EPRA International Journal of Environmental Economics, Commerce and Educational Management
Journal DOI: 10.36713/epra0414 |ISI I.F Value: 0.815|SJIF Impact Factor (2025): 8.57 ISSN: 2348 – 814X
Volume: 13 | Issue:1 | January 2026 -Peer Reviewed Journal

CUSTOMER PERCEPTION AND SATISFACTION IN THE DIGITAL ERA: EVALUATING THE ROLE OF E-BANKING SERVICES

Dr. G. Shashidhar Rao[1], Garrepally Rohith[2]
[1]*Retired Principal Govt. CKM Arts & Science College, Warangal, TS.*
[2]*Senior Research fellow, Kakatiya University, Warangal, TS.*

Article DOI: https://doi.org/10.36713/epra25910
DOI No: 10.36713/epra25910

ABSTRACT

Customer perception and happiness are critical to attaining sustainable growth and profitability in the fiercely competitive banking industry. Banks increasingly focus on building long-term customer relationships to enhance loyalty, reduce price sensitivity, and strengthen their market position. In this context, instead of completely replacing traditional branch-based services, electronic banking services have become an essential part of contemporary banking.

The current study intends to investigate consumers' opinions of the e-banking services provided by banks and gauge their degree of satisfaction with technology-enabled banking self-services. The study is based on primary data that was gathered through a structured survey procedure from 100 respondents. Customer satisfaction across a range of e-banking service parameters was assessed using ranking algorithms.

The findings highlight that customer expectations regarding e-banking services are significantly high due to rapid technological advancements and intense competition among banks with relatively similar service offerings. Customer satisfaction is therefore identified as a key determinant of continued usage, positive word-of-mouth, and customer retention. The study underscores the importance for banks to prioritize customer-centric digital strategies to enhance satisfaction and strengthen competitive advantage in the evolving Indian banking landscape.

KEYWORDS: *E-Banking Services, Customer Perception, Customer Satisfaction, Digital Banking and Banking Technology.*

1.INTRODUCTION

Banks are using technology more and more in the current digital era to provide effective, practical, and customer-focused services. Customers can access banking services like fund transfers, bill payments, account inquiries, and online transactions from anywhere at any time thanks to e-banking. Customer impression and satisfaction have become crucial elements affecting customer loyalty, retention, and overall bank performance as bank competition heats up. For banks looking to grow sustainably, it is crucial to comprehend how consumers view e-banking services and how well they fulfill their expectations. Additionally, customer-bank relationships have changed because of the integration of digital banking platforms with traditional banking services. To improve service quality, customer experience, and competitive advantage in the modern banking environment, this study focuses on consumer perception and satisfaction with e-banking services.



EPRA International Journal of Environmental Economics, Commerce and Educational Management
Journal DOI: 10.36713/epra0414 |ISI I.F Value: 0.815|SJIF Impact Factor (2025): 8.57 ISSN: 2348 – 814X
Volume: 13 | Issue:1 | January 2026 -Peer Reviewed Journal

2. ELECTRONIC BANKING IN THE INDIAN BANKING SECTOR

One of the most important developments in the financial sector is electronic banking, or e-banking. It serves as a comprehensive term encompassing the delivery of banking products and services directly to customers through electronic channels. In the Indian banking sector, banks increasingly utilize electronic distribution mechanisms to provide efficient and convenient services. The primary e-banking delivery channels include Automated Teller Machines (ATMs), telephone banking, internet banking, and mobile banking.

Customers can access financial services around-the-clock, regardless of their location, thanks to e-banking. Customers can easily do a variety of financial transactions from their homes or places of business using internet-enabled devices such laptops, cell phones, and personal computers. Because e-banking services can improve consumer convenience and operational efficiency, both public and private sector banks actively push them in the contemporary banking environment.

One of the major advantages of e-banking is its cost effectiveness. According to Kurtas (2005), When compared to transactions made using ATMs, the average cost of a financial transaction made online is substantially lower, telephone banking, or physical branch visits. Furthermore, e-banking minimizes paper-based transactions, thereby supporting environmentally sustainable banking practices. Overall, e-banking offers substantial benefits to banks in terms of cost reduction, service quality enhancement, and revenue generation, prompting banks to take strategic initiatives to encourage its adoption[1].



