

## **"Online Banking and Customer Satisfaction in Public and Private Sector Banks: Evidence from India"**

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**Abstract:** *E- Banking is about using the infrastructure for digital age to create opportunities, both local & global. IT enables the dramatic lowering of transaction cost and the creation of new types of banking opportunities that address the barriers of time and distance. Banking opportunities are local, global and immediate in e-banking.*

*Internet banking has many advantages over other traditional banking delivery methods. Internet banking provides banks with an increased customer base, cost savings, mass customization, product innovations, improved marketing, and communication, the ability to develop non-core businesses, and the ability to offer services regardless of geography and time constraints.*

*With the development of new technology, Internet banking is expected to become a major banking method for customers. Internet banking reduces costs by providing customers with another means of accessing their accounts without physically visiting a bank.*

*The main purpose of this study is to analyze various online facilities provided by major public and private banks in Jaipur and to measure their impact on customers in terms of customer satisfaction.*

**Keywords:** *E-Banking, Information Technology, Customer Satisfaction.*

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### **I. Introduction**

Banks are among the main participants of the financial system in India. Banking is necessary for the economic development of any country or we can say that banking system is the backbone of any economy. The first bank in India was established in 1786. The journey of Indian banking system can be classified into three distinct phases.

The first phase from 1786 to 1969 in which the East India company establish Bank of Bengal(1809), bank of Bombay(1804) and Bank of Madras(1843) as an independent units and called them presidency Banks, These three banks were amalgamated in 1920 and the Imperial bank of India, which started as private shareholders bank, was established with mostly European shareholder.

In second phase the government took major steps and it nationalized the Imperial Bank of India(the State Bank of India Act) with extensive banking facilities on a large scale, especially in rural and semi- urban areas as the first phase of nationalization. It formed the State Bank of India (SBI) play a role of agent of RBI and it handle all the banking transactions of union as well as state government of the country. In 1969, seven subsidiary banks of the State Bank of India were nationalized as a major process of nationalization due to the effort of the then prime minister Mrs. Indira Gandhi, later in 1969, 14 major private commercial banks in the country were nationalized.

The third phase of development of Indian banking introduced many more product and facilities in the banking sector in its reforms measures. In 1991, under the chairmanship of M. Narasimha, committee, which worked for the liberalization of banking practices. In this phase new foreign banks were introduced with their ATM station in addition to phone banking and net banking have been introduced. The entire system has become more convenient and swift. This system gives more importance to time, instead of money.

Nowadays customer are more demanding so bank branches alone are not capable to provide enough services to the needed customer. Banking today is much more than routine storage and retrieval of information. IT give banks the ability to quickly respond to market trends, changes in the business environment or new directive form regulatory bodies such as the Central bank and the ministry of Finance. In a highly competitive banking industry, speed is a clear-cut advantage.

e- Banking is about using the infrastructure for digital age to create opportunities, both local & global. IT enables the dramatic lowering of transaction cost and the creation of new types of banking opportunities that address the barriers of time and distance. Banking opportunities are local, global and immediate in e-banking.

### **Customer Satisfaction and Online Banking:**

As customers become more sophisticated, therefore, it becomes essential to consider the use of technology to respond to their continuously change. Customers in developing economies seems to keep the

“technological factors” of services as the yardstick in differentiating good & bad services and the human factor – the employees seem to play a lesser role in discriminating the quality of service for banks. The variation in services offered by the banks develops the excellence for service quality. Banking is no longer regarded as a business dealing with money transaction alone, but it also seems as a business related to information on financial transaction. Customers whether at the corporate level or at retail level have always been important for the banks.

Nowadays every bank uses IT as a tool to provide better services quality in the affordable cost. It provides several innovations like ATM, smart card, credit/debit card, mobile/phone banking in addition to anywhere & any time banking have provided number of easy to use services to the customer. These services not only improve the quality of service but also increase the customer satisfaction, and when customer satisfaction increases it will reduce the customer retention. The banks which are providing these services to a large extent to customers are more reputed in the eyes of customers. But at the same time technology-based products are different in public and private sector banks. Bank automation and electronic banking is fast in private sector comparative to public sector.

