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THE IMPACT OF E-BANKING SERVICE QUALITY ON CUSTOMER SATISFACTION IN TIRUNELVELI DISTRICT

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ABSTRACT

This research on the impact of e-banking service quality on customer satisfaction in Tirunelveli district provides a comprehensive analysis of how various service dimensions contribute to customer experience and loyalty. Key service quality dimensions, such as reliability, responsiveness, ease of access, security, and personalization, were examined to assess their influence on customer satisfaction. The study also emphasizes the growing importance of mobile banking and internet banking, with a focus on how user-friendly interfaces, transaction speed, and seamless navigation can enhance customer engagement. Additionally, the research considers the role of demographic factors such as age, education, income levels, and digital literacy in moderating the relationship between service quality and customer satisfaction. The results highlight that customers in Tirunelveli are particularly concerned with the security and privacy of their online transactions, along with prompt customer support in case of issues. Banks that offer superior e-banking services are more likely to retain customers, increase satisfaction, and build long-term trust. The study concludes that continuous innovation and improvement in e-banking services are crucial for enhancing customer satisfaction, especially in regions like Tirunelveli, where digital banking is rapidly growing. For this study both primary data and secondary data has been collected. Convenience sampling method was used to gather 110 respondents has been used from Tirunelveli district in order to obtain the relevant data.

Key Words: e-banking, customer satisfaction, security, banking services.

INTRODUCTION

The rapid technological advancements in recent decades have dramatically transformed the global banking industry. Among the most significant developments has been the emergence and widespread adoption of e-banking services, which have revolutionized the way customers interact with financial institutions. E-banking, or electronic banking, refers to a range of banking services delivered through digital channels such as internet banking, mobile banking apps, and other digital transaction platforms. This transformation has enabled customers to conduct financial transactions, access account information, and manage their banking needs

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conveniently and efficiently from virtually any location, 24/7. The growth of e-banking has also led to a fundamental shift in customer expectations, where service quality and convenience are paramount.

In recent years, India has witnessed a surge in the adoption of digital banking services, driven by factors such as increasing smartphone penetration, improved internet connectivity, and government initiatives aimed at promoting a cashless economy. While urban centers have readily embraced these changes, the adoption of e-banking in smaller towns and rural regions, such as Tirunelveli district, presents a unique set of challenges and opportunities. As customers in these regions become more familiar with digital banking, their satisfaction with these services becomes critical to the overall success of banks in maintaining competitiveness and building customer loyalty.

The transition from traditional banking to e-banking presents both opportunities and challenges for financial institutions in Tirunelveli district. On one hand, e-banking offers significant advantages, such as enhanced convenience, reduced operational costs for banks, and greater financial inclusion for customers who previously had limited access to banking services. On the other hand, customers in regions like Tirunelveli may have varied levels of familiarity with technology, ranging from tech-savvy individuals who prefer the convenience of digital banking to those who are less comfortable with online platforms and prefer traditional banking methods.

Given the diverse demographic landscape of Tirunelveli district, where both urban and rural populations coexist, understanding the factors that influence customer satisfaction with e-banking services becomes crucial. This study seeks to explore the impact of e-banking service quality on customer satisfaction in this region by examining various dimensions of service quality that are important to customers. These dimensions include the reliability and stability of e-banking platforms, ease of use, transaction speed, security measures, responsiveness of customer support, and the overall user experience.

Security is one of the most critical aspects of e-banking services that influences customer satisfaction. In today's digital world, concerns over data breaches, identity theft, and fraud are widespread, and customers expect robust security measures from their banks to protect their sensitive financial information. Therefore, banks that invest in advanced encryption, two-factor authentication, and other security protocols are more likely to gain the trust and confidence of their customers, leading to higher satisfaction levels.

In addition to security, the ease of use of e-banking platforms is another significant factor contributing to customer satisfaction. A user-friendly interface, intuitive navigation, and minimal technical difficulties are essential for ensuring that customers can complete transactions quickly and efficiently without frustration. For customers in Tirunelveli district, many of whom may be first-time users of digital banking services, ease of use becomes even more important. Banks that can provide simple, easy-to-understand platforms that cater to a wide range of digital literacy levels are more likely to enhance the satisfaction of their customers.

