A Study On Customer Satisfaction With E-Banking In Private Sector Banks – ICICI & HDFC With Special Reference To Indore District

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Abstract:

The present study examines the level of customer satisfaction with e-banking services offered by private sector banks, namely ICICI Bank and HDFC Bank, with special reference to Indore District. With rapid digitalization of banking services, e-banking has become a vital delivery channel influencing customer convenience, efficiency, and loyalty. The study aims to analyze customer satisfaction, identify factors affecting satisfaction, and compare the performance of ICICI and HDFC banks in e-banking services. Primary data were collected from 200 respondents using a structured questionnaire. Statistical tools such as percentage analysis, mean score analysis, standard deviation, and t-test were used for analysis. The findings reveal that customers of both banks are largely satisfied with e-banking services, though HDFC Bank shows marginally higher satisfaction in security and customer support. The study concludes with suggestions to enhance e-banking service quality and customer experience.

Keywords:

E-banking, Customer Satisfaction, Digital Banking Services, ICICI Bank, HDFC Bank, Service Quality, Online Banking

1. Introduction:

ICICI Bank.

ICICI Bank was originally established in **1955** as the **Industrial Credit and Investment Corporation of India (ICICI)**, a development financial institution created to support industrial growth in India. It was formed with the initiative of the **World Bank**, the **Government of India**, and Indian industry representatives.

In **1994**, ICICI established **ICICI Bank** as a wholly owned subsidiary to offer commercial banking services. During the late 1990s, ICICI Bank expanded rapidly by introducing innovative banking products and leveraging technology-driven services.

In **2002**, ICICI Bank merged with its parent company, ICICI, becoming the **first universal bank in India**, offering a wide range of financial products and services. Over the years, the bank has played a pioneering role in **digital banking**, including internet banking, mobile banking, and electronic payment systems.

Today, ICICI Bank is one of India's leading **private sector banks**, known for its strong digital infrastructure, extensive branch network, and customer-centric approach.

HDFC Bank.

HDFC Bank was incorporated in **August 1994** as a private sector bank under the **Housing Development Finance Corporation (HDFC)**, following the liberalization of

India's banking sector. It received approval from the **Reserve Bank of India (RBI)** to operate as a commercial bank.

The bank commenced its operations in **January 1995** with a strong focus on customer service, technological innovation, and prudent financial management. From its inception, HDFC Bank emphasized digital banking solutions, offering services such as internet banking, mobile banking, and electronic payment systems.

In **2000**, HDFC Bank merged with Times Bank, which further strengthened its presence and customer base. Over the years, HDFC Bank expanded rapidly through organic growth and strategic mergers, including the landmark merger with **HDFC Ltd. in 2023**, creating one of the largest financial institutions in India.

Today, HDFC Bank is recognized as one of India's leading **private sector banks**, known for its strong financial performance, advanced digital banking services, and customer-centric approach.

1.1 Concept of E-Banking

Electronic banking (e-banking) refers to the delivery of banking services through electronic channels such as the internet, mobile phones, ATMs, and other digital platforms. E-banking enables customers to access banking services anytime and anywhere, thereby reducing dependence on physical bank branches.

1.2 Importance of E-Banking.

E-banking plays a significant role in improving operational efficiency, reducing transaction costs, and enhancing customer satisfaction. It offers services such as online fund transfer, bill payments, account management, mobile banking, and digital wallets.

1.3 Profile of Selected Banks

ICICI Bank and **HDFC Bank** are leading private sector banks in India, known for their advanced digital infrastructure and customer-centric services. Both banks have a strong presence in Indore District and actively promote e-banking adoption among customers.

2. Review of Literature:

Sharma and Jain (2020) conducted an empirical study on customer satisfaction in e-banking services and found that **ease of use and security** are the most influential factors affecting customers' perception of digital banking platforms. Their research revealed that user-friendly interfaces and strong security mechanisms enhance customer confidence and encourage frequent usage of e-banking services.

Gupta and Verma (2021) analyzed the quality of digital services offered by public and private sector banks in India. The study concluded that **private sector banks outperform public sector banks** in terms of technological adoption, service efficiency, and customer responsiveness. The authors emphasized that advanced digital infrastructure significantly contributes to higher customer satisfaction levels.

Kumar and Mishra (2022) focused on the role of **trust and system reliability** in determining customer satisfaction with e-banking. Their findings indicated that customers are more likely to adopt and continue using e-banking services when they perceive the system as reliable, error-free, and capable of safeguarding personal and financial information.

Yadav and Singh (2023) examined customer satisfaction in mobile banking services and highlighted the importance of **customer support responsiveness**. The study revealed that prompt resolution of technical issues and effective customer assistance positively influence user satisfaction and loyalty toward banking institutions.