E-banking is an improvement over traditional banking system because it has reduced the cost of transaction processing, improved the payment efficiency, financial services and improved the banker-customer relationship. The relationship between e-banking and service quality can be studied with the level of satisfaction. As the customer satisfaction is the function of customer expectation level and service quality level provided by the organization. E-banking plays a pivotal role in giving satisfaction to the customers because e-banking fills the gap between the expected and perceived service quality. So in order to fill this gap, banks should find ways of making electronic services more accessible and by allowing the customer to verify the accuracy of the e-banking transactions.

There are number of reasons due to which satisfaction of customers using e-banking has improved:

1. Customer can withdraw funds, transfer funds anytime, anywhere they want.
2. Accessibility has been extended through technological development as it allows customers to do business from their home and office.
3. It makes the banking activities and transaction very simpler to understand.
4. There is no requirement of direct control with bank, as services can be operated wherever customer wants.
5. It has reduced the waiting time of the customer; no long queue standing is required.
6. Availability of employees at all times is not required as these services are provided 24 hours a day, seven days a week.
7. Internet-based services have enabled the corporate and retail customers to transact from home, office and traveling.
8. Online fund transfer enabled the customer to transfer funds from one bank to another or within the same bank at same time.
9. Communication, interaction between the bank and customer has been improved due to e-banking.

On the whole e-banking has become pre-imminent method of carrying the banking transaction and to increase the customer satisfaction.

### **Research Justification:**

Internet banking has many advantages over other traditional banking delivery methods. Internet banking provides banks with an increased customer base, cost savings, mass customization, product innovations, improved marketing, and communication, the ability to develop non-core businesses, and the ability to offer services regardless of geography and time constraints.

With the development of new technology, Internet banking is expected to become a major banking method for customers. Internet banking reduces costs by providing customers with another means of accessing their accounts without physically visiting a bank.

The main purpose of this study is to analyze various online facilities provided by major public and private banks in Jaipur and to measure their impact on customers in terms of customer satisfaction.

The performance of the selected public and private sector banks are showing an increasing graph. In the public sector bank the deposits of Bank of Baroda in 2015 is 6,17,559.52 crore which is more than that of UCO Bank (2,14,336.71 crore). The advances of the Bank of Baroda are 4,28,06.14 crore followed by UCO Bank (1,47,350.87 crore). The investment figures of Bank of Baroda are steadily increasing since March, 08 and were 1,22,319.72 crore in March, 15.

This shows that Bank of Baroda is way ahead of UCO Bank but the figures show that UCO Bank is coming out to be a promising and fast growing public sector bank.

Out of the selected private sector banks the advances of Axis bank in March 2015 is 281,083.03 crore and that of Yes Bank is 75,549.82 crore. The deposits figures of Axis Bank as of March, 15 were 3,22,441.94 crore which is more than that of Yes Bank 91,175.85 crore. The same trend is shown in the category

of investment figures; Axis Bank has achieved the figure of 132,342.83 crores in March, 15 whereas Yes Bank has reached to the level of 46,605.24 crores.

Bank of Baroda and Axis bank are among the major Public and Private sector banks and growing at a rapid pace. Bank of Baroda and Axis Bank are big and established business houses whereas the Yes Bank and UCO Bank are upcoming and promising Public and Private sector banks

### **Objective of Research:**

The main objectives of the study are:

1. To study the various internet banking facilities offered by the selected public and private banks to its customers.
2. To study about the customer satisfaction through online banking.
3. To study the benefits that is provided to the individual customers under internet banking.

### **Review of Literature:**

One of the essential tasks when a research study is undertaken is to go through the existing literature in order to acquaint oneself with the available body of knowledge in the area of interest. The literature review is the integral part of the entire research process and makes available contribution to almost every operational step. In this study, related literature has been studied through books, periodicals and journals that could provide a good foundation and help crystallize the idea. The review of literature has been made after considering various points which are under study.

#### **Technological development in the banking sector**

**Subbarao, (2009)** concludes that, increases in technology investment will raise productivity, lower costs and allow firms to operate more effectively. Information technologies and the innovations they enable are strategic tools, since they reduce the costs of financial transactions, improve the allocation of financial resources and increase the competitiveness and efficiency of financial institutions. Technological innovation not only enables a broader reach for consumer banking and financial services but also enhances its capacity for continued and inclusive growth.

