

A Study On Customer Satisfaction Towards The E-Services Offered By Private Sector Banks.

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ABSTRACT

The rapid advancement of digital technology has transformed the way private sector organizations deliver services to their customers through various electronic platforms. This study aims to examine customer satisfaction towards e-services offered by private sector organizations, with a focus on factors such as service quality, ease of use, reliability, security, and responsiveness. The research is based on primary data collected from customers who actively use e-services such as online banking, mobile applications, customer portals, and digital support systems. A structured questionnaire was used to gather data, and statistical tools such as Structural equation model were employed for interpretation. The findings of the study reveal that customer satisfaction is significantly influenced by the convenience, speed, and accessibility of e-services. While customers highly appreciate time-saving features and 24/7 availability, concerns related to data security, technical issues, and delayed responses continue to affect overall satisfaction levels. The study also highlights that user-friendly interfaces and prompt customer support play a crucial role in enhancing customer experience. The research provides valuable insights for private sector banks to improve their e-service strategies and strengthen customer relationships. The study concludes that continuous technological innovation and customer-centric digital service design are essential for achieving higher customer satisfaction in the competitive private sector environment.

Keywords: Private Sector banks, e-services, customer satisfaction and customer perception.

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INTRODUCTION

In the contemporary digital era, the rapid advancement of information and communication technology has significantly transformed the way organizations deliver services and interact with customers. The private sector, in particular, has been at the forefront of adopting electronic services (e-services) to enhance operational efficiency, improve service quality, and meet the ever-evolving expectations of customers. E-services refer to services that are delivered through electronic platforms such as websites, mobile applications, online portals, and digital interfaces, enabling customers to access services anytime and anywhere without physical interaction. These services have become an integral component of business strategies in private sector organizations, including banking, insurance, telecommunications, e-commerce, healthcare, education, and hospitality.

Customer satisfaction is widely recognized as a critical determinant of business success, especially in highly competitive private sector markets. With the growing availability of digital alternatives, customers have become more informed, empowered, and demanding. They expect e-services to be reliable, secure, user-friendly, and responsive to their needs. In this context, customer satisfaction towards e-services plays a vital role in influencing customer loyalty, retention, and long-term

organizational growth. Satisfied customers are more likely to continue using digital services, recommend them to others, and develop a positive perception of the brand. Conversely, dissatisfaction with e-services may result in customer attrition, negative word-of-mouth, and loss of market share.

The private sector's increasing reliance on e-services is driven by multiple factors such as cost reduction, faster service delivery, wider market reach, and improved customer engagement. Digital platforms allow organizations to automate routine processes, minimize human errors, and offer personalized services based on customer preferences and usage patterns. For customers, e-services provide convenience, time savings, transparency, and flexibility, eliminating the need for physical visits and lengthy procedures. However, despite these advantages, the success of e-services largely depends on how well they meet customer expectations in terms of service quality, system performance, security, privacy, and support services. Customer satisfaction towards e-services is a multidimensional concept influenced by various factors such as ease of use, accessibility, reliability, responsiveness, information quality, system security, and trust. Ease of use refers to how simple and intuitive the digital interface is for customers with varying levels of technological knowledge. Accessibility relates to the availability of services across

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different devices and platforms without technical barriers. Reliability reflects the consistency and accuracy of service delivery, while responsiveness focuses on the speed and effectiveness of customer support and grievance redressal mechanisms. Information quality includes the clarity, relevance, and accuracy of information provided through digital channels. Security and privacy concerns are particularly significant in e-services, as customers share sensitive personal and financial data online, making trust a crucial element in determining satisfaction levels.

In the private sector, competition among service providers has intensified due to the rapid digitalization of services. Customers can easily compare offerings, switch service providers, and share their experiences through online reviews and social media platforms. As a result, private sector organizations are under constant pressure to enhance the quality of their e-services and ensure a seamless digital experience. Measuring and understanding customer satisfaction towards e-services has therefore become essential for organizations to identify service gaps, improve system performance, and design customer-centric digital solutions.

Despite the widespread adoption of e-services, customer satisfaction levels vary significantly across different sectors and customer segments. Factors such as age, education, income, digital literacy, and frequency of service usage influence customers' perceptions and experiences with e-services. While younger and technologically savvy customers may find digital services convenient and efficient, others may face challenges related to system complexity, technical issues, or lack of adequate support. Hence, it is important for private sector organizations to assess customer satisfaction from a comprehensive perspective, considering both technological and human aspects of service delivery.

Furthermore, the success of e-services is not solely dependent on technological infrastructure but also on effective service management and customer relationship practices. Timely updates, system reliability, personalized communication, and efficient problem-resolution mechanisms contribute significantly to enhancing customer satisfaction. Private sector organizations that actively gather customer feedback and continuously improve their digital platforms are more likely to achieve competitive advantage and sustain customer trust in the long run.

