



A Study on Customers Satisfaction Towards E-Banking (With special reference to Coimbatore city)

KEYWORDS

E-Banking, E-Commerce, Internet Banking.

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ABSTRACT *This project aims at creation of a secure Internet banking system. This will be accessible to all customers who have a valid User Id and Password. This is an approach to provide an opportunity to the customers to have some important transactions to be done from where they are at present without moving to bank. In this project we are going to deal the existing facts in the bank i.e. the transactions which takes place between customer and bank. We provide a real time environment for the existing system in the bank. We deal in the method transaction in the bank can be made faster and easier that is our project is an internet based computerized approach towards banking.*

INTRODUCTION

E - Banking involves consumers using the Internet to access their bank account and to undertake banking transactions. At the basic level, Internet banking can mean the setting up of a web page by a bank to give information about its products and services. At an advanced level, it involves provision of facilities such as accessing accounts, transferring funds, and buying financial products or services online. In the 1990s, banks realized that the rising popularity of the World Wide Web gave them an added opportunity to advertise their services. Initially, they used the Web as another brochure, without interaction with the customer. Early sites featured pictures of the bank's officers or buildings, and provided customers with maps of branches and ATM locations, phone numbers to call for further information and simple listings of products.

Electronic banking is defined as the automated delivery of new and traditional banking products and services directly to customers through electronic, interactive communication channels. E-banking includes the systems that enable financial institution customers, individuals or businesses, to access accounts, transact business, or obtain information on financial products and services through a public or private network, including the Internet. E-Banking is also called Internet banking, on-line banking or PC banking. E-Banking may include ATMs, wire transfers, telephone banking, electronic funds transfers and debit cards.

History of Electronic Banking:

While financial institutions took steps to implement e-banking services in the mid-1990s, many consumers were hesitant to conduct monetary transactions over the web. It took widespread adoption of electronic commerce, based on trailblazing companies such as America Online, Amazon.com and eBay, to make the idea of paying for items online widespread. By 2000, 80 percent of U.S. banks offered e-banking. Customer use grew slowly. In 200, Bank of America became the first bank to top 3 million online banking customers, more than 20 percent of its customer base. In comparison, larger national institutions, such as Citigroup claimed 2.2 million online relationships globally, while J.P. Morgan Chase estimated it had more than 750,000 online banking customers. Online banking also known as internet banking, e-banking, or virtual banking, is an electronic payment system that enables customers of

a bank or other financial institution to conduct a range of financial transactions through the financial institution's website. The online banking system will typically connect to or be part of the core banking system operated by a bank and is in contrast to branch banking that was the traditional way customers access banking services. Basically Online Banking, Internet Banking & E-Banking is the same thing. There is no difference fundamentally and in mechanism.

To access a financial institution's online banking facility, a customer with internet access would need to register with the institution for the service, and set up a password and other credentials for customer verification. The credentials for online banking is normally not the same as for telephone or mobile banking. Financial institutions now routinely allocate customers numbers, whether or not customers have indicated an intention to access their online banking facility. Customers' numbers are normally not the same as account numbers, because a number of customer accounts can be linked to the one customer number. The customer number can be linked to any account that the customer controls, such as cheque, savings, loan, credit card and other accounts.

The customer visits the financial institution's secure website, and enters the online banking facility using the customer number and credentials previously set up. The types of financial transactions which a customer may transact through online banking usually includes obtaining account balances and list of latest transactions, electronic bill payments, and funds transfers between a customer's or another's accounts. Most also enable a customer to download copies of statements, which can be printed at the customer's premises (with some banks charging a fee for mailing hardcopies of bank statements). Some banks also enable customers to download transactions directly into the customer's accounting software. The facility may also enable the customer to order cheque-books, statements, report loss of credit cards, stop payment on a cheque, advice change of address, and other routine transactions.

Statement of problem:

- The rapid advancement in electronic distribution channels has produced tremendous changes in the financial industry in recent years, with an increasing rate of changing technologies, competition among players and consumer needs.

- The proliferation of rapid advances in technology-based systems, especially those related to the internet are leading to fundamental changes in companies to interact with customers. Internet banking has become the self service delivery channel that allows bank to provide information of services to their customers with more convenience via the web service technology.
- Today e-banking has experienced phenomenal growth and has become one of the main avenues for banks to deliver their product and services. Hence, the researcher makes an attempt.
- To analyze the research study in titled as, "customer's satisfaction towards e-banking services with special reference to select private and public sector banks in Coimbatore city".

Objectives of the study:

1. To study the growth and development of e-banking services in select private and public sectors.
2. To study the consumer awareness towards e-banking services.
3. To identify the influence factors to determine the level of satisfaction of e-banking services.
4. To study consumers level of satisfaction towards e-banking services.

Scope of the study:

The present study mainly focuses on to analyze the customer satisfaction in the privacy of information, easiness to use, efficiency, responsiveness, reliability, and convenience. By this, the banker can identify in which direction they lack and need to improve services to their customer in order to improve satisfaction convenience with special reference to Coimbatore city.

Limitations of the study:

1. Due to the time constrains the present study consists of only 50 respondents.
2. The resent study confines to only on two private banks and two public banks.
3. The study is limited to Coimbatore city alone.

VARIOUS SERVICES OFFERED BY E-BANKING

Balance enquiry and statement - Check out transaction in bank account with a real time balance.

Transaction history - Check out past transaction from the date of account opening.

Online transfer of funds - Transfer of funds to any bank account of that particular bank or any other bank.

Card to card fund transfer - Transfer of funds having visa, debit card holders or credit card holders.

Pre paid mobile recharge - Recharge pre-paid mobile online anywhere, anytime in a few minutes.