**Krishnamoorthy, V. and R. Srinivasan(2013)** concludes that it is so difficult for the bank to retain their existing customer. Bank need to work out on some important issues for their long lasting survival, like make some new innovation in the product as per the needs and wants of the customer or they need to develop strong trust and relationship among the existing customer.

**Safeena, Rehmath (2010)** emphasis on customer perspective regarding adaptation of internet banking. The main objective of this study is to analysis the impact of perceived usefulness and ease of use along with consumer consciousness on internet banking and perceived uncertainty on the adaptation of e- banking by the consumers. The conclusion of the study is that there are so many factors which force the customer to adopt online banking and these factors are easy to use and less time consuming system.

**Rourke, Chris (2004)** discuss that what type of problem did a customer face in e- banking and what are the ways to resolve them. Research shows that 50% of prospective customers refuses to use online banking services in initial phase because of complex navigation of site, online form filling procedure, security fear and understanding content and feedback.

**Sharma, Himani (2011)** reveals this fact that banker influence their customer to use online banking services because somehow they know this fact that these services can improve the relationship between customer and bankers and in this cut throat competition this practice can create a positive impact on the profitability and performance of the bank.

**Mishra A. K. (2005)** scanned the motives for the customer satisfaction with the services delivered by the Urban Cooperative Bank (UCB) .UCB was new in the banking system and they know this fact that customer satisfaction is the only key factor which can help them to survive in this competitive environment. The ultimate result of this investigation was, the active participation of employees (at level of bank) is necessary for improving customer services.

### **Research Gap:**

It has been observed that none of the reviewed study addresses the issues such as analyzing services related to E banking, technological developments in scheduled commercial banks, different aspects affecting the customer satisfaction towards E-banks, problems and prospects of E-bank, responses of the employees and

customers on E-banking, and comparative study of public and private sector banks in Jaipur City. The study tries to find the research gap and fill it with the analysis of the research.

#### **Hypothesis Of The Research:**

##### **Hypothetical Question.1:**

**Hypothesis 0 ( $H_0$ )** : There is no significant difference between the various internet banking facilities offered by the selected banks to its customers in Jaipur city.

**Hypothesis 1 ( $H_1$ )** : There is a significant difference between the various internet banking facilities offered by the selected banks to its customers in Jaipur city

##### **Hypothetical Question.2:**

**Hypothesis 0 ( $H_0$ )** : There is no significant difference between the online banking facilities which are provided by public and private banks of Jaipur City.

**Hypothesis 1 ( $H_1$ )** : There is a significant difference between the online banking facilities which are provided by selected public and private banks of Jaipur City.

##### **Hypothetical Question.3:**

**Hypothesis 0 ( $H_0$ )** : The level of satisfaction of the customers is indifferent towards the various banks.

**Hypothesis 1 ( $H_1$ )** : The level of satisfaction of the customers is not indifferent towards the various banks.

##### **Hypothetical Question.4:**

**Hypothesis 0 ( $H_0$ )** : The consumers are indifferent towards the various online banking facilities provided by major banks in Jaipur.

**Hypothesis 1 ( $H_1$ )** : The consumers are not indifferent towards the various online banking facilities provided by major banks in Jaipur.

#### **Type of Research, Tools and Techniques of Analysis**

This study is exploratory and descriptive in nature. It helps in discovering of new ideas and insights. Exploratory research is conducted during the initial stage of the research process which helped to refine the problem into researchable one. It has progressively narrowed the scope of research topic. Descriptive is the most popular type of research technique, generally used in survey research design and most useful in describing the characteristics of consumer behavior.

The data so collected has been analyzed through the application of statistical techniques, such as Chi Square test and Z test.

#### **Sampling Technique:**

The sampling technique used for judgment is convenience and judgment sampling.

#### **Sampling Unit:**

It defines the target population that will be sampled i.e. it answers who is to be surveyed. In this study, the sample units are the customers of two public and two private banks of Jaipur city, namely:

#### **Public Sector Banks-**

1. Bank of Baroda.
2. UCO Bank.

#### **Private Sector Banks-**

1. Axis Bank.
2. Yes Bank.

#### **Universe of the Study:**

The universe of the study includes the whole population which is under study. The universe of the study is divided into two parts, namely:

1. All the Public and Private sectors banks those are offering internet banking facility to their customers.
2. Customers using E-banking facility in Jaipur city.

