

## A Study on Customer satisfaction for virtual banking in Indian commercial banks and its impacts

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### ABSTRACT

The study aimed at investigating the adoption of virtual banking by customers of Indian banks. The main object of this research study is to evaluate and find out customer satisfaction towards virtual banking. Another reason behind this research study is additionally to notice and investigate the reason for uses virtual banking, justification for selecting banking activities. The study adopted a descriptive research design. Data was gathered from primary data. For that we used questionnaire survey with the help of creating google form. The collected total number of responses through google form was 236 through google form questionnaire response from the online banking users. For the analysis purpose used the data showing by various different charts and percentage structure. The study was used to determine the dimensions of the study items whereas necessity of online banking activities, services, impact of online banking, uses of online banking activities, customer preference of method etc. and research paper shows that positive impact using online banking activities and customer of Indian banks are satisfied with the online banking activities provided by the banks.

**Keywords:** Virtual banking, banking, online banking services, Internet banking, Indian banks

### 1. INTRODUCTION

Virtual banking is the e-banking activities part. Clients are making banking activities generally through the web. The banks customers are getting data related to finance and their exchange banking activities through digital method. Virtual banking performs all banking activities getting from head office, online activities. Virtual banking system deal with the vital part in the present business and human existence. Virtual banking sets out financial activities and many more options for financial customers to offer high level assistance which speed up across the globe. Customers of banks can enter to banking activities without actual presence through secured channels of correspondence. Most part of the bank customers now a days using phones for online banking and other activities. At the point when consistently is a test of skill and endurance in our chaotic lives, we search for ways of saving time however much we can. E-Banking is one of the innovation progressions that assist customers with supporting out their financial activities on a connecting the platform from computerised banking institutions. Virtual banking, also known as electronic banking it's the online distribution of latest activities of banking system in the world and services to individuals straightforwardly through online, different networks and it offers many benefits and qualities to bank customers. Virtual banking is a straightforward and helpful method for getting 24-hour obtain with the help of a mobile phone. Virtual banking helps the web as a conveyance system for fund transfer. Online banking activities have fund transfer is an activity of times gone by with regards to regular tasks. Since internet banking is one of the most well-known activities given by banks. Virtual banking permits a customer to control transactions through online. Virtual banking offers banks clients all activities like accessing the fund deposits, transfer of funds and bill payments.

### 2. LITERATURE REVIEW

Nadia Sha, Shariq Mohammed (2017), the title of the paper "Virtual banking and online business" is described about the proficient usage of virtual banking by the customers of bank who have every one of the frameworks for benefiting the equivalent. The outcomes showed that most of the example customers chose for the review claimed a phone however just not many of them utilize a mobile as their method of visit to banks. And, in this study shows that customers were nearly very much aware of virtual banking, however its utilization level was exceptionally low. The generally utilized fund transfer with online banking was for phones top-up by metropolitan region bank customers and village customers and there was no massive distinction between the metropolitan region and country region clients in regards to the usage of online banking.

S.V.Mohana sujana(2018), the title of the research paper “Digitalization in banking sector” is digital banking most favoured entryway step activities which has been acknowledged by the bank customers who are instructed as they find the activities are not difficult to access and saves their time. Yet, then again unskilled people deal with the issue of non-accessibility of activities as they are uninformed, not financial services sound to gain online facilities and mobile phones. In general, online system could be more improved by directing direction programs and teaching the needy individuals with respect to the activities and making sense of them about the advantages of online banking activities.

### **Objectives of the study**

Below following are the objectives of this research study

1. To identify the satisfaction of customers towards online banking services.
2. To examine the impact of virtual banking.
3. To examine the necessity of online banking facilities provided to the customer

### **Research Hypothesis**

1. **H0-** Customer is not satisfied with online banking
2. **H1-** Customer is satisfied with online banking services.

