A Study on Customer Satisfaction Towards E-Banking Services in Coimbatore City

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ABSTRACT *Information technology has contributed to the remarkable changes in the banking sectors. Indian banks, utilizing the latest developments in the technology, introduced the modern banking system called e-banking. Even though all banking sectors are offering e-banking services to their customers, they have to focus more on their satisfaction also. The main objective of this particular study is to analyze the satisfaction level of customers towards E–banking services in Coimbatore city. The e-banking services taken for the study is Online/Internet banking, Telephone Banking, Mobile Banking and ATM and Debit Card. The major tool used for the data collection is questionnaire. For the purpose of the study, required primary data and secondary data has been collected and various statistical tools have been used to extract the output.*

INTRODUCTION

Indian banking industry today is in the mid of an IT revolution. Today, the Indian customer is moving towards e-banking. But they are very concern about security and privacy of e-banking. The credit of launching internet banking in India goes to ICICI Bank. State Bank of India launched its services in July 2001. Other public sector banks like Bank of Baroda, Allahabad Bank, Syndicate bank and Bank of India also rolled its services during the same time.

E-banking is one of the emerging trends in the Indian banking and is playing a unique role in strengthening the banking sector and improving service quality. It has enabled the banks to handle the payments electronically faster and in large volumes. Several initiatives have been taken by the Government of India as well as the Reserve bank to facilitate the development of e-banking in India. The Reserve bank is monitoring and receiving the legal and other requirements of e-banking on a continuous basis to ensure that e-banking would develop on sound lines and e-banking related challenges would not pose a threat to financial stability.

E-banking reaps benefits for both banks and its customers. From the banks' perspective, e-banking has enabled banks to lower operational costs through the reduction of physical facilities and reduced waiting time in branches resulting in potential increase in sales performance and a larger global reach. From the customer's perspective, e-banking allows customers to perform a wide range of banking transactions electronically via the bank's website anytime and anywhere.

STATEMENT OF THE PROBLEM

Banking is a customer oriented service industry. The customers expect many services with the various delivery modes which is speed and secure. The banking industry has been considerably influenced by the expansion of technology which has given way to the modern banking system to take over the traditional banking system. Today all the banking sectors are providing e-banking services to their customers. The banks should concentrate on the satisfaction of their customers. This particular study has made an attempt to know the satisfaction level of the customers on e-banking services offered by the banking sectors in Coimbatore city.

OBJECTIVES OF THE STUDY

The main objective of the study is to identify the customer level of satisfaction towards e-banking services.

METHODOLOGY

Data Collection: Primary Data is collected directly by interacting with the customers by using structured questionnaire method. Secondary Data was collected from the existing data sources, Catalogues, Internet, Magazines and Newspapers.

Sampling Technique and Sample size:

The sampling method followed is Non-probability sampling method. The sampling technique followed to select the sample size is convenience sampling. The sample size taken for the study is 90 respondents from Coimbatore city.

Statistical Tools:
* Frequency Distribution
* Z-test
* ANOVA
* Post-Hoc test
* **Level of significance** – 5%

ANALYSIS AND INTERPRETATION

Table.1 showing description of Personal Profile of the respondents

To know the personal profile of the respondents under the study the following frequency distribution is constructed.

Profile	Groups	Frequency	Percentage
Gender	Male	51	56.67
	Female	39	43.33
Age	Less than 25 years	44	48.89
	25-35 years	23	25.56
	Above 35 years	23	25.56

Annual Income	Below Rs.1,00,000	8	8.89
	1,00,000 - 3,00,000	35	38.89
	300,001 - 5,00,000	21	23.33
	5,00,001 - 7,00,000	14	15.56
	Above 7,00,000	12	13.33
Marital Status	Married	30	33.33
	Unmarried	60	66.67
Family Type	Joint	41	45.56
	Nuclear	49	54.44
Family Size	Below 2 members	0	0.00
	2-4 members	40	44.44
	5-7 members	32	35.56
	Above 7 members	18	20.00

From the above frequency distribution the following points are understood

- Majority of the respondents (56.67) are male

- Majority of the respondents (48.89) are belonging to the age group less than 25 years

- Majority of the respondents (38.89) annual income is 1,00,000 - 3,00,000

- Majority of the respondents (66.67) are unmarried

- Majority of the respondents (54.44) are in nuclear family culture

- Majority of the respondents (44.44) family size is 2-4 members

T-Test
Table. 6 showing Gender Vs Level of Satisfaction of e-banking services
Null Hypothesis: There is no significant difference in the satisfaction level between male and female respondents.