#### **Sample Size:**

The sample size is restricted to 200 customers. The customers are from different income group, age and profession and have randomly selected 50 customers from each bank.

**Limitation Of Research:**

The sector is very vast and it was not possible to cover every nook and corner of this sector. Some of the limitations of the study are:

1. Study is conducted only in some selected Branches of Jaipur location.
2. Authenticity of the collected data from different interviewees
3. No possible way the researcher can ensure that the interviewees always understood the true context of each question

**Interpretation And Analysis Of Research**

In this chapter researcher has analyzed the data collected on the basis of the frame of reference of this study. Chi square test and Z test methods are applied for analyzing the collected data. The analysis of the research is as follows:

1. Customer's perception about online banking.

**Customer's Perception About online Banking**

The total numbers of customer respondents from these banks are 200 comprising 100 from each sector of Bank. The researcher has made an attempt to make a comparative study of the customers of both private and public sector banks in relation to the online banking

1. **Response of The Bank Customers About The Online Banking.** Distribution of Respondents According to type of Bank

Type of bank	N	%
Private Sector Banks	100	50.00
Public Sector Banks	100	50.00
<b>Total</b>	<b>200</b>	<b>100</b>

Table 1 depicts the distribution of the customer respondents according to the type of bank they are using. Out of 200 respondents 50% are from public sector banks where as another 50% are from private sector banks. The researcher has taken equal number of respondents from each type of bank.

2. **Response as Per the Gender of Bank Customers.**

**Table 2: Distribution of Respondents According to Gender**

Gender	Public Sector Banks		Private Sector Banks	
	N	%	N	%
Male	79	79.00	76	76.00
Female	21	21.00	24	24.00
<b>Total</b>	<b>100</b>	<b>100.00</b>	<b>100</b>	<b>100.00</b>

Table 2 reveals the distribution of respondents according to gender of customer respondents from public sector and private sector banks. Out of total 100 respondents of public sector banks 79% were male and 21.0 % were female. And in case of private sector bank this ratio was almost the same i.e. 76: 24. Hence it can be concluded that major chunk of customer respondents of public and private sector banks are males.

3. **Customers According To Their Gender-**

**Table 3: Distribution of Respondents According to Age**

Age Group	Public Sector Banks		Private Sectors Bank	
	N	%	N	%
< 20 yrs	3	3.00	0	0.00
20-30 yrs	44	44.00	65	65.00
30-40 yrs	35	35.00	28	28.00
40-50 yrs	9	9.00	2	2.00
50-60 yrs	5	5.00	5	5.00
> 60 yrs	3	3.00	0	0.00
No Response	1	1.00	0	0.00
<b>Total</b>	<b>100</b>	<b>100.00</b>	<b>100</b>	<b>100.00</b>

Table 3 reveals the distribution of respondents according to their age. The major chunk of customers in public (65%) and private sector (44%) banks range between the age group 20-30yrs. 35% respondents of public sector banks and 28% respondents of private sector bank ranges between 30-40

years of age. Only 5% respondents of private and public sector banks range between 50-60 years of age.

In the case of public sector banks 9 respondents ranges between 40-50 years where as in the public sector banks only 2 respondents are of this age group. Very few respondents are of less than 20 yrs of age group whereas only 1 respondent of public sector bank did not responded to the question.

Hence it can be concluded that the majority of the customer of public and private sector banks are between the range of 20-40yrs of age.

#### 4. Distribution Of Bank Customer Based On Their Salary

**Table 4: Distribution of Respondents According to Income**

Income (per month) (in Rs.)	Public Sector Banks		Private Sector Banks	
	N	%	N	%
< 20,000	37	37.00	22	22.00
20,000-40,000	38	38.00	60	60.00
40,000-60,000	16	16.00	16	16.00
> 60,000	9	9.00	2	2.00
<b>Total</b>	<b>100</b>	<b>100.00</b>	<b>100</b>	<b>100.00</b>

Table 4 reveals the distribution of respondents according to their monthly Income. Out of 100 respondents of public sector banks 37% of the customer respondents earn less than Rs. 20,000, 38% customers earning ranges between Rs. 20,000-40,000, 16% customers are earning between Rs. 40,000-60,000 and only 9 respondents earn more than Rs. 60,000 per month. In the case of private sector banks 22 respondents earn less than Rs. 20,000, 16% are earning between Rs. 40,000-60,000 and only 2% are earning more than Rs. 60,000 per month.

