

Customer Satisfaction on E-Banking Services Rendered by Select Banks in Kumbakonam Town



Commerce

KEYWORDS :

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ABSTRACT

Technology has made tremendous impact on the working procedure of banks. E-banking is one such innovative service introduced by banks to put into effect 24x7 banking services being offered to customers without stepping out of their home. This paper focus on whether in reality E-banking services have been successful in meeting up to the expectation level of customers in the semi urban area. Various demographic variables have been correlated with various aspects of e-banking to analyze the impact on satisfaction level of customers.

E-COMMERCE

E-commerce, short for electronic commerce refers to trading in products or services using computer networks, such as the Internet. Electronic commerce draws on technologies such as mobile commerce, electronic funds transfer, supply chain management, Internet marketing, online transaction processing, electronic data interchange (EDI), inventory management systems, and automated data collection systems. Modern electronic commerce typically uses the World Wide Web for at least one part of the transaction's life cycle, although it may also use other technologies such as e-mail.

E-BANKING

Electronic banking, also known as electronic funds transfer (EFT), is simply the use of electronic means to transfer funds directly from one account to another, rather than by cheque or cash. Electronic funds transfer may be used to have pay-check deposited directly into your bank or credit union checking account.

TYPES OF E- BANKING SERVICES

Indian banks offer to their customers wide range of e-banking products and services such as automated teller machines (ATM) or automatic teller machines, telephone banking (the oldest), smart card, electronic fund transfer (EFT), electronic clearing service (ECS), mobile banking (including SMS banking), internet banking or online banking, debit card, tele-banking etc.

REVIEW OF LITERATURE

The researchers have gone through various articles, magazines and journals for collecting literature related to e-commerce and e-banking services. After careful investigation 7 suitable reviews are presented below:

2014, Giuseppe Tardivo, Milena Viassone and Gian Luigi Gola, conducted a study on the title "Young customers perception of the quality of M-banking services at Turin". This paper focused on mobile banking among young people. To measure their satisfaction SERVPERF model was used. They collected data from 144 young customers. SERVPERF factors were tangibility, reliability, relationship ability, assurance and empathy. The result shows that young people are satisfied with tangibility and reliability of m-banking services. Hence they also suggested, activity of the services has to be constant in order to supply useful information and online help in order to make use of m-banking services.

2014, Lucia Feraro Banta conducted a study with the title "Assessment of electronic banking services in Islamic banks at Bahrain". This study aims to assess the electronic banking services in Islamic banks. Quota sampling method has been used. Sam-

ple size is 200. This study is based on empirical evidence. Mean, standard deviation, co-relation and t-test are used for analysis. They have found that Islamic banks are using electronic services for their operations. Bank customers are expecting higher electronic banking services. There is no considerable difference between the customer expectation and banking services except the transfer of funds. Bank customers have encountered problems in the electronic banking services while executing.

2014, Dr. Aravind Chaudhari, Mamata Patil and Dr. Madhulika Sonawana, conducted a study titled "A study on Awareness on e-banking services in college students of Bhusawal city" in Jalgaon. It is an empirical study with the sample size 180 respondents. Simple mathematical calculation has been used. They have found that maximum college students have faith on nationalized banks. Moreover they found that college students are using different e-banking facilities and ATM is most popular among the students. More number of students was using net banking. Students have no awareness about secure transactions because maximum students do not have idea about change of PIN.

2014, Ms. Prerna sign and Mr. Deepak Kumar, conducted a study with the title "Impact of internet banking on customer at Rurpar Mohali". In this paper they have studied the impact of on-line banking on customers. Sample size was 40 and convenience sampling technique was used. They recognized that only 55% users were aware of the various charges levied by their banks for using this facility. Around 33% believed that internet banking is convenient.

2014, Mr. S. Reddy Murali and Prof. V. Mallikarjuna, conducted a study with the title "Consumer adoption of Net banking in tier III cities of Andra Pradesh: An empirical study at Andra Pradesh". The purpose of this study is to examine the factors which influence the adoption of net banking by using technology acceptance model (TAM). Sample size was 230 and survey method was used. Multiple regression, Chi square and ANOVA had been used. Perceived usefulness, perceived ease of use credibility, relative advantage, trail ability net banking adoption factors had been identified. Hence they have found that the factor plays a vital role in technology acceptance and adoption by the customers towards net banking usage.