Another important dimension of e-banking service quality is the responsiveness of customer support. While e-banking platforms are designed to be largely self-service, there are instances when customers may encounter problems or have questions that require assistance. In such cases, the availability of prompt and effective customer support—whether through live chat, phone support, or other means—can significantly impact a customer's overall experience. In regions like Tirunelveli, where customers may still be adjusting to the use of e-banking platforms, the quality of customer support services plays a crucial role in building trust and satisfaction.

The speed and efficiency of transactions also play a vital role in shaping customer satisfaction with e-banking services. Customers expect fast and seamless transactions when using online banking platforms, whether they are transferring funds, paying bills, or checking their account balances. Any delays, system crashes, or technical glitches can lead to dissatisfaction and frustration, especially for customers who rely on e-banking for time-sensitive transactions. Therefore, banks must ensure that their digital platforms are reliable, stable, and capable of handling high volumes of transactions without compromising performance.

Furthermore, the study examines the role of demographic factors in influencing customer satisfaction with e-banking services in Tirunelveli district. Factors such as age, education level, occupation, and income can affect how customers perceive and interact with digital banking platforms. For example, younger customers who are more familiar with technology may have different expectations compared to older customers who are less comfortable with online transactions. Similarly, customers with higher levels of education may be more likely to embrace e-banking services than those with lower educational attainment.

As the adoption of e-banking continues to grow in Tirunelveli district, it becomes increasingly important for banks to understand the specific needs and expectations of their customer base. This study aims to provide valuable insights into the factors that drive customer satisfaction in the context of e-banking services and offers recommendations for how banks can enhance the quality of their digital offerings. By focusing on improving service quality in areas such as security, ease of use, customer support, and transaction efficiency, banks in Tirunelveli district can build stronger relationships with their customers, increase satisfaction levels, and foster long-term loyalty in an increasingly competitive market.

STATEMENT OF THE PROBLEM

As e-banking becomes the primary mode of financial transactions for many, the need for high service quality is more critical than ever. In Tirunelveli district, where the digital banking infrastructure is still evolving, customers face various challenges that impact their satisfaction with these services. Problems such as technical glitches, slow transaction processing, lack of user-friendly interfaces, insufficient security features, and poor customer support can create barriers to fully adopting e-banking. Additionally, varying levels of digital literacy among customers further complicate their interaction with e-banking platforms. This study seeks to address the problem of how these service quality issues affect customer satisfaction in Tirunelveli district, exploring the gap between customer expectations and the

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actual performance of e-banking services. By identifying these gaps, the study aims to provide insights into how banks can improve their digital services to enhance customer satisfaction and build long-term trust in e-banking systems.

REVIEW OF LITERATURE

- According to a study by **Li et al. (2023**), the dimensions of e-banking service quality, including reliability, responsiveness, and ease of use, significantly impact customer satisfaction. Their research emphasizes that customers' perceptions of reliability and responsiveness are crucial for enhancing overall satisfaction with e-banking services.
- Research by **Kumar et al. (2023)** indicates that user experience and ease of use are critical factors affecting customer satisfaction with e-banking services. Their study reveals that intuitive user interfaces and minimal technical issues contribute significantly to a positive customer experience.
- The impact of digital literacy on e-banking adoption has been explored by **Patel and Rao (2024).** Their study shows that higher levels of digital literacy are associated with increased satisfaction and more frequent use of e-banking services. This highlights the need for banks to provide educational resources to bridge the digital divide.

OBJECTIVES OF THE STUDY

- To identify how demographic variables such as age, education, and digital literacy impact customer perceptions of e-banking service quality.
- To analyse the impact of security features on customer trust and satisfaction with e-banking platforms.
- To examine the impact service quality of E-banking services on customer satisfaction.

RESEARCH METHODOLOGY

Research Design

This study will employ a mixed-methods approach, combining quantitative and qualitative research methods to gain a comprehensive understanding of green practices among college students. For this study both primary data and secondary data has been collected.

