



FACTORS INFLUENCING THE DETERMINATION OF CUSTOMER SATISFACTION IN E-BANKING

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AUTHOR'S CONTRIBUTION

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ABSTRACT

Banking methods introduced for the advancement of the banking sector in Sri Lanka can reduce costs for customers as well as banking elites. Although the banking system has introduced electronic methods through technology, it can still be seen that they are not used by the customers because customer satisfaction through the banking services is not achieved. Therefore, the banking sector should provide a service that is conducive to customer satisfaction. This article aims to study the factors that influence what consumers expect from e-banking, the concept of e-banking, and the factors that affect customer satisfaction, as well as previous research dissertations and other articles on the factors that contribute to satisfaction. This study found that safety, tactility, reliability, accessibility, privacy, and financial literacy are the main factors influencing e-banking. Only a very small number of researchers have considered the age, income, education, and experience of the customer.

Keywords: E-banking; customer satisfaction; reliability; safety; privacy; financial literacy.

1. INTRODUCTION

"Strong, well-developed and efficient financial system is the key-driven factor in the economic development of countries and it has a positive impact on economic growth. The financial system in every economy is dominated by the banking sector, since without banks, the financial system cannot undertake the development of the economy" [1]. The basic economic activities of the Bank are provided to the customers electronically through e-banking. Electronic banking services include internet banking, ATM and debit cards, telephone banking, SMS banking, electronic Alerts, fund transfer services and sales banking services. Banking often changes with customer satisfaction as technology advances [2,3].

The benefits of e-banking to customers are great. If you use e-banking, you can easily access your account

information at any time you want. Ability to do so. Fast and efficient, as well as the ability to obtain and obtain high quality service to customers [4-6]. There are some people who no longer use e-banking based on that and so on. Despite the favorable conditions, there are those who no longer use e-banking on the grounds of illiteracy, poverty, lack of security, lack of internet access, legal issues, and traditionalism [7-10].

Explaining the situation of internet banking in Sri Lanka Internet banking was introduced to western countries in the late 1980s and it took a long time to introduce such facilities to Sri Lanka. Credit card usage was introduced to Sri Lanka in 1987 by Sampath Bank and telephone banking was introduced in 1993. Seven years later, in 2000, Internet banking was introduced (Nethanathan & Shamugathas, 2018) Sri Lankans have been enjoying online banking

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services for nearly twenty years since that year. Internet banking is essentially an internet connection. The use of the Internet in a developed country and the use of the Internet in developing countries are different from each other. Most of the developing countries belong to the Asian region [11-13].

The use of e-banking varies, especially in developed and developing countries. E-banking Internet connectivity is very important and essential in the use of banking. Compared to countries like Singapore and Malaysia, internet usage is low compared to those countries, and the ability to operate devices such as computers and telephones is important in electronic banking. Computer literacy is 32.3%.

There is a higher level of foreign research in e-banking than local research. According to various researchers, the areas of the country relevant to the researchers are its samples. There is no possibility of bringing the findings of those researches closer to our country. The reason for this is the relative change in the existing technology, literacy in our country [14,15]. Although a high percentage of the urban sector in Sri Lanka has access to e-banking, the rural and estate sector still adopts the traditional banking system. According to the Department of Census and Statistics 2020, computer literacy in the plantation sector is 12.7% and digital literacy is 25.6%.

Through e-banking, individuals can perform banking operations easily and efficiently. Through e-banking, obtain balance information, obtain account history, transfer funds, pay bills, pay commercial bank credit cards, consider existing investments, consider new treasury bills [16]. There is a lot of work to be done to check foreign exchange rates, such as investing in bonds. Accordingly, customer satisfaction can be achieved by looking at what customers expect from mobile banking. Here it is important to look at what factors people expect through e-banking. Therefore, it is timely to draw up previous studies on the factors that contribute to the increase in customer satisfaction in e-banking and this is the purpose.

