



## ANALYSIS OF CUSTOMER SATISFACTIONS ON ONLINE BANKINGS: A CASE STUDY ON “ONE BANK LIMITED”

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### Abstract

This report is all about to find out the level of customer satisfaction regarding to online banking services and one bank limited in Bangladesh is selected as sample. To collect the data five branches from different location in Dhaka city has been visited. Almost 50 customers are asked about their satisfaction level on online banking. After conducting a thorough research, online banking services of One Bank Limited, is quite good and satisfactory but customers were not aware and willing to take this services. But level of satisfaction is greater for some parameters and less for some parameters. Likewise, customers are satisfied with security and user friendliness of the website of the banks, and somewhat neutral in perception with update frequency. It is obvious from the evidence that almost all the respondents were educated, but many of them provided “neutral” feedback as they do not use online banking services or are indifferent to this services.

**Keywords:** Customer satisfaction, online banking, one bank limited, Likert Scale, Parameter.

### I. INTRODUCTION

In the most recent years banking industry has gone through a massive transformation. Information technology has been used extensively in this regard to maintain pace in this transformation. The concept of physical banking gradually is going to be obsolete now. Physical banking is going to be replaced by internet banking very soon. This trend of transformation also touched Bangladesh like any other developing countries. E-Banking or internet banking is recognized as a concept through which almost all of physical banking activities can be done in our country. Besides internet banking is more convenient than physical banking because internet banking never closes, anyone can enjoy banking services anytime from anywhere. For this reason, internet banking has become an important measurement tools to attract larger customer base. Consequently, it is now considered as a tool to measure customer satisfaction. This paper tries to find out the level of customer satisfaction regarding to online banking services and “One Bank Limited” is chosen for conducting this research. Five branches from different location in Dhaka City has been visited. Almost 50 customers are surveyed. Their response has been collected to gloss over the scenario of online banking system. Finally, different analytical i.e. Likert scale and graphical presentations are used to analyze the data and to make a comment about the level of customer satisfaction in case of Internet Banking Services. For this purpose, a questionnaire has been prepared using Likert Scale Method.

#### 1.1 Objective of the Study

Principal objective of preparing this paper is to find out the level of customer satisfaction of “One Bank Limited” in regarding to online banking services. Following objectives are also support the principal report.

1. Knowing the concept of customer satisfaction in the light of online banking services.
2. Knowing about various online banking services provided by the private commercial bank of Bangladesh.
3. Knowing the prospect and problem of online banking in Bangladesh.
4. Finding out the level of customer satisfaction in regarding of online banking



services of “One Bank Limited.”

### **1.2 Research Type**

This research is descriptive in nature which might involve quantitative analysis to some extent.

### **1.3 Types of Data**

To conduct this research primary data was the main source. Secondary data is used to present theoretical discussion and company information like annual report, journal, official website etc.

### **1.4 Questionnaire & Survey**

This report measures the satisfaction level of the customer from four perspectives; security, user friendliness, update frequency and overall online banking system. Questionnaire is prepared based on Likert Scale Method. Responses have been collected based on a 5-point scale from Strongly Agree to Strongly Disagree. Highest weight is given for Strongly Agree and lowest weight is given for Strongly Disagree. Sample size for my research is fifty (50). In this report responses have been collected from 50 customers and for this used five different branch locations within the Dhaka City. Responses were collected from students, businessmen, services holders, lawyer, and housewives and also from teachers.

### **1.5 Limitation of the report**

The main limitation in this report was the unwillingness of the respondents. People felt insecure to provide their information to me.