In recent years, the COVID-19 pandemic has further accelerated the adoption of e-services in the private sector, as customers increasingly relied on digital channels for essential and non-essential services. This shift has highlighted the importance of robust, secure, and customer-oriented e-service systems. As digital dependence continues to grow, understanding customer satisfaction towards e-services has become more relevant than ever, making it a critical area of academic and managerial research.

This study aims to examine customer satisfaction towards the e-services offered by the private sector by analyzing customers' perceptions, expectations, and experiences. The research seeks to identify key factors influencing satisfaction levels and to evaluate how effectively private sector organizations meet customer needs through their

digital service platforms. By gaining insights into customer satisfaction, the study intends to provide valuable recommendations for improving e-service quality, enhancing customer experience, and strengthening customer relationships.

In conclusion, e-services have emerged as a vital component of private sector operations, reshaping traditional service delivery models and redefining customer interactions. Customer satisfaction towards these e-services is a crucial indicator of service effectiveness and organizational success. A systematic study of customer satisfaction not only helps private sector organizations improve their digital offerings but also contributes to the broader understanding of e-service adoption and performance in a rapidly evolving digital environment. This research therefore holds significance for academicians, practitioners, and policymakers interested in enhancing the quality and impact of e-services in the private sector.

Private sector banks offer a comprehensive suite of e-services to provide customers with convenient, 24/7 access to financial management and transactions. These services are delivered primarily through digital channels like internet banking, mobile banking apps, and ATMs.

E-Services Offered by Private Sector Banks

E-services can be broadly categorized into financial and non-financial transactions:

Financial Services

Fund Transfers: Customers can transfer money between their own accounts or to accounts in other banks using various modes like NEFT, RTGS, IMPS, and UPI.

Bill Payments and Recharges: Online payment for utility bills (electricity, water, gas), mobile recharges, DTH services, and credit card bills are common features.

Online Shopping and Merchant Payments: E-banking facilitates payments for goods and services using debit cards, credit cards, UPI, and various payment gateways.

Loan Applications and Payments: Customers can apply for various loans (home, personal, car) online and set up electronic mandates (e-NACH) for EMI repayments.

Investments and Insurance: Services include online mutual fund purchases, managing Demat accounts, and buying life or health insurance policies.

Tax Payments: Facility to pay direct and indirect taxes (like GST) online and generate a cyber receipt.

Non-Financial Services

Account Management: Users can view account balances, transaction history, and download account statements.

Service Requests: Submitting requests for new cheque books, stopping cheque payments, updating contact information, and applying for new cards can be done electronically.

Digital KYC: Many banks offer video-based Know Your Customer (KYC) options for updation and account management.

Alerts and Notifications: Customers receive instant SMS and email alerts for transactions and account activities.

Internet Banking (Net Banking): A web-based platform accessible via computers or mobile browsers for comprehensive banking needs.

Mobile Banking Apps: Applications designed for smartphones offering on-the-go convenience for a wide range of transactions.

ATM Banking: Automated Teller Machines extend banking services beyond branch hours, allowing cash withdrawals, balance inquiries, and fund transfers.

Other Channels: This includes SMS banking, WhatsApp banking, phone banking, and integration with third-party payment apps like BHIM/UPI. Private sector banks like HDFC Bank, ICICI Bank, Axis Bank, and Kotak Mahindra Bank were early adopters of e-banking services and continue to heavily invest in technology to enhance customer experience and operational efficiency.

REVIEW OF LITERATURE

Riyazahamed (2025) investigated customer satisfaction with e-banking services in private sector banks in the Tiruchirappalli district. Using primary survey data from 120 users, the study found that availability of information on e-banking and user awareness of e-channels significantly influence customer satisfaction levels. The research highlights that consumers prefer reliable and accessible online banking features, which enhances satisfaction with e-services in private banks. **Saboo, Gayathri & Sujith (2025)** examined the effect of e-service quality on customer satisfaction in digital banking customers of a private sector bank in Kerala. With responses from 504 respondents, their findings indicate that higher e-service quality (e.g., security features, responsiveness) significantly improves e-customer satisfaction, suggesting that quality aspects of digital services are key determinants for satisfaction in private banking. **Goveas and Kalluraya (2022)** conducted a comprehensive literature review synthesizing 64 studies on customer satisfaction with e-banking services provided by both private and public banks. The review found that private banks often outperform public banks in responsiveness and innovation, which are important e-service attributes leading to higher customer satisfaction. This review identifies key trends and suggests areas for future research on service quality dimensions and satisfaction outcomes. **Rajyaguru's (2025)** in-depth literature review synthesizes theoretical and empirical research on how e-service quality dimensions (like reliability, security, trust, and perceived value) influence customer satisfaction in the banking sector. The review highlights that dimensions such as trust, responsiveness and perceived value are consistently linked to higher customer satisfaction, and suggests future research should explore cross-cultural and longitudinal aspects of these relationships. Several studies have emphasized the significant role of e-service quality in shaping customer satisfaction in the private sector. For instance, **Al-Hawari and Ward (2006)** examined the relationship between e-service quality dimensions and overall customer satisfaction in the banking sector. Their findings revealed that website functionality, reliability, responsiveness, and trustworthiness were key determinants of customer satisfaction with online services. Customers perceived that efficient navigation, accurate information, and prompt problem resolution enhanced their overall satisfaction