### **3. RESEARCH METHODOLOGY**

The research methodology of this research study is the systematic way of conducting research. The study adopted is descriptive sampling design. The descriptive survey was chosen considering the purpose of the study, the research questions and the magnitude of the target population. The purpose of using descriptive surveys is to collect detailed and factual information that describe an existing phenomenon. A survey questionnaire was developed to collect data for the study. The primary data was collected through creating google form of questionnaire and was hand delivered to the target population through. This study is a descriptive survey because it adopted the use of questionnaire aimed at finding the impact of customer satisfaction towards online banking performance. Descriptive research involves gathering data, describes phenomenon and then organizes, tabulates, depicts and describes data collection, in the form of graphs and charts, in order to help the reader, understand the distribution of data. A sample of about 236 people responded collected from the target population they were provided with the questionnaire. And there is no any blank founded. The type of data collected is primary data and the collection tool is a self-administered questionnaire given to target population. The questionnaire collected data of the respondents such as age group, gender qualification, necessary of online banking services, customer satisfaction, uses online banking. The questionnaire contains multiple choice options. This questionnaire is convenient in many ways. Firstly, the respondents answer at their convenience.

### **Limitation of the study**

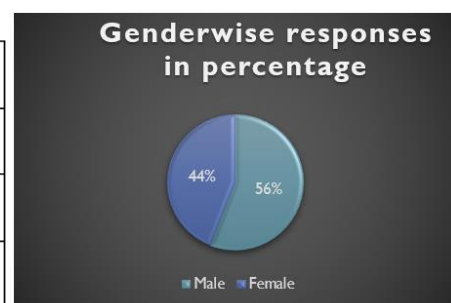
The study is based on Primary Data, obtained from the Individuals and as its finding depends entirely on the accuracy of such data

### **Data Analysis and Interpretation:**

The following table describes about total number of gender wise responses:

Gender	No. of responses
Male	132
Female	104
<b>Total</b>	<b>236</b>

**Table 1**



**Figure 1**

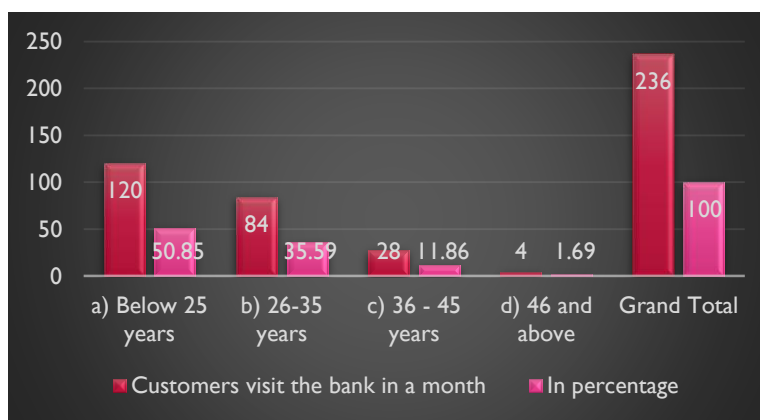
From the above table it is shows that the total number of respondents collected through google form and it is 236 and the number of male respondents is 56% and the female respondents are 44%. Majority (65.4%) of the respondents are male in this study or survey.

**Customers visit the bank according to the age group:**

The below table shows how many customers visits the bank as per the group from the survey

**Table 2**

Age group	Customers visit the bank in a month	In %
a) Below 25 years	120	50.85
b) 26-35 years	84	35.59
c) 36 - 45 years	28	11.86
d) 46 and above	4	1.69
<b>Grand Total</b>	<b>236</b>	<b>100</b>

**Figure 2**

The above table and diagram describe about the number of customers visits the bank in a month as per the responses collected through questionnaire. From the diagram, its shows that more than 50% of responders visit the bank between the age of below 25 years and least was around 2% responders visits the bank between the age of group of 46 and above.