2014, Monika Agrawal and Ajay kumar, presented a study on the title "Normalization approach for malware detection for securing internet banking at Jaipur". This paper attempted to evaluate the de-obfuscation approach by adopting normalization mechanism. Hence they found the user must be aware about the malware and they should make their system fully protected so that the malware can't inject into their system. Conceivable method is used for the protection of the system. These evaluation works

done by the researchers are advancement for the planning of the security structure from protecting the system getting infected with malware.

2012, Payam Hanafizadeh, Medhi Bedhoudi Amir Abedinikoshksaray and Marziyeh Jalilvand Shirkhani Tabar, conducted a study on the title “Mobile banking adoption by Iranian bank clients at Iran”. This study focused on the factors affecting the adoption of mobile banking in Iran. Conceptual model had been used. Perceived usefulness, perceived ease of use, need for interaction, perceived risk, perceived cost, compatibility with life style and credibility are the factors used to test in the conceptual model. Hence they have found adaptation with life style and trust were most significant explaining the adoption of mobile banking.

OBJECTIVES OF THE STUDY

- To trace out the relationship between selected demographic variables and awareness of e-banking services among the customers.
- To find out the relationship between selected demographic variables with preference to e-banking services in Kumbakonam area.
- To extract the average satisfaction level of the customers on various variables related to satisfaction and overall satisfaction on e-banking services.

PREPARATION OF INTERVIEW SCHEDULE

The researchers have discussed with few bank officials and few customers who are using e- banking services. After the discussion, the researchers framed an interview schedule consisting of 23 questions, out of which ten questions comprise demographic profile of the customers and the remaining questions involve the e-banking services provided by selected commercial banks in Kumbakonam town.

SAMPLING AND COLLECTION OF DATA

This study involves both primary and secondary data. The secondary data related to e-banking services collected by the researchers from text books, magazines, internet and discussion with bank officials.

The primary data which is the most essential part for this study was collected by the researchers using an interview schedule from the different types of customers who visited the bank premises of the selected banks in Kumbakonam town. The researchers spent around a month for collecting the filled up interview schedule from 150 customers of the selected banks by using random sampling method. The sample size was taken as 150.

SCOPE OF THE STUDY

The scope and the viability are very wide in this area. Therefore the researcher had chosen this topic (E-banking services) as their study area. Even though e-banking services are getting popularity in the present scenario, it was quite difficult for the researchers to identify customers using this service in semi urban areas. Even in tier III cities like Kumbakonam, lot of public and private sector banks are doing business and offering this hi-tech service to customers. Due to the limitation of time and expenses, the researchers restricted themselves to few selected commercial banks namely State Bank of India, Indian Bank, and Indian Overseas Bank for their study.

DATA ANALYSIS

The collected data was grouped and entered in the excel sheet with appropriate coding by the researcher. Then this was loaded into the SPSS data sheet for further analysis. In the progress of analysis, the researcher used few statistical tools such as simple percentage analysis, cross tabulation with chi-square for finding association between certain demographic variables and aware-

ness and reason for preferring e-banking services, one sample t-test and independent sample t-test were employed to find out the association between variables and level of satisfaction of e-banking services. The results of analysis is presented in the following manner; namely chi-square test result, result of one sample t-test analysis and independent sample t-test.

**TABLE 1
RESULTS OF CHI-SQUARE TEST**

H₀ = Given below demographic variables are not associated with awareness on E-banking among the customers.

Demographic variables	Chi square value	P value
Gender	3.567	0.168
Age	2.512	0.643
Education	43.064	<0.001**
Income	42.270	<0.001**
Location	2.334	0.311

Note: ** denotes significance at 1% level.