At present, the entire world is facing the covid 19 pandemic, where many people live in homes. E-Banking reduces a person's bank visits and manual work, along with saving time. The covid 19 pandemic has accelerated the process of e-banking due to its numerous benefits. Smartphone usage has resulted in an additional surge in e-banking during this pandemic. Moreover, swift transactions, 24/7 banking facilities, and smooth mobile banking have flourished e-banking industry. This article aims to illustrate the impact of e-banking on consumer satisfaction in various research papers.

2. RESEARCH METHODOLOGY

This study intends to identify the key factors for the usage of e-banking in Sri Lanka. This paper mainly focuses on previous studies which have been done on online banking. The research mainly utilized secondary sources. Secondary Information and data were gathered through previous working papers, articles, annual reports and other relevant documents. Collected information was analysed by content analysis.

3. FACTORS INFLUENCING THE DETERMINATION OF CUSTOMER SATISFACTION IN E-BANKING

There are several studies to identify the key factor for the usage of online banking. When focusing on local studies on e-banking and customer satisfaction, Kahadawa et al. [17] commented on e-banking and customer satisfaction. According to him, about 68% of clients leave banking. The main reason for this is the existing dissatisfaction with the services of the bank.

Wijayanayake (2014) highlighted the impact of e-banking on enhancing customer satisfaction and collecting information in association with Sri Lanka. Usefulness, ease of use, relative advantages, risk perception, user lifestyle and current needs of customers are key factors in determining customer satisfaction in electronic banking. It falls under one of the key considerations of the institution in further developing e-banking. [16] has stated the key factors for online banking among customers in Sri Lanka. According to that research, e-banking was identified as one of the significant e-commerce applications over the last decades in the country. Her findings revealed that the usage level is less than its expectation in Sri Lanka. Perceived use of ease and perceived usefulness have been identified as key positive factors to the usage of online banking while security risk, financial risk, time risk, social risk and performance risk were identified as the demotivation factors to determinate of online banking facilities [18-20].

Vadivelu Tharanikaran, Sutha Sritharan & Vadivelu Thusyanthy In 2017, they conducted studies to assess the quality and customer satisfaction of e-banking in the Batticaloa district. For this, a questionnaire was developed to assess customer satisfaction and quality using a sample of 231 people to assess the variability of Unidimensionality, reliability, and validity. Conclusions Bank managers assist professionals and professionals in developing and implementing strategies related to e-banking service quality and customer satisfaction.

Buddhika & Gunawardhana in [21], Buddhika and Gunawardena examined the impact of e-banking on customer satisfaction in private commercial banks in the Galle District. Data was collected from a sample of 150 persons from the Galle District, using the Snowball method and structured questionnaires. This research showed that ATM banking, internet banking, online banking, credit cards and debit cards have a positive direct impact on customer satisfaction, as well as a negative impact on phone banking and mobile banking.

With the diversification of banking, e-banking has emerged, allowing customers to remotely access their customer needs using their phones. Electronic banking is the provision of mobile financial institutions to facilitate customers to perform the main services of a bank such as depositing, remittance, investing, account balancing etc. using a mobile device. Saleem & Rashid 2011 say that the banking system is constantly evolving as it continues to grow its customer service. Because it enhances their satisfaction with factors such as quality, reliability, responsibility, assurance, tactility, and so on. Kumari, (2016b), intends to identify customer adoption and attitudes towards mobile banking facilities in Sri Lanka. The study uses six perceived characteristics of innovation that can be used to form motivational or demotivation attitudes toward innovation, namely: Relative advantage, compatibility, complexity, trainability, risk, and observability.

Shafiq 2014 highlights several factors that have helped Jordan facilitate their banking and increase customer satisfaction due to the recent introduction of e-banking. According to him, Jordan Banking has seven key factors in enhancing customer satisfaction in banking: reliability, flexibility, security, accessibility, ease of use, efficiency and privacy. In this study, approximately 360-400 customers and the data was collected using approximately Jordanian existing banks. Ali Bank, union bank, HSBC Bank, Capital Bank, and so on. The two main factors that contribute to the upliftment are privacy and ease of access.