**Analysis of relationship between the Income and gender wise with the age group:**

Following below table describes about the responses collected as per the Income of the customers and gender with age group,

**Table 3**

	Female		Female Total	Male				Male Total	Grand Total
Income	a) Below 25 years	b) 26-35 years		a) Below 25 years	b) 26-35 years	c) 36 - 45 years	d) 46 and above		
a) Less than 200000	76	16	92	36	16	4		56	148
b) 200000-500000	4	4	8	4	20	4		28	36
c) 600000-1000000		4	4		16	20		36	40

d) 10,00,000 and above					8		4	12	12
<b>Grand Total</b>	<b>80</b>	<b>24</b>	<b>104</b>	<b>40</b>	<b>60</b>	<b>28</b>	<b>4</b>	<b>132</b>	<b>236</b>

From above table clearly describes about the more than 70% of responds collected from the less than 2lakhs income customers who were virtual banking activities and remaining 30% users were more than 2lakhs income customers. And according to age group, male responders were more than female responders which were shows 104 and male responds were 132, more than 60% respond collected from the both male and female of age group of 25years.

**Analysis of relationship between the how many customers using online banking activities as per the age group and sector wise**

Following below table describes about the customers prefer which sector more between the different ages groups,

**Table 4**

Age group	a) Private sector bank	a) Public sector bank	Grand Total
a) Below 25 years	28	92	<b>120</b>
b) 26-35 years	28	56	<b>84</b>
c) 36 - 45 years	12	16	<b>28</b>
d) 46 and above	4		<b>4</b>
<b>Grand Total</b>	<b>72</b>	<b>164</b>	<b>236</b>

From above table clearly tells about the online banking activities of public sector banks were used more than private sector banks. As per the above table moore than 70% responds to the public sector banks and remaining to the private sector banks from the collected data.

**Analysis of relationship between the need online banking activities as per the age group and Gender:**

As per the response online banking activities are need for different factors between gender and age group,

**Table 5**

Age group	Female	Male	Grand Total
a) Below 25 years	80	40	120
b) 26-35 years	24	60	84
c) 36 - 45 years		28	28
d) 46 and above		4	4
<b>Grand Total</b>	<b>104</b>	<b>132</b>	<b>236</b>

The above table tells about the why online services were required to customers as per the age group and gender. According to the genderwise almost 50% females were responds to this study and there were no responds collected age group between 36-45 and 46 and above, according to age group below 25years responders was more than 50% out of all responses.

**Analysis of virtual banking services are necessary:**

As per the response online banking activities are necessary between age group and education

Table 6

<b>Educational Qualification</b>	<b>a) Below 25 years</b>	<b>b) 26-35 years</b>	<b>c) 36 - 45 years</b>	<b>d) 46 and above</b>	<b>Grand Total</b>
a) Bachelor's degree	16	20	4		<b>40</b>
b) Master's degree	100	60	20		<b>180</b>
c) Professional degree	4	4	4	4	<b>16</b>
<b>Grand Total</b>	<b>120</b>	<b>84</b>	<b>28</b>	<b>4</b>	<b>236</b>

The above table tells about the how much online services were required to customers. According to the educationalwise more than 76% of master degreeholders responds to this study and according to age group below 25years responders is more than 50%.

***Analysis of risk of using online banking activities between age group and risk factors:***

The below table shows the relationship between risk of using virtual banking activities as per the age group,

Table 7

<b>Risks or problems of using online banking services?</b>						
<b>Age group</b>	<b>a) Password risk</b>	<b>b) Network or internet issues</b>	<b>d) Hacking</b>	<b>e) Unauthorized access</b>	<b>f) Lack of knowledge on the usage of E-Channels</b>	<b>Grand Total</b>
a) Below 25 years		72	24	8	16	120
b) 26-35 years	8	52	8	8	8	84
c) 36 - 45 years		20			8	28
d) 46 and above				4		4
<b>Grand Total</b>	<b>8</b>	<b>144</b>	<b>32</b>	<b>20</b>	<b>32</b>	<b>236</b>

From the above table, using virtual banking activities are not safe, in that case network or internet issues are major factor to the customers of the bank. More than 60% responses to network issues and after than 10% of the responses to lack of usage knowledge of virtual activities and remaining were issues of password risk, hacking, etc.

