

Critical Evaluation of Customer Satisfaction in Relation to Online Banking Systems

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Abstract

Customer satisfaction has a significant positive impact on the service of an organisation. The management team of any organisation is engaged to modify their existing strategies as well as adopt new schemes in order to meet the needs of the customers. It is identified that people nowadays are more prone to use e-banking rather than traditional banking. E-banking is so convenient to use and it is time-saving compared to traditional banking. Moreover, the banks can get the advantages of integrated banking services by which they can get more customers and grow their organisation by achieving competitive advantages. The main purpose of the study is to find out the relationship between customers on online banking systems and the impact of customer satisfaction in this system. In order to evaluate the result, secondary data are collected from various authentic sources such as peer-reviewed scientific journals, articles and newspapers. Descriptive research is a significant method of research methodology and it has been incorporated into the study because the study is to understand the perspectives of customers on online banking systems. In order to analyse the result, the secondary qualitative data are collected from only valid and updated sources. As per the secondary data analysis, online banking service has provided several abilities to consumers that helped to enhance satisfaction.

Keywords

Customer satisfaction, Customer service, Online banking, Pandemic.

INTRODUCTION

Background

Customer satisfaction is important for a firm as it can provide a competitive advantage to the organisation. It is the parameter to measure if the services of the company become able to meet the expectations of the clients or not [1]. Customer satisfaction has a significant role in marketing activity as well which determines the purchasing behaviour of the consumers. In accordance with [2], excellent service performance are found to be the most effective effort in order to meet customer satisfaction, especially in the banking sectors. The commitment, responsibility and efforts of the employees are the chief key components of providing the best services to their customers. Customer loyalty is equally important as it is reflected by the commitment of customers towards the bank which is influenced by the beliefs of satisfaction of the consumers. It is identified that during and after the pandemic, online banking systems are being popular among the public for various reasons. It is less time-consuming, convenient to use and there is no need to visit the banks and wait in queue for a long time.

Aims and Objectives

The main aim of the present research is to understand the relationship between customer satisfaction and the online banking system. However, the objectives of the research are:

- To understand the relationship between customer satisfaction and the online banking system
- To analyse the perspectives of customers in the online

banking system

- To find out the importance of online banking systems and their impact on customer satisfaction
- To understand the difference between online and traditional banking systems and its impact on the customers

Purpose of the Study

The purpose of the study is to find out the relationship between customer satisfaction and the online banking system and its impact on customers. Especially after the pandemic, people got used to the online banking system though there are many consumers who still prefer traditional banking over e-banking. In addition, e-banking provides many advantages not only to the customers but also to the banks. It makes the banking experience much more convenient and easier and provides the opportunity to the consumer to use the banking facility from any time and anywhere with internet availability [3]. The number of users of online banking are increasing rapidly and it is expected that the number will increase more by 2024 [4]. The study aims to find out the impact of customers and their perceptions of the online banking system.

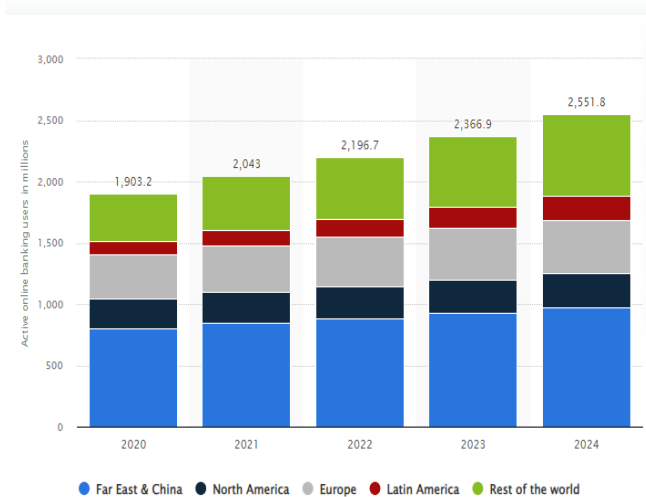


Figure 1. Active online banking users in a global context (Source: [4])

MATERIALS AND METHODS

Research Design

Research design is a framework of research methods that conduct a research study. The research design is a combination of suitable research methods which is mainly based on the subject matter. In addition, a research design helps in defining the general plan of the research that is used to address the objectives of the current study. There are various types of research designs including descriptive, experimental, correlational and others. Among these methods, the descriptive research design is adopted in this study which is suitable to cover the other types of research methods including survey, correlation study and qualitative study as well (5). Descriptive research is a significant method of research methodology where the researcher has no control over the variables and results as well.