Hence this can be concluded that the major chunk of private and public sector respondents are earning between Rs. 20,000-40,000.

#### 5. Distribution of Bank Customers as per their Marital Status.

**Table 5: Distribution of Respondents According to Marital Status**

Marital Status	Public Sector Banks		Private Sector Banks	
	N	%	N	%
Married	68	68.00	59	59.00
Unmarried	32	32.00	41	41.00
<b>Total</b>	<b>100</b>	<b>100.00</b>	<b>100</b>	<b>100.00</b>

Table 5 depicts the distribution of respondents according to their marital status. Out of 100 customer respondents of public sector banks 68% are married whereas rest 32% are unmarried. In the case of private sector banks the ratio of married and unmarried respondents is almost equal i.e. 59% are married whereas 41% are still unmarried. This shows that the major chunk of respondents of public and private sector banks are married.

#### 6. Awareness of Online banking among Bank Customer while Opening an Account.

**Table 6: Awareness about Online Banking Services while Opening an Account**

Response	Public Sector Banks		Private Sector Banks	
	N	%	N	%
Yes	79	79.00	95	95.00
No	19	19.00	5	5.00
No Response	2	2.00	0	0.00
<b>Total</b>	<b>100</b>	<b>100.00</b>	<b>100</b>	<b>100.00</b>

Table 6 depicts the response of the bank customers when asked by them that “were they aware of the e banking services provided by the banks while opening the account”. Out of 100 public sector respondents 79% said that yes they were aware of the different e banking facilities provided by their bank while opening a new account whereas 19% said no they weren’t aware about such facilities. In the case of private sector banks the major share of respondents (95 out of 100) were aware about the e banking services whereas only 5% respondents said that they weren’t aware about it. Only 2% of the public sector banks didn’t respond to this question. From the above discussion it can be concluded that majority of public and private sector customer respondents were aware about the e banking facilities while opening account. This can also be concluded that private sector respondents are more aware of the

e banking facilities as compared to public sector banks.

**7. Usage of internet by Bank Customer.**

**Table 7: Usage of Internet**

Response	Public Sector Banks		PrivateSector Banks	
	N	%	N	%
Not using at all	23	23.00	2	2.00
Less than 6 month	17	17.00	30	30.00
6-12 month	3	3.00	7	7.00
12-18 month	0	0.00	1	1.00
> 18 month	57	57.00	53	53.00
No Response	0	0.00	7	7.00
Total	100	100.00	100	100.00

Table 7 reveals that the response of the bank customers when asked by them “for how long they are using internet?” Out of 100 public sector respondent 23% said they are not using internet, 17% are using from last 6 months, only few are using from less than a year whereas 57% reported that they are using internet from more than 18 months. In the case of the private sector respondents 30% are using from less than 6 months, 7% are using from less than a year and very few (2%) reported that they are not using it at all. Out of 100 respondents of private sector banks 7% didn’t responded to the question. 53% of respondents of private sector banks are using internet from more than 18 months. Hence it can be concluded that the majority of respondents are using internet from more than 18 months.

**8. Source of information about E-banking services.**

**Table 8: Sources of Information aboutOnline Banking Services**

Response	Public Sector Banks		PrivateSector Banks	
	N	%	N	%
Display information at bank	29	29.00	53	53.00
Executive from the bank	50	50.00	61	61.00
Advertisement	17	17.00	47	47.00
Friends/Relatives	28	28.00	48	48.00
Others	3	3.00	9	9.00

Table 8 depicts the response of the customer when asked by them that “How did you get to know about E-banking services of your bank?” Out of 100 respondents of public sector banks majority (50%) said that executive from the bank told them about this service, 29% used display information at banks to update themselves about this service and 28% were updated by their friends and relatives.

In the case of private sector customers 61% said that executive from the bank told them about this service, 53% used display information at banks to update themselves about this service, 47% used different sources of advertisements to update themselves and 48% were updated by their friends and relatives.

