



Customers Satisfaction towards Electronic Banking Services with Special Reference to Namakkal District

¹Dr. G. Azad Basha

Assistant Professor of Commerce, Islamish College (Autonomous), Vaniyambadi New Town,
Tirupattur Dt, Tamilnadu, drazadbasha@gmail.com

²Dr. V. Senthil Kumar

Associate Professor & Research Supervisor, PG & Research Department of Commerce,
Vivekanandha College of Arts & Sciences for Women, (Autonomous),
Namakkal District, Tamilnadu. drsenthilsumathi@gmail.com

ABSTRACT

Banking sector operate as the backbone of contemporary industry. Progress of any country primarily depends upon the banking structure. It is associate electronic payment system that facilitates customers of the bank or alternative money establishments to try and do a range of monetary transactions in the entire time the financial establishment web site. It has attracted interest from policy makers, researchers and bankers. Electronic payment has assumed importance in the back drop of rapid technological changes, influence of market forces and regulatory developments. Efforts are being made to make electronic payments affordable and integrated. It is a new phenomenon contributing greatly toward growth of banking sector. E - Banking is the result of E-commerce and information technology. This study throws light on the factors influencing the customer satisfaction on E-Banking services.

Keywords: Electronic payment, Baking Products, E – Commerce and E – Banking.

INTRODUCTION

The online banking system will naturally connect to or be part of the core banking system operated by a bank and is in contrast to branch banking which was the traditional way customers right to use banking services. The types of financial transactions which a customer may transact in the course of online banking are resolute by the financial institutions, but usually include get account balances, a list of the recent transactions, electronic bill payment and funds transfer between one customers to another customers account. Today, many banks are internet-only institutions. These “virtual banks” have lower over heads cost than their brick-and- mortar counterparts. In the United States, many online banks are insured by the Federal Deposit Insurance Corporation (FDIC) and can offer the same level of protection for the customers fund as traditional bank. Various developments have taken place in Indian Banking. Among the various developments, technology has influenced the way customer interacts with the banks. Electronic channels and products such as ATM’s, cards, internet banking and mobile banking are offer along with traditional bank channel. Difference in the practice of channels exists between developed countries and emergent countries.

STATEMENT OF THE PROBLEM

Earlier while traditional banking was the only option, the customers had to go to the bank in person to conduct any banking transaction such as money transfer, withdrawal, deposits etc. Then emerged the concept of Electronic banking which provides various services to the customers. Electronic banking services include Internet banking, Automated Teller Machines, Debit/Credit cards, e-cheque, smart cards, RTGS, NEFT etc. These services help to manage and use one’s bank account such as verifying balance of the accounts, transfer of money from one.



SCOPE OF THE STUDY

The study helps in knowing how far the modern banking services are used by the customers. The study further extends and helps to develop an increasing association with the customers through modern services. Today the customer demands the banking services for 24 hours. In the modern age, the entire banking structure has been changed due to widespread internet technology. Now all the aspects of economy such as commerce, trade, import, export, purchase and sale of goods is relying upon electronic banking services. E-Banking has opened the doors for all the customers, to operate beyond boundaries. Future research can be done in analyzing the comparative performance of E-Banking services provided by private sector as well as public sector banks. The study has been done on the usage of these services by the customers.

OBJECTIVES OF THE STUDY

1. To identify the factors influencing the adoption and usage of E-Banking services in Namakkal district.
2. To identify the satisfaction level of customers in E - Banking services.
3. To study the impact of E-Banking services provided by the banking sector

RESEARCH METHODOLOGY

Research is an instructional activity and intrinsically the term ought to be employed in a technical sense. Research is an inspired contribution to the present stock of data creating for its advancement. It is the pursuit of truth with the assistance of study, observation, comparison and experiment. Research methodology may be thanks to consistently solve the analysis downside. It may be understood as a science of finding out however analysis is completed scientifically. In it we study the various steps that are generally adopted by the researcher in studying research problem along with the logic behind them.

SAMPLE SIZE

A sample size of 100 respondents has been taken for the study by applying convenience sampling techniques.

SAMPLING DESIGN

The man of science should decide the approach of choosing a sample or what's popularly referred to as sample style. Samples may be either chance samples or non-probability samples. In this study, we used non-probability samples.

SAMPLING TECHNIQUE

The convenient sampling method is used in our study. When population parts area unit designated for inclusion within the sample supported the convenience of access, it can be called as convenient sampling.

PERIOD OF THE STUDY

The study has been conducted for a period of one