



RESEARCH ARTICLE

Impact of Digital Literacy on Consumer Satisfaction with E-Banking Services in Chennai City

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ARTICLE INFO	ABSTRACT
Received: Nov 14, 2024 Accepted: Jan 3, 2025	In the twenty-first century, technological advancements have revolutionized industries, with the banking sector undergoing transformative changes. E-banking has become a cornerstone of the digital economy, offering convenience and efficiency to consumers. However, the success of e-banking services hinges on customers' digital literacy, which directly influences their adoption and satisfaction levels. This study examines the impact of digital literacy on consumer satisfaction with e-banking services in Chennai City, focusing on how digital skills enhance customer trust, ease of use, and engagement with e-banking platforms. A questionnaire was used to gather the data for this study, and statistical methods were then used to analyse the results. Primary data was collected through an online survey and analyzed using modern statistical tools to ensure relevance and accuracy. The findings underscore the importance of digital literacy in optimizing e-banking service delivery and customer satisfaction, offering actionable insights for banks to improve digital inclusivity and user experience.
Keywords Consumer Trust, E-Banking Satisfaction Adoption Factors Service Quality Digital literacy	
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INTRODUCTION

E-banking, as opposed to physical banking, that used to be the conventional method by which clients were able to access banking services, is a system that is integrated into or organically connects to a bank's main financial system. The kinds of financial transactions that a customer can conduct through online banking depend on the financial institutions, but typically involve examining the status of accounts, viewing a history of recent transactions, paying bills electronically, and transferring money from one client to another. A lot of banks these days exclusively operate online. The overhead costs of these "electronic banks" are lower than those of their physical equivalents. Technology is one of the many advancements that has affected how customers engage with banks. Along with the conventional bank channel, there are now electronic channels and products available, such as ATMs, cards, online banking, and mobile banking.

REVIEW OF LITERATURE

Malhotra and Singh (2010) conducted a study to determine the current state of online banking in India and the range of services that online banks provide. They conducted a study of 82 Indian banks. Comparing both domestic and international online banks to public sector banks, findings indicate that the former has done better in providing a greater variety and more sophisticated services for online banking.

Nandhini P. V (2016) discusses how online banking helps to clarify consumers' attitudes towards technology. The study, which finds that bankers adopt new technologies to please consumers and alter their service offerings to draw in new business, was analysed using chi-square and basic percentage analysis as techniques.

Khan (2017) The present report claims that because e-banking gives its users access to so many options, it has drastically transformed the banking sector. Customer satisfaction and online banking are closely related. Clients are devoted to the service, and banks are able to hold the interest of the majority of their consumers.

Emad Hashiem Abualsauod (2020) The purpose of this study is to determine deficiencies in online banking based on pertinent literature and to provide a theoretical framework for online banking by comprehending the interactions of industry players. As a consequence, it was shown that consumers' capacity to use online banking was greatly impacted by gaps in technology and human contact.

Dr. S. Sangeetha (2020) examines the effects of e-banking services on banks and the happiness of customers with them. Customers may benefit from electronic banking technologies, just like banks and other businesses can. because there is no discernible relationship between the degree of customer satisfaction and individual criteria such as age, occupation, yearly income, and bank type.

Sindhu (2022) this research paper investigates the impact of various service quality dimensions, including tangibility and technological augmentation on e-banking services. The study identifies service quality dimensions – reliability, assurance, empathy, tangibility, responsiveness, technology, confidence building, and safety and security – that influence e-banking services. Among these, reliability, confidence building, technology and security are found to be most significant to customers. The research concludes that service quality directly impacts customer satisfaction, which in turn drives customer loyalty in the e-banking sector in India.

OBJECTIVES OF THE STUDY

The following are the study's objectives:

- To identify and analyse factors influencing adoption of E-banking by customers.
- To identify acceptance level of customers in the usage of E-banking.
- To know the customer's satisfaction level regarding usage of E-banking services.

SCOPE OF THE STUDY

- The study determined the significance of e-banking from the perspective of the banking sector.
- Primary and secondary data on user expectations and experiences for bettering Bank services were gathered in order to analyse the degree of acceptance and satisfaction of consumers utilising E-Banking services.
- Information was gathered from real users of Chennai city's e-banking services, i.e., clients of public and private sector banks.

RESEARCH METHODOLOGY

Research Design: The researcher conducted a descriptive kind of study. The study method was designed on a survey questionnaire. The researcher examined the level of e-banking acceptability and satisfaction in this study.

Data Collection: Primary and secondary data were both utilized for the study. In persons interviews and Google Forms is used to administer questionnaires for the collection of primary data. Secondary data were gathered from publications, websites, books, and documents.

Sample Method: The primary data for the study were used. A questionnaire was used to gather the necessary data. The study was limited to the city of Chennai. The statistical software for the social sciences was used to tabulate and analyse the data that had been obtained.

Sample Size: A Sample of 113 respondents was chosen. The study was carried out in Chennai city by selecting the respondents who are using E-banking.

