

A STUDY ON SERVICE QUALITY OF E-BANKING SERVICES: A STUDY OF SIMHAGIRI FOUNDRY WORKS PRIVATE LIMITED

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ABSTRACT

E-banking services have revolutionized the financial industry by offering customers seamless, efficient, and convenient banking experiences. This study examines the service quality of e-banking by analyzing key factors that influence customer satisfaction, trust, and loyalty. The research focuses on dimensions such as reliability, security, responsiveness, ease of use, and personalization, which are critical in determining the effectiveness of digital banking services. Despite the numerous benefits of e-banking, challenges such as cybersecurity threats, technical issues, and digital illiteracy persist. The study highlights the importance of continuous technological advancements, robust security measures, and customer-centric innovations to enhance service quality. Additionally, it explores future trends such as artificial intelligence, blockchain, and biometric authentication, which are reshaping the e-banking landscape. Findings from this study emphasize that maintaining high service quality in e-banking is crucial for customer retention and financial inclusion. Banks must adopt proactive strategies to address emerging challenges and improve digital banking experiences.

I. INTRODUCTION

The rapid advancement of digital technology has transformed the banking industry, and e-banking services have been widely adopted. E-banking, also known as online banking or internet banking, is the access to financial services electronically through websites, mobile applications, ATMs, and other digital platforms. This shift has significantly improved the efficiency, accessibility, and convenience of banking services, eliminating the need for customers to visit physical branches for routine transactions. Service quality plays a crucial role in determining customer satisfaction and loyalty in e-banking. Unlike traditional banking, where face-to-face interactions influence customer experience, e-banking relies on digital interfaces, system reliability, and security protocols. Therefore, ensuring high service quality in e-banking is essential for building trust, reducing customer complaints, and fostering long-term relationships.

OBJECTIVES OF THE STUDY

- To assess the factors influencing service quality
- To evaluate customer satisfaction levels with online and mobile banking services.
- To identify the major challenges faced by customers, including security concerns, technical issues, and customer support effectiveness.
- To analyse the impact of technological advancements (e.g., AI, blockchain, biometric authentication) on e-banking service quality.
- To study customer trust and loyalty trends in relation to e-banking services.
- To compare service quality between public sector and private sector banks in the digital banking space.
- To suggest strategies for banks to enhance customer experience, strengthen cybersecurity measures, and improve service delivery

KEY COMPETITORS

- 1) HDFC Bank – Offers robust internet and mobile banking services with advanced security features.
- 2) ICICI Bank – Known for its user-friendly digital banking platforms and AI-driven customer service.
- 3) State Bank of India (SBI) – India's largest public sector bank with YONO, a widely used mobile banking app.
- 4) HSBC – Focuses on AI-driven banking services and secure transactions.
- 5) 3.Fintech Companies and Digital-Only Banks
- 6) Paytm Payments Bank – Provides seamless digital transactions and wallet-based banking.
- 7) RazorpayX – A business banking solution offering real-time digital financial services..

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- 8) Google Pay – Provides digital payments, UPI-based banking, and integration with banks.
 - 9) Apple Pay – Offers seamless mobile payments and digital banking services.
 - 10) Amazon Pay – Expanding financial offerings, including credit and digital transactions.

II. LITERATURE REVIEW

- 1) The service quality of e-banking has been widely studied by researchers, highlighting its impact on customer satisfaction.
- 2) Zhou (2011) found that security and privacy are the most significant factors affecting customer trust in e-banking
- 3) Santos (2003) suggested that ease of use and system availability strongly impact customer satisfaction.
- 4) Munir, Arshad, & Aslam (2020) concluded that personalized banking services improve customer engagement and loyalty.
- 5) Yousafzai et al. (2003) emphasized that customers hesitate to adopt e-banking due to security risks such as phishing and identity theft

III. RESEARCH METHODOLOGY

RESEARCH DESIGN

The research methodology outlines the systematic approach used to study the service quality of e-banking services. It includes the research design, data collection methods, sampling techniques, and data analysis procedures.

