



Customer Awareness And Satisfaction of online Banking Services: An Analytical Study of Nationalised Banks in india

Dr. Nirmala Mohan

Asst. Prof & Head Dept. Of Commerce (Self- financed Stream) Madras Christian College Chennai – 600059

Dr. Florence John

Asst. Prof Dept. Of Commerce (Aided Stream) Madras Christian College Chennai - 600059

ABSTRACT

Online banking, also known as Electronic banking, e-banking and virtual banking, is a service that allows customers to access their bank information, conduct financial transactions, make deposits, withdrawals and pay bills through the Internet without having to physically visit their bank. It provides the convenience of accessing banking facilities from the comfort of their home or office. The study is undertaken to know the customer's level of awareness towards e-service provided by the nationalized banks and also to their satisfaction and problems faced by them,

KEYWORDS : Online Banking, Credit Card, Debit Card, ATM, RTGS, NEFT,

INTRODUCTION

Online Banking means any user with a personal computer and a browser can be connected to his bank's website to perform any of the virtual banking functions. In internet banking system, the bank has a centralized database that is web-enabled. All the services that the bank has permitted on the internet are displayed in menu. Any service can be selected and further interaction is dictated by the nature of service. Once the branch offices of bank are interconnected through terrestrial or satellite links, there would be on physical identity for any branch. It would be a borderless entity permitting anytime, anywhere and anyhow banking.

GROWTH OF ONLINE BANKING IN INDIA

The ICICI Bank introduced the Online-banking in India in 1996. There after many other banks followed the service. Since Private and foreign banks had started capturing the market through online banking the competition is heating up and the lack of technology can make a bank loose a customer. So now the public sector banks are breaking the manacles of traditional set-up and gearing up to face the competition posed by the private sector counterparts. The usage of online banking services has increased many folds in the recent years.

REVIEW OF LITERATURE

Dabholkar (1994)¹ suggests there are a number of related classifications that will apply to industries employing technology based service delivery. That is, person to person, where the employee uses the technology or consumer to technology, such as the use of an ATM. The next categorization looks at where the service is delivered. The final category looks at the contact the customer has with the service operation, either direct or indirect such as in the case of telephone banking²

Seitz and Stickel,(2004) The success of electronic banking, as agued by many researchers, depends probably on bank service quality, customer preferences and satisfaction. Recent studies found that consumer behavior is changing partly because of more spare time. The way of use of financial services is characterised by individuality, mobility, independence of place and time, and flexibility

Objectives of the study:

- To know the customer's level of awareness towards E-service provided by the nationalized banks
- To know the customer satisfaction towards e-service..
- To study the problems faced by the customers towards e-service.

Scope of the Study:

This study is limited to the customers with in Chennai city. The study will be able to reveal the satisfaction and awareness of the customers towards Technology based services. It also helps banks to know whether the existing technology based services they are offering are

satisfying the customer's needs.

Research Methodology:

The study is designed as a descriptive and analytical one. It is carried out with the help of sample survey. The research problems and interview schedule have been formulated and administered suitably. Hypotheses are formulated and tested on the basis of research objectives. The suggestions of the study have emerged from the inferences drawn from the sample survey as well as from the secondary data.

Source of data:

Primary data:

A questionnaire was prepared for collecting information from customers with regard to various technology based services.

Secondary data:

Articles on E-Banking taken from journals, magazines published from time to time and internet.

Sample Size:

Two hundred respondents were selected at random. All the 200 respondents were the customers of various nationalized banks.

ANALYSIS AND INTERPRETATION

Table 1 – Gender of respondents

Gender	No of Respondents	Percentage
Male	120	60
Female	80	40
Total	200	100

Table 1 indicates that 60% of the respondents are male.

Table 2 - Occupation of respondents

Occupation	No of respondents	Percentage
Salaried	86	43
Self employed	46	23
Professional	22	11
Others	46	23
Total	200	100

Table 2 indicates that 43% of respondents are salaried employees.

Table 3 - Age of respondents

Age	No of respondents	Percentage
Less than 30	106	53
31 -40	60	30
41 -50	24	12
Above 51	10	5
Total	200	100

Table 3 shows that 53% of respondents are below 30 years of age.

Table 4 - Respondents based on Education Qualification

Educational qualification	No of respondents	Percentage
Matriculates	4	2
Graduates	98	49
Post graduates and professionals	84	42
others	14	7
Total	200	100

Table 4 states that most of the respondents are graduates or post graduates.

Table 5 - Awareness of respondents on various E banking activities

Particulars	Aware		Unaware	
	No	%	No	%
Debit card service	192	96	8	4
Credit card service	184	92	16	8
Cheque truncation system	174	87	26	13
Mobile banking	184	92	16	8
Message alert	182	91	18	9
Telephone banking	132	66	68	34
Internet banking	186	93	14	7
Electronic mail alert	140	70	60	30
Core banking	120	60	80	40
Real Time Gross Settlement (RTGS)	152	76	48	24
National Electronic Fund Transfer (NEFT)	150	75	50	25

Table 5 shows that most of the respondents are aware of the e banking activities of the bank.