levels. The study further highlighted that e-service quality not only influences satisfaction but also affects customer loyalty and future usage intentions. This suggests that private sector organizations need to strategically invest in improving the technical and service support aspects of their digital platforms to meet increasingly high customer expectations in the online environment.

Statement of the problem

The rapid growth of digital technology has led private sector organizations to increasingly adopt e-services such as online banking, mobile applications, digital payments, customer portals, and virtual support systems. These e-services are intended to enhance convenience, efficiency, and overall customer experience. However, despite significant investments in digital platforms, many private sector organizations continue to face challenges in meeting customer expectations and ensuring consistent satisfaction with their e-service offerings. Customers today expect e-services to be user-friendly, reliable, secure, and responsive. Issues such as technical glitches, slow response times, lack of personalization, concerns over data privacy, and inadequate customer support can negatively influence customer satisfaction and trust. Moreover, differences in customers' digital literacy, accessibility, and service usage patterns further complicate the effective delivery of e-services. In a highly competitive private sector environment, customer satisfaction plays a crucial role in customer retention, brand loyalty, and long-term business success. Unsatisfied customers are more likely to switch to competitors offering better digital experiences. Therefore, it becomes essential to understand customers' perceptions, expectations, and level of satisfaction toward e-services offered by private sector organizations. The problem addressed in this study is the lack of comprehensive understanding of the factors influencing customer satisfaction with e-services in the private sector. Identifying these factors will help organizations improve service quality, enhance customer experience, and gain a competitive advantage in the digital marketplace.

OBJECTIVES

To examine the level of customer satisfaction towards e-services offered by private sector organizations.

To identify the key factors influencing customer satisfaction, such as financial service, non-financial service and channels

METHODOLOGY

The study adopts a descriptive research design. Primary data were collected through a structured questionnaire administered to customers using private sector e-services. A convenient sampling technique was used to select respondents. Secondary data were gathered from journals, websites, and reports. The collected data were analyzed using percentage analysis, mean scores, and suitable statistical tools to interpret customer satisfaction levels.

Hypothesis

H₀: There is a significant relationship between the quality of e-services and customer satisfaction in the private sector.
H₁: Ease of use and accessibility of e-services significantly influence customer satisfaction.

Limitation

The study is limited to customers of selected private sector banks and may not represent the entire population. The data collected from only the respondents at kancheepuram district. Data collected through questionnaires may be subject to personal bias and respondent perception. The study is confined to a specific time period, and customer satisfaction levels may change over time due to technological advancements.

Analysis and Interpretation

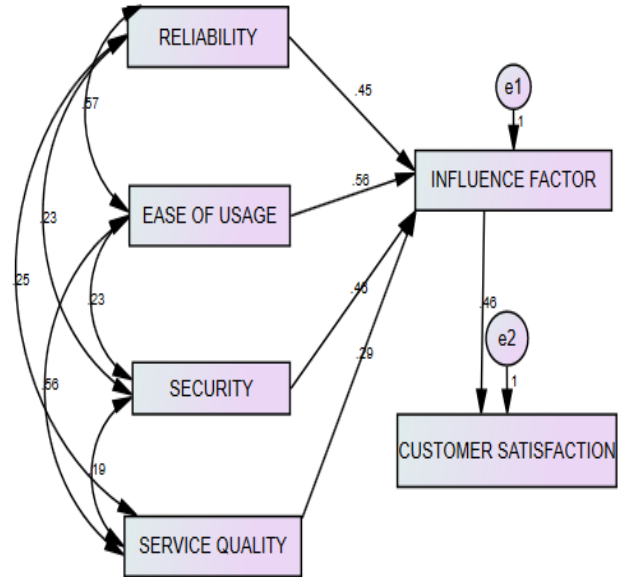
Ease of use, Reliability, Security and accessibility of e-services significantly influence customer satisfaction. The results of the theoretical structural model show that the chi-square of 4631.654 is statistically significant at $p < 0.05$, indicating an improper fit. However, Byrne (2001) states that the chi square is quite sensitive to sample size and usually shows a poor match when sample sizes are large. The remaining fit statistics are all within acceptable bounds. Overall, the fit statistics demonstrate a good fit between the data and the theoretical model.

