

**THE IMPACT OF E-BANKING ON CUSTOMER SATISFACTION AMONG YOUTH(WITH
SPECIAL REFERENCE TO BHOPAL CITY)**

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ABSTRACT

This research showcases the relationship between e-banking services and the satisfaction that young adults gain from them. The conclusion suggests that the key factors influencing satisfaction levels are ease of use, security, accessibility, reliability, and responsiveness. By critically analysing all these factors banks can improve their services which will lead to an increase in customer reach and can pace up in a competitive digital landscape.

Keywords – E-banking, customer satisfaction, security, accessibility

INTRODUCTION

E-banking also known as electronic banking is changing the banking scenario that we are used to, as it provides customers advantages that they can enjoy over the traditional banking system. Customers can now have access to their accounts and balances, make payments and can also conduct other financial transactions conveniently at a click through the use of digital channels like computers, smartphones, and tablets. E-banking is pacing traditional e-banking by providing better accessibility, flexibility, speed, and security. As the customer is considered the king of the market, customer satisfaction becomes an important aspect of every business plan and strategy and it is important to continuously cater for their needs according to the changing environment banks that fail to do so have a risk of failing behind and losing up their market share to those who are changing according to the need of the hour. E-banking is not only helping customers by providing better flexibility but is also helping banks by increasing their efficiency, reducing costs, and also by providing a premium customer experience.

LITERATURE REVIEW

Dr. S. Sangeetha, K. M. (2020): Ease of use and receiving timely services are the two factors that collaboratively affect experiences of customer, the study also points out the fact that banks must continuously work towards the improvement of the services to be rendered.

Reddy, A. K., & Megharaja, B. (2021): This study analyzed the key factors for customer loyalty and gaining customer satisfaction, including reliability, security, ease of use, and responsiveness. Another factor that is also highlighted in this study is trust in security and privacy.

Rupal, J., & Singh, R. (2023): Different studies were analysed for this research and it was found that service quality standards, consistency, integrity and the convenience involved in the process of using these services are deciding factors.

OBJECTIVES OF THE STUDY

1. To identify the influence of digital banking on satisfaction levels of young adults.
2. To identify the significant influences of satisfaction among young adults
3. To suggest tactics that bank can bring into effect to increase customer salience.

RESEARCH HYPOTHESIS

H01 – There is no influence of digital banking on satisfaction of young adults.

RESEARCH METHODOLOGY

For the purpose of collecting data, both first-hand and second-hand sources were considered. First-hand data was collected with the help of a self-administered questionnaire to gain quantitative data, whereas secondary data was obtained from various online sources such as journals and articles to provide more knowledge about the topic.

The purpose of the study is to find the influence of digital banking on satisfaction of young adults and thus the questionnaire was filled out by 100 participants from the age group of 18 to 30 years from the city of Bhopal. To check the relevance of the hypothesis, a Chi-square test is used.

ANALYSIS AND INTERPRETATION

Table showing comparative analysis of data between users and non-users of e-banking.

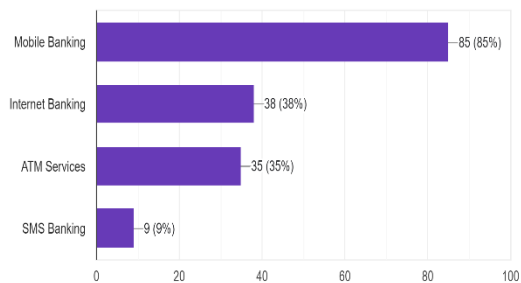
Questions	Users (94)		Non-users (6)	
1. Gender				
• Male	33	33%	03	3%
• Female	61	61%	03	3%
Interpretation The total no of females that participated is 64 whereas the males are 36 out of which there is an equal proportion of non-users between both genders that is 3.				
2. How often do you use e-banking services				
• Daily	44	44%	00	-
• Weekly	28	28%	01	01%
• Monthly	10	10%	00	-
• Rarely	12	12%	05	05%
Interpretation Among users, daily usage (44%) is the most common followed by weekly (28%) then by rarely (12%) and monthly (10%), non-users are not very active where only 1 person opts for it weekly and 5 of them rarely.				
3. What do you think is the main advantage of using e-banking services?				
• Convenience	59	59%	01	1%

• Time-saving	23	23%	02	2%
• Cost-efficiency	01	1%	01	1%
• Accessibility	08	8%	01	1%
• Security	04	4%	01	1%
Interpretation Convenience (59%) and time-saving (23%) aspects are most considered as an advantage by the users while security (4%), cost-efficiency (1%) and accessibility (8%) are not perceived by them as advantages which banks should consider. While the opinions of non-users are equally distributed among all the options.				
4. Which factors would make you switch from your current e-banking platform to another provider? • Better security features • More user-friendly interface • Lower fees • Faster transactions	48	48%	03	3%
	16	16%	03	3%
	05	5%	00	-
	25	25%	00	-
Interpretation 48% of users choose security whereas 25% choose transaction speed as a key factor while deciding whether to switch or not which states that while considering all the other factors security remains the top concern.				
5. Which method of customer support do you prefer when experiencing issues with e-banking?				

