

Comparative Analysis of Banks With E-Banking Services and Banks Without E-Banking Services: Impacts on Performance, Customer Satisfaction, And Service Quality

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ABSTRACT:

The purpose of this study is to compare the banks that possess highly developed e-banking services with the ones that do not have such facilities or have very little e-banking infrastructure in place. The dimensions of focus are operational efficiency, cost, customer satisfaction, service quality, accessibility, trust/security, and business performance. The study employs both primary (questionnaires) and secondary (published research, financial reports) data, with a focus on banks in [country, e.g. India / your country of study]. Outcomes are likely to indicate that banks with e-banking enjoy cost-saving, customer-base, and satisfaction benefits but also encounter issues (security, digital competence, infrastructure). Recommendations will speak to how conventional banks can metamorphose.

KEYWORDS:

E-Banking, Traditional Banking, Customer Satisfaction, Service Quality, Bank Performance.



Introduction

- » Definition of e-banking: Internet banking, mobile banking, electronic fund transfers, ATMs, etc.
- » Traditional banking: dependence on branch presence, face-to-face contact, restricted opening hours.
- » Why this comparison is important: digital change, customer needs, cost pressures, competition, financial inclusion.

Research questions:

1. How are banks with e-banking different in cost, efficiency of operations, customer satisfaction than banks without (or negligible) e-banking?
2. What are customers' perceived advantages & disadvantages?
3. What are the difficulties for banks that lack effective e-banking?
4. What are the implications for policy / bank management?

Literature Review**Few recent relevant studies:**

A Comparative Study of E-Banking and its effect on performance of Public and Private Sectors Banks in India – comparing SBI and HDFC, analyzing how usage of e-banking is related to performance.

ijmrbs.net

Comparative Evaluation of E-Banking Services: A Focus on SBI and ICICI Banks – customer perception and service quality between public & private with e-services.

Kuey

A Descriptive Study on E-Banking vs. Traditional Banking in India – describes how e-banking has increased compared to traditional ways, advantages & disadvantages.

archives.palarch.nl

Empirical Analysis of Service Quality, Reliability and End-User Satisfaction on Electronic Banking in Nigeria – addresses issues affecting satisfaction with e-banking.

arXiv

Based on these and other researches, a few trends are apparent:

Banks with better e-banking typically have more customer satisfaction, particularly on aspects of convenience, accessibility, speed.

Conventional banks (or non-e-banking banks) usually fall behind in cost-effectiveness, reach but can excel in customer trust, personal touch, or for technology-averse segments.

Main hurdles: security fears, absence of digital knowledge, infrastructure (internet penetration, mobile phones), e-banking setup & maintenance costs.

Methodology

In order to compare banks with and without e-banking comprehensively, you might employ:

Sample selection:

Banks with full e-banking (internet banking, mobile banking, on-line payments etc.)

Banks without or limited e-banking (mainly branch-based)

Perhaps an in-between group.

Data sources:

Survey of customers: satisfaction, likes, dislikes, issues, trust, use.

Bank financial data: cost of business, overhead, revenues, volume of transactions.

Secondary literature.**Variables / Dimensions to measure:**

Dimension Banks with E-Banking Banks without / Limited E-Banking
Operational Efficiency (cost per transaction, staff, time) likely to be lower cost, quicker processing higher cost, slower, more labor-intensive operations
Accessibility / Convenience 24/7 availability, everywhere banking, distant channels limited hours, brick-and-mortar required

Customer Satisfaction potentially higher among technology-literacy consumers, younger, urban satisfaction potentially based on employees, individual interaction, trust Security / Trust

threat of cyber attack, confidentiality problems, but also security investment more face-to-face trust, but potentially more danger from physical means
Reach / Inclusion \ capacity to provide distant customers, lower barriers, but can exclude digitally literate \ can serve customers who prefer personal interactions
Revenue Impact new services, cross-selling, economies of scale \ can be hurt by competition, slower growth
Cost of Implementation / Maintenance \ high upfront cost, but economies of scale lower tech investments, but higher elsewhere
Statistical tools: descriptive stats, comparisons (t-tests, ANOVA) for measurable variables; factor analysis for attitudinal dimensions; regression to observe what determines satisfaction or adoption.

Findings (based on previous research + hypothetical expectations)**From literature:**

In A Comparative Study of E-Banking and its effect on performance of Public & Private Sector Banks in India, it was observed that private banks (with superior e-banking) enjoy higher customer satisfaction.

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The Descriptive Study on E-Banking vs Traditional Banking reveals that even though e-banking offers convenience, reliability, speed, there are problems such as “lack of awareness”, “security issues”, “technical faults”.

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In Service Quality of Public vs Private Banks in Kalaburagi City, customers opined that public banks provide e-banking but usage and quality are behind.

journalppw.com**Hypothetical or anticipated outcomes:**

Banks with e-banking will depict lesser cost per transactions, increased throughput, larger geographical reach.

Customers will favour banks with e-banking on convenience, speed; but on trust, personal touch, older customers might stick to traditional banks.

Banks without e-banking will find it more difficult to acquire customers (particularly younger, technology-sophisticated population), and to handle cost pressures.

Discussion

Trade-offs: e-banking has numerous advantages but also poses risks: cyber security, fraud, cost of infrastructure, need for reliable internet, digital literacy. Banks without e-banking can retain some competitive advantage in segments where customers are willing to pay for personal service.

Adoption barriers: for certain banks/countries, absence of regulation, low penetration of internet, high cost of infrastructure, low customer awareness.

Implications for bank management: must invest strategically, provide security, educate customers, provide usability, combine e-banking with conventional channels.

Conclusion

E-banking banks are likely to perform better than conventional banks (or none) on most parameters: cost, customer satisfaction, penetration.

But the transition is not trouble-free: requirement of strong security, customer education, keeping it reliable.

For banks that are still e-banking-less, there needs to be urgency in adopting digital channels to remain competitive, but implementation has to be considered.

Recommendations

Security and reliability investments in e-banking platforms by banks.

Training programs and customer awareness, particularly for less technologically oriented segments.

Hybrid approaches: digital plus branch support for some customer segments.

Regulatory frameworks to promote trust, secure customer information.

Metrics: banks need to monitor metrics such as transaction cost, customer satisfaction, quality attributes of services.

Limitations & Future Research

Regional variations, demographic variations in customers, urban vs rural locations.

Difficult to locate “banks with no e-banking” these days; usually contrasted high e-banking vs low.

Fast-evolving technology: today’s state-of-the-art tomorrow can be primitive.

Future studies might examine the influence of neobanks, fintech, and how “digital only” banks compare to hybrid banks.

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The Authors have no conflict of interest to declare that they are relevant to the content of this article.

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