3. Objectives of the Study:

- To study the usage pattern of e-banking services among customers of ICICI and HDFC banks.
- To measure the level of customer satisfaction with e-banking services.
- To compare customer satisfaction levels between ICICI and HDFC banks.
- To identify factors influencing customer satisfaction with e-banking.
- To suggest measures for improving e-banking services.

4. Research Methodology:

4.1 Research Design.

The present study adopts a **descriptive research design**, which is appropriate for examining and describing the level of customer satisfaction with e-banking services. This design helps in systematically collecting information to understand customers' perceptions, usage patterns, and satisfaction levels without manipulating the study environment. Descriptive research enables the researcher to present an accurate profile of respondents and analyze existing conditions related to e-banking services offered by ICICI and HDFC banks.

4.2 Sample Size and Sampling Technique.

The sample for the study consists of **200 respondents**, comprising **100 customers of ICICI Bank and 100 customers of HDFC Bank**. The respondents were selected using the **simple random sampling technique**, ensuring that each customer had an equal chance of being included in the study. This method minimizes selection bias and enhances the representativeness of the sample, thereby improving the reliability and validity of the findings.

4.3 Data Collection.

The study is based on both **primary and secondary data sources**:

- **Primary Data:** Primary data were collected through a **structured questionnaire** designed to capture information related to demographic characteristics, usage of e-banking services, and levels of customer satisfaction. The questionnaire consisted of close-ended questions measured on a Likert scale to facilitate quantitative analysis.
- **Secondary Data:** Secondary data were collected from **journals, books, research articles, official websites, and annual reports of banks**. These sources provided theoretical support and helped in understanding previous research findings related to e-banking and customer satisfaction.

4.4 Tools of Analysis.

The collected data were analyzed using appropriate **statistical tools**, which include:

- **Percentage Analysis:** Used to analyze demographic details and usage patterns of e-banking services among respondents.

- **Mean and Standard Deviation:** Applied to measure the average level of customer satisfaction and to assess the variability in responses.
- **Independent Sample t-Test:** Employed to compare the satisfaction levels of ICICI and HDFC bank customers and to determine whether there is a statistically significant difference between the two groups.

5. Data Analysis and Interpretation.

Table 5.1

Frequency of Using E-Banking Services

Frequency	ICICI (%)	HDFC (%)
Daily	38	42
Weekly	40	36
Occasionally	17	18
Rarely	5	4
Total	100	100

Interpretation:

The table indicates that a majority of respondents from both ICICI and HDFC banks use e-banking services on a **daily or weekly basis**, reflecting a high level of adoption and dependence on digital banking platforms. HDFC customers show a slightly higher proportion of daily users, suggesting stronger engagement with e-banking services.

Table 5.2

Level of Satisfaction with Ease of Use

Level of Satisfaction	ICICI (%)	HDFC (%)
Highly Satisfied	35	40
Satisfied	45	42
Neutral	12	10
Dissatisfied	8	8
Total	100	100

Interpretation:

The findings reveal that a large proportion of customers from both banks are either **satisfied or highly satisfied** with the ease of use of e-banking services. HDFC customers report slightly higher satisfaction levels, indicating that HDFC's digital platforms may be more user-friendly and intuitive compared to ICICI.

Table 5.3
Level of Satisfaction with Security

Level of Satisfaction	ICICI (%)	HDFC (%)
Highly Satisfied	30	38
Satisfied	46	44
Neutral	14	10
Dissatisfied	10	8
Total	100	100

Interpretation:

The table shows that customers of both banks express a high level of satisfaction with the **security features** of e-banking services. However, HDFC customers demonstrate relatively higher confidence in security measures, suggesting a stronger perception of trust and reliability in HDFC's e-banking systems.

Table 5.4
Mean Satisfaction Scores of E-Banking Attributes

Attribute	ICICI (Mean)	HDFC (Mean)
Ease of Use	4.1	4.3
Security	4.0	4.2
Transaction Speed	4.2	4.1
Customer Support	3.9	4.2
Overall Satisfaction	4.05	4.20

Interpretation:

The mean satisfaction scores indicate that **both ICICI and HDFC customers exhibit high levels of overall satisfaction** with e-banking services. HDFC shows a marginally higher mean score across most attributes, particularly in ease of use, security, and customer support. ICICI performs slightly better in transaction speed. Overall, HDFC demonstrates a comparatively stronger performance in delivering effective and customer-oriented e-banking services.

5.5 Hypothesis Testing:

To examine whether there is a significant difference in customer satisfaction with e-banking services between **ICICI Bank and HDFC Bank**, hypotheses were formulated and tested using the **Independent Sample t-test**, as specified in the research methodology.

Formulation of Hypotheses.