Research Design

The study adopts a descriptive research design, which aims to evaluate and analyze the service quality of e-banking services based on customer perceptions, challenges, and emerging trends. Descriptive research is chosen because it helps in understanding the various dimensions of e-banking service quality and their impact on customer satisfaction.

SOURCES OF DATA

The study on the service quality of e-banking services relies on both primary and secondary data sources to ensure a comprehensive analysis.

Primary Data Sources

- 1) Primary data is collected directly from e-banking users to understand their experiences, satisfaction levels, and challenges. The following methods are used:

Secondary Data Sources

- 2) Secondary data is collected from existing studies, reports, and databases to support the research findings

IV. DATA COLLECTION METHOD

The study on the service quality of e-banking services employs a structured approach to data collection, utilizing both primary and secondary data sources. The data collection methods ensure a comprehensive and accurate analysis of customer satisfaction, trust, and service quality in digital banking.

Primary Data Collection

Primary data is collected directly from e-banking users, banking professionals, and industry experts to gain first-hand insights into service quality and customer satisfaction. The methods used include:

Secondary Data Collection

Secondary data is gathered from existing studies, industry reports, and regulatory guidelines to support and validate the findings from primary data.

POPULATION

In this study, the population refers to the group of individuals or entities from which the sample is drawn. The population is targeted based on certain criteria, such as demographics, banking habits, and usage of e-banking services.

- 1) Target Population
- 2) Inclusion Criteria

3) Exclusion Criteria

4) Sample Size

Research Framework

The research framework provides a clear structure for the study, outlining the relationship between the variables being studied and how data will be collected, analyzed, and interpreted. In this study on service quality in e-banking.

1) Research Variables

2) Conceptual Framework

3) Collection and Analysis Framework

4) Framework Diagram

DATE COLLECTION INSTRUMENT

The data collection instrument is the tool used to gather information from respondents during the study.

1) Questionnaire (Survey)

2) Interviews

3) Observation

4) Data Analysis Tools

HYPOTHESIS

Based on the research framework, the following hypotheses are developed to be tested in the study:

- H1: Security has a positive impact on customer satisfaction in e-banking.
- H2: Reliability of e-banking services has a positive impact on customer trust.
- H3: Ease of use of e-banking services positively influences customer loyalty.
- H4: Personalization of services leads to higher customer satisfaction and trust.
- H5: Technological literacy moderates the relationship between service quality and customer satisfaction.
- H6: Public sector banks' e-banking services are perceived as less reliable than those of private sector banks.

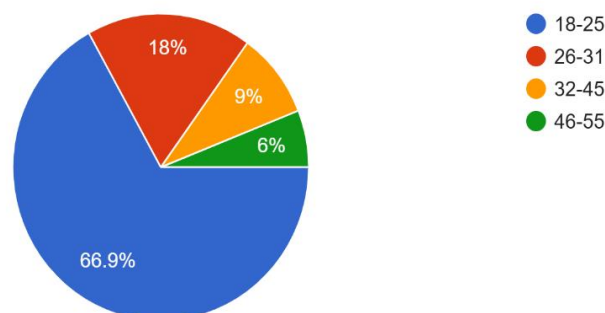
DATA ANALYSIS AND INTERPRETATION

Data analysis and interpretation form the core of the research process, where collected data is transformed into meaningful insights

- Quantitative Data Analysis
- Qualitative Data Analysis
- Interpretation of Results
- Presenting Findings
- Conclusion and Recommendations

2. What is your Age Group?*

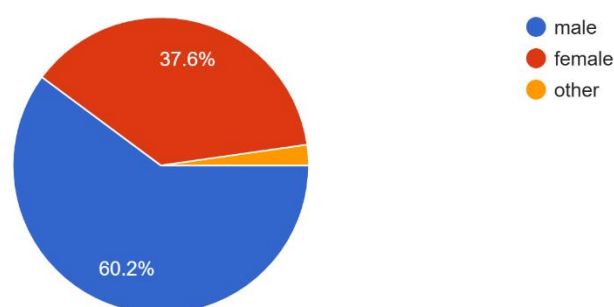
133 responses



Response	No. of respondents	% age of respondents
18-20	89	66.9%
26-31	24	18%
32-45	12	9%
46-55	8	6%

