



Customer Relationship Factors and its Influence of E-Banking Services Towards Selected Private and Public Sector Banks

KEYWORDS

Technology, Private Sector Banks, Public Sector Banks, E-Banking, Customer Relationship

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ABSTRACT *The technological and economical changes brought with it new mix of players in the form of public sector banks, private sector banks and foreign banks. The expectations are more with the private sector and foreign banks because they are the new entrants on the banking scene with better technology, faster delivery, and customer centric policies. The private sector banks have advantage over public sector units in terms of technology, innovation of services and the present study evaluates customer relationship factors and its influence of e-banking services towards selected private and public sector banks in erode district .*

1.0. INTRODUCTION

The banking system in India has played an important role in Indian economy. It plays key role in social and economic changes since nationalization of major banks in 1969. At present 290 banks are operating in the country, consisting of 27 public sector banks, 30 private sector banks and 32 foreign banks, 196 regional banks and 5 non-scheduled local area banks. Private sector banks have share of 8.5 percent in branch network with 5,737 branches of which 50 percent are in urban and metro cities. Over 90 percent branches operating in the country are owned by Public sector banks, of which 70 percent are located in rural and semi-rural areas. With this back ground about Indian banking industry the study is carried out with the following objective.

1.1. OBJECTIVES OF THE STUDY

a).To identify relationship between personal factors and level of satisfaction of customer relationship factors of e-banking services.

1.2. SAMPLING DESIGN

There are 269 Bank branches that are functioning in the Erode District as on 31-03-2014 . 195 Branches belongs to the Public Sector and 74 from the Private sector. Out of 269 branches ,banks having more than 5 branches are taken for the study which totaled 14 bank branches that consists of (7) Public sector and (7) private sector bank branches .The proportionate random sampling method has been employed. The Sample Design is presented in the following table1.1 .

1.3. STATISTICAL TOOLS USED FOR ANALYSIS

Chi-Square Test analysis is used to identify the relationship between personal factors and its influence on level of customer satisfaction of e-banking services. Five point scale is used with the following measures:

Highly Satisfied (5),Satisfied(4),Neutral(3) ,Dissatisfied (2),Highly dissatisfied (1)

1.4. HYPOTHESIS

There is no association between gender, age, education , monthly income and its level of customer satisfaction of e-banking services.

TABLE1.1 TOTAL NUMBER OF PUBLIC SECTOR AND PRIVATE SECTOR BANK BRANCHES TAKEN FOR THE STUDY

NAME OF THE BANKS	No. Branches taken for the study
State Bank of India	5
Bank of Baroda	5
Bank of India	5
Canara Bank	5
Indian Overseas Bank	5
Indian Bank	5
Union Bank of India	5
PUBLIC SECTOR BANK BRANCHES TOTAL	35
Axis Bank	5
HDFC Bank	5
CUB	5
ICICI Bank	5
Karur Vysya Bank	5
Lakshmi Vilas Bank	5
South Indian Bank	5
PRIVATE SECTOR BANK BRANCHES TOTAL	35

Source: LEAD BANK ERODE⁷

1.5 CUSTOMER RELATIONSHIP FACTORS

The following are the important customer relationship factors taken for the analysis:

- Accuracy in completing transaction
- Speed of handling transaction
- Speed of the services
- Promptness of the services
- Individual attention to the customer problems etc.

It is clear from the table 1.2 that the gender and customer relationship factors of e-banking services under highly dissatisfied category was 16.6 % and 81 are male and 35 are female customers respectively. Chi-square proved that there is significant relationship between gender and level of satisfaction of customer relationship factors of e-banking services

at 1% level.

TABLE 1.2 GENDER AND LEVEL OF SATISFACTION OF CUSTOMER RELATIONSHIP FACTORS (Two way table)

S.NO.	GENDER	FREQ/%	LEVEL OF SATISFACTION					TOTAL
			HS	S	N	DS	HDS	
1	Male	Freq	6	35	144	259	81	525
		%	1.1%	6.7%	27.4%	49.3%	15.4%	100.0%
2	Female	Freq	0	19	25	96	35	175
		%	0%	10.9%	14.3%	54.9%	20%	100.0%
	Total	Freq	6	54	169	355	116	700
		%	0.9%	7.7%	24.1%	50.7%	16.6%	100.0%

Source :Primary Data and Computed
 Chi-square Value:16.823 DF:4 P-Value:0.002 Significance at 1% level.

It is Identified from the above table 1.3 that the age and level of satisfaction of customer relationship factors of e-banking services under highly satisfied category of 31-40 years was 1.6 % and the age group 31-40 has the count of 381 customers in different categories. Out of 207 customers in neutral category 102 customers are in the age group of 31-40 .The tabulation also reveals that 283 customers are in the disagree category and 153 are in strongly disagree category.

Chi-square test proved that there is significant difference between age and level of satisfaction of customer relationship factors at 1% level.