3. LITERATURE REVIEW

A technology-enabled payment and service delivery system, electronic banking, also referred to as e-banking or internet banking, enables banks and other financial institutions to conduct both financial and non-financial transactions online. According to the literature, e-banking has greatly changed traditional banking operations by giving consumers access to a variety of financial services that were previously only possible through in-person branch visits. Fund transfers, deposits, balance checks, and online bill payment are some of these services.

Customers who have enrolled for online banking services and have active bank accounts can access internet banking services. Mobile banking, smart card systems, online banking platforms, and electronic fund transfer mechanisms are some of the e-banking types that have been emphasized in earlier research. Researchers stress that e-banking has many benefits, including lower transaction costs, increased productivity, better customer relationship management, and the elimination of geographical restrictions. All things considered, the literature emphasizes how crucial e-banking is becoming as a tactical instrument for enhancing customer-bank interactions and service delivery.

[1] *Kurtas, A. (2000). Analytical study of investment opportunities in direct and indirect banking (Translated). Arab Banks Union Magazine, 35–37.*

Consumers save time and money by using e-banking services from the comfort of their homes or places of employment, which eliminates the need to physically visit bank locations. The whole client experience is greatly improved by the efficiency and convenience provided by electronic banking.
Long-term consumer behavior is greatly influenced by customer satisfaction, which is a critical factor in the assessment of purchase decisions, service usage, and post-consumption experiences. Customer satisfaction has become more crucial in the banking industry as a result of growing competition and quick technological development. Due to the widespread standardization of banking services and products, banks have placed more emphasis on customer happiness and service quality as crucial differentiators. As a result, significant efforts have been made to comprehend customer satisfaction in order to account for differences in consumer preferences, service assessments, and bank selection choices[2].

Wurster and Thomas (2015)[3], in their article *"Changes in Retail Banking,"* argue that the retail banking strategies of the past two decades, which emphasized extensive branch expansion, were driven by conditions that are no longer relevant. The authors contend that financial liberalization and rapid technological advancements have disrupted the competitive equilibrium that previously allowed both small and large branch networks to coexist due to comparable cost structures.

There are various reasons why this change has taken place. First, consumers are increasingly prepared to forgo the ease of access to local branches in favor of more alluring interest rates provided by distant financial institutions. Second, interest rate deregulation has diminished banks' traditional advantage in funding costs relative to non-banking financial institutions. Third, competition among local banks and non-banks has evolved into a process focused on exploiting differences in product costs, distribution efficiencies, and pricing capabilities.

The authors conclude that future competitive advantage in banking is likely to emerge from one of two strategic positions: developing strong customer relationships to support the cross-selling of a broad range of financial products, or achieving a sustainable low-cost operational structure. Consequently, banking strategies must be closely aligned with the specific needs and expectations of distinct customer segments.

Deepjyoti Dibyojyoti Choudhury Bhattacharjee (2015)[4] emphasized that Humanity has made incredible strides in science, medicine, and technology throughout the last 200 years. From sophisticated space exploration equipment to commonplace portable smart devices, technological adoption is already widespread. Along with basic needs like food, water, and air, reliance on technology has grown ingrained in modern life and is increasingly seen as an essential aspect of human existence.

In the contemporary era of technological transformation, no industry remains unaffected by the application of information systems, and the banking sector is no exception. Banks are continuously exploring innovative approaches to deliver and differentiate their wide array of financial services. Both corporate and retail customers have grown increasingly unwilling to wait in queues at bank branches or endure delays for even basic banking services. This shift in customer expectations has compelled banks to adopt technology-driven solutions to enhance service efficiency, convenience, and customer satisfaction.