PRIMARY DATA

Primary data refers to information collected directly from original sources for the specific purpose of a research study.

SECONDARY DATA

Secondary data refers to data that has already been collected and analysed by others, often for purposes other than the current study. (i.e) websites, books, journals, newspapers.

Data Collection Methods

Quantitative Data Collection:

Structured questionnaires distributed to e-banking users in Tirunelveli to gather quantitative data on their satisfaction levels, experiences with service quality dimensions (e.g., reliability, security, ease of use), and overall perceptions.

Sample Size: 110 respondents

Target Respondents: Baking users customers in Tirunelveli District.

Sampling Method: Convenience sampling method.

RESULTS& DISCUSSION

- To analyse the impact of security features on customer trust and satisfaction with e-banking platforms.

The impact of security features on customer trust and satisfaction with e-banking platforms is a critical area of focus in today's digital banking environment. As e-banking continues to grow, customers increasingly prioritize the security of their financial information. Effective security measures, such as encryption, multi-factor authentication, and fraud detection systems, are essential in building trust and ensuring a positive user experience. This study examines how these security features influence customer trust and satisfaction, emphasizing the importance of robust security protocols in enhancing the overall credibility and effectiveness of e-banking services.

ASSSOCIATION BETWEEN DEMOGRAPHIC PROFILE AND IMPACT CUSTOMER PERCEPTIONS OF E-BANKING SERVICE QUALITY

TABLE 1

Variables	**df**	χ^2	**Sig.**
Age	6	195.612	.000*
Gender	2	20.490	.000*
Educational qualification	6	135.567	.000*
Occupation	2	69.862	.000*
Monthly income	6	44.749	.000*
Residential areas	2	21.418	.000*
Type of family	8	111.041	.000*

Source: Primary Data

***Significant at 1% level**

From the above table, it can be inferred that there is a significant association between the impact customer perceptions of e-banking service quality and demographic profile at 1 percent level of significance. It is concluded that there is a significant association found between the impact customer perceptions of e-banking service quality and demographic profile of the customers such as age, gender, educational qualification, occupation, monthly income, residential areas, type of family.

- To examine the impact service quality of E-banking services on customer satisfaction.

Examining the impact of service quality on customer satisfaction in e-banking services is essential for understanding how well these platforms meet user expectations. Service quality encompasses various dimensions, including reliability, responsiveness, and user interface design, which collectively influence customer satisfaction. This study aims to explore how these aspects of service quality affect overall satisfaction with e-banking services, providing insights into how banks can enhance their service delivery to better meet customer needs and improve the overall user experience.

THE IMPACT OF SECURITY FEATURES ON CUSTOMER TRUST AND SATISFACTION WITH E-BANKING PLATFORMS.

TABLE 2

S.No	The impact of security features on customer trust and satisfaction with e-banking platforms	Mean Score		t- Statistics	P-Value
		Urban	Rural		
1	Encryption	4.07	4.07	-.030	.976
2	Two-Factor Authentication (2FA)	4.18	3.76	3.917	.000*
3	Fraud Alerts	3.95	3.69	2.958	.003*
4	Biometric Authentication	3.88	3.43	2.792	.006*
5	Account Lockout Mechanism	3.81	3.65	.957	.340
6	Security Notifications	4.29	4.32	-.253	.800
7	Incident Resolution Time	3.75	3.65	.675	.501
8	Perceived Security Risk	4.07	3.31	5.206	.000*
9	Confidence in Transactions	4.03	3.37	4.489	.000*

Source: Primary Data

***Significant at five percent level**

Regarding, the impact of security features on customer trust and satisfaction with e-banking platforms in relation to their residential areas, there is significant relationship has been identified in the case of Two-Factor Authentication (2FA), Fraud Alerts, Biometric Authentication, Perceived Security Risk, Confidence in Transactions. Since, their respective 't' statistics are significant at five percent level.

- To identify how demographic variables such as age, education, and digital literacy impact customer perceptions of e-banking service quality.