***Analysis of which banking method prefer between sector wise and method,***

The below table shows the relationship between method of banking prefer responses and sectorwise,

Table 8

<b>Banks</b>	<b>Banking method do you prefer?</b>
<b>a) Private sector bank</b>	<b>72</b>
Online	40
Offline	32
<b>a) Public sector bank</b>	<b>164</b>

Online	64
Offline	100
<b>Grand Total</b>	<b>236</b>

As per the above table, public sector banks customers or responders prefers online banking than online banking method of private sector banks. And, public sector banks customers responses more than private sector banks, which shows more than 50% than private sectors.

***Relationship between age group and Gender wise Impact of virtual banking:***

The below table shows the relationship between virtual banking impact responses as per genderwise and age group,

**Table 9**

Gender and Age group	Impact of virtual banking (in no.)
<b>Female</b>	<b>104</b>
a) Below 25 years	80
b) 26-35 years	24
<b>Male</b>	<b>132</b>
a) Below 25 years	40
b) 26-35 years	60
c) 36 - 45 years	28
d) 46 and above	4
<b>Grand Total</b>	<b>236</b>

The above table shows the Impact of online banking in numeric between age group and gender. As per the above data 120 responders were below age of 25 years, which is the more than 50% of overall responses.

***Relationship between Impact of online banking and Gender:***

The below table shows the relationship between positive and negative impact responses as per genderwise,

**Table 10**

Gender	Positive	Negative	No Impact	Total	In %
<b>Male</b>	<b>124</b>	0	8	<b>132</b>	<b>55.93</b>
<b>Female</b>	<b>80</b>	8	16	<b>104</b>	<b>44.07</b>
<b>Total</b>	<b>204</b>	<b>8</b>	<b>24</b>	<b>236</b>	<b>100.00</b>

The above table shows the Impact of online banking in numeric and percentage. Overall, 204 male and female have responds to positive impact and remaining responds to negative and no impact of virtual banking activities of banks.

#### **4. FINDINGS**

The reason behind this study is to figure out satisfaction of bank customers and effect of virtual banking activities. In this research study take on descriptive analysis research methodology. Primary information for this research study was collected using a google form questionnaire. Total responses collected through google form was 236. This study endeavoured to recognize key quality set down of virtual banking activities by examining the customers of online banking and their remarks on financial services. The finding of this study shows that for the many benefits of using virtual banking activities however just 40% of the respondent utilize web based financial in excess of multiple times in a month. The finding of this study shows

that despite of many customers utilising the virtual banking services because of time saving and other benefits and more than 56% of the respondent using online banking and using 5 to 10 times in a month. Main important of this research study is responders are masters, more than 75% responders are master degree holders. More than 85% of people or responders responded to positive impact for online banking services which shows the benefit and advantages to the customers and also describes the how customers utilising the services and connected to this benefit and it saves much time instead of visiting the banks. More than 48% responders rated to good to online banking services and less than 5% responders rated to bad and remaining 47% responders responded to either excellent and average. More than 61% responders responded to network issues using online banking through online or web services and remaining 10% responders responded to lack of knowledge and issues of hacking of data or information. More than 68% of responses to one to 5times visits the bank in a month, it shows the advantage of the virtual banking in this generation. More than 70% of responders responded to virtual banking is need for payment of different bills, view transaction details, time saving purpose, fund transfer and virtual banking is user friendly to the customers. More than 25% of customers using the online services from more than 6years and remaining using less than 6years. Most of customers prefer the online services to offline, which shows overall is 77% and remaining 23% prefers offline banking. More than 90% replied to virtual banking activities is required in this generation.

## 5. CONCLUSIONS

The qualities of banking activities quality have expanded because of virtual banking. Many of respondents accepted with the situation and condition of banks in this generation, showing that the products of banking activities have expanded. In this research study shows the positivity impact of virtual banking and many respondents prefers the online system for fund transfer and other banking activities.

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