Research type

In accordance with [6], data collection is one of the key components of a research study. This research study has included a "qualitative data collection method" to gather information about the research topic. The secondary data collection method is mainly based on scholarly articles, journals, books, and authentic websites that were published 5 years ago only invalid sources.

Inclusion and Exclusion Criteria

The current research study is mainly based on secondary data and all the data are collected from authentic sources which are updated and not older than five years. Moreover, all the data is gathered from authentic sources such as peer-reviewed journals, valid websites and newspaper articles. Hence, it ensures the originality, authenticity, and validity of the project. However, the references which are dated before 2018 are not taken into consideration and the invalid data from unauthentic sources such as personal blogs are rejected for maintaining the authenticity of the study.

Data Collection and Analysis

In order to perform the research, it is necessary to collect both secondary and primary data. "Primary data" is the data sets that are gathered by the persons who are associated with the study and it is considered as "real-time data." Besides, secondary data is collected by other previous researchers that are suitable for their study [7]. There are several components of primary data, including population surveys, scientific experiments as well as personal observations. It is identified that the primary data requires more time and expense than the secondary data. Moreover, it is necessary to collect the primary qualitative and secondary qualitative data as it ensures the authenticity and originality of the study. In order to analyse the study, only secondary data will be taken into consideration and evaluated. The gathering of data will be built mainly on the secondary methods and it will be examined by using thematic analysis.

RESULTS

Theme 1: Understanding the Relationship between Customer Satisfaction and Online Banking System

Customer satisfaction is a term that measures how happy the customer is with companies' products or services and it plays a crucial role in the success of any business. Online banking is a part of E-banking services that help the customer with banking-related transactions without visiting the bank physically. Both private and public sector banks are designed online banking for many objectives such as fulfilling the customer requirement and reducing the cost of operation. Customer satisfaction is an important concern in the banking industry and online banking is also designed to get customer satisfaction. Online banking services help to build relationships between banks and customers [8]. The better and high quality of the online banking service can help to increase customer satisfaction. Without a physical presence in the bank, a customer can easily fulfil their requirements such as knowing their account details, opening a new account, transferring money, and paying the loan.

The modern world is innovating new technology and banking services are also innovative with their services and try to attract more customers by providing the best and quality services without any harassment. However, there are many challenges in using online banking services such as cyber security issues, lack of maintaining quality services, and server-related issues. Advanced technology and a good technical team rapidly trying to mitigate these issues and try to always provide the best quality services. Online banking is a process to improve customer satisfaction in the banking system. Online banking is used for attracting new customers to the bank and helps to retain existing customers [9]. The impact of online banking services on customer satisfaction is significant and this digital transformation made the customer life easier and this process enhanced customer satisfaction. The satisfied customer helped the bank to increase its profitability and helped to improve its brand image.

Theme 2: Analysing the Positive Impact of the Online Banking System

Online banking services are rapidly increasing day by day in the global banking sector. There are many positive impacts of online banking on the customer's life and on the banking system. Customers can easily pay their bills by using the services without visiting physically and it can save real-time. Online banking system help to maintain sustainability between the customers and the bank. This service also provides the customer with auto payment bill facilities. Customers can easily view their transactions at any time with the help of online banking on their devices. They do not need to go to the bank physically for viewing the important transaction details. In the earlier days, if a customer wanted to send money to another account, then they had to go to the bank and go through many processes, and it took a lot of time. Online banking system brings a revolution to the banking industry and by this service, any customer can easily transfer money to another account within a minute [10]. This process saves a lot of time and creates an easy way for money transferring without reaching the bank physically.

Most banks offer their mobile app and by online banking, customers can easily operate the app and do their essential work easily. Customers can easily access their accounts at any time of the day by using online banking [11]. The online banking process is secure and easy to use, as a result, every customer can use the services fearlessly. Through this process, the bank can reduce its operating cost and easily maintain the gathering in the bank. If there is a fraudulent activity in the customer's account then the service sends the text, or email to the customer's mobile, and this process helps the customer to prevent fraudulent activity in the bank account. Online banking allows customers to deposit their cheques from anywhere and this service also offers customers longer-tail conveniences and gives them the ability to go cashless.