Electronic banking services, delivered through online and other digital platforms, have expanded rapidly across the global banking industry in recent years. This study's main goal is to analyze the literature and investigate bank customers' essential characteristics and opinions about electronic banking (e-banking) delivery channels. Numerous socioeconomic and demographic traits of bank clients that affect the uptake and use of e-banking services are shown by the research review.

Additionally, the study seeks to fill in knowledge gaps in consumer behavior and the uptake of electronic banking. Additionally, the results show a robust positive correlation between positive word-of-mouth communication and customer satisfaction with e-banking services. The report highlights how important e-banking delivery channels are for boosting client loyalty and fortifying enduring connections between banks and their clients.

---

[2] *Sabastian Titus, A. P., & Robert Lawrence, A. D. (2003). Customer focus in banking services. Indian Journal of Marketing, 17–19.*
[3] *Wurster, V., & Thomas, S. (2015). Changes in retail banking. Bankers Monthly, 102(4), 9–11.*
[4] *Choudhury, D. (2015). Salaried employees and adoption of e-banking delivery channel. International Journal of e-Education, e-Business, e-Management and e-Learning, 5, 153–154.*

Srinivasa Rao (2014)[5] examined the prospects and future role of retail banking in India, emphasizing its significance in supporting the country's economic development. Retail banking is widely regarded as a key driver of growth within the Indian banking sector, as it offers a diverse range of innovative financial products and services tailored to individual customers. According to available estimates, retail loans account for nearly one-fifth of total bank lending, highlighting their growing importance in the overall credit portfolio.

In recent years, the housing finance segment has experienced a substantial increase in loan disbursements, reflecting rising demand for retail credit. The retail credit market has undergone a significant transformation, shifting from a seller-driven market to a buyer-driven one, where customers enjoy greater choice and accessibility. The earlier challenges associated with obtaining retail loans have largely diminished. These developments collectively demonstrate the rapid expansion of retail banking in India.

Retail banking broadly refers to the range of transactions conducted by commercial banks with individual customers, encompassing both asset and liability sides. On the asset side, banks primarily offer loans such as housing, personal, vehicle, and education loans, while supplementary services include credit cards and various banking facilities.

4. SCOPE OF THE STUDY

The banking services offered by Indian banks are the main topic of this study, with an emphasis on electronic banking services. E-banking is a major source of extra income for banks and is crucial to the growth of their affiliated and subsidiary businesses. Banking services are made to serve a variety of clientele, such as professionals, families, students, entrepreneurs, and salaried persons.

To build and maintain a solid customer base, banks are also using customer relationship management techniques more and more. In this regard, the study aims to investigate consumers' awareness, perceptions, attitudes, and satisfaction with the banking services that banks provide. By examining these elements, the study seeks to shed light on how consumers react to e-banking services and how they help to improve client relations in the Indian banking industry.

5. NEED AND SIGNIFICANCE OF THE STUDY

Banks play a vital role in the economic development and financial stability of a country. In the contemporary economic environment, the banking sector serves as a backbone for various service industries and contributes significantly to the overall development process. The effectiveness of the banking sector in promoting economic growth largely depends on the formulation and implementation of sound banking policies and the efficient organization of the financial system.

In India, the liberalization and globalization era has led to the entry of numerous domestic and foreign banks, intensifying competition within the banking industry. While private sector banks compete primarily through the provision of innovative and high-quality services, public sector banks continue to play an indispensable role in the Indian financial system. Retail banking, in particular, is fundamentally driven by the principle of customer satisfaction, making it essential for banks to understand customer expectations and perceptions. In this context, the present study is undertaken to assess customer responses toward e-banking services and their significance in the banking sector.

6. OBJECTIVES OF THE STUDY

1. To examine customers' perceptions toward e-banking services.
2. To assess the level of customer satisfaction with e-banking services offered by banks.

7. RESEARCH METHODOLOGY

To gauge consumer satisfaction with the use of technology-enabled banking self-services, the study used a survey-based research design. The study's sample consisted of 100 respondents in total. Customers' opinions of the technology-enabled banking self-services offered by their individual banks are the main subject of the study.
The ranking technique was used to determine the degree of customer satisfaction with these services, allowing for the discovery and comparison of client preferences across different service attributes. To obtain significant insights into consumer satisfaction levels and opinions surrounding technology-enabled banking services, the gathered data was methodically examined.