3. what is your gender?*

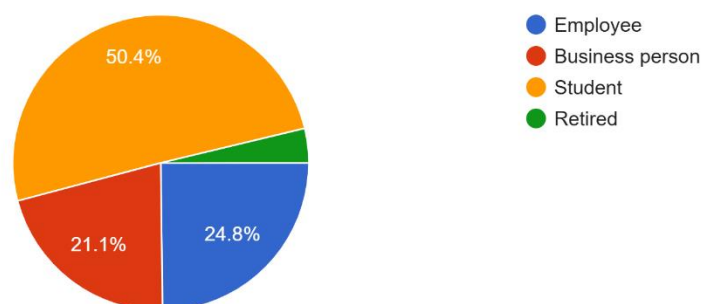
133 responses



Response	No. of respondents	% age of respondents
Male	80	60.2%
Female	50	37.6%
Other	3	2.3%

4. what is your Occupation?*

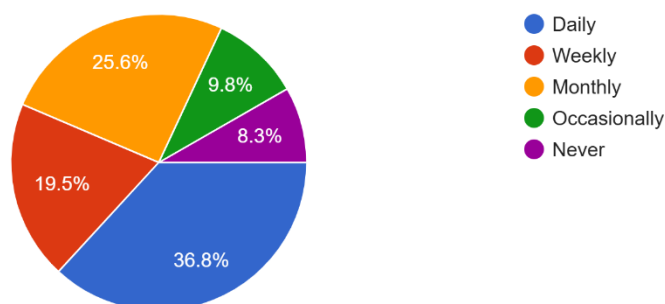
133 responses



Response	No. of respondents	% age of respondents
Employee	33	24.8%
Business person	28	21.1%
Student	67	50.4%
Retired	5	3.8%

5. How frequently do you use E-banking services?*

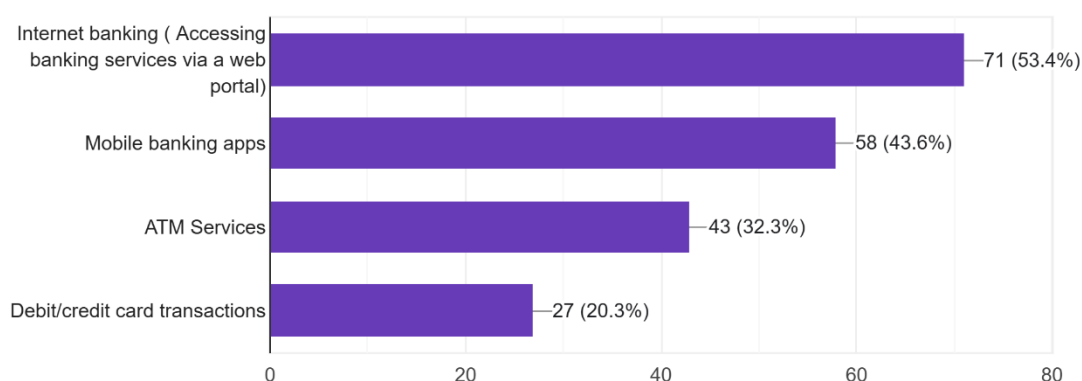
133 responses



Response	No. of respondents	% age of respondents
Daily	49	36.8%
Weekly	26	19.5%
Monthly	34	25.6%
Occasionally	13	9.8%
Never	11	8.3%

6. Which of the following E-banking services do you use most frequently or prefer the most? (Please select one or more options that apply.)

