

M – anagerial ability

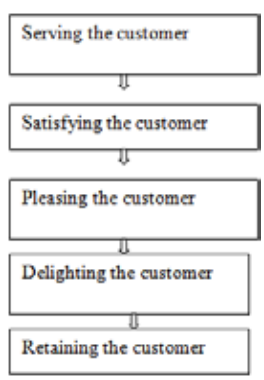
E - ffectiveness

R – esponsiveness

Customer service is concerned with the building of bonds with the customers. Customer service is an activity which provides time and place utilities for the customer and which also involves pre- transaction consideration relating to the exchange process with the customer. "Customer service is the commitment to providing value added services to external and internal customer, including attitude knowledge, technical support and quality of service in a timely manner. Customer service is the provision of service to customers before, during and after a purchase."

## CUSTOMER PERCEPTION IN E- BANKING

The customer perception is changing day by day. **Peter Drucker** said twenty five years ago that "The purpose of a business is to Attract and Retain a customer". It sounds simple but too many businessmen have forgotten it at their risk. There has been a phenomenal change and paradigm shift towards customer focus for the past five decades.




## ELECTRONIC BANKING SERVICES

The technological revolution that we witness nowadays in our world particularly the advancements in the information technology has brought an enormous transformation in the banking industry. Due to the advances in information technology banking services have now become easier, speedy and everywhere accessible. There are various types of electronic banking services. They include Automated Teller Machine, Internet Banking, SMS banking, Credit Cards, Debit Cards, Tele Banking, etc. CBE's effort to deliver electronic banking services can be seen as a good beginning. However, the bank lags behind its competitors in the introduction of up to date electronic banking services.

## DEFINE E – BANKING

**Electronic banking** is an umbrella term for the process by which a customer may perform banking transactions electronically without visiting a brick-and-mortar institution. The following terms all refer to one form or another of electronic banking: personal computer (PC) banking, Internet banking, virtual banking, online banking, home banking, remote electronic banking, and phone bank. PC banking and Internet or online banking is the most frequently used designations. It should be noted, however, that the terms used to describe the various types of electronic banking are often used interchangeably.

- on line banking or internet banking
- In simple terms it does not involve any physical exchange of money but it's all done electronically from one account to another using the internet.
- From a personal computer, you can access your bank ac-

count information and perform many banking functions, like transferring money making a loan payment.

**BENEFITS OF E-BANKING SERVICE**

E-banking helps us in overcoming the drawbacks of manual system, as Computers are capable of storing, analyzing, consolidating, searching and presenting the data as per the user requirements with lot of speed and accuracy. Number of benefits accrues to the various parties with the development of e – banking.

**To the Banks**

* E-banking services help in increasing profits.
* E-banking provides competitive advantage with boundary less network to the banks.
* Due to e-banking banks carry on business less with paper money and more with plastic money; have online transfer of funds, thus economizing on the cost of storage of huge stocks of currency notes and coins.
* By connecting with ATM and PC terminals, risk of cash overdraw can be eliminated in case of ATM credit and debit cards.
* E-banking websites can act as a revenue earner through its promotional activities.
* Customers can avail e-banking facility from anywhere, therefore saving the need not to invest more on building infrastructures.
* Websites that offer financial convergence for the customer will create a more involved banking customer who will more frequently utilize the banking websites.

**To the Customers**

* E-banking provides 24 /7 hours service to the customers for cash withdrawal from any branch.
* Quick and steady access to information.
* Online purchase of goods and services and payments can be made for various purposes.
* The customer can view his account balance, can get a statement of his account, can apply for loans, check the progress of his investments, review interest rates and collect other important information.
* The operating cost per unit service is lower for the banks.
* It offers convenience to customer as they are not required to go to the bank premises.
* There is very low incidence of errors.
* The customer can obtain funds at any time from ATM machine.
* The credit cards and debit cards enables the customers to obtain discounts from retail outlets.
* The customer can easily transfer the funds from one place to another place electronically.

