



## **A Study on the Impact of Online Banking on Customer Satisfaction with a Special Reference to College Students**

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### **ABSTRACT**

Online banking has revolutionized the accessibility and provision of financial services in the digital age, greatly influencing client happiness. With a particular emphasis on college students, this study examines how online banking affects consumer satisfaction. Analyzing the frequency of service usage by gender and gauging students' awareness of internet banking are among the goals. The results show that all 60 participants, irrespective of their educational background, showed full knowledge of online banking services, suggesting that college students had a high degree of digital literacy. Because smartphones are so common and internet access is so convenient, both undergraduate and graduate students indicated consistent awareness levels. According to the study, the emphasis should be shifted from basic awareness campaigns to advanced financial literacy programs, such as cybersecurity and digital finance management courses. Larger, more varied sample sizes should be taken into account in future studies in order to increase statistical reliability and investigate the variables affecting usage patterns. In the end, the study emphasizes how important online banking is to contemporary financial behavior and offers tactics for banks to improve client happiness by offering individualized digital services.

Keywords: : Online Banking, Customer Satisfaction, Digital Banking Services.

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### **1. INTRODUCTION**

In today's digital era, online banking has altered the way financial services are offered and accessed. With the rapid growth of technology, traditional banking techniques have developed into digital platforms, enabling users to complete numerous banking activities effortlessly from their homes or offices. Through websites and mobile applications, customers may access their accounts, transfer money, pay bills, apply for loans, and manage their finances with online banking, commonly referred to as internet banking or e-banking. Customer satisfaction has been greatly impacted by the move from traditional branch-based banking to digital platforms, making it an important topic for study in the banking and financial services industry.

A major determinant of every banking institution's success is customer happiness. Customer satisfaction increases the likelihood that they will stick with the bank, refer others to it, and establish enduring financial ties. Because online banking offers greater convenience, accessibility, speed, and security, it has a significant impact on client satisfaction. Online banking reduces the time and effort needed for financial transactions by providing 24/7 service availability, in contrast to traditional banking, which necessitates physical presence. Customers benefit from increased convenience and efficiency as a result, which raises satisfaction levels. However, problems like the digital divide, technical difficulties, and cybersecurity threats can also affect how customers view and trust online banking services.

By examining customer perceptions, preferences, and concerns, this research seeks to provide insights that can help banks improve their digital banking services to better meet customer expectations. The study will investigate how online banking improves customer satisfaction and identify potential drawbacks that may hinder a seamless banking experience. The study will focus on key factors like ease of use, service efficiency, security, reliability, and personalised banking experiences.

This research will add to the body of knowledge on digital banking by highlighting the advantages and difficulties of online banking in influencing customer satisfaction. By carefully examining customer feedback and banking trends, the study will provide suggestions on how banks can improve their online banking services to increase customer satisfaction and loyalty. As financial institutions continue to invest in digital banking solutions, understanding customer satisfaction becomes crucial for maintaining competitiveness in the industry. Banks that prioritise customer-centric online banking experiences are more likely to retain and attract customers, which ultimately leads to improved business performance.

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## 2. LITERATURE REVIEW

Dias, Charithra & Edirisinghe, Darshana has done a study on "Factors Affecting Customer Satisfaction in Online Banking" which focuses on Pan Asia Bank in Sri Lanka, this study investigates the major variables affecting online banking client satisfaction. The study looks at how customer satisfaction is affected by perceived utility, perceived simplicity of use, perceived relative advantage, and compatibility in light of the banking industry's rapid digital change. A structured questionnaire was given to 120 online banking users by simple random sampling as part of a quantitative approach. Descriptive statistics and Pearson correlation analysis were used in the data analysis, which was carried out using IBM SPSS. The findings showed that all four independent variables and consumer satisfaction had strong positive relationships, with perceived usefulness having the most effect. The study gives financial institutions useful information to create customer-centric, data-driven strategies and emphasizes the significance of enhancing online banking services to increase customer satisfaction. It also adds to the body of knowledge regarding Sri Lankan internet banking satisfaction.