Alternative Hypothesis: There is significant difference in the satisfaction level between male and female respondents.

Personal Factor	Factor	Group	N	Mean	Std. Deviation	Z_0	Significance	Result
Gender	Internet Banking	Male	27	12.92593	10.03044	0.16606	0.868783	Accept
		Female	25	13.32	6.581033			
	Telephone Banking	Male	15	24.2	8.809086	0.16841	0.868041	Accept
		Female	6	25.33333	22.80935			
	Mobile Banking	Male	21	20.7619	10.02449	1.793091	0.080921	Accept
		Female	19	15.94737	6.337487			
	ATM and Debit Card Services	Male	45	18.37778	10.80675	3.188565	0.002033	Reject
		Female	38	12.02632	6.330906			
Marital Status	Internet Banking	Married	17	9.882353	3.706116	1.97231	0.054118	Accept
		Unmarried	35	14.68571	9.661237			
	Telephone Banking	Married	6	17.5	18.69492	1.54964	0.137726	Accept
		Unmarried	15	27.33333	10.45853			
	Mobile Banking	Married	15	11.06667	4.113856	5.51317	0.000	Reject
		Unmarried	25	22.92	7.66442			
	ATM and Debit Card Services	Married	29	9.310345	3.606576	4.87598	5.31	Accept
		Unmarried	54	18.77778	10.09141			
Nature of Family	Internet Banking	Joint	19	16.78947	9.04052	2.492319	0.01	Reject
		Nuclear	33	11	7.462406			
	Telephone Banking	Joint	13	26.84615	5.800088	0.998243	0.33	Accept
		Nuclear	8	20.75	21.06283			
	Mobile Banking	Joint	17	23.47059	8.966031	3.548885	0.002	Reject
		Nuclear	23	14.78261	6.536308			
	ATM and Debit Card Services	Joint	35	17.17143	11.06262	1.396528	0.18	Accept
		Nuclear	48	14.22917	8.142977			

From the above table it is clear that there is no significant difference in the satisfaction level of Internet Banking, Telephone Banking and Mobile banking between male and female respondents, Internet Banking, Telephone Banking and ATM and Debit Card Services between married and unmarried respondents and Telephone Banking and ATM and Debit card services between the nature of the family of respondents.

Since there is a significant difference in the satisfaction level of ATM and Debit card services among gender, Mobile banking among marital status and Internet Banking

and Mobile banking among nature of the family, the mean values are compared to know which group of respondents has higher level of satisfaction.

From the mean values, it is understood that male respondent have higher level of satisfaction on ATM and Debit Card Services, married have higher level of satisfaction on Mobile banking services and joint family respondents have higher level of satisfaction on Internet Banking and Mobile Banking.

ANOVA
Table. 7 showing Personal Factor Vs Level of satisfaction of e-banking services

Null Hypothesis: There is no significant difference in the personal factors like gender, marital status and nature of the family of respondents and satisfaction level of the respondents.

Alternative Hypothesis: There is a significant difference in the personal factors like gender, marital status and nature of the family of respondents and satisfaction level of the respondents.