• Telephone support • Live chat • Email support • In-person visit • FAQs and self-service	56 10 14 07 07	56% 10% 14% 7% 7%	06 00 00 00 00	6% - - - -
Interpretation Telephone support (56%) is commonly used by the users and the non-users would also prefer it among all the other facilities which shows that despite technological advancement human interaction is still the priority, which is then followed by email support (14%), live chat (10%) and then in-person visit and self-service with equal engagement i.e. 7%.				
6. What actions would increase your trust in the security of e-banking?				
• Regular security updates from the bank • Clear communication of data protection policies • Advanced encryption methods • More control over personal data sharing	29 16 22 27	29% 16% 22% 27%	03 00 02 01	3% - 2% 1%
Interpretation Regular security updates (32%) and personal control (28%) are the two major advances related to security that users as well as non-users prefer which may increase their trust in e-banking functioning, followed by advanced encryption methods (24%) and clear communication of data protection policies (16%).				

7. Which e-banking services do you primarily use?		
• Mobile banking	85	85%
• Internet banking	38	38%
• ATM services	35	35%
• SMS banking	9	9%

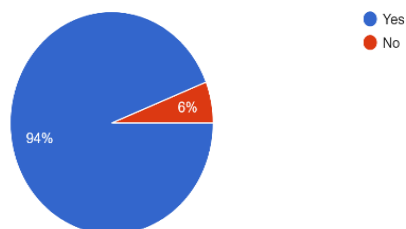
Which e-banking services do you primarily use? (Select all that apply)
100 responses



The graph shows high preference towards mobile banking, followed by internet banking, ATM services are also a preference for some but SMS banking has least users showcasing inclination of youth towards more

8. Are you a user of E-banking?		
• Yes	94	94%
• No	6	6%

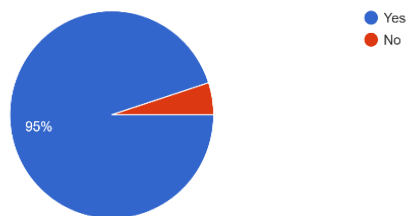
Are you a user of E-banking services
100 responses



The following graph indicates that the majority of people out of the population, 94% are users of e-banking, which shows a digital shift, whereas the remaining 6% presents an opportunity for financial institutions to improve their services

8. Are you satisfied with the use of the e-banking services?		
• Yes	95	95%
• No	5	5%

Are you satisfied with the use of the e-banking services?
100 responses



This chart shows strong approval from the customers of e-banking as 95% of them are satisfied by the services of e-banking, while only 5% of them are dissatisfied or are facing problems with their services leaving banks room for further improvement.

Table showing the observed values (denoted by O) and expected values (denoted by E) of satisfaction level of customers of E-banking among Youth in Bhopal city.

Satisfaction Level	User		Non-user		Total	
	O	E	O	E	O	E
Satisfied	91	89.3	04	5.7	95	95
Not satisfied	03	4.7	02	0.3	05	05
Total	94	94	06	06	100	100

	O	E	(O-E)	(O-E) ²	(O-E) ² /E
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Satisfied users	91	89.3	1.7	2.89	0.032
Not satisfied users	03	4.7	-1.7	2.89	0.614
Satisfied non-users	04	5.7	-1.7	2.89	0.507
Not satisfied non-users	02	0.3	1.7	2.89	9.633
Total			0		10.786

Degree of freedom = $(c-1)(r-1) = (2-1)(2-1) = 1$

Table value at 5% level of significance = 3.841

Since $t_{cal} > t_{tab}$ ($10.786 > 3.841$), we reject the H_0 which shows there is an influence of digital banking on satisfaction of young adults.

FINDINGS AND SUGGESTIONS

Findings:

1. While surveying for this research, among 100 youth participants, 94 were found to be the users of digital banking which shows a high interest of young adults towards e banking services.
2. As H_{11} was accepted, it shows customer contentment towards the facilities provided to them through these services.
3. The study depicts favourable customer reviews, even from the non users.
4. It was found that security is the key feature in determining the satisfaction and trust levels among youth while using e-banking services.

Suggestion:

1. Banks should work towards providing better security features and stronger authentication methods.
2. 6% of the population are non-users of e-banking which gives banks an opportunity to expand their customer base by understanding their needs.
3. Banks can offer workshops and webinars to educate youth on various features of e-banking and ways to prevent fraudulent activities.
4. Working on a better user interface and enhanced mobile banking facilities should be prioritized, as these may increase the demand.

CONCLUSION

This research paper discloses that there is a significant positive impact of e-banking on the satisfaction levels of youth in Bhopal. E-banking possesses an edge over traditional banking because of faster transaction processing, reduced paperwork, lower transaction cost, and 24/7 access due to which it is becoming more common among youth to opt for e-banking over traditional banking. It was also discovered that a convenient user interface and upgraded security features are some issues that will increase their satisfaction level once these facilities are improved. This gives financial institutions an opportunity to retain and attract young customers, ensuring a larger customer base and increased long-term stability. As the majority of the youth is putting into use these digital platforms for their financial needs, it becomes necessary for banks to not only maintain but to keep evolving their platforms to serve the tech-friendly youth.

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