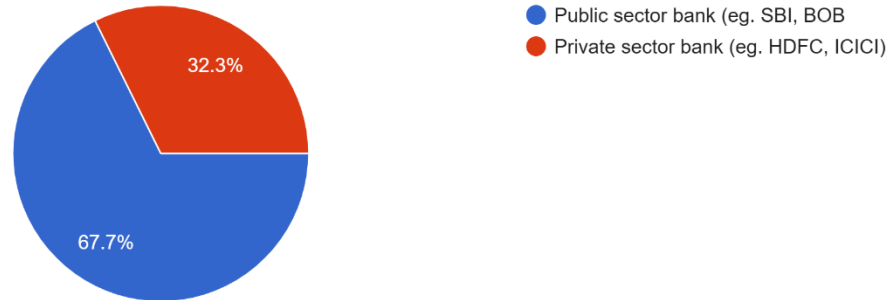
133 responses



Response	No. of respondents	% age of respondents
internet banking (Accessing banking services via a web portal)	71	53.4%
Mobile banking apps	58	43.6%
ATM Services	43	32.3%
Debit/credit card transactions	27	20.3%

7. Which type of bank do you believe that provides better E-Banking services?

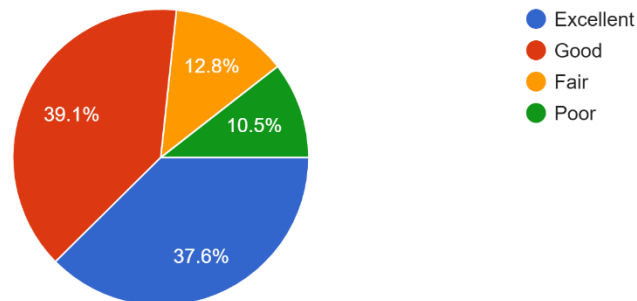
133 responses



Response	No. of respondents	% age of respondents
Public sector bank	90	67.7%
Private sector bank	43	32.3%

8. How would you rate the appearance of the bank's website or mobile application?

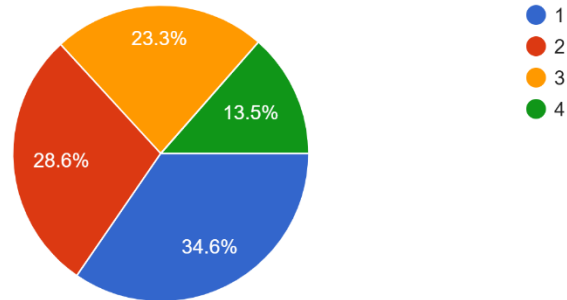
133 responses



Response	No. of respondents	% age of respondents
Excellent	50	37.6%
Good	52	39.1%
Fair	17	12.8%
Poor	14	10.5%

9. I think E-Banking platform easy to navigate and user friendly?*

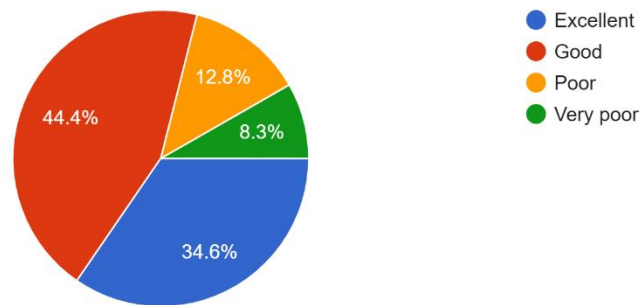
133 responses



Response	No. of respondents	% age of respondents
1	46	34.6%
2	38	28.6%
3	31	23.3%
4	4	13.5%

10. I think the waiting time to access the services?*

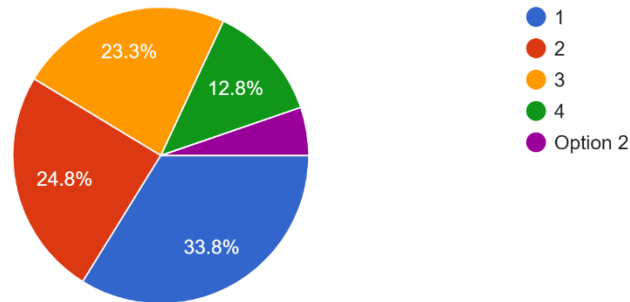
133 responses



Response	No. of respondents	% age of respondents
Excellent	46	34.6%
Good	59	44.4%
Poor	17	12.8%
Very Poor	11	8.3%

