



An Examination of Customer Satisfaction and Perceptions of secure online banking Service providers

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Abstract : This study investigates the perceptions and satisfaction levels of clients regarding online banking services in the Vellore district. With the widespread adoption of digital banking platforms, understanding customer experiences is crucial for improving service delivery and user engagement. A structured questionnaire was used to collect primary data from 250 respondents. The study explores key dimensions including ease of use, transaction speed, security, and customer support. Statistical tools such as regression analysis, chi-square tests, and ranking methods were applied to analyze the data. The results reveal that education and occupation significantly influence satisfaction, while ease of use and security are major drivers of client happiness. The study also identifies key issues such as app crashes and login problems that negatively impact the user experience. These findings offer valuable insights for banks to enhance their digital service offerings and better meet customer expectations.

Keywords: Online Banking, Client Perception, Customer Satisfaction, Digital Banking, E-Banking, Vellore District, Regression Analysis, Chi-Square Test, AMOS Model, Service Quality.

1.INTRODUCTION

Electronic banking (e-banking) refers to the use of digital platforms by financial institutions to provide banking services to customers. It enables users to perform transactions such as fund transfers, bill payments, and account management through computers or mobile devices. E-banking has transformed traditional banking by offering 24/7 access, improved convenience, and reduced need for physical branch visits. With growing internet penetration and smartphone usage, e-banking adoption has surged, especially in urban and semi-urban areas. It reduces operational costs for banks and enhances customer experience. However, it also presents challenges like cyber-security risks, technical glitches, and digital literacy gaps. Ensuring user satisfaction is vital for the success of digital banking services. Therefore, studying user perceptions and satisfaction is essential to enhance service quality and client retention.

2. LITERATURE REVIEW :

The rapid growth and development of information and communication technologies (ICT) have enabled companies to create value in a digital environment (Schrieck and Wiesche, 2017). Currently, the adoption of innovation in the

organization's strategy is an essential requirement to create value. The term value co-creation has a principal role in easing this innovation. O'Hern and Rindfleisch (2010) conceptualize value co-creation as a collaborative activity, in which consumers actively participate and choose components of a different product or service proposition. Thus, in the digital era, value creation has become the co-creation of value between customers and companies (Hosseini et al., 2020).

Internet and technological development have changed how financial services are offered and used (Malaquias and Hwang, 2019). Banks and many financial institutions suggest alternative innovative electronic channels for maintaining a competitive advantage and satisfying customer expectations. Mobile devices and destock have increasingly become tools that customers implement through e-banking to pay for products and services (Zhang et al., 2018). Therefore, e-banking can adapt to clients' needs, such as performing banking activities, without physically visit an office or an ATM (Malaquias and Hwang, 2019). For this reason, e-banking has considerable value for many financial organizations and customers (Baabdullah et al., 2019).

The introduction and growth of Internet services, which offer better possibilities of interaction with companies, allow consumers to participate in the development and/or improvement of products/services, resulting in value. Consequently, organizations are concerned about attracting customers who want to contribute their ideas to the collaborative process (Chepurna and Criado, 2018). The banking context is particularly interesting in analyzing the transition toward a value co-creation strategy (Mostafa, 2020). The fierce competition in the banking arena has facilitated e-banking as the most cutting-edge electronic-based and self-service distribution channel (Malaquias and Hwang, 2019). e-Banking is conceptualized as a distribution and communication channel which allows customers to interact with a bank to conduct transactions economically and efficiently, mainly through electronic tools, e.g., tablets or smartphones (Singh and Srivastava, 2020). The use of e-banking offers a wide variety of services for customers, which provide them with value and create a competitive advantage over competitors, such as account checking, bill payment, transferences, or mobile phone text message notifications (Mostafa, 2020). As an example of this incremental service innovations, Bankia is modernizing their communication channels to increase the value offered to customers. Bankia has been recognized as the first Spanish bank with an official verified WhatsApp account to communicate with either current customers or prospects. This action is part of its business strategy "Digital Humanism" as a new way of relating to customers based on a closer, agile, and direct actions (Bankia, 2020).

The massive usage of the Internet and electronic gadgets have captured the attention of researchers to e-banking. Previous studies (e.g., Glavee-Geo et al., 2017; Singh and Srivastava, 2020) show that previous works have studied the factors that encourage the adoption of e-banking (Mostafa, 2020). However, the adoption rate of e-banking is below the expectation and still in the adoption phase, even though e-banking services offer several outstanding services to users (Shankar et al., 2020). Therefore, this study aims to develop an empirical model based on technology adoption, applied in e-banking to understand the behavior of the users.

3.STATEMENT OF THE PROBLEM

With the rapid digitalization of banking services, online banking has become an essential part of modern financial transactions. However, despite its convenience and efficiency, users often face issues related to usability, security, and satisfaction. In the Vellore District, the adoption and satisfaction levels of clients with online banking remain understudied.