Chauhan, Saraswati & Singh, Netra has done on research on "Perceived Customer Satisfaction of Online Banking: A study in India" in light of online banking's explosive growth as a useful service in the banking industry, the study investigates the variables affecting consumer satisfaction with this service. Due to discontent, many clients are still hesitant to use internet banking, even with its ease and technological developments. Convenience, speed, security and privacy, site design and content, and service quality are the five main characteristics that the study finds have an impact on customer satisfaction. 216 working adults participated in a survey that shed light on these factors. The results show that the top three elements influencing consumer satisfaction with online banking are speed, convenience of use, and web design and content. . These results emphasize how crucial it is to improve user-friendly interfaces, guarantee quick transaction processing, and enhance website design in order to draw in and keep online banking clients. By taking care of these issues, banks can boost client adoption and keep their competitive advantage in the digital banking market.

Aboagye, G & Asiedu-Boamah, B & Kum, Joseph & Brown, M has done a study on "Service Quality and Customer Satisfaction about Online Banking: Managerial Implications for Contemporary Organisations" show that his study looks at how consumer happiness is affected by online banking services, emphasizing how technology is changing the banking industry. A 27-item questionnaire based on the TAM and SERVQUAL models was used to gather data from 379 banking customers, and confirmatory factor analysis was carried out. Frequencies and percentages were utilized to analyze demographic data, and multiple regression was employed to evaluate how perceived utility and perceived ease of use affected customer satisfaction. The results showed that while both elements had a considerable impact on customer satisfaction, perceived usefulness had a greater effect. The study emphasized the importance of service quality and found a favorable correlation between online banking services and consumer satisfaction. Banks should lower operating costs for both themselves and their clients by introducing new products, improving service quality, and fostering an atmosphere that supports online transactions in order to keep customers.

Rai, Harka has done a study on "Banking Service and Customer Satisfaction Towards Online Banking: A Case Study in Khotang District" shows that the study investigates the relationship between customer happiness and service quality as perceived by online banking customers. Seventy randomly chosen consumers from five banks in Khotang district participated in a survey utilizing a 21-question survey that covered the five aspects of service quality: simplicity of use, convenience, security, and dependability. A Likert scale was employed to gauge customer happiness, and SPSS was utilized to analyze the results. Findings revealed that 28.86% of respondents were entirely pleased with reliability, 46.69% with security, 49.06% with convenience, and 36.79% with ease of use. While security, comfort, and ease of use received scores of 0.996, 0.935, and 0.989, respectively, the reliability analysis showed outstanding internal consistency with a Cronbach's Alpha score of 0.956. The findings demonstrated the significance of these elements in enhancing online banking experiences by confirming a substantial correlation between customer happiness and service quality characteristics.

Ismail, Lojy Bani, and Mohammad Alawamleh has done a research paper title on "The impact of online banking of customer satisfaction in Jordan." which despite the growth of e-banking, many clients in Jordan still prefer traditional banking, therefore the study looks at how e-commerce and electronic communications have affected the banking sector there. Customers' opinions on e-banking, its features, benefits, and drawbacks are investigated through interviews and a quantitative questionnaire. The results show that the implementation of e-banking had a favourable impact on Jordanian banks, increasing word-of-mouth advertising, customer happiness, and loyalty. Furthermore, important variables influencing internet banking users' satisfaction were found. The report includes recommendations to boost e-banking adoption in Jordan, helping banks improve service quality and encourage greater use of digital banking solutions.

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## 3. OBJECTIVES

- ❖ To study the awareness level of online banking among college students
- ❖ To analyse the frequency of online banking services usage across genders.

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## 4. HYPOTHESIS

H0: College students with varying educational backgrounds do not significantly differ in their awareness of online.

H1: College students with varying educational backgrounds differ significantly in their awareness of internet banking.

H0: Among college students, there is no discernible correlation between gender and the frequency of use of online banking.

H2: Among college students, there is a substantial correlation between gender and the frequency of use of online banking.

## 5. DATA METHODOLOGY

The study gather data by providing questionnaire to the one who use or aware of the online banking among college student and there were 60 respondents. The sampling technique use to conduct the survey is convenient random sampling. The data collected are analyse through the help of the statistical tools i.e. SPSS, the tools use for the analysis is chi square and descriptive statistics.