**9. Number of Bank Customers using Online Banking Services.**

**Table 9: Use of Online Banking Services**

Response	PublicSector Banks		PrivateSector Banks	
	N	%	N	%
Yes	55	55.00	86	86.00
No	45	45.00	14	14.00
Total	100	100.00	100	100.00

**Test**

Chi Sqr	Df	Result
23.104	1	***

When asked by the customers “do you use E banking services” 55% of the public sector bank customers said yes where as 45% said no whereas in the case of private sector banks as high as 86% of the customers are using e banking and only 14 out of the 100 respondents said that they are not using e banking facility offered by their banks.

Further theses proportion were compared using chi square test, the chi square test result shows significant association between response regarding present question and type of bank customer. Hence this can

be concluded the private sector bank customers are using more e banking services as compared to the customers of public sector banks.

**10. Awareness of various E-banking services among Bank Customers.**

**Table 10: Awareness and Use of Online Banking Services**

Services	PublicSector Banks				PrivateSector Banks			
	Aware		Not Aware		Aware		Not Aware	
	N	%	N	%	N	%	N	%
ATM	97	97.00	3	3.00	100	100.00	0	0.00
Debit Card	76	76.00	24	24.00	87	87.00	13	14.94
Credit Card	63	63.00	37	37.00	79	79.00	21	24.14
Phone Banking	49	49.00	51	51.00	55	55.00	45	51.72
Mobile Banking	67	67.00	33	33.00	47	47.00	53	60.92
Internet Banking	73	73.00	27	27.00	70	70.00	30	34.48

Table 10 reflects the response of the customers regarding their awareness towards different e banking services available. Almost 100% of the public and private sector customers are aware of the ATM service. 76% of the public sector customers and 87% of the private sector customers are aware of the debit card service offered by the bank. The awareness of the credit card is 63% in public sector customers and 79% in private sector customers. Almost 50% of the private and public sector customers are aware of the phone banking services offered by the banks whereas in the case of Mobile banking service 67% of the public sector customers and 47% of private sector customers are aware. When asked about the internet banking 73% of the public sector customers and 70% of private sector customers are aware. The overall inference which could be drawn from this table is that private sector customers are more aware of the different e banking services offered by the banks.

**11. Bank Customers planning to use E-Banking services in near future.**

**Table 11: Use of E-Banking Services in Near Future**

Response	PublicSector Banks		PrivateSector Banks	
	N	%	N	%
Yes, I am planning to use E-banking services	26	57.78	7	50.00
No Idea whether I will use E-banking services or not	11	24.44	5	35.71
No, I will not use E-banking services	8	17.78	2	14.29
<b>Total</b>	<b>45</b>	<b>100.00</b>	<b>14</b>	<b>100.00</b>

**Test**

Chi Sqr	Df	Result
0.505	2	NS

When it was asked to customers who are not using E-banking services presently that when they are going to start using E-banking services then 57.78% respondents from public sector banks said that they are planning to use E-banking services and this figure was 50% for private sector banks. 24.44 customers from public sector banks said that they have no idea when they will use E-banking services whereas 35.71% customers (5 out of 14) from private sector banks said that they have no idea when they will use E-banking services. And 17.78% (8 out of 45) from public sector banks said that they will not use E-banking services and 14.29% (2 out of 14) from private sector banks said that they will not use E-banking services.

Further these proportions were compared using chi square test, the chi sqr test result shows non-significant association between response regarding present question and type of bank customer. This means that almost same proportion of respondents of private sector bank customers and public sector bank customers responded regarding each option of the present question.

**12. Various factors influencing the use of E-Banking Services among Bank Customers.**

**Table 12 Factors Influencing Use of E-Banking Services**

Statement	Type	N	Mean	SD	Z	Result
All time availability	Public Sector Banks	55	4.06	1.39	1.12	NS
	Private Sector Banks	86	4.29	0.79		
Ease of use	Public Sector Banks	55	3.21	1.16	6.41	***
	Private Sector Banks	86	4.32	0.76		
Everywhere banking	Public Sector Banks	55	3.21	1.43	2.21	*
	Private Sector Banks	86	3.65	0.74		