4.Objectives of the Study:

- ❖ To study the perception of clients towards online banking in Vellore district.
- ❖ To analyze the satisfaction level of customers using online banking.
- ❖ To examine the demographic influence on online banking satisfaction.
- ❖ To identify major factors that influence customer satisfaction.
- ❖ To study the challenges and disturbing elements faced by users.

5.NEED AND IMPORTANCE OF THE STUDY

This study helps in understanding the changing banking behavior of clients in Vellore district. It provides banks with critical insights into the strengths and weaknesses of their online services, ultimately helping them design better user-centric services.

6. RESEARCH METHODOLOGY:

- **Type of Research:** Descriptive
- **Area of Study:** Vellore District
- **Sample Size:** 250 respondents
- **Data Collection:** Structured questionnaire
- **Sampling Technique:** Stratified random sampling
- **Data Analysis Tools:** Percentage analysis, ranking, chi-square test, regression analysis, IBM SPSS 25 vs IBM SPSS AMOS

7. DEMOGRAPHIC PROFILE OF RESPONDENTS:

Demographic Variable	Category	Frequency
Gender	Male	135
	Female	115
Age	18-25	75
	26-35	90
	36-45	50
	46 and above	35
Education	Undergraduate	100
	Graduate	120
	Postgraduate and above	30
Occupation	Student	60
	Employed	130
	Business	40
	Others	20

8. ADOPTION OF E-BANKING SERVICES (250 RESPONDENTS):

Type of Service Used	No. of Users
Balance Enquiry	230
Fund Transfer	210
Bill Payments	195
Mobile Recharge	185
Loan Applications	95
New Account Opening	70

9. SATISFACTION LEVEL OF E-BANKING SERVICES (RANKED):

Parameter	Very Satisfied	Satisfied	Neutral	Dissatisfied	Rank
Ease of Use	180	50	10	10	1
Transaction Speed	160	60	20	10	2
Security	130	70	30	20	3
Customer Support	100	80	40	30	4
Range of Services	90	100	40	20	5

10. REGRESSION ANALYSIS - DEMOGRAPHIC PROFILE VS SATISFACTION:

Variable	Coefficient	p-value
Age	-0.12	0.03
Gender	0.08	0.06
Education	0.25	0.01
Occupation	0.15	0.02

Interpretation: Education and occupation significantly affect satisfaction with online banking.

11. CHI-SQUARE TEST - FACTORS INFLUENCING SATISFACTION:

Factor	Chi-Square Value	p-value	Significant?
Ease of Use	10.5	0.02	Yes
Security	8.9	0.04	Yes
Customer Support	5.2	0.08	No

Interpretation: Ease of use and security are significant factors affecting satisfaction.

12. MAJOR DISTURBING ELEMENTS IN E-BANKING (CHI-SQUARE):

Issue	Frequency	Chi-Square Value	p-value	Significant?
Slow Transactions	90	12.3	0.01	Yes
App Crashes	70	11.1	0.03	Yes
Poor Customer Service	50	6.2	0.09	No
Login Issues	40	10.2	0.02	Yes

13. LIMITATIONS:

- This Study limited to Vellore district only.
- Responses only limited to the Vellore District.
- This study is limited to 250 respondents.
- Online users only included, excluding non-digital users.

14. DISCUSSION

The study reveals that clients in Vellore district are increasingly adopting online banking services due to convenience. Ease of use, transaction speed, and security are key drivers of satisfaction. Educational background positively influences satisfaction levels. However, some users face significant challenges such as app crashes and login issues. While most users are comfortable with basic services, fewer adopt advanced services like loan applications. Security and support remain areas of concern. Banks should focus on improving these aspects. Age showed a negative correlation with satisfaction, implying younger users are more satisfied. Enhanced UX design could improve adoption. Overall, the perception of online banking is largely positive.

15. CONCLUSION

Online banking has significantly transformed the banking experience for users in Vellore district. The majority of users find online platforms easy to use and convenient. Education and occupation play an important role in shaping customer satisfaction. While basic services like balance enquiry and fund transfer are widely used, advanced services require more awareness. The study shows that ease of use and security are crucial to consumer happiness. Regression and chi-square analyses confirmed that demographic and functional factors both affect satisfaction levels.

Despite the positives, challenges like app instability and login problems persist. Customer support requires enhancement to better serve users. The study recommends targeted improvements in mobile apps and real-time issue resolution. With improved service quality, customer loyalty can be strengthened. Banks should invest in continuous feedback mechanisms. There is also a need for user education, especially among older users. Online banking in rural and semi-urban areas must be made more accessible. Policymakers and banks must collaborate to bridge the digital divide. Overall, the findings underscore the importance of user-centered digital banking development.

16. SCOPE FOR FURTHER RESEARCH

Future studies can expand the geographic scope beyond Vellore district, compare rural vs urban satisfaction, explore mobile banking app performance specifically, or examine post-pandemic trends in more detail. Longitudinal studies can help track perception changes over time.

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