Theme 3: Identifying the Difference between Traditional and Online Banking Systems and Their Importance On Customer Satisfaction

The main difference between traditional banking and online banking is a physical presence. The banking system was innovated many years past and before online services brought all the bank-related works to the bank branch. A bank had a main headquarters and also regional headquarters all over the country. Before the concept of online banking, people went to banks for all related work such as account balance checks, money transfer, payment of bills, and to view the statement regarding transactions and also for many works. The traditional bank is working on face-to-face service with the customers and it also increases the cost of operation [12]. There are many operating costs that are essential for maintaining the traditional banking system.

Online banking brings revolution to the banking industry and creates an opportunity for satisfying the customer. This service is important for modern customers and for traditional

customers. To maintain the competition in the banking industry, banks should implement new technologies in their banking system and make the process easier for the customer. Online banking services help the customer to view and use most banking services without going to the bank and save a lot of time [13]. This digital service helps the bank to reduce the cost but the traditional banking system cannot help for reducing costs. In the process of traditional banking, customers can not transfer their money to another account in a short time or without visiting the bank. But online banking services allow people to send their money easily to another account in a short time without visiting the bank. In the traditional banking system, banks required more employees to operate and get the service to the customer but an online banking system can help the bank to reduce their costs on operation and customer service. Traditional banking is a time-tracking process but on the other hand, an online banking system is a time saving process. By using online services any customer can control their account and essential services easily but traditional banking does not offer these services.

Some people are comfortable going to the bank physically and doing their banking-related work. However, these people are few but most people are preferring online banking because it saves time and saves money. Traditional banking does not increase customer satisfaction because it creates harassment to the customer and takes a lot of time and reduces satisfaction. On the other hand, online banking is popular for customer satisfaction because of its fast and time saving nature [14]. Customer satisfaction plays a big role in the banking industry and every bank wants to satisfy their customer by providing all the required services. In the concern of customer satisfaction, online banking service is more efficient than the traditional banking system.

Theme 4: Evaluation of Online Banking System and Customer Perspective in Present Time

The digital world and internet coverage created new opportunities for the banking industries and also created opportunities for the people. Online banking systems bring revolution to the banking industry and create a global reformation of the banking system. Advanced technology brings rapid changes in human life and also in the banking industry. People want satisfied vans and quality services in this world and they also want fast and budget-friendly services [15]. Online banking services can fulfil people's needs in modern life and provide all the facilities that they need. During the Covid-19 pandemic time, people are not getting out of their homes, and also not using the banking service physically. At that time online banking helps them to operate and use all the banking facilities at home and this service builds customer satisfaction highly. It is identified that during and after the pandemic online banking services were highly popular among people.

The cost-effectiveness of the online banking service highly influences the customer and this service also gives the customer access to 24 hours in their banking system. This can

attract the user and customers to use online banking. In the modern world, people want to do their own work and online banking is to help people to do all the banking-related work on their own and bring satisfaction to them. Fast growth world supports fast work and fast processes and also people want fast and better service. E-banking provides many advantages not only to the customers but also to the banks [16]. It makes the banking experience much more convenient and easier and provides the opportunity. In the world, there is a continuous increase in mobile users and anyone can use online banking services by using their mobile phone. Customers can easily and firstly pay the money on their own to another account or another person. online banking systems are being popular among the public for various reasons and this nature of popularity rapidly increasing because of advanced technology. People nowadays are dependent on online banking services because they can go anywhere cashless and pay cheques in their comfort zone.

Theme 5: Analyze the service of the online banking system to fulfil consumer needs

Online banking systems allow financial transactions through the internet that provide effective facilities to consumers. Online banking offers consumers access to traditional banking service through the internet. One of the most important online banking services is to transfer money. In traditional banking methods, people need to visit the local branch of the bank to transfer money. In this regard, online banking has provided a facility to transfer money anywhere in the world via the internet [17]. This banking service saves the time of the people and reduces the complexity of traditional banking methods. Moreover, online banking has provided a facility to open new bank accounts through online banking portals. Based on that, the online banking method has helped to fulfil the needs of the consumer effectively.