Security	Public Sector Banks	55	3.14	1.20	3.61	***
	Private Sector Banks	86	3.80	0.85		
Direct access	Public Sector Banks	55	3.47	1.42	2.39	*
	Private Sector Banks	86	3.97	0.96		
Time saving	Public Sector Banks	55	3.61	1.60	2.76	**
	Private Sector Banks	86	4.23	0.78		
Comfort of use (No need to go bank)	Public Sector Banks	55	3.31	1.33	2.30	*
	Private Sector Banks	86	3.76	0.88		
Inexpensive	Public Sector Banks	55	3.26	1.43	1.53	NS
	Private Sector Banks	86	3.57	0.86		
Easy processing	Public Sector Banks	55	3.02	1.35	3.82	***
	Private Sector Banks	86	3.77	0.86		
Easy fund transfer	Public Sector Banks	55	3.03	1.46	4.58	***
	Private Sector Banks	86	4.03	0.93		
Overall	Public Sector Banks	55	3.34	1.17	3.78	***
	Private Sector Banks	86	3.94	0.44		

Table 12 reflects that all the factors of e-banking services are seen combined the mean score for public sector banks was 3.34 whereas it is 3.94 for private sector banks This difference in scores was found to be highly significant ( $Z = 3.78, p < 0.01$ ). This difference shows that private sector bank customers are more satisfied with E-banking services as compares to customers of public sector banks.

### 13. Various Problems Faced by Customers while Using E-Banking Services.

**Table 13: Problems Bothering Customers while Use E-Banking Services**

Statement	Type	N	Mean	SD	Z	Result
Lack of knowledge of computers	Public Sector Banks	55	2.97	0.99	3.40	***
	Private Sector Banks	86	2.37	1.05		
Time consuming	Public Sector Banks	55	3.16	1.19	0.89	NS
	Private Sector Banks	86	3.33	1.03		
Fear of leakage of information	Public Sector Banks	55	3.53	1.13	1.34	NS
	Private Sector Banks	86	3.77	0.95		
ATM out of order	Public Sector Banks	55	2.76	1.10	2.18	*
	Private Sector Banks	86	3.12	0.79		
Amount debited but not withdrawn	Public Sector Banks	55	3.24	1.21	0.18	NS
	Private Sector Banks	86	3.28	1.04		
Password forgotten	Public Sector Banks	55	3.19	1.27	2.18	*
	Private Sector Banks	86	3.63	1.01		
Problem of change in mobile number	Public Sector Banks	55	3.10	1.13	1.59	NS
	Private Sector Banks	86	3.37	0.85		
Card Misplaced	Public Sector Banks	55	2.89	1.07	1.60	NS
	Private Sector Banks	86	3.16	0.91		
Misuse of card	Public Sector Banks	55	3.16	1.28	1.08	NS
	Private Sector Banks	86	3.39	1.14		
I am not teach savvy	Public Sector Banks	55	2.89	1.13	0.20	NS
	Private Sector Banks	86	2.85	0.82		
Overall	Public Sector Banks	55	3.09	0.79	1.15	NS
	Private Sector Banks	86	3.23	0.61		

At the overall level the scores regarding problems faced by customers of public sector banks and private sector banks were near to neutral 3.09 for public sector banks and 3.23 for private sector banks. Though the difference in scores regarding problems of e-banking services was found to be non-significant ( $Z = 1.15, p > 0.05$ ) but this score was higher for private sector banks which means that private sectors customers are facing little more problem and compared to public sector banks regarding E-banking services.

### 14. Satisfaction Level among Bank Customers Regarding the E-Banking Facilities.

**Table 14: Satisfaction of Customers with E-Banking Facilities**

Category	N	Mean	SD	Z	Result
Public	55	3.24	1.23	-3.180	**
Private	86	3.86	0.95		

When asked about level of satisfaction regarding E-banking services on the whole provided by their banks from the customers of private sector banks and public sector banks, their mean scores on five point scale were 3.24 and 3.89 respectively for public and private sector bank customers. These scores show that customers of public sector banks are less satisfied with E-banking services and customers of private sector banks are more

satisfied with E-banking services. This difference in the level of satisfaction was further tested by applying Z test for and the difference in the mean level of satisfaction was found to be statistically highly significant ( $Z = -3.180, p < 0.01$ ).