## 6. DATA ANALYSIS

Objective 1 : To Study The Awareness Level Of Online Banking Among College Students.

**Case Processing Summary**

	Cases					
	Included		Excluded		Total	
	N	Percent	N	Percent	N	Percent
Are you aware of online banking services * Education qualification	60	100.0%	0	0.0%	60	100.0%

The study that looks at the knowledge of online banking services in connection to educational qualifications has a case processing summary in the table. It demonstrates that all 60 of the original research cases—or 100% of the data—were processed satisfactorily. The "Excluded" column shows 0 cases and 0.0%, indicating that no cases were left out of the analysis. By giving a thorough summary of the relationship between the examined sample's educational background and awareness of online banking, this demonstrates that the analysis is based on the entire dataset.

### Report

**Are you aware of online banking services**

Education qualification	Mean	N	Std. Deviation
Undergraduate	1.00	22	.000
Postgraduate	1.00	38	.000
Total	1.00	60	.000

Data regarding the awareness of online banking services among people with varying levels of education is displayed in the table. Out of 60 participants 22 participants in the study had undergraduate degrees, and 33 participant had postgraduate degrees. With a mean awareness score of 1.00 for both groups and the entire group, all respondents said they were aware of online banking services. All participants expressed awareness of online banking services, and the standard deviation for all groups is 0.000, indicating that responses were consistent both overall and within each category. This indicates that this group, irrespective of educational background, has a high level of awareness of online banking services.

Objective 2: To Analyse The Frequency Of Online Banking Services Usage Across Genders.

**Gender \* If yes, how frequently do you use online banking Crosstabulation**

Count		If yes, how frequently do you use online banking				Total
		Daily	Weekly	Monthly	Rarely	
Gender	Male	19	6	1	1	27
	Female	23	6	3	1	33
Total		42	12	4	2	60

A cross-tabulation of gender and the frequency of online banking use among 60 people in the sample is shown in the table. According to the data, 19 men and 23 women report using online banking services on a daily basis, indicating that both sex predominantly use these services. With 6 people of each gender using internet banking each week, usage is also rather widespread. Only 1 man and 3 females indicate monthly consumption, which is less common. Last but not least, only 1 man and 1 woman said they rarely ever used online banking. Overall, the data points to a high rate of online banking

adoption for both sex, with a minor propensity for women to utilise the service a little more frequently each month. Males (27) and women (33) make up almost equal shares of the total participants.