Aghdale, 2012 commented on Electronic Banking quality and customer satisfaction. According to him, customer satisfaction depends on reliability, empathy, accountability, touch ability, and so on. These factors have a positive relationship with consumer satisfaction and have a negative relationship with certification, but consumers do not ignore the fact that certification is a guarantee or a safety factor.

Hossain & Hossain points out the factors that increase customer satisfaction in 2015 and presents factors that

increase customer satisfaction around the city of Dhaka. He did not provide a clear explanation of the quality of the service and customer satisfaction with the information.

Jannat & Ahmed in 2015, Electronic banking services presented nine factors that affect customer satisfaction, nine of which have been shown to have a profound effect on increasing customer satisfaction. The nine factors are security and reliability, ease and accuracy of the transaction, ease of use, system availability, accountability, and speed and cost effectiveness of the transaction. Consumers are also increasingly concerned about whether personal confidentiality is protected in financial transactions, but such factors have been overlooked in this study. But in other studies, the researcher has been able to add the speed of the missed transaction, the cost-effectiveness, and so on.

Research conducted by SIU & Mou in 2008 shows that enhancing customer satisfaction in electronic banking with reliability, problem solving, and security. The results were obtained from the T-Test using ANOVA tables. For this, reliability, efficiency and problem-solving factors were initially identified as factors that increase customer satisfaction, but in the end, efficiency was not the only difference and safety was more appropriate. Considered in the research. The research has been done without considering the essential factors such as efficiency, availability of physical equipment, privacy, etc. used in another research. The problems that can be encountered due to the various devices expected are not yet of concern to researchers.

Kumbhar presents information on other factors that increase customer satisfaction in 2011. This research, which provides information on consumer satisfaction and alternative methods, uses fifteen factors to link the relationship between consumer satisfaction and e-banking. Total Satisfaction, System Accessibility, Internet Completeness, Accuracy, Efficiency, Security, Responsibility, Ease of Use, Convenience, Cost Efficiency, Problem Solving, Loss, Touch ability, Understanding, Existing perceptions of the brand, etc. It can also be pointed out that the variables used for research are not suitable because the two variables 'ease of use and ease of use are interrelated and related to each other'. Added new variables such as brand understanding. Questionnaire methodology was used to gather information from 150 customers. Consumers using private and public banks were used for this purpose.

Seook - Munhurrin & Naidoo researched in 2011 on the potential impact of internet banking on potential

youth and customer satisfaction. Five variables were used: reliability, accountability, security, ease of use, satisfaction and accessibility. Data were collected using questionnaire methods and a sample of 242 samples was selected. It has also been shown that potential has a greater impact. In other research, the two factors of reliability and accountability are considered separately, but both of these variables are considered the same. Five appear to have been used. Kubar used fifteen variables to test customer satisfaction in 2011 and Seok - Munhurrin & Naidoo specializes in research using five variables that cover all of them.

Banerjee & Sah presents information on the services provided to public and private bank customers in 2012. The SERVQUAL methodology is used for this. The relationship between customer satisfaction and e-banking has been demonstrated using variables such as tactility, reliability, accountability, security and transparency. A sample of 203 was used for this purpose. It is through the private banking system that the status quo is achieved. It is also through the private banking system that the highest quality of service is expected. Therefore, government banks need to be more careful about their credibility, reliability, accountability, upbringing, etc. when promoting their services.

Johannes, Indarini & Margaretha Research conducted in [22] shows whether e-banking is related to customer loyalty, usability, customer satisfaction, service, trust, etc. There is a positive relationship between e-banking loyalty and customer satisfaction. This research was conducted in association with Indonesia. In 2019, Khaled, Anwar & Ameer and others researched the impact of e-banking on customer attraction in the Jordanian banking industry. The questionnaire was designed to present the variables used in the research under the second category. The methodology was used to analyse the collected information. The reliability of the research, security, quality of service, ease of use, etc. It has been shown that there is a strong link between attractiveness and a low level of security, and that variables such as service quality and ease of use are interrelated with customer attractiveness. The quality of the service is something that has not been used in research so far and it is also pair It has been pointed out that this contributes to increasing consumer attraction.