Online banking service has included several facilities for the people through electronic equipment. ATM and debit card service is another effective facility that helps the people to withdraw money from anywhere through an ATM machine. Another significant facility of online banking is phone banking. This facility allows the people to operate banking services through smart phones. This facility makes the banking service easier to operate for the people. This online banking facility has helped people to pay bills easily. Additionally, the online banking system has reduced the risk of carrying cash during travelling [18]. In this regard, online banking has reduced pickpockets rates as well. In traditional banking methods, one of the most effective risks was time management for visiting the local branch. In this regard, online banking service has provided facilities to people to operate bank service 24 hours and seven days in a week. These facilities have helped to fulfill consumer needs properly.

DISCUSSION

Banking is one of the most important financial activities in a country that helps to produce more financial profit. In this regard, the improvement of banking service is one of the most essential approaches for the country. In recent times, the online banking system has helped to improve the performance quality of the banking sector through consumer satisfaction. As per the secondary data analysis, online banking is a part of E-banking. In recent times, digitalization has helped the organization to provide better quality service to the consumer. In this regard, the online banking system has helped to provide better quality banking service and improve consumer satisfaction [19]. Both private and public sector banks have adopted online banking to fulfil the requirements of the consumers. In the past, huge pressure on the banks has reduced consumer service quality which declines consumer satisfaction as well. In this regard, online banking has helped to reduce working pressure from the banks that helped to provide better quality service.

Online banking service has included new innovative technologies to provide the best quality service to the consumer. As per the thematic analysis, there are some issues in the online banking system such as cyber security issues, server-related issues, and lack of maintenance. In this regard, the banking sector has included advanced technologies to provide safe online banking service to consumers. Moreover, the technical team of online banking has helped to provide support to consumers to enhance their satisfaction level. In an organization, retention of the consumer has helped measure consumer satisfaction [20]. Based on that, online banking has included rewards, and offers for the existing consumers to increase retention levels. Moreover, the rewards and offers of online banking have helped to attract new consumers. Digital transformation through online banking has helped to make consumer life easier and enhance consumer satisfaction. Moreover, facilities of auto payment bills and easy transfer of money have helped to improve consumer satisfaction through online banking services. Online banking has helped people to operate bank service through mobile applications that enhance consumer satisfaction level.

It is identified that the financial sectors have changed over the last few years as there are various processes involved that are associated with changing the behaviour of consumers by creating new and advanced technologies. Moreover, the new technologies became able to provide better services to customers. Consumers tend to show interest towards digital banking as this is more convenient than traditional banking systems to do necessary transactions and use the other features especially during and after the pandemic [21]. It is necessary to have trust in the e-banking system as it is associated with customer satisfaction. The banking sectors should focus on cyber security as it has a significant impact on consumers. Online banking has become popular as the most important technology. It is identified that various financial companies offer online banking options for the benefit of their consumers. However, it creates a challenging

situation for the companies in order to maintain the privacy of the information of the users.

There are various risks and challenges associated with the online banking system. In accordance with [22], it is necessary to evaluate the security and risk management strategies of online transactions that are involved in e-banking. It has a significant effect on customer satisfaction and trust towards a bank. The customers should be aware while saving the password or other transaction details in order to get cyber security. The banking sectors should take responsibility of improving their online transaction facility in order to provide security which induces customer satisfaction. As per the views of [23], banking sectors should undergo different changes for innovative practices such as internet banking to improve customer satisfaction. It is identified that there are various banks that are associated with introducing customer-friendly banking options and facilities to provide protection to their employees from cybercrime.

CONCLUSION

Customers are a crucial component of a firm or organisation in order to achieve competitive advantage. There is no conflict with the fact that they have a significant role in getting business success for the organisation, as they make decisions about buying anything. Customer satisfaction is the priority of every business and also for the organisation and customer satisfaction and online banking system has relation with each other. E-banking saves the time of the customers and makes a positive approach to the customer for enhancing satisfaction. In Modern global world, customers are always looking for the best services and finding the ways that is easier for them to use the services. Online banking is more effective than Traditional banking for increasing customer satisfaction. Primary and secondary data also used in this study and data give a clear view of the online banking system and its impact on the customers. Various methods are used for increasing customer satisfaction. E-banking brings revolution to the banking system and makes the process easier from traditional times. The technical team of the banking sectors need to provide necessary support to the consumer which leads to an increase in the satisfaction and trust of the consumers.

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