[5] *Srinivasa Rao. (2014). The role of retail banking in the Indian economy. International Journal of Engineering Research and General Science, 2(2), 152–158.*

EPRA International Journal of Environmental Economics, Commerce and Educational Management
Journal DOI: 10.36713/epra0414 |ISI I.F Value: 0.815|SJIF Impact Factor (2025): 8.57 ISSN: 2348 – 814X
Volume: 13 | Issue:1 | January 2026 -Peer Reviewed Journal

8. CUSTOMERS' SATISFACTION TOWARD THE ADOPTION OF TECHNOLOGY-ENABLED BANKING SELF-SERVICES

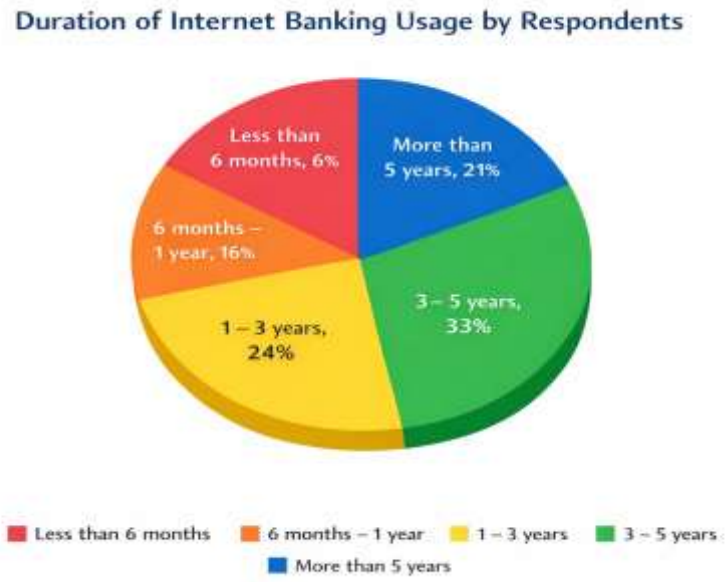
A new era of financial development and economic expansion in India have been greatly aided by the banking sector. In India and around the world, technology-enabled banking self-services have become widely accepted, revolutionizing the way consumers engage with financial institutions. Customers can easily complete a variety of banking tasks, including as deposits, fund transfers, bill payments, and other financial operations, using these self-service platforms.

The adoption of banking self-services helps bridge the gap between depositors and borrowers by enhancing customer awareness, improving service quality, and increasing overall customer satisfaction. In recent years, customer perceptions toward innovative banking technologies have evolved considerably within the Indian banking sector. Examining consumers' opinions and satisfaction levels with technology-enabled banking self-services is the main goal of this study. The findings indicate that customers are increasingly informed and satisfied with the banking products and services offered by their respective financial institutions, highlighting the growing acceptance and effectiveness of technology-driven banking solutions.

9. USE OF INTERNET BANKING SERVICES

The researcher aimed to examine the respondents' experiences with online banking in the region. Data were collected regarding the duration of respondents' use of internet banking, the frequency of their online banking activities, and the channels through which they access internet banking services.

Respondents' Use of Online Banking: The information shows that a sizable percentage of respondents have used online banking for varying lengths of time. In particular, 21% of respondents said they had been using online banking for more than five years, while 16% said they had been doing so for six months to a year. Less than six months (6%), one to three years (24%), and three to five years (33%) of usage are additional categories. This distribution shows that most respondents have been using online banking for more than a year, which is indicative of growing use over time.



10. Customers' Perception of Technology-Enabled Banking Self-Services Offered by Banks

The researcher examined customers' perceptions regarding technology-enabled banking self-services provided by their banks. Through reliability analysis, the researcher identified the key factors influencing customers' preferences for these technology-driven self-service options.