**To the Merchants, Traders, etc.**

*It ensures assured quick payment and settlement to the various transactions made by the traders.
* It provides a variety of services to the businessmen on par with the international standards with low transaction cost.
* Cost and risk problems involved in handling cash which are very high in business transactions are avoided.
* It leads to the growth of global and local clientele base with the development of e-Banking.
* Other benefits include improved image, improved customer service, eliminating paper work, reduced waiting costs and enhanced flexibility.

**E- services offered by the commercial banks in India**

| Services to the depositors | Services to the borrowers | Milestone of technology services | Agency services | Miscellaneous services |
|---|---|---|---|---|
| *Current Deposit a) Fixed Deposit b) Saving Deposit c). Insurance linked saving bank deposit d)Recurring deposit | a. loans b. cash credit system c. Bills purchased and discounted. d. | ATM, Mobile banking , E- Banking Credit and debit card. E- Payments. * VSAT, NDS, CFMS, RTGS, SFMS, CBS, MICR,DVP, EFT, NEFT. | . *payments and collection of subscriptions, dividends, salaries, pensions. *Purchase and sale of securities *Acting as executor, administrator, and trustee. · Acting as attorney | · safe custody of valuables · LOC · Travelers cheques · Remittance of fund · Merchant banking · Dealing in foreign exchange business · Leasing · Factoring · Housing finance · Underwriting of securities · Tax consultancy · Gift cheques |

**Customer satisfaction in E- service**

Retaining existing customers is more important and difficult than bringing in new customers today. Maintaining customer e- service level holds key to business growth in a consumer business. However, in the recent financial crisis, many consumer companies like airlines, baking and retail business are curtailing their service levels by reducing staff, curtailing working hours and closing down some of the business locations in efforts to reduce costs. On the other hand, they are increasing their fees for services offered in the market. As a result, one survey indicates that consumer satisfaction scores are dropping in a number of service industries, reversing the earlier upward trend observed during the past few years. Many business executives consider compromising customer service as a gross mistake that may have long term adverse impact not only on their business growth but also on survival in the market. Many service industries have found themselves on a crossroad of cost cutting and increasing customer satisfaction, facing the challenge of maintaining overall customer satisfaction level on one hand and achieving Cost reduction on the other. One of the important strategies to achieve this objective is to minimize wasteful spending while learning to invest in the drives of satisfaction the advent of technology based products in banking has recently brought in sea changes in the customer needs. The present day young generation wants to transact banking business from their cosy homes or office rather than visiting a bank's branch. Many customers prefer to withdraw cash from nearby ATMs avoiding the long queues at branches. Banks have already invested large sums of money in technology to develop these alternate delivery channels with may help in replacing the traditional branch network. Another way of achieving the conflicting goals of maintaining customers satisfaction and reducing costs is to closely manage the customer experience by fine tuning the service levels. A study indicates that the customer has a basic minimum level of expected service delivery to his satisfaction.

**SUGGESTIONS**

Customers can protect themselves against technology based frauds such as phishing etc., if they adhere to the following suggestion:

* "Always subscribe to mobile alerts, if provided by your bank, so that any unauthorized transaction come to your notice immediately. Also check your account regularly for E-Banking transactions. If you ever come across a transaction that was not initiated by you, immediately report it to your bank."
* Never click on a link provided in a mail for anything to do with your financial relationship transactions.
* Never use a shared computer, whether in office or in a cyber café, for internet banking.
* Your anti- virus and anti –malware must be updated continuously to have the latest signatures and definitions.
· Never keep your password written anywhere as this can be stolen. Just commit it to memory

**CONCLUSION**

The commercial banks play an important role in over all economic development of a nation. They provide information and e- service to

the people in the form of accepting deposits and lending loans and also providing many E- services. Accordingly ATM service is one of the important services. Banking business mainly depends upon its customers. A successful banker should treat the customer well and king. Growth and profitability of banks to large extent depends on the customer service. The bankers should create awareness about the milestones of technology and innovative services to the customers.

**"Customer Always King of Every Bank"**
**"Technology is Pioneer of Every Bank"**

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