## **II. Review of Literature**

### **2.1 About Online Banking**

(Pikkarainen, Karjaluoto, and Pahnala:2004) define Internet banking as an „Internet portal, through which customers can use different kinds of banking services ranging from bill payment to making investments“. With the exception of cash withdrawals, Internet banking gives customers access to almost any type of banking transactions at the click of a mouse. (Flavián, Torres, & Guinalú,:2004; Gan, Climes) explain the use of the Internet as a new alternative channel for the distribution of financial services has become a competitive necessity instead of just a way to achieve competitive advantage with the advent of globalization and fierce competition. Online banking is the fastest growing service that banks can offer in order to gain and retain new Customers (Moody, 2002). The rise of Internet Banking is also due to its number of benefits for both the provider and the customer as well. From the bank’s perspective these are mainly related to cost savings (Sathye, 1999; Robinson, 2000) and Internet Banking remains one of the cheapest and more efficient delivery channels (Pikkarainen et al. ,2004). Arunachala and Siva Subramanian (2007) content that Internet banking is where customer can access his or her bank account via the Internet using PC or mobile phone and web browser. Ongkasuwan and Tantichattanon (2002) defined Internet banking service as banking service that allows customers to access and perform financial transactions on their bank accounts from their Computers with Internet connection. Kim et al. (2006) predicted that 87% of community banks would offer Internet banking in 2003 to meet consumers’ needs, and asserted that, Internet banking has advantages for banks to maintain competition, to save costs, to enhance mass customization, marketing and communication activities, and to maintain and attract consumers. Based on (Bank Away, 2001) on-line, real time banking services have now become a birth right of the customer as the customer demands the flexibility of operating an account in any branch of a bank irrespective of which branch the account was domiciled

(Benamati and Serva 2007) emphasize on as online banking adoption is concerned, security,

trust and privacy concerns have been outlined as extremely important ones from the consumer’s standpoint.

According to (Servon, and Kaestner 2008) consumers who use e-banking use it on an ongoing basis and need to acquire a certain comfort level with the technology to keep using it).

According to (Laforet and Li 2005) various research studies on consumer attitude and adoption of internet banking have shown that there are several factors influencing the consumer’s attitude towards online banking such as person’s demography, motivation and behavior towards different banking technologies and individual acceptance of new technology.

**2.2 About customer satisfaction**

(RueangthanakietPairot, 2008) defined Customer’s satisfaction as the company’s ability to fulfill the business, emotional, and psychological needs of its customers. However, customers have different levels of satisfaction as they have different attitudes and experiences as perceived from the company.

E-service quality can be explained as an overall customer evaluation about e-service delivery in the marketplace which is virtual Santos, J. (2003). The concept of “Customer or User Satisfaction” as a key performance indicator within the businesses has been in use since the early 1980s (Bailey & Pearson 1983; Ives, Olson, & Baroudi 1983). Similarly, the end user computing satisfactions have been studied since the 1980 (Bailey & Pearson 1983; Chin, Diehl, & Norman 1988; Ives et al., 1983; Rivard & Huff 1988). The user satisfaction can be seen as the sum of the user’s feeling and attitudes toward several factors that affect the usage situation (Bailey et al., 1983). (Shampa and Hasan, 2015) conducted research to explore the level of customer satisfaction in Islamic banks of Bangladesh. They concluded that Islamic Banks in Bangladesh should address three issues to improve customer satisfaction level; they should update their website regularly, improve network of ATM location and also introduce hassle free debit card system.

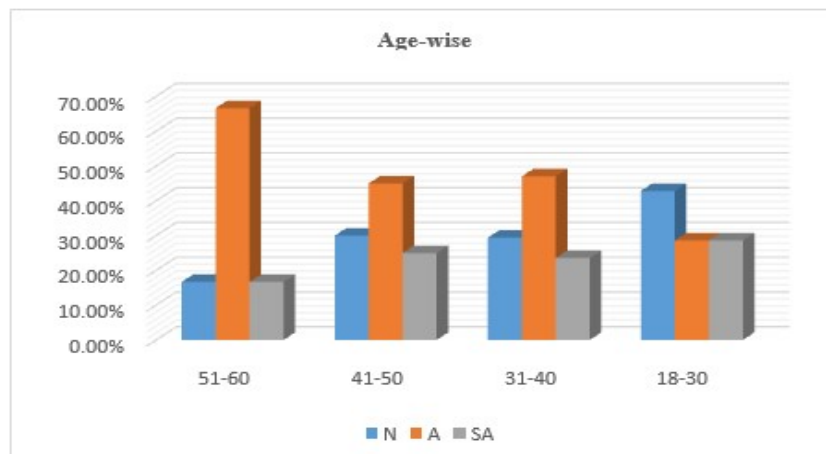
**III. Analysis of Customer Satisfaction in Online Banking**