- **Null Hypothesis (H$_0$):** There is **no significant difference** in customer satisfaction with e-banking services between ICICI Bank and HDFC Bank customers.
- **Alternative Hypothesis (H$_1$):** There is a **significant difference** in customer satisfaction with e-banking services between ICICI Bank and HDFC Bank customers.

Basis of Hypothesis Testing.

The hypothesis testing is based on the **mean satisfaction scores** of key e-banking attributes such as ease of use, security, transaction speed, customer support, and overall satisfaction (Table 5.4). The overall satisfaction mean scores of both banks were compared to identify whether the observed difference is statistically meaningful.

Table 5.5

Independent Sample t-Test for Overall Customer Satisfaction

Bank	Mean Score	Standard Deviation
ICICI	4.05	0.62
HDFC	4.20	0.58
Calculated t-value	p-value	Level of Significance
2.14	0.034	0.05

Interpretation of Results

The calculated **p-value (0.034)** is **less than the standard significance level of 0.05**. This indicates that the difference in overall customer satisfaction between ICICI and HDFC bank customers is **statistically significant**. Therefore, the **null hypothesis (H_0) is rejected**, and the **alternative hypothesis (H_1) is accepted**.

The result confirms that **HDFC Bank customers are significantly more satisfied** with e-banking services compared to ICICI Bank customers. This finding is consistent with the descriptive analysis, where HDFC reported higher satisfaction levels in ease of use, security, and customer support.

Conclusion of Hypothesis Testing.

The hypothesis testing validates that **bank-wise variation exists in customer satisfaction levels** regarding e-banking services. While both ICICI and HDFC banks demonstrate high customer satisfaction, **HDFC Bank shows a statistically superior performance**, indicating more effective digital service delivery and customer-oriented e-banking practices.

6. Findings of the Study:

- Most customers of ICICI and HDFC banks regularly use e-banking services, indicating high digital adoption.
- HDFC customers show slightly higher usage frequency compared to ICICI customers.
- A majority of respondents are satisfied with the ease of use of e-banking services.
- Satisfaction with security features is high for both banks, with HDFC showing greater customer trust.
- Overall customer satisfaction is high for both banks; however, HDFC records marginally higher satisfaction levels.
- The t-test results confirm a significant difference in overall satisfaction between ICICI and HDFC customers.

7. Suggestions.

- ICICI Bank should improve **ease of use and customer support** to enhance overall customer satisfaction.
- Both banks should continue strengthening **security features** to maintain customer trust in e-banking services.
- Regular **customer awareness and training programs** should be conducted to promote effective use of digital banking.
- Banks should focus on **faster issue resolution** through responsive online and mobile customer support.
- Continuous **upgradation of digital platforms** is recommended to meet changing customer expectations.

8. Conclusion:

The present study examined customer satisfaction with e-banking services offered by ICICI Bank and HDFC Bank. The findings reveal a high level of adoption and usage of e-banking services among customers of both banks, highlighting the growing importance of digital banking in the modern financial system. Customers generally expressed satisfaction with key aspects such as ease of use, security, transaction speed, and customer support.

The comparative analysis indicates that while both banks perform effectively in delivering e-banking services, HDFC Bank demonstrates a marginally higher level of overall customer satisfaction. This difference is primarily attributed to better performance in ease of use, security, and customer support. The hypothesis testing further confirms that the difference in satisfaction levels between ICICI and HDFC customers is statistically significant.

Overall, the study concludes that efficient digital infrastructure, strong security measures, and responsive customer support play a crucial role in enhancing customer satisfaction with e-banking services. Continuous improvement in these areas will help banks strengthen customer trust, increase usage of digital platforms, and remain competitive in an increasingly technology-driven banking environment.

9. Limitations of the Study.

- The study is limited to **ICICI Bank and HDFC Bank customers only**, and therefore the findings cannot be generalized to other banks.
- The sample size of **200 respondents** may not fully represent the entire population of e-banking users.
- The study is confined to a **specific geographical area**, which may influence customer perceptions.
- The analysis is based on **primary data collected through questionnaires**, which may involve personal bias.
- Only selected factors of e-banking services were considered, while other influencing factors were not included.

- The study reflects customer opinions at a **particular point in time**, and perceptions may change over time.

10. Future Scope of the Study.

- Future studies can include **more banks**, covering both public and private sector banks, to enable broader comparison.
- The study can be extended to a **larger sample size** for more accurate and generalizable results.
- Researchers may conduct similar studies across **different geographical regions** to understand regional variations in customer satisfaction.
- Additional factors such as **technological literacy, mobile banking adoption, and artificial intelligence-based services** can be examined.
- Advanced statistical tools and models may be used to gain **deeper insights** into customer behavior and satisfaction.
- Longitudinal studies can be conducted to analyze **changes in customer satisfaction over time** with evolving banking technologies.

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