Understanding how demographic variables such as age, education, and digital literacy affect customer perceptions of e-banking service quality is crucial for tailoring financial services to diverse user needs. Different age groups, educational backgrounds, and levels of digital proficiency can influence how customers interact with and evaluate e-banking platforms. This study aims to identify these impacts, shedding light on how demographic factors shape customer expectations, ease of use, and overall satisfaction with e-banking services. By examining these relationships, the research seeks to provide insights that can help improve e-banking services and better meet the needs of various customer segments

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IMPACT SERVICE QUALITY OF E-BANKING SERVICES ON CUSTOMER SATISFACTION

TABLE 3

S. No	Impact Service Quality of E-Banking Services	Age Level				F-value	P-value
		20-30 Years	31-40 Years	41-50 Years	Above 51 Years		
1	Responsiveness	4.18	4.17	3.60	4.03	14.198	.000*
2	Assurance	4.21	4.15	3.50	4.18	16.226	.000*
3	Tangibles	3.48	2.79	3.36	3.50	18.349	.000*
4	Accuracy of Information	3.85	3.74	3.22	3.95	16.400	.000*
5	Ease of Transaction	3.67	3.64	3.61	3.44	1.057	.367
6	Personalization	3.95	3.73	3.61	3.44	7.643	.000*
7	Technical Support	3.95	3.95	4.20	4.17	2.445	.063
8	Speed of Service	4.34	3.37	4.13	4.43	30.517	.000*
9	Problem Resolution	4.122	4.08	4.24	4.02	5.241	.000*

Source: Primary data

***Significant at five percent level**

The above table reveal that the impact service quality of e-banking services on customer satisfaction in relation to their age level of the customers, a significant relationship has been identified in the case of Responsiveness, Assurance, Tangibles, Accuracy of Information, Personalization, Speed of Service, Problem Resolution, since, their ‘F’ statistics are significant at five percent level.

FINDINGS

- The impact of security features on customer trust and satisfaction with e-banking platforms in relation to their residential areas, there is significant relationship has been identified in the case of Two-Factor Authentication (2FA), Fraud Alerts, Biometric Authentication, Perceived Security Risk, Confidence in Transactions. Since, their respective ‘t’ statistics are significant at five percent level.
- It can be inferred that there is a significant association between the impact customer perceptions of e-banking service quality and demographic profile at 1 percent level of significance. It is concluded that there is a significant association found between the impact customer perceptions of e-banking service quality and demographic profile of the customers such as age, gender, educational qualification, occupation, monthly income, residential areas, type of family.
- The impact service quality of e-banking services on customer satisfaction in relation to their age level of the customers, a significant relationship has been identified in the case of Responsiveness, Assurance, Tangibles, Accuracy of Information, Personalization, Speed of Service, Problem Resolution, since, their ‘F’ statistics are significant at five percent level.

SUGGESTIONS

- Provide educational resources and training programs to help customers, especially in rural areas, become more comfortable and proficient with e-banking services.

- Continuously gather and analyse customer feedback to identify areas for improvement and adapt services to meet changing needs.
- Clearly communicate any changes or updates to e-banking services to keep customers informed and maintain trust.
- Regularly assess the performance of e-banking services and implement improvements based on performance metrics and customer feedback.
- Implement advanced security protocols such as multi-factor authentication, encryption, and regular security audits to protect customer data.

CONCLUSION

In conclusion, the study underscores the critical importance of e-banking service quality in shaping customer satisfaction, particularly in Tirunelveli district. As digital banking services become increasingly integral to financial transactions, ensuring high standards in reliability, security, ease of use, and customer support is essential for maintaining and enhancing customer satisfaction. The findings highlight that while e-banking offers significant convenience and efficiency, the quality of these services directly impacts customer trust and loyalty. Addressing issues such as system reliability, security concerns, and user experience can lead to improved satisfaction levels. Moreover, tailoring services to meet the needs of diverse customer demographics and providing support for digital literacy can further enhance the overall user experience. By focusing on these areas, banks can build stronger relationships with their customers, foster long-term loyalty, and position themselves as leaders in the evolving landscape of digital banking.

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