**3.1 Analysis of Parameter**

Following four parameters are selected for quantitative analysis.

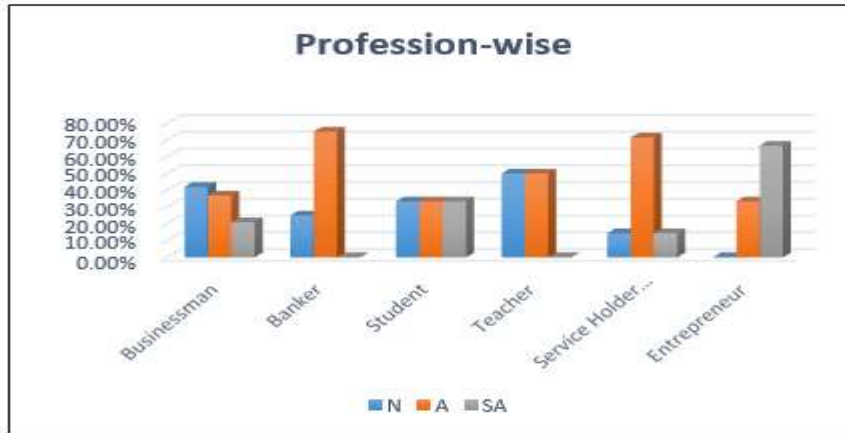
**3.1.1 Security**

To measure the satisfaction level of customers at security in online banking, they are asked whether customers are secured or not. Customer differed in their answer due to their age and profession variation. Graphical representation of this nature of variation will be presented here.



**Fig1: Response: Security according to Age**

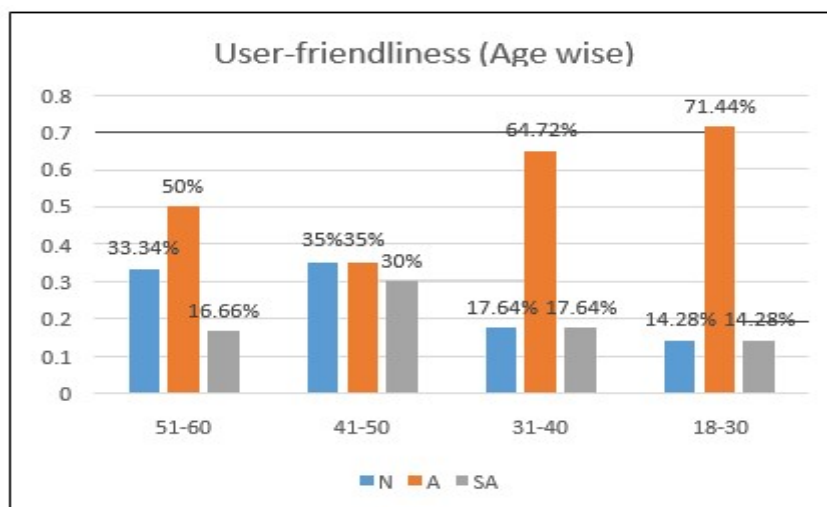
From this above chart we can see the customers’ response in security question from their age group perspective. We see that, response rate varies less for the age group 18-30, because they are most likely user of the online banking. For all the age group, on an average customers agree with security concern. They think that online facilities are up to mark. Most stable result are found for the age group of 41-50, because most businessman, service holders remain in this group. Usually such people become up to date about information technology.