Hence, it can be concluded that customers of private sector banks are more satisfied with E-banking services as compared to customers of public sector banks

### **Findings:**

Results of this study provide banking decision makers an insight into the perception about internet banking among Indian customers and that is the most important practical contribution of this study. Internet banking is gaining popularity in India and finding of this study allow banks to fine tune their internet banking product. Based on the findings of this study the following suggestions could be arrived:

1. Majority of public and private sector customer respondents were aware about the e -banking facilities while opening account. This can also be concluded that private sector respondents are more aware of the e-banking facilities as compared to public sector banks.
2. More than 50% of the public sector and private sector customers are using e- banking services from more than 18 months and majority of the bank customers have received the information regarding the various e banking facilities through the bank executives of public and private sector banks.
3. When asked about the internet banking 73% of the public sector banks and 70% of private banks customers are found to be aware. The overall inference which could be drawn from this is that private customers are more aware of the different e banking services offered by the banks.
4. On the whole if all the factors of e-banking services are seen combined the mean score for public sector banks was 3.34 whereas it is 3.94 for private sector banks This difference in scores was found to be highly significant ( $Z = 3.78, p < 0.01$ ). This difference shows that private sector bank customers are more satisfied with E-banking services as compared to customers of public sector banks.
5. At the overall level the scores regarding problems faced by customers of public sector banks and private sector banks were near to neutral 3.09 for public sector banks and 3.23 for private sector banks. Though the difference in scores regarding problems of e-banking services was found to be non-significant ( $Z = 1.15, p > 0.05$ ) but this score was higher for private sector banks which means that private sectors customers are facing little more problem and compared to public sector banks regarding E-banking services.
7. The Z scores show that customers of public sector and private sector banks are satisfied with E-banking services though not highly satisfied. The difference in the mean scores was found to be non-significant ( $Z = 0.234, p > 0.05$ ).

### **Suggestions:**

1. Banks can influence their customer to use Internet banking by making their customer aware about the utility of the service and when customer find it more useful then they defiantly go with internet banking. Proper marketing communication through proper marketing campaigns would increase consumer awareness and better acceptance of Internet banking.
2. The second important suggestion is perceived *ease of use*, That means the only condition when a customer is ready to accept internet banking is, when they find it easy to use. Therefore bank should try to advance their internet banking site and make it easier to use. For that bank could arrange practical training sessions for their customer on how they can use internet banking services.
3. The factor *consumer security* concerns had a negative influence on internet banking use. Banks should try to mitigate concerns of their customers in terms of internet banking technology to increase customer acceptance. Banks should also take measure the trust and privacy of its internet banking infrastructure and procedures.

## **II. Conclusion**

In this study the researcher tried to conduct a qualitative investigation of internet banking customer satisfaction in Jaipur city. The researcher tried to identify important factors that affect customer's satisfaction for internet banking. The analysis of the study confirmed that the factors identified by the researcher viz. perceived usefulness, perceived ease of use, consumer awareness, consumer security concerns and trust and privacy did influence customer behavioral, intentions and satisfaction towards internet banking.

The results showed that like variables Perceived Usefulness, Perceived Ease of Use and Consumer Awareness had positive influence on internet banking use. Similarly, results showed that two variables Consumer Security Concerns and Trust and Privacy are negative influence on internet banking use. "Ease of Use" factor influence more to private sector bank customers as compared to public sector bank customers.

Other useful findings drawn from the study shows that private sector customers are more aware of the different e banking services offered by the banks and majority of private sector bank customers are using E banking facility offered by their banks. This also shows that private sector customers are more satisfied with E-banking services as compares to customers of public sector banks.

In response regarding the other problems such as Problem of change in mobile number, Card Misplaced, Misuse of card and not being teach savvy, E-banking services customers of both type of banks are near to neutral and difference between them was found to be non-significant. But this study reveals that the private sectors customers are facing little more problems and compared to public sector banks regarding E-banking services.

The study reveals that the that customers of public sector and private sector banks are satisfied with E-banking services though not highly satisfied The findings of the study would be useful for Indian banks in planning and upgrading their internet banking service.

The usage of Internet Banking is not much affected by the global recession period and the number of users didn't decline in any of the past years. The users are continuously growing as Internet Banking provides easy and one stop solution to all the banking facilities and is safe and secure if accessed through the proper banking channel. The average numbers of transactions for internet banking are 7 per customer per month in 2011 which is high then the previous years.

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