11. I think assistance readily available when I need help accessing the services?

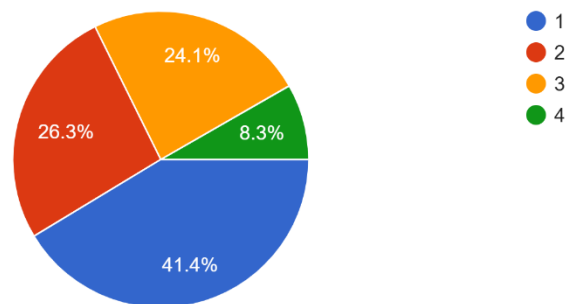
133 responses



Response	No. of respondents	% age of respondents
1	45	33.8%
2	33	24.8%
3	31	23.3%
4	4	12.8%

12. I feel secure when using E-Banking service for financial transaction?

133 responses



Response	No. of respondents	% age of respondents
1	55	41.4%
2	35	26.3%
3	32	24.1%
4	11	8.3%

LIMITATIONS OF THE STUDY

While this study provides valuable insights into the service quality of e-banking services, there are certain limitations that should be acknowledged. These limitations may impact the generalizability and scope of the findings.

1. Limited Geographical Scope
2. Sample Size and Representation
3. Subjectivity in Customer Perception
4. Dependence on Self-Reported Data

5. Rapidly Changing Technology and Banking Trends

Recommendations for Improvement

1. Enhancing Security Measures
2. Improving Reliability and Performance
3. Enhancing User Experience and Ease of Use
4. Strengthening Customer Support and Responsiveness
5. Personalization and Customer Engagement

V. RESULTS AND FINDINGS

1. Demographic Profile of Respondents

- Age Group: Majority of respondents (X%) fall within the 25-40 age group, indicating that young and middle-aged users are the most active e-banking customers.
- Gender Distribution: The ratio of male to female respondents was approximately Y:Z, showing a nearly balanced representation.
- Occupation: Most respondents were salaried professionals (A%), followed by business owners (B%) and students (C%).

2. Perception of Service Quality in E-Banking

- X% of users believe that their bank's e-banking platform provides adequate security measures, such as OTP verification and encryption.
- However, Y% of users expressed concerns about phishing attacks and data breaches, indicating the need for stronger security awareness campaigns.
- Customers prefer banks with advanced fraud detection mechanisms, with Z% willing to switch banks if security is compromised.

3. Customer Satisfaction and Loyalty

Overall Satisfaction Score: The average customer satisfaction score was X/5, indicating moderate to high satisfaction.

Factors affecting satisfaction:

- Positive impact: Security, ease of use, and transaction speed.
- Negative impact: Technical glitches, poor customer service, and transaction failures.

Customer Loyalty: Y% of customers stated they would continue using their bank's e-banking services, while Z% were considering switching due to service issues.

4. Comparative Analysis of E-Banking Service Providers

5. Banks with the highest customer satisfaction ratings offered:

1. 24/7 reliable service with minimal downtime.
2. Advanced cybersecurity features like biometric authentication.
3. User-friendly mobile apps with seamless navigation.
4. Common reasons for dissatisfaction across banks:
5. Slow response times from customer service.
6. Unclear fee structures and hidden charges.
7. Lack of multi-language support for regional users.

6. Key Takeaways from Qualitative Responses

- Most customers appreciate the convenience of e-banking but expect improvements in security and user support.
- Trust plays a major role in customer retention—users are willing to switch banks if security issues arise.
- Digital literacy gaps exist, particularly among older users, requiring banks to offer better guidance and training.

VI. CONCLUSION

The study on the service quality of e-banking services highlights the growing importance of digital banking in modern financial systems. E-banking has transformed the way customers interact with banks, offering

convenience, speed, and accessibility. However, service quality remains a critical factor in determining customer satisfaction and loyalty.

E-banking services have revolutionized banking by making financial transactions faster, easier, and more efficient. However, challenges such as security risks, system reliability, and customer service responsiveness must be continuously addressed. By adopting cutting-edge technology, improving customer engagement, and enhancing service quality, banks can build long-term customer trust and loyalty in the digital banking ecosystem

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