**Fig2: Response: Security according to Profession**

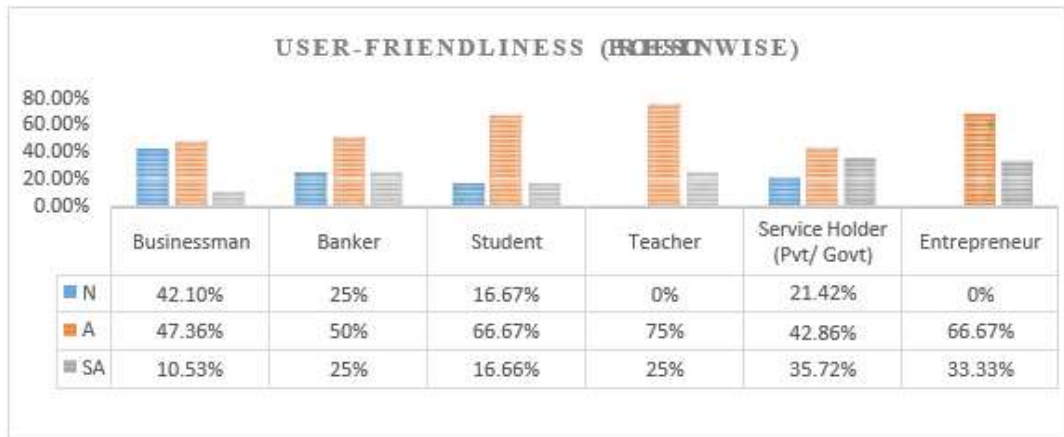
Besides the category from age viewpoint, we can observe the response from the profession of Customer perspective. The rate of being agree with bank in security concern is higher for Bankers, because they know the pros and cons of banking security due to their nature of profession. Doctors and Lawyer are kept into entrepreneur category, entrepreneur are also showed positive response. Since they only want to deal with bank, when they get the surety form the bank. Finally on an average all the results rotate around “Agree” and “Strongly Agree”. The rate of providing “Neutral” answer is higher in businessman group. Because a significant portion of the survey has been conducted in old Dhaka, and people are less educated in old Dhaka comparatively. They tends to ignore concerning about online banking services.

**3.1.2 User friendliness**



**Fig 3: Response: User friendliness according to Age**

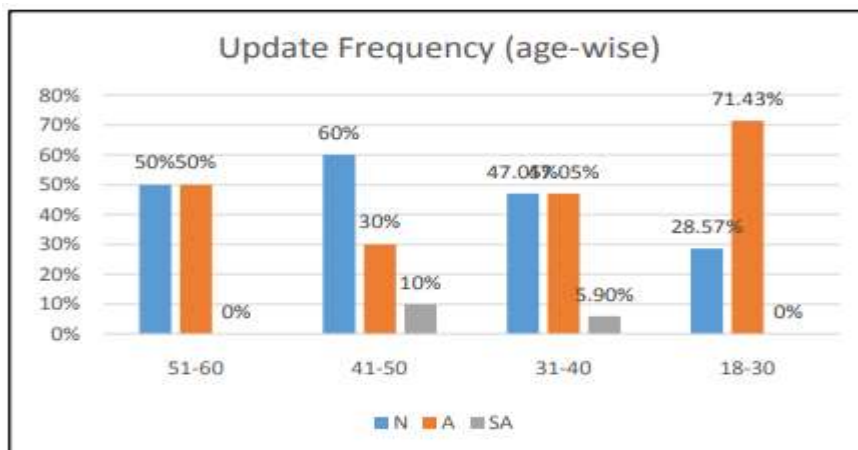
From this above chart, we can get a clear cut view about how much response varies with the change of customer's age. We can see that, age group of (31-40) and (18-30), are the people who agreed mostly on the question of instructiveness of the website. Because peoples of in these age group are the students and private or government services holder. They are most aware about this services and are willing to provide responses. Consequently they have given less responses on "Neutral" and "Strongly Agree", because they are not willing to go on extreme.



