

An Empirical Study towards Customer Satisfaction in Internet Banking services with special reference to Tiruchirappalli District



Commerce

KEYWORDS : Customer satisfaction, Efficiency, ATM, Debit Card, Credit Card, etc.

Dr. M. Abdul Hakkeem

Ph.D Research Advisor, PG & Research Department of Commerce Jamal Mohamed College(Autonomous) Trichirapalli, Tamil Nadu India

Y. Moydheen Sha

PG & Research Department of Commerce Jamal Mohamed College(Autonomous) Trichirapalli, Tamil Nadu India

ABSTRACT

Electronic banking or e-banking is automated delivery of new and traditional banking products and services directly to the customer through electronic communication like computer, ATMs, and internet websites. The customer satisfaction level based on the analysis of data relating to 200 respondents indicates that there is significant correlation between age and occupation with other factors. In the analysis it was observed that particular age group have used these services, the satisfaction of the customer majorly influenced the convenience, awareness, and responsiveness. In the present technology society, most of the banking customer prefer and switch to e-banking facilities. So the banker may improve their services, loyalty to customers and their retention by increasing awareness of other age groups and concentrating on the factors contributing customer satisfaction.

Introduction

Electronic banking or e-banking is defined as the automated delivery of new and traditional banking products and services directly to customer through electronic, interactive communication channels like computers, ATM, internet websites etc. Electronic banking or e-banking is the term that describes all transactions that take place among companies, organization, and individuals and their banking institutions. First conceptualized in the mid -1970s, some banks offered customer electronic banking in 1985. In later 1990's peoples were more comfortable with making transaction over the web.

E-banking support services are Web linking, Account aggregation, Electronic authentication, Websites hosting, Payments and E-commerce, Bill payments and presentation, Wireless E-banking etc. Common e-banking services are Account Management, Cash management, Bill payment & presentment, New Account Opening, Consumer Wire Transfers, Commercial Wire Transfers, Small Business Loan (Applications, approvals & advances), Investment Brokerage Services, Business to business payments, Loan applications, Account aggregation and Employee benefit/Pension Administration are the common services provided by e-banking. Its channels are Internet banking, ATM (Automated Teller Machines), Credit cards, Debit cards etc

Internet Banking

Internet banking is any inquiry or transaction processed online, without any reference to the branch at any time. It involves use of internet for delivery of banking products and services. Its highlights are - Checking with no monthly fee, free bill payment and rebates on ATM surcharges, Easy online application for all accounts including personal loans and mortgages 24 hours account access, Quality service to the customer at any time etc.

Scope of the Study

Nowadays the banking activities become fully automated. Through internet, customer can do their banking activities, from their home itself, giving better customer satisfaction. The project will 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 dimension they lack and need to improve services to their customer in order to improve satisfaction.

Objectives of the Study

- To measure the customer satisfaction in e-banking services.
- To evaluate the awareness of internet banking among the customer of banks.
- To study the internet banking facilities offered by the banks

to its customers.

- To state the present situation of the e-banking.

REVIEW OF LITERATURE

Malhotra, Pooja & Singh, B. (2010) : In "An analysis of Internet banking offerings and its determinants in India", Malhotra, Pooja, & Singh noted: "This study was an effort to represent the current status of IB in India and the extent of Internet banking services offered by Internet banks. The data for this study are based on a survey of bank websites explored during July 2008. The sample consists of 82 banks operating in India on March 31, 2007. Multiple regression technique is employed to explore the determinants of the extent of Internet banking services."

Singhal,D and V.Padhmanabhan (2008) in their article on "A Study on Customer Perception Towards internet banking: Identifying major contributing factors" they basically that, there are certain issues raised in current literature on e-banking that are considered as major problems of Internet banking amongst which include: the case of Internet criminals and fraudsters attempt to steal customer information through various methods such as phishing and pharming.

Research Design

A descriptive research method, which includes survey and fact finding enquires of different kinds, has been adopted and primary data is collected through a 5 point Likert Scale Structured Questionnaire from the customer of banks (02 public sector and 02 private sector banks)using e-banking services. Random sampling was used to identify the 200 respondents. The statistical tools such as, Chi-square, simple percentage has been used for data analysis

Data Analysis and Interpretations Table 1

| FACTORS | IOB | INDIAN BANK | ICICI | AXIS |
|----------------|-------|-------------|-------|-------|
| Awareness | 71.5 | 72.0 | 73.5 | 76.8 |
| Easy To Use | 68.0 | 64.8 | 69.8 | 63.0 |
| Privacy | 69.8 | 68 | 67.3 | 55.8 |
| Efficiency | 58.8 | 61.4 | 66.6 | 46.4 |
| Responsiveness | 41.2 | 46.8 | 60.8 | 48.8 |
| Reliability | 69.0 | 50.8 | 62.4 | 48.2 |
| Convenience | 50.6 | 52.0 | 60.2 | 43.4 |
| Satisfaction | 60.8 | 63.8 | 62.3 | 61.0 |
| Average Scores | 61.21 | 59.95 | 65.36 | 55.43 |

