

Impact of Internet Banking on Customer Satisfaction in Sri Lanka.

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1. Introduction

E – Banking is a new banking trend which is shorter name for Internet Banking. Any electronic media that customers can do banking transactions are commonly known as E – Banking. Fast forward to 2021, and a global pandemic has accelerated digital banking and forced banks to evolve at an exponential speed to create more effective and efficient ways to meet consumer needs. Banks noticed consumer’s shift towards digital or electronic banking during the pandemic times (Baldwin and Mauro, 2020; Wójcik and Ioannou, 2020).

Electronic banking is considered as a new revolution in the digital technology and traditional banking services which implies the provision of banking products and services through electronic delivery channels such as the internet, the telephone, the cellphone etc. (Worku, Tilahun and Tafa, 2016). E-banking give facilities such as checking account balances, view transaction history, transfer of funds between accounts, withdraw funds through Automated Teller Machines (ATM) machines, make third party payments, telebanking, use of ATM cards for payments, use credit cards, make payments anywhere across the world and much more. Customers can use internet banking service during 24 hours while staying anywhere such as home, business, and outside etc. but in Sri Lanka we can divide areas such as rural urban and semi urban. The internet banking system will connect to or be part of the main banking system operated by a bank and is in difference to branch banking which was the traditional way customers accessed banking service. This study aims at examining the factors that may influence user’s satisfaction on Internet banking and examining the customer’s satisfaction in banking sector.

2. Materials and Methods

This study was adopted a quantitative research approach to find the

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variables that affect customer satisfaction on internet banking service to customers. Quantitative research approach that applied to have a descriptive design that used to investigate. And the study is mainly based on the primary data source and questionnaire used for collecting data about the customer satisfaction internet banking in Sri Lanka. Primary data was collected through a questionnaire based on customer survey of the selected banks in Badulla district. Sample size of this study mean that 55 sample were conveniently selected from each a private bank and a government bank. In this research process used multiple regression and correlation to analyze the collected data. And the correlation analysis between the variables relationships that exist between various dimensions and customer satisfaction in internet banking. The results are tested by multiple regression analysis by selecting client satisfaction as dependent variable and the indicators of E-Banking services as independent variables. The model describes the relationship on Convenience, Privacy and Security, Cost, Ease of Measurement, Reliability and Responsiveness of E-Banking services.

3. Results and Discussion

The results from the regression analysis have shown in table that only responsiveness has a positive relationship with the impact of internet banking and that the results are significant. Therefore, the null hypothesis is rejected. And other all factors are not significant. ($B=0.389$, $P=0.005 < 0.05$ (significant)). According to the table 01 results from responders there are believing that only factor of responsiveness. But other factors are also important them. Here result shown that always in Sri Lanka bank industry tend to gain knowledge and understand of customers' expectations and needs accurately. Therefore, customer satisfaction and service delivery of the banks are not being separated. Empirical study consists of whether E-Banking services have an impact on customer satisfaction. Regarding the final results, E-Banking services of responsiveness and Customer Satisfaction show a positive relationship statistically. Other five variables are not identified as the dimensions of E-banking on customer satisfaction; those variables are convenience, cost, privacy and security, ease of measurement and reliability.

Table 1: Coefficients

Coefficients^a					
Model		Unstandardized Coefficients		t	Sig.
		B	Std. Error		
1	(Constant)	.945	.416	2.273	.028
	Cost	.077	.117	.661	.512
	Ease of Measurement	-.015	.123	-.121	.904
	Convenience	.076	.122	.623	.536
	Privacy and Security	.193	.128	1.507	.138
	Reliability	.138	.133	1.038	.304
	Responsiveness	.389	.134	2.916	.005

Source: Survey Data, 2022

Table 2: Frequencies

Statistics							
		Gender	Age	Education Level	Marital Status	Occupation	Monthly Income
N	Valid	55	55	55	55	55	55
	Missing	0	0	0	0	0	0
Mean		1.64	1.56	3.15	1.25	1.73	2.67
Median		2.00	1.00	3.00	1.00	1.00	2.00
Mode		2	1	3	1	1	1
Std. Deviation		.485	.977	.826	.440	1.027	1.846
Minimum		1	1	1	1	1	1
Maximum		2	5	6	2	6	6

Source: Survey Data, 2022

The demographic analysis shows that more females (63 percent) use the internet banking services than their female counterparts. The majority in the survey to age is related to those people who has between 18-25 years old by 66 percent, Also the single has a majority by 76 percent for marital status, in the income who received monthly the majority of responders has gotten none by 44 percent, However, the undergraduates has in first ranking with 62 percent, and last question the majority of respondent's occupation is student and with rate of 58 percent.

The study established that internet banking affects customer satisfaction to a great extent. This study therefore recommends that banking intuitions should enhance their internet banking to make it flexible, fast

and easy to use. Usefulness, friendliness and personalized internet banking had relatively low effect on customer satisfaction. The banks should develop the internet banking service to get a lot of customers for banks and develop the system as much they can and improve the system to fastest than before and banks try to available all internet banking product and service such as mobile banking, web banking, POS and ATM because few banks provide all service together.

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