**Fig4: Response: User friendliness according to Profession**

For all the profession group the response "Agree" possess the most frequent feedback. From this picture we can roughly say that all that on an average customers are satisfied to instructiveness of the website of the bank. On the other hand, profession group teacher and entrepreneur did not put their feedback on "Neutral", because these people are most educated from all age group. They are willing to use online services and are most active user of online. Second highest can be found in the profession group of "Banker"

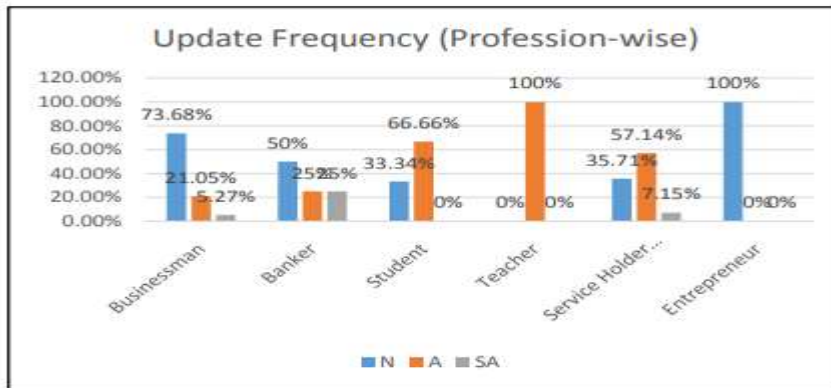
### 3.1.3 Update Frequency



**Fig 5: Response: Update frequency according to Age**

Like any other earlier parameters, customers avoided to provide their answer on extreme point of scale "Strongly Agree". For the age group of 41-50, the response of "Neutral" has got the highest percentages. The reason behind this is that these peoples are less willing to use online banking and thus they provide neutral response. This implies they are not concern about this aspect. But the noticeable fact is that not all the peoples who do not use online services but some of the people are included here who really do not have any conclusive

opinion about this parameter.

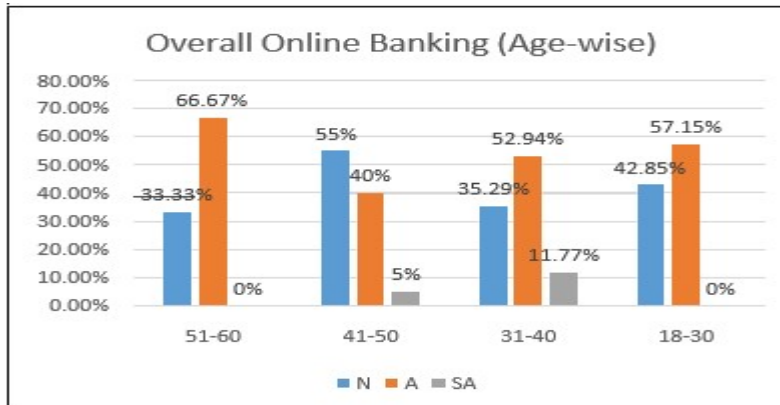


**Fig6: Response: Update frequency according to Profession**

Like the earlier parameters, here teachers, bankers, students and services holders are the most active and conscious in this regard. Their consciousness reflects upon their responses. These age group had the most consistent response. On the other hand business man residing in Old Dhaka are less concern about this matter.