Table 6 - Level of satisfaction of respondents on e banking services

Level of satisfaction	Frequency	Percentage
Highly Satisfied	56	28
Satisfied	102	51
Neither satisfied nor dissatisfied	30	15
Dissatisfied	10	5
Highly dissatisfied	2	1
Total	200	100

Table 6 shows that 79% of respondents are satisfied with the e-banking services offered by the banks

Testing of hypothesis 1

There is no significant difference between the Age and internet banking services accessed

Table 7 - ANOVA between Age group towards access of internet banking services

ANOVA					
	Sum of Squares	Df	Mean Square	F	Sig.
Between Groups	10.673	3	3.558	.571	.636
Within Groups	598.317	96	6.232		
Total	608.990	99			

The one way Anova table value shows p value as .636 which is greater than .05. Hence, the hypothesis is accepted, There is no significant difference among the Age group towards the access of internet banking

Testing of hypothesis 2

There is no significant difference between the educational qualification and payments done through internet banking

Table 8- ANOVA between educational qualifications towards payments done through internet banking

ANOVA					
	Sum of Squares	Df	Mean Square	F	Sig.
Between Groups	10.105	3	3.368	2.397	.073
Within Groups	134.895	96	1.405		
Total	145.000	99			

The one way Anova table value shows p value as .073 which is higher than .05. Hence, the hypothesis is accepted. There is no significant difference among the educational qualification and payments through internet banking

Factor Analysis

This analysis is done to reduce the data complexity by reducing the number of variables. Factor analysis is used to identify the latent or underlying factors from the array of seemingly important variables taken for the study to find the level of satisfaction on various online banking services offered by nationalized banks.

Table 9 - Factor Analysis - Principal component analysis

Variable	Extraction	Factor	Eigen values	% of Variance	
debit card	.769	1	26.857	18.905	18.905
credit card	.608	2	44.414	18.199	37.104
cheque truncation system	.429	3	57.824	17.476	54.580
mobile banking	.774	4	69.164	14.584	69.164
message alert	.794				
telephone banking	.574				
internet banking	.863				
electronic mail alert	.726				
ATM	.734				
realtime gross settlement	.706				
national electronic fund transfer	.630				

Extraction Method: Principal Component Analysis.

In Table 9 the cumulative percentage indicates that the four factors extracted together accounts for 69% of the total variance. This is good percentage which will be able to economise on the number of variables from ten it has reduced to four underlying factors

Table 10 - Factor Analysis – Rotated Component Matrix.

Variables	Component			
	1	2	3	4
debit card	.131	.052	.865	.017
credit card	-.073	.051	.774	-.029
cheque truncation system	.336	.518	.198	.093
mobile banking	.877	-.059	.025	.043
message alert	.442	-.062	-.139	.758
telephone banking	.615	.216	-.169	.348
internet banking	-.145	.078	.182	.896
electronic mail alert	-.093	-.005	.300	.792
ATM	.069	.154	.828	-.144
realtime gross settlement	.137	.772	.303	-.006
national electronic fund transfer	.484	.551	-.139	.270

Extraction Method: Principal Component Analysis.
Rotation Method: Varimax with Kaiser Normalization.
a. Rotation converged in 6 iterations.

The principal component analysis helps in extracting the variables represented by factors.

Component 1

includes variables such as mobile banking, telephone banking. So component 1 may be called as phone banking. **Component 2** consists of variables such as Cheque truncation system, real time gross

settlement, national electronic fund transfer, so this component may be named as money transfer procedures. **Component 3** is a combination of the following original variables such as debit card, credit card, ATM may be termed as card services. **Component 4** includes variables such as message alert, electronic mail alert can be named as alerting mechanism.

FINDINGS

- Most of the respondents are aware of the e-banking activities of the bank.
- Seventy nine percentage of respondents are satisfied with the e-banking services offered by the banks
- There is no significant difference among the Age group towards the access of internet banking
- There is no significant difference among the educational qualification and payments through internet banking

SUGGESTION AND CONCLUSION

- Awareness regarding the e-services rendered by the nationalized banks should be made in order to attract more customers.
- The customers should be informed that e-services provide quick transaction and they don't need to stand in lines to make their payments or transaction.
- The banks should emphasize more on popularizing internet usage by customers which results into improvement in customer satisfaction.
- The banks should expand the core banking solutions, clearing services, facility of debit and credit cards to rural branches of the banks also.
- The other major problem is the lack of customer education and awareness about the features and benefits of e-payment. So there should be arrangement of systematic educational campaign for the clients to educate them.

REFERENCES

1. P. Dabholkar, (1994), "Introducing Choice Criteria into Attitude Models:A Comparative Analysis," Journal of Consumer Research, 20, 100-118. |
2. P. Dabholkar "Technology-based service delivery: A classification scheme for developing marketing strategies," in Advances in Services Marketing and Management, Teresa A. Swartz and David E. Bowen and Stephen W. Brown, Eds. Vol. 3. Greenwich: JAI Press Inc. 1994. | 3. Dabholkar, Pratibha A. (1994). Consumer Evaluations of New Technology-Based Self-Service Options: An Investigation of Alternative Models of SQ. International Journal of Research in Marketing, 13 (1), 29-51 | 4. Parasuraman,A.,Zeithaml,V.A.,Berry,L.L.,1994.Refinement and reassessment of the SERVQUAL scale. Journal of Retailing 67(4),420-450. | 5. Pikkarainen, (2004);"Consumer acceptance of online banking: an extension of the technology acceptance model", Internet Research; Volume: 14 Issue: 3; 2004 Research paper | 6. Al-Hawari M. and Ward, T. (2006). The Effect Of Automated Service Quality On Australian Banks' Financial Performance And The Mediating Role Of Customer Satisfaction. Marketing Intelligence & Planning, Volume: 24 Issue: 2 ISSN: 0263-4503. pp.153-174. | 7. Venueva (2006) Effective method of security measures in virtual banking. Journal of InternetBanking and Commerce, 11 (1). | 8. Petrus, Nelson (2006), "Borneo online banking: evaluating customer perceptions and behavioural intention", Management Research News; Volume: 29 Issue: 1/2; 2006 Conceptual Paper | 9. Kim, et al, 2006.Apparel retailers: website quality dimensions and satisfaction. Journal of Retailing and Consumer Services 11(2),109-117. |