Mchomba has researched how e-banking affects customer satisfaction in the banking sector in Tanzania in 2018. This research can be considered as a case study and was conducted by NMB Bank. The data were collected using a questionnaire

methodology, which shows that consumers are concerned about many factors in e-banking, such as accessibility, time, availability, security and how close the user is. Knowledge and income level determine customer satisfaction. There is no bias in selecting the sample to represent both men and women for research. During this research, a new variable has been added as time shows the efficiency.

Nguyen & Singh commented on the different types of banking and customer empowerment in 2004. The Australian banking system is based on system-based research and takes a slightly different approach compared to other research, which considers customer satisfaction in three parts. Attributes take into account the quality of the e-banking system and the constraints on the consumer system. According to them, customer satisfaction is determined by the above three factors. Sub-variables are used to describe each factor. Consumer attributes include age, income, education, experience, disabilities, and feelings. The quality of the e-banking system also takes into account variables such as communication speed, ease of use, ease of access, cost or benefits, security and privacy, customer empowerment, etc. User password, user hardware, etc. The ease of access to the Internet, etc. have been considered. Research has been done through three variables and a large number of subsets. The results have been successful. All variables, such as accessibility, indicate a positive special relationship.

On the other hand, several researchers have identified financial literacy is the key factor for the usage of online banking [23]. According to their views, if customers do not have enough knowledge on the online transaction and basic operation on the computer it would directly affect the demotivation of usage level of online transactions [23]. have identified that the financial literacy of customers directly affected the financial decision of the people. Raza and others discuss e-banking and customer satisfaction in 2013. Information was gathered using the SERVQUAL methodology in association with Karachi, Pakistan. About 400 samples were selected. Customers are more satisfied with the banking as a result of the research, with factors such as security, touch ability, reliability and accountability.

Inzamam Ul Haq & Tahir Mumtaz Awan researched Islamabad, Pakistan in 2020 on the impact of e-banking on e-loyalty quality during epidemics through the interaction of satisfaction in 2020. The survey was conducted during the covid-19 season to test services. Data were collected through a questionnaire using email and messaging inputs for this research. Found that the relationship between privacy, security and

loyalty affects consumer satisfaction with e-banking. That it is given more importance The results of this study may be useful to policymakers in the strategic planning of the new banking mechanism and the associated customer behaviour.

The study, conducted by Armend Salihu & Hasan Metin in 2017, aims to examine the impact of product improvements, reliability and efficiency on customer satisfaction in electronic banking services. This study used questionnaire methods to collect data and also provided statistical analysis. This statistical analysis strongly correlates with the reliability of electronic banking services, but the correlation between efficiency and satisfaction is weak. Points out that service and reliability have a positive impact on customer satisfaction and a negative impact on efficiency.

Hani A. AlHaliq & Ahmad researched in 2016 to test the level of customer satisfaction with e-banking services in the Saudi banking sector and to address issues such as ease of use, information security and reliability, e-banking services monitoring and control mechanism. The study was conducted by collecting preliminary data through a survey and using research analytical and descriptive methods. Saudi banks have been able to achieve the desired level of customer satisfaction. Provided by banks in Saudi Arabia to increase Several recommendations have also been made to improve the upcoming e-banking services.

4. CONCLUSION

This paper aims to identify the factors influencing e-banking in Sri Lanka. According to previous research, Perceived Benefits, reliability, financial literacy is directly affected by the usage of online banking in different countries and different geographical settings. The study revealed the direct and indirect advantages of e-banking services. Perceived usefulness has identified the main advantages of this e-commerce application as customers can save their time and cost. Previous researches stated above factor is the key favourable factor for adopting e-banking by customers. On the other hand, several demotivation factors have affected the usage of e-banking. Perceived risk has been identified as the most important factor to decrease the usage level of online banking while security and financial risk adversely affected for usage level of online banking.

COMPETING INTERESTS

Author has declared that no competing interests exist.

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