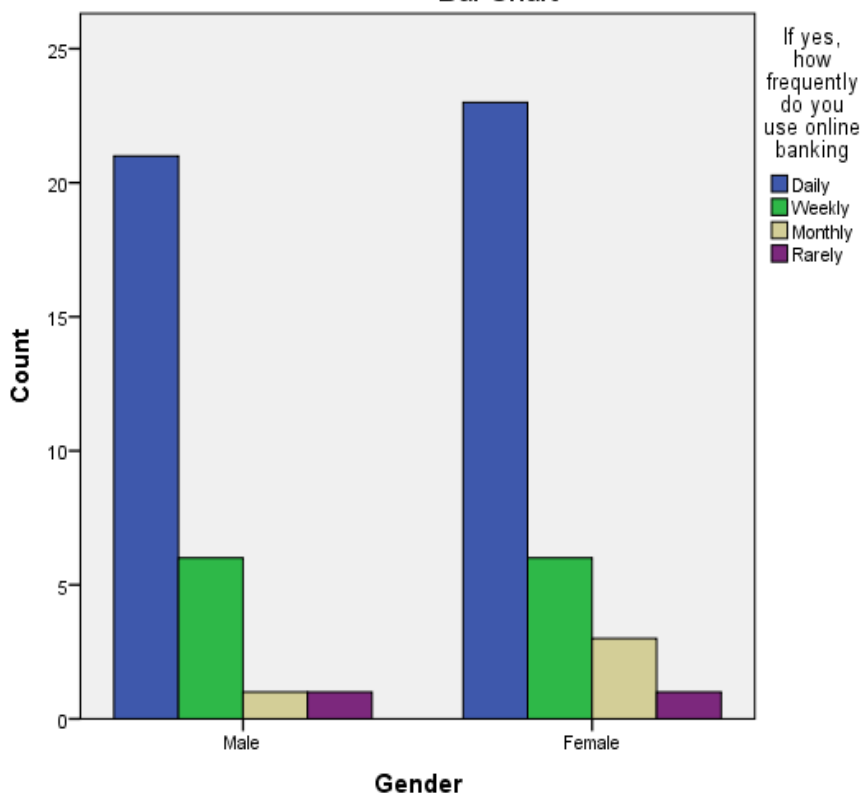
**Chi-Square Tests**

	Value	df	Asymp. Sig. (2-sided)
Pearson Chi-Square	.789 <sup>a</sup>	3	.852
Likelihood Ratio	.827	3	.843
Linear-by-Linear Association	.056	1	.813
N of Valid Cases	60		

a. 4 cells (50.0%) have expected count less than 5. The minimum expected count is .90.

The findings of a chi-square analysis looking at the relationship between two categorical variables are shown in the Chi-Square Tests table. With 3 degrees of freedom (df), the Pearson Chi-Square value is .789, and the corresponding 2-sided asymptotic significance is .852. The result is not statistically significant because the p-value (.852) is higher than the standard alpha threshold of .05. Since there is no statistically significant correlation between the two categorical variables under analysis, we are unable to reject the null hypothesis. The Likelihood Ratio and Linear-by-Linear Association tests are also included in the table, and both yield non-significant results. Additionally, a remark at the bottom states that the minimum expected count is .90 and that 4 cells (50.0%) have expected counts below 5. This implies that because of possible problems with low anticipated frequencies in some cells, the chi-square test findings should be regarded cautiously.

**Bar Chart**



**6. FINDINGS**

Regardless of their level of education, all 60 participants in the study showed complete understanding of online banking services, indicating that college students have particularly high awareness of these services. A mean awareness score of 1.00 with a standard deviation of 0.000 was reported by both postgraduate and undergraduate students, suggesting consistency in their answers. This implies that younger people are now familiar with online banking,

perhaps as a result of growing digital literacy, the ease of use of digital platforms, and the incorporation of technology into everyday life. This consistent awareness may have been greatly influenced by the ubiquitous availability of smartphones and internet access.

Both male and female students showed significant levels of involvement with online banking in terms of frequency of use, with daily and weekly usage being the most prevalent. Despite the fact that women's monthly usage rates were somewhat higher than men's, the difference was not statistically significant. The strong p-value (0.852) from the Chi-Square Test results further supported the conclusion that there is no significant correlation between gender and the frequency of online banking use. Low predicted frequencies in some categories, however, should be carefully considered when interpreting the test results as they may have affected the statistical analysis's robustness.

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## 8. SUGGESTION

Given the high awareness levels among students, future efforts should shift from basic awareness campaigns to enhancing the depth of knowledge about online banking. Financial institutions and educational bodies can collaborate to educate students about advanced features such as budgeting tools, investment options, and digital payment innovations. Additionally, workshops on cybersecurity best practices could be beneficial, ensuring that students not only use these services frequently but also understand how to safeguard their financial information effectively.

Additionally, a larger and more varied sample should be used in future studies to increase the statistical validity of the findings, especially for categories with low usage frequencies. It could be possible to find other characteristics influencing online banking usage by broadening the study to include students from various geographic locations or socioeconomic backgrounds. In order to increase customer pleasure and engagement and possibly encourage the adoption of more sophisticated banking features, financial institutions should also think about developing customised services or promotions aimed at regular users.

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## 9. CONCLUSION

Regardless of their educational background, college students show a consistently high degree of awareness about online banking services, according to the study's findings. Both undergraduate and postgraduate consistent awareness scores demonstrate how technology is becoming more and more integrated into daily life and education. This broad awareness demonstrates how well online banking services have been able to reach students, who now view digital banking as an essential component of their financial operations.

Furthermore, there is no discernible gender difference in the frequency of usage, suggesting that male and female students are equally likely to consistently utilise online banking services. Despite the fact that there were slight variations in usage patterns, they were not statistically significant. The results highlight the necessity of further research concentrating on additional elements that may have a greater influence on the frequency of use of online banking services by various demographic groups, such as convenience, perceived ease of use, or security concerns.

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