Table 1
Fit Indices of the structural Model

Fit Statistic	Recommended	Obtained
χ^2	-	4631.654
χ^2	<i>p</i>	.000
χ^2/df	$\leq 2- 5.0$	1.671
GFI	≥ 0.90	0.965
AGFI	> 0.80	0.903
CFI	≥ 0.90	0.916
TLI	≥ 0.90	0.927
NFI	≥ 0.90	0.924
FEI	≥ 0.90	0.901
RMSEA	≤ 0.08	0.061
RMR	≤ 0.05	0.035

Source: Computed from SPSS AMOS.26
 The result indicates there is a significant relationship between-service quality and customer satisfaction.

Path Diagram



Source: Computed from AMOS.26

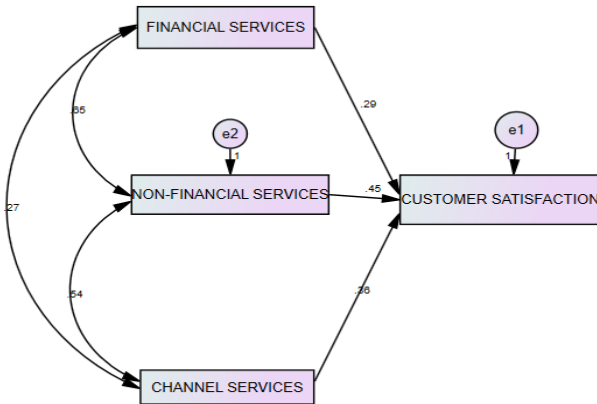
There is no significant influence between e-services (Financial service, non-financial service and channel services) and customer satisfaction. This is another aspect of e-service like financial service (Financial Transfers, Bill Payments and Recharge, Online Shopping and Merchant Payments, Loan Applications and Payments, Investments and Insurance, Tax Payments), Non-Financial Service (Account Management, Service Requests, Digital KYC, Alerts and Notifications, Internet Banking (Net Banking) and Channel Service (Mobile Banking, ATM Banking, This includes SMS banking, WhatsApp banking, phone banking, and integration with third-party payment apps like BHIM/UPI. Private sector banks like HDFC Bank, ICICI Bank, Axis Bank, and Kotak Mahindra Bank). In SEM, there is one mediator and one dependent variable. Customer satisfaction is the dependent variable, and e-service quality is the mediator. Customer satisfaction is the dependent variable that is either directly or indirectly impacted by the Independent Variables through the introduction of E-Service Quality as the Mediator.

Table 2
Fit Indices of the structural Model

Fit Statistic	Recommended	Obtained
χ^2	-	3217.416
χ^2	<i>p</i>	.000
χ^2/df	$\leq 2- 5.0$	2.131
GFI	≥ 0.90	0.894
AGFI	> 0.80	0.923
CFI	≥ 0.90	0.957
TLI	≥ 0.90	0.938
NFI	≥ 0.90	0.911
FEI	≥ 0.90	0.920
RMSEA	≤ 0.08	0.074
RMR	≤ 0.05	0.027

Source: Computed from SPSS AMOS.26

The results of the theoretical structural model show that the chi-square of 3217.416 is statistically significant at $p < 0.05$, indicating an improper fit. Overall, the fit statistics demonstrate a good fit between the data and the theoretical model.



Suggestion

Based on the findings of the study on customer satisfaction towards e-services offered by the private sector, several suggestions are proposed to enhance service quality and user experience. Private sector organizations should focus on improving the reliability and speed of their e-service platforms, as system downtime and slow response times significantly affect customer satisfaction. Simplifying website and mobile app interfaces can help customers navigate services more easily, especially first-time users. Strengthening data security and privacy measures is essential to build trust and reduce customer concerns regarding online transactions. Organizations should also invest in responsive customer support systems, such as live chat and AI-based helpdesks, to address issues promptly. Regular feedback collection through surveys and reviews can help organizations understand changing customer expectations and improve services accordingly. Training employees to handle digital service queries effectively will further enhance customer confidence and satisfaction.

CONCLUSION

The study concludes that e-services offered by private sector organizations play a crucial role in shaping customer

satisfaction in the digital era. Factors such as ease of use, reliability, security, and responsiveness significantly influence customers' perceptions and continued usage of e-services. The findings reveal that customers generally have a positive attitude towards private sector e-services, but there is still scope for improvement in service consistency and customer support. By adopting customer-centric strategies and continuously upgrading digital platforms, private sector organizations can enhance satisfaction levels and gain a competitive advantage. Overall, effective e-service delivery not only improves customer satisfaction but also strengthens long-term customer relationships and organizational performance

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