Buy and sell Mutual Fund - Online buying and selling of mutual fund.

Send money order anytime - Get it door delivered to any destination in India.

Open Fixed deposit and Recurring deposit - Apply online to fixed deposit and recurring deposit.

Request of Cheque book - The cheque is delivered on the address upon request.

Stop Payment request - Issue instructions to stop payment of a particular cheque.

Request of Debit cards - Apply online ATM/Debit card.

Monthly Bank account statement by E-mail - Free statement of bank account on e-mail address.

Reissue and upgrade of ATM/Debit Card - Get ATM / debit card reissued or upgrade current ATM/ Debit Card.

Link bank account to ATM/Debit Card - Link multiple bank accounts to a single ATM/ Debit Card.

Renewal/ premature closure of FD/ RD - Renew current FD account or request its premature closure.

Deactivate/ Activate ATM/Debit Card - Activate/deactivate ATM/ Debit Card.

Change Password Change of log-in password and transaction password - Demat holdings Provide to demat account details and transactions.

Loan Details - View details related to loan account like type of loan, date of sanction, date of maturity, rate of interest.

Interest rate updates - Know rate of interest on deposit and loan scheme.

Bills Payment - Paying of bills of utility (electricity and telephone), bank credit, mobile bills, insurance premium.

Online shopping -Pay e-shopping bills through internet banking.

Ticket Booking -Booking of railway or air-ticket online.

Mobile Top-up -Recharge pre paid mobile anytime, anywhere by log in to internet banking.

Share Trading -Trade in security market online, through the unique three-in-one account that integrate banking, broking and demat account.

Online tax payments - Online payment of service tax, income tax, central excise duty.

Convert to EMI- Converting any transaction above Rs.2000 on a credit card into easy EMI. EMI repayments are easiest and provide tenure ranging between 3 to 24 months.

Online loans - Get loans as fast as you click.

Customer Correspondence - E-mail correspondence between customer and bank for transaction queries.

Demonstration of e-banking-Provide demonstration of internet banking services on banks website

Corporate Internet Banking- Internet banking services to corporate customers

ANALYSIS AND INTERPRETATIONS

PERCENTAGE ANALYSIS

TABLE-1

Table showing the respondents using online features regularly

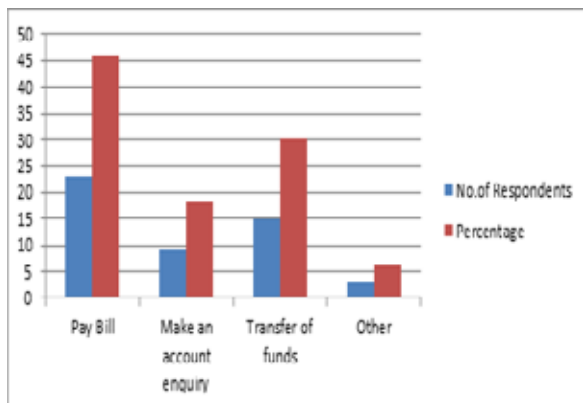
S.NO	Online Features	No of respondents	Percentage of the respondents
1	Pay bill	23	46
2	Make an account enquiry	9	18
3	Transfer of Funds	15	30
4	Other	3	6
Total		50	100

The above table explains that out of 100 respondents taken for the study 46% of the respondents are using online services regularly for paying bill, 30% of the respondents are using online services for transferring funds between accounts, 18% of the respondents are using online services regularly for making an account enquiry, 6% of the respondents are using other online banking services.

The above study concluded that the maximum (46%) of the respondents were using online services regularly for paying bills.

Exhibit No: 1

Exhibits showing the respondents using Online features regularly



CHI-SQUARE ANALYSIS

Hypothesis:

There is no significant relationship between the Income of the respondents and the level of satisfaction towards E-Banking

TABLE-2

INCOME AND LEVEL OF SATISFACTION

Income	Highly satisfied	Satisfied	Neutral	Dissatisfied	Highly dissatisfied	Total
Below 25,000	2	7	3	1	-	13
25,000 – 50,000	4	12	2	-	-	18
50,000 – 75,000	1	6	3	2	-	12
Above 75,000	1	4	2	-	-	7
Total	8	29	10	3	-	50

To find out the association between Income and satisfaction level of the respondents. Calculated value of chi-square = 6.40

Table value 5% = 12

Calculated value	Degree of freedom	Table Value	Result
6.40	12	10.29	Accepted

The calculated value of chi-square at 5% level of significance is lower than the table value hence the hypothesis is accepted. There is a no relationship between Income and satisfaction level of E-Banking.

Findings

- Majority of the respondents (46%) of them are using online services regularly for paying bills.
- There is no significant relationship between the Income of the respondents and the level of satisfaction towards E-Banking.

Suggestions

The Net-Banking depends on their customer for their service for their. They should therefore aim at satisfying their customer. To do so they should understand what the customer needs and fulfill their expectation, some of their suggestion based on our study.

- The awareness about the net-banking should be increased among the people (in rural areas).
- Advertisement through display and interest may be improved to attract more customers.
- It should be user friendly to all class of customers.
- The privacy for customer data should be increased.

CONCLUSION

Banks provide security and convenience for managing your money and sometimes allow you to make money by earning interest. Convenience and fees are two of the most important thing to consider when choosing banking. if you have money then you need to manage your day-to-day expenses, bank offer a variety of option for saving, including money market account, CDS, high-interest, online saving account, basic saving account. To protect your money from electronic theft and other forms of fraud, its important to implement. Basic precautions such as shredding account statement having complex password and only doing online banking through secured network.

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