Personal Factor	Factor	Group	Sum of Squares	df	Mean Square	F	Sig.	**Result**
Age	Internet Banking	Between Groups	329.2913	2	164.6457	2.424158	0.09	Accept
		Within Groups	3328.016	49	67.9187			
	Telephone Banking	Between Groups	171.4729	2	85.73647	0.438205	0.65	Accept
		Within Groups	3521.765	18	195.6536			
	Mobile Banking	Between Groups	43.29102	2	21.64551	0.274211	0.76	Accept
		Within Groups	2920.684	37	78.9374			
	ATM and Debit Card Services	Between Groups	637.1513	2	318.5757	3.739413	0.02	Reject
		Within Groups	6815.523	80	85.19404			
Income Level	Internet Banking	Between Groups	672.0116	4	168.0029	2.645009	0.04	Reject
		Within Groups	2985.296	47	63.51694			
	Telephone Banking	Between Groups	2043.938	4	510.9845	4.957104	0.008	Reject
		Within Groups	1649.3	16	103.0813			
	Mobile Banking	Between Groups	585.4694	4	146.3674	2.153814	0.09	Accept
		Within Groups	2378.506	35	67.9573			
	ATM and Debit Card Services	Between Groups	1308.014	4	327.0035	4.150966	0.004	Reject
		Within Groups	6144.661	78	78.7777			

From the ANOVA table it is understood that among age Internet Banking, Telephone Banking and Mobile Banking and among income level Mobile Banking, the significant value are greater than the level of significance (0.05) which is fixed and hence the null hypothesis is accepted.

But in case of ATM and Debit Card Services under age and Internet Banking, Telephone Banking and ATM and Debit Card Services under income level, respondents differ in their opinion significantly. To find out who differs significantly from other, the POST-HOC test is applied.

Table. 8 showing Post Hoc analysis of Age and Level of Satisfaction

Personal Factor	Construct	Age	Mean Difference	Significance	Remark
Age	ATM and Debit Card Services	25 yrs-35 yrs VS Above 35 yrs	-7.89713*	0.020927	Significant
		Above 35 yrs VS 25 yrs-35 yrs	7.89713*	0.020927	Significant
Income Level	Internet Banking	Rs.3,00,001 to Rs.5,00,000 Vs Above Rs. 7,00,000	-13.42857*	0.035802	Significant
		Rs. 5,00,001 to Rs.7,00,000 Vs Above Rs. 7,00,000	-13.42308*	0.038238	Significant
		Above Rs. 7,00,000 Vs Rs.3,00,001 to Rs.5,00,000	13.42857*	0.035802	Significant
		Above Rs. 7,00,000 Vs Rs. 5,00,001 to Rs.7,00,000	13.42308*	0.038238	Significant
	Telephone Banking	Below Rs.1,00,000 Vs Rs.3,00,001 to Rs.5,00,000	27.13333*	0.015577	Significant
		Rs.1,00,000 to Rs.3,00,000 Vs Rs.3,00,001 to Rs.5,00,000	21.63333*	0.0206	Significant
		Rs.3,00,001 to Rs.5,00,000 Vs Below Rs.1,00,000	-27.13333*	0.015577	Significant
		Rs.3,00,001 to Rs.5,00,000 Vs Rs.1,00,000 to Rs.3,00,000	-21.63333*	0.0206	Significant
	ATM and Debit Card Services	Rs.3,00,001 to Rs.5,00,000 Vs Rs. 5,00,001 to Rs.7,00,000	-8.70000*	0.021994	Significant
		Rs.3,00,001 to Rs.5,00,000 Vs Above Rs. 7,00,000	-14.10000*	0.017655	Significant
		Rs. 5,00,001 to Rs.7,00,000 Vs Rs.3,00,001 to Rs.5,00,000	8.70000*	0.021994	Significant
		Above Rs. 7,00,000 Vs Rs.3,00,001 to Rs.5,00,000	14.10000*	0.017655	Significant

From the POST-HOC test the following inference is made:

1. Respondents with the age of Above 35 yrs of respondents have equal level of satisfaction on ATM and Debit Card Services.
2. Respondents earning above Rs.3,00,001 are having equal level of satisfaction towards Internet Banking and ATM and Debit Card Services.
3. Respondents earning Below Rs.5,00,000 are having equal level of satisfaction towards Telephone Banking.

CONCLUSION:

At present banking sectors provide different services through E-banking systems. The customer is looking for quality services which can provides satisfaction. From the study it is understood that the customers are highly satisfied with the e-banking services in Coimbatore city. This study reveals that the demographic conditions of the customers are very important in creating the satisfaction level among the customers of the Coimbatore city. The usage of e-banking services differs based on the demographic condition of the respondents. The suitable services available may be improved to give better customer satisfaction leading to retention of existing customers and attracting new customers.

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