DATA ANALYSIS

Table 1.1 Frequency Test

Demographics	Options	Percent
Age	15-25 years	25.7
	26-35 years	32.7
	36-45 years	21.2
	More than 45 years	20.4
Gender	Male	54.0
	Female	46.0
Occupation	Business	28.3
	Professional	32.7
	Student	24.8
	Others	14.2
Monthly Income	Less than Rs.10,000	19.5
	Rs.10,001 - Rs.25,000	30.1
	Rs.25,001 - Rs.50000	31.9
	Above Rs.50000	18.6

Table 1.1 shows that 32.7% majority of the respondents are 26-35 years age group. 54% majority of the respondents are male. 32.7% most of the respondents are professional. 31.9% majority of the respondents monthly income is Rs.25,001-Rs.50000.

Table 1.2 Descriptive statistics of the respondents on the transactions prefer to do through E-Banking

Descriptive Statistics						
	N	Minimum	Maximum	Mean	Std. Deviation	Variance
Inter account fund transfer	113	1	5	3.96	1.060	1.124
Cash Withdrawal	113	1	5	3.94	1.011	1.023
Checking for account balance	113	1	5	3.96	.915	.838
Paying bills	113	1	5	3.73	1.078	1.161
Applying for customer loan	113	1	5	3.29	1.178	1.387
Valid N (listwise)	113					

INFERENCE:

In this analysis of descriptive statistics, it is seen that the highest mean is 3.96 which indicates that fund transfer and checking account balance can be highly useful for consumer’s transactions prefer to do through e-banking.

Table 1.3 Comparison between Monthly Income and Paying bills

ANOVA					
Monthly Income of the respondents					
	Sum of Squares	df	Mean Square	F	Sig.
Between Groups	92.420	4	23.105	114.322	.000
Within Groups	21.827	108	.202		
Total	114.248	112			

INFERENCE:

The hugeness esteem is 0.000 which is under 0.05 in this way the model measurably Essentialness in anticipating comparison relationship between Monthly Income and Paying bills of E-banking services. Since, F determined is more noteworthy than the F basic paying bills value=114.322. Here displays effective general miniature act critical

Table 1.4 Consumers Satisfaction level for the given E-banking services

		Correlations						
		ATM	Debit Card	Credit Card	Mobile banking	AEPS	Internet banking	USSD
ATM	Pearson Correlation	1	.952**	.925**	.935**	.950**	.980**	.950**
	Sig. (2-tailed)		.000	.000	.000	.000	.000	.000
	N	113	113	113	113	113	113	113
Debit Card	Pearson Correlation	.952**	1	.902**	.912**	.922**	.962**	.912**
	Sig. (2-tailed)	.000		.000	.000	.000	.000	.000
	N	113	113	113	113	113	113	113
Credit Card	Pearson Correlation	.925**	.902**	1	.968**	.948**	.918**	.953**
	Sig. (2-tailed)	.000	.000		.000	.000	.000	.000
	N	113	113	113	113	113	113	113
Mobile banking	Pearson Correlation	.935**	.912**	.968**	1	.969**	.917**	.959**

	Sig. (2-tailed)	.000	.000	.000		.000	.000	.000
	N	113	113	113	113	113	113	113
Adhaar Enabled Payment System	Pearson Correlation	.950**	.922**	.948**	.969**	1	.944**	.972**
	Sig. (2-tailed)	.000	.000	.000	.000		.000	.000
	N	113	113	113	113	113	113	113
Internet banking	Pearson Correlation	.980**	.962**	.918**	.917**	.944**	1	.946**
	Sig. (2-tailed)	.000	.000	.000	.000	.000		.000
	N	113	113	113	113	113	113	113
Unstructured Supplementary Service Data	Pearson Correlation	.950**	.912**	.953**	.959**	.972**	.946**	1
	Sig. (2-tailed)	.000	.000	.000	.000	.000	.000	
	N	113	113	113	113	113	113	113
**. Correlation is significant at the 0.01 level (2-tailed).								

INFERENCE

Analysis of correlation matrix shows that the correlation between ATM, Debit card, Credit Card, Mobile banking, AEPS, Internet banking, USSD is estimated to be (0.950, 0.912, 0.953, 0.959, 0.972, 0.946, 1.000). This value indicates that there is a very significant and positive correlation.

CONCLUSION

The research comes to the conclusion that there is a reasonable level of overall acceptability of e-banking services. The accessibility of E-banking services at any time, convenience, and user-friendliness were the driving forces for consumer adoption. Although one of the reasons for the lower adoption of E-Banking services is the concern of security in transactions, it has also been observed that secure transactions are one of the major elements for embracing E-Banking services. Security and hidden costs are the obstacles that banks must get beyond in order to increase the use of e-banking services. Banks will receive a better reaction from E-banking consumers if they successfully resolve both of these problems. With the exception of placing a fixed deposit online, the majority of respondents were able to handle unsuccessful transactions in other E-Banking operations. When it comes to satisfaction, consumers of public and private sector banks are equally happy with the services provided by their respective banks. The aggregate outcome indicates that the participants are content with the provided E-banking services. However, not all E-banking services are the same. The majority of respondents are happy with Debit cards, ATMs and Internet Banking. While credit card satisfaction levels are lower than those of other e-banking services, the level of satisfaction for AEPS, and USSD and mobile banking was determined to be moderate.

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