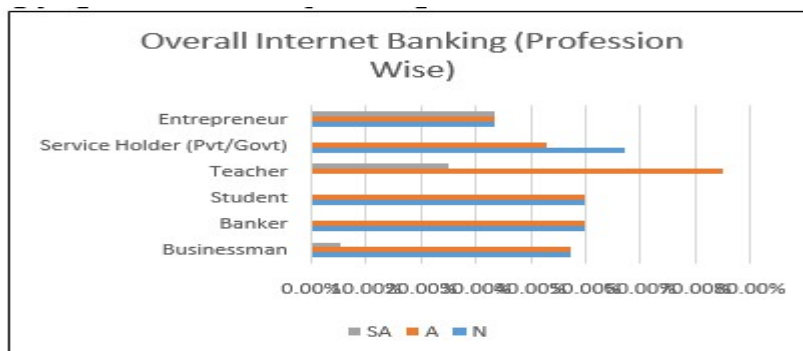
### 3.1.4 Overall Satisfaction

Under this parameter this paper tries to find out how much customers are satisfied considering all the online banking parameters on an average.



**Fig 7: Response: Overall online banking according to Age**

For the overall online banking services almost all the age group kept their feedback around agree and strongly agree. The rate of providing Neutral feedback is lowest to age group of 51-60 and highest to age group of 41-50.



**Fig 8: Response: Overall internet banking according to Profession**

For overall online banking services, teachers are the mostly satisfied because this profession provided agree response highest. On the other hand, entrepreneurs were less

responsive in this regard.

### 3.2 Total Responses

**Table 1:** Summary of the Responses

		Parameters				Total
Response		Security	User Friendliness	Update Frequency	Overall Satisfaction	
	Neutral	34%	32.69%	52%	49.01%	41.87%
	Agree	44%	50%	42%	45.09%	45.32%
	Strongly Agree	22%	17.31%	6%	5.90%	12.81%
					Total	100%

From this above table we can get a bird's eye view about the overall satisfaction level of the customers. We can see that, from all the feedbacks "Agree" got the higher percentages. Besides individually the "Security" concern got highest percentages on "Agree", user-friendliness got higher percentages on "Agree" and rest of the two update frequency and overall satisfaction got higher percentages on "Neutral" responses. So considering all

of these individual and summed perspective we can draw a conclusion that customers of "One Bank" limited on an average satisfied with their online banking services. But this analysis also revealed some of the weakness of "One Bank Limited" in regards of online banking services. In the new chapter it will be discussed in brief.

## IV. Findings And Conclusion

### 4.1 Findings

This paper is an endeavor to find the customer satisfaction level in case of online banking system. The major findings is that all the customer responses rotates around only "Neutral", "Agree" and with "Strongly Agree". Among these three responses, this paper suggest found that almost 60% of the responses are in the region of Agree and Strongly Agree. This is a clear indication of a satisfied customer. Besides, rest of the 40% of the responses went with Neutral feedback. This research paper considers this along with positive response. Another proof for satisfied customer level is that, they did not provide their answer to the scale of "Disagree ". So to conclude it is easy to say that online banking services of "One Bank Limited" is quite satisfactory to its customer.

### 4.2 Conclusion

With the widespread use of information technology, the nature of banking industry has been changed radically. While people were used to visit bank, just for merely collecting bank statement in past, today people can do this sophisticated banking transaction like fund transfer, checking balance etc. let alone this silly job. As the nature of banking has been changed, customer demand has also been changed. For this reason, bankers changed their tools to attract customers. Banks are now putting emphasized more and more on making banking services virtual. This paper was for finding out the level of customer satisfaction in case of online banking competing in private commercial banking sector. For simplicity "One Bank Limited" has chosen as sample. After conducting a thorough research, though online banking services of One Bank Limited, is quite good and satisfactory but customers were not aware and willing to take this services. But level of satisfaction are greater at some parameters and less at some parameters. Likewise, customers are satisfied with security and user friendliness of the website of the banks, and somewhat neutral in perception with update frequency. From this report one thing is to be for further research that almost all the respondents were educated still some them provided "neutral" feedback they do not use online banking services or are indifferent to this services. But the regular trend is to technology should be adopted by the educated person at first.



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