Table-1

SL.NO	Factors	Mean Rank	Std. Deviation
1.	Efficiency	2.69	2.37
2.	Reliability	2.12	1.99
3.	Security & Privacy	2.53	2.26
4.	Responsiveness	2.16	2.07

5.	Ease of Use	3.02	2.83
6.	System Availability	2.96	2.73
7.	Fulfillment	2.10	1.91
8.	Assurance	2.40	2.28
9.	Personalization	2.09	1.89
10.	Compensation & Service Recovery	2.03	1.74

The mean rankings and standard deviations of 10 variables influencing consumers' opinions on technology-enabled banking self-services are shown in Table 1. These elements shed light on the elements that have the greatest impact on customer preferences and satisfaction.

Consumers believe that the most important element influencing their adoption of technology-enabled services is ease of use (Mean Rank: 3.02, Std. Deviation: 2.83). Although the comparatively higher standard deviation reveals some variety in replies, a higher mean rank suggests that intuitive and user-friendly interfaces are essential for favorable evaluation. Customers desire continuous access to online banking platforms, as evidenced by System Availability (Mean Rank: 2.96, Std. Deviation: 2.73), which is also very significant. Technical problems or outages could have a detrimental effect on customer satisfaction. Efficiency, or the efficacy and speed of transactions, is another important element (Mean Rank: 2.69, Std. Deviation: 2.37). Consumers' expectations for quick and easy services have a direct impact on how they view technology-enabled banking. Building client trust requires security and privacy (Mean Rank: 2.53, Std. Deviation: 2.26). Although crucial, its mean rank suggests that if other aspects, such usability, are adequate, consumers might take security for granted. Perception is somewhat influenced by assurance (Mean Rank: 2.40, Std. Deviation: 2.28), which refers to the staff's expertise and politeness (or the system's dependability to deliver accurate information). Responsiveness (Mean Rank: 2.16, Std. Deviation: 2.07) including timely feedback and resolution of issues. This factor has moderate importance in perception formation. Fulfillment (Mean Rank: 2.10, Std. Deviation: 1.91) the degree to which services meet customer expectations, also plays a role but ranks lower than usability and system-related factors. Personalization (Mean Rank: 2.09, Std. Deviation: 1.89) The ability to provide personalized services slightly influences customer perception, suggesting that while customization is appreciated, it is not the primary concern. Reliability (Mean Rank: 2.12, Std. Deviation: 1.99) consistent and error-free service, is moderately important. Customers expect dependable service but may prioritize usability and access. Compensation & Service Recovery (Mean Rank: 2.03, Std. Deviation: 1.74) have the lowest mean rank, indicating that customers consider these factors less influential unless problems arise. However, they remain important in maintaining trust during service failures.

12.CONCLUSION

Innovation plays a pivotal role in the success of any business or institution, and it is particularly critical in the banking sector. By developing innovative financial products and services, banks can enhance the efficiency and convenience of financial transactions, ensuring value for both the institution and its customers.

To remain competitive and customer-centric, banks must offer a diverse range of online banking services across multiple delivery channels, addressing the evolving needs and preferences of their clientele. As the financial market grows increasingly competitive, it is essential for banks to continuously innovate and provide advanced, reliable, and user-friendly services. Therefore, banks should focus on designing and promoting novel online banking solutions that effectively meet the dynamic requirements of modern consumers.

12.REFERENCE

1. *Kurtas, A. (2000). Analytical study of investment opportunities in direct and indirect banking (Translated). Arab Banks Union Magazine, 35–37.*
2. *Sabastian Titus, A. P., & Robert Lawrence, A. D. (2003). Customer focus in banking services. Indian Journal of Marketing, 17–19.*
3. *Wurster, V., & Thomas, S. (2015). Changes in retail banking. Bankers Monthly, 102(4), 9–11.*
4. *Choudhury, D. (2015). Salaried employees and adoption of e-banking delivery channel. International Journal of e-Education, e-Business, e-Management and e-Learning, 5, 153–154.*
5. *Srinivasa Rao. (2014). The role of retail banking in the Indian economy. International Journal of Engineering Research and General Science, 2(2), 152–158.*