TABLE 1.3 AGE AND LEVEL OF SATISFACTION OF CUSTOMER RELATIONSHIP FACTORS (Two way table)

S.NO.	Age in years	FREQ/%	LEVEL OF SATISFACTION					TOTAL
			HS	S	N	DS	HDS	
1	21-30	Freq	0	11	33	50	28	122
		%	0%	9%	27%	41%	23%	100.0%
2	31-40	Freq	6	23	102	165	85	381
		%	1.6%	6%	26.8%	43.3%	22.3%	100.0%
3	41-50	Freq	0	11	51	51	33	146
		%	0%	7.5%	34.9%	34.9%	22.6%	100.0%
4	51-60	Freq	0	2	4	4	3	13
		%	0%	15.4%	30.8%	30.8%	23.1%	100.0%
5	61 and above	Freq	0	4	17	13	4	38
		%	0%	10.5%	44.7%	34.2%	10.5%	100.0%
	Total	Freq	6	51	207	283	153	700
		%	0.9%	7.3%	29.6%	40.4%	21.9%	100.0%

Source :Primary Data and Computed
 Chi-square Value:18.649 DF:16 P-Value:0.287 Significance at 1% level.

TABLE 1.4 EDUCATIONAL QUALIFICATION AND LEVEL OF SATISFACTION OF CUSTOMER RELATIONSHIP FACTORS (Two way table)

S.NO.	EDUCATION	FREQ/%	LEVEL OF SATISFACTION					TOTAL
			HS	S	N	DS	HDS	
1	Primary level	Freq	0	21	21	73	6	121
		%	0%	17.4	17.4%	60.3%	5%	100.0%
2	Higher Secondary	Freq	0	1	5	0	6	12
		%	0%	8.3%	41.7%	0%	50%	100.0%
3	Graduate	Freq	13	29	138	118	74	372
		%	3.5%	7.8%	37.1%	31.7%	19.9%	100.0%
4	Post Graduate	Freq	0	28	55	39	38	160
		%	0%	17.5%	34.4%	24.4%	23.8%	100.0%
5	Professional	Freq	0	0	5	27	3	35
		%	0%	0%	14.3%	77.1%	8.6%	100.0%
	Total	Freq	13	79	224	257	127	700
		%	1.9%	11.3%	32%	36.7%	18.1%	100.0%

Source :Primary Data and Computed
 Chi-square Value:115.142 DF:16 P-Value:0.000 Significance at 1% level.

TABLE 1.5 MONTHLY INCOME AND LEVEL OF SATISFACTION OF CUSTOMER RELATIONSHIP FACTORS (Two way table)

S.NO.	MONTHLY INCOME IN RUPEES	FREQ/%	LEVEL OF SATISFACTION					TOTAL
			HS	S	N	DS	HDS	
1	Less than 15000	Freq	6	10	16	72	30	134
		%	4.5%	7.5%	11.9%	53.7%	22.4%	100.0%
2	15001-25000	Freq	0	23	76	107	23	229
		%	0%	10%	33.2%	46.7%	10%	100.0%
3	25001-40000	Freq	0	12	44	96	32	184
		%	0%	6.5%	23.9%	52.2%	17.4%	100.0%
4	40001-50000	Freq	0	6	19	40	8	73
		%	0%	8.2%	26%	54.8%	11%	100.0%
5	Greater than 50001	Freq	0	3	14	40	23	80
		%	0%	3.8%	17.5%	50%	28.8%	100.0%
	Total	Freq	6	54	169	355	116	700
		%	0.9%	7.7%	24.1%	50.7%	16.6%	100.0%

Source :Primary Data and Computed
 Chi-square Value:45.32 DF:16 P-Value:0.000 Significance at 1% level.

It is observed from the above table 1.4. that the educational qualification and level of satisfaction of customer relationship factors of e-banking services who are in Primary level category has the highest count of 73 in dissatisfied category and Graduate level 118 customers are dissatisfied and 138 graduates are neutral. Chi-square test proved that there is significant difference between the educational qualification of the customers and level of satisfaction of customer relationship factors at 1% level of significance with the p value 0.000.

It is indicated from the table 1.5 that monthly income and level of satisfaction of customer relationship factors in satisfied category is 0.9% with the total count of six customers .Monthly income and level of satisfaction of customer relationship factors of e-banking services from dissatisfied category is highest with the count of 355 . Chi-square test

proved that there is significant difference between the monthly income of the respondents and level of satisfaction of customer relationship factors at 1 % level of significance

1.6. CONCLUSION

The study shows that there exists a significant relationship between gender, age, educational qualification, monthly income and level of satisfaction of customer relationship factors of e-banking services. For the greater adoption of e-banking among customers, the banks should assure that whether they are providing qualitative and timely e-banking services to their customers only than the level of satisfaction can be raised. Both private and public sector banks should work in a competitive spirit with each other to further improve the level of services.

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