Table 2 Regression

| Model | Variable Entered | Variable Removed | Method |
|-------|------------------|------------------|---|
| 1 | Convenience | | Stepwise(Criteria: Probability of F to enter $\leq .050$, Probability of F to remove $\geq .100$). |
| 2 | Awareness | | Stepwise (Criteria: Probability of F to enter $\leq .050$, Probability of F to remove $\geq .100$). |
| 3 | Responsiveness | | Stepwise (Criteria: Probability of F to enter $\leq .050$, Probability of F to remove $\geq .100$). |

A Dependent Variable: satisfactory level

Table 3: Chi-square test:

Ho: There is no relationship between Age and other factors

H1: There is relationship between Age and other factors

H2: There is no relationship between Occupation and other factors

H3: There is relationship between Occupation and other factors

| Factors | Significant value | Age | Occupation |
|------------------------|-------------------|------------------|------------------|
| | | Chi-square value | Chi-square value |
| Awareness | 0.05 | 0.615 | 0.014 |
| Easy to use | 0.05 | 0.084 | 0.250 |
| Privacy of information | 0.05 | 0.852 | 0.024 |
| Efficiency | 0.05 | 0.897 | 0.000 |
| Responsiveness | 0.05 | 0.969 | 0.002 |
| Reliability | 0.05 | 0.130 | 0.135 |
| Convenience | 0.05 | 0.005 | 0.325 |
| Satisfactory level | 0.05 | 0.729 | 0.619 |

From the table the significant values is greater than 0.05. So the null hypothesis is accepted. Hence we may conclude that the age has no relationship with other factors. From the table it is seen significant values is greater than 0.05 so the null hypothesis is accepted. Hence we may conclude that the occupation have no relationship with other factors expect efficiency. Only the efficiency factor value is lesser than 0.05, so the null hypothesis is not accepted.

Therefore occupation has relationship with efficiency. That implies the occupation of the customer has inferred the perceived efficiency of e-banking.

Findings

- The researcher found that the age groups of 20-30 and 31-40 were more aware about e-banking. Similarly the business people and private employees were more aware about e-banking.
- The hypothesis testing shows that the convenience is associated with the age. And also there is a relationship between occupation and efficiency. With the increase of age, perceived convenience also increases and the occupation also has an impact on perceived efficiency.
- Awareness, responsiveness, reliability and convenience were positively correlated with age and all other factors are independent of age.
- There is a positive correlation between awareness and occupation. This shows that the business people and private employees were regular users of e-banking.
- The analysis shows that all the factors equally influence the customer satisfaction.

Suggestions

- The banks may improve the satisfaction level by developing the technology to provide quick and fast access to their functions.
- The public sector banks, may increase the satisfactory level by simplifying the process and the procedure in order to make easily understandable by all people, to meet the competition from other banks,
- Mostly the business and private employees are using and aware about e-banking, so the banks can provide some additional/extra privilege to these customers.
- The banks to get more number of customer to using e-banking, may advertise about the schemes and proper usage of the technology.
- The banks may improve the satisfactory level in e-banking by introducing 24 hours customer services system. Through that system the customer can easily& immediately solve their problems.

Conclusion

The customer satisfaction is the major factor contributing to the success of service sectors. E-banking has become a major facility sought after by the existing and potential customers. The banks have to increase the awareness about e-banking technology, so that customers can get better service. The sufficient services available may be improved to give better customer satisfaction leading to retention of existing customers and attracting new customers. All the service sectors depend on customer and their satisfaction and the banks are no exception.

REFERENCE

1. Hamlet(2000) "Community Banks go Online," American Bankers Association. ABA Banking Journal, Vol. 92, No. 3, pp 61-65 | 2. Journal of the Association for Information Systems.(2000) Vol. 1, pp. 1-42 | 3. Karjaluoto et al(2002), "Factors Underlying Attitude Formation towards Online Banking in Finland", The International Journal of Bank Marketing, Vol. 20, No. 6, pp. 261-272 | 4. Lassar et al(2005), "The Relationship between Consumer Innovativeness, Personal Characteristics, and Online Banking Adoption," International Journal of Bank Marketing, Vol. 23, No. 2, pp. 176-199. | 5. Martin(1998),"Goodbye to Bankers' Hours", Management Review, Vol. 87, No. 1, pp. 33-37. McGann(2005), "Online Banking Increased 47 Percent Since 2005", article.php/3481976, September 23, 2005. |