The above table explains the association between few demographic variables and the awareness on E-banking services among the customers of kumbakonam town. Variables namely educational qualification and monthly income of customers have an association with the awareness of E-banking services in the study area and it is emphasized from the above results and also statistically significant at 1% level. But the other three variables such as gender, age and location have not been associated with the awareness of E-banking services of customers.

It is very much obvious that literacy capacity and wealth of individuals lead to advancement of life style, living pattern, social image etc. Educated people become more technology friendly compared to others. Similarly high earning group would like to move for higher degree of life in doing things and examine the new developmental activities in their day to day life. This tendency is quite normal in society and the same is proved with the above results.

**TABLE 2
RESULTS OF CHI-SQUARE TEST**

H₀ = Given below demographic variables are not associated with preference of E-banking services by customers.

Demographic variables	Chi square value	P value
Gender	4.941	0.176
Age	10.375	0.110
Education	8.720	0.464
Income	6.106	0.411
Location	1.340	0.720

Note: P value denotes insignificance at 5% level.

The above table explains the association between few demographic variables and the preference of E-banking services among the customers of kumbakonam town. All the above given five variables are not associated with the preference of E-banking services as compared to doing the transactions directly with the bank branches. It is emphasized from the above results and also statistically insignificant at 5% level.

Peoples’ mentality enlightened one important aspect that they are not much willing to explore new technology related activities

rather than doing it manually. It is quite interesting to know that high by literate and high income people are aware of things but not willing to exercise immediately.

TABLE 3
ONE SAMPLE T TEST FOR SATISFACTION ON NEFT
H₀ – Customers’ satisfaction regarding the below given variables are equal to average level.

Name of the service	Size	Mean	SD	t value	P value
National Electronic Fund Transfer (NEFT)	150	3.12	0.567	67.437	<0.001**
Real Time Gross Settlement (RTGS)	150	3.11	0.562	67.839	<0.001**
E-Cheque	150	3.84	0.614	76.605	<0.001**
E-Cash	150	3.84	0.614	76.605	<0.001**
Mobile recharge	150	4.13	0.459	110.392	<0.001**
Online shopping	150	3.99	0.591	82.672	<0.001**
Purchase/shopping with debit cards	150	3.51	0.653	65.791	<0.001**
Purchase /shopping with credit cards	150	3.49	0.642	66.482	<0.001**
Payment of EB bill	150	4.09	0.491	102.005	<0.001**
Payment of telephone bill	150	4.06	0.495	100.521	<0.001**
Payment of insurance premium	150	3.59	0.753	58.375	<0.001**
Payment of loan due	150	3.36	0.638	64.548	<0.001**
Payment of credit card bill due	150	3.33	0.587	69.553	<0.001**
Balance enquiry	150	4.11	0.457	110.316	<0.001**
View mini statement/ transactions	150	4.05	0.496	99.899	<0.001**
Payment of Educational Institute fee	150	3.33	0.562	72.549	<0.001**
Change of PIN number	150	3.51	0.599	71.827	<0.001**
Payment of DTH recharge	150	4.03	0.549	90.054	<0.001**
Cash deposit with machine	150	4.02	0.537	91.714	<0.001**
Passbook Entry By machine	150	3.99	0.567	86.050	<0.001**
Overall satisfaction	150	3.98	0.441	110.604	<0.001**

Source: Primary data. ** indicates significance at 1% level.

Since the P value is less than 0.001, the null hypothesis is rejected at 1% level of significance. Hence it can be concluded that the satisfaction on all the services given in the above table provided by the selected commercial banks in Kumbakonam town is not equal to average level. Based on the mean score of all variables, it is inferred that it is higher than the average score of 3.00 in the study area which enhance the result of significance.

TABLE 4
GENDER AND OVERALL SATISFACTION ON E-BANKING SERVICES
H₀ –The mean score of two groups are not significantly different with overall satisfaction on e-banking services

Gender	Size	Mean	SD	t value	P value
Male	97	3.92	0.425	2.385	0.018*
Female	53	4.09	0.450		

Source: Primary data * indicates significance at 5% level

Since the p value is 0.018 which is less than 0.05 and the t val-

ue is 2.385, the null hypothesis is rejected at 5% level of significance. Hence it can be concluded that there is a significant differences between male and female customers using e-banking services with regard to overall satisfaction in Kumbakonam town. Based on the mean score value for male (3.92) and for female (4.09) the above said result is clearly evident and statistically significant.

TABLE 5
MARITAL AND OVERALL SATISFACTION ON E-BANKING SERVICES
H₀ –The mean score of two groups are not significantly different with overall satisfaction on e-banking services

Marital	Size	Mean	SD	t value	P value
Married	133	3.99	0.452	1.229	0.231
Unmarried	17	3.88	0.332		

Source: Primary data; P value indicates insignificant @ 5% level

Since the p value is 0.231and the t value is 1.229, the null hypothesis is accepted at 5% level of significance. Hence it can be concluded that there is no significant difference between married and unmarried customers using e-banking services with regard to the overall satisfaction in Kumbakonam town. Based on the mean score value for married customers (3.99) and for unmarried customers (3.88) the above said result is clearly evident.

TABLE 6
LOCATION AND OVERALL SATISFACTION ON E-BANKING SERVICES
H₀ –The mean score of two groups are not significantly different with overall satisfaction on e-banking services

Location	Size	Mean	SD	t value	P value
Rural area	77	4.00	0.459	0.571	0.569
Unmarried	73	3.96	0.423		

Source: Primary data; P value indicates insignificant @ 5% level

Since the p value is 0.569and the t value is 0.571, the null hypothesis is accepted at 5% level of significance. Hence it can be concluded that there is no significant difference between rural and urban area customers using e-banking services with regard to overall satisfaction in Kumbakonam town. Based on the mean score value for rural customers (4.00) and for urban customers (3.96), the above said result is clearly evident and statistically significant.

SUGGESTIONS

The suggestions given below are based on the results of primary data collected and analyzed by the researcher. As technology is grown in the present scenario most of the people have become user friendly with smart phones and internet. Therefore wide publicity can be given for the promotion of E Banking services as listed below:

Women customers can be attracted by giving instant training programs at the branch by technical people.

Customers from rural background need to be given special attention as they don't have enough opportunities for the adoptability of new technology. When they are provided with opportunities, the percentage of users may increase.

As these services are mainly used by salaried class customers,

the bankers have to pay special attention to attract the other categories of customers by giving them some special offers at starting stage.

The banks may appoint customer care service team of people who can handle the complaints and customer queries.

The bankers may take necessary steps to overcome the disparities between rural and urban based customers. The treatment when they approach the bank has to be proper and polite to both categories.

Bankers may provide lot of new ATM points which enhance the facility of cash deposit at important locations.

Bankers may provide new menu (options) at the ATM counters which pave ways to do new and variety of transaction by the customers.

Banks may take necessary steps to attract the unmarried customers by providing schemes such D-mat linked transactions which can induce them to go for increase in savings and that indirectly help the country's economy.

CONCLUSION

The economy of the individuals forms the economy of the family; family's economy forms the village, there to city, to district, to state and to the country. Here economy means the earnings and wealth of individual. When these aspects become stronger, it is possible to predict strong and tremendous developments in the country. This is possible only when the system is steady and perfect in all parts of the country. It involves lot of activities such as production, sales, rendering services, savings, investment etc. The perfect moves of all these activities require lot of components such as trade, banking, insurance, capital and money market. One of the prime components of which are mentioned above is banking. Banks have grown bigger in the recent years and provide lot of innovative ideas in the development process. This enhances the government and general public. One of the important aspects used in E Commerce and E Banking is internet. With that component, banks have made the transaction more easy, transparent and quick. Specific bank premises have become useless in the present modern banking concept. Anywhere banking is the new slogan which almost all the bankers spell out in the recent part and it has become more popular and successful.

The researcher concludes by stating that, through the help of development of science and technology, people are benefitted with lot of new innovative concepts and methods. This is one such fruitful benefit. Therefore, if the bankers provide this facility / service to all the parts of the country, all citizens will enjoy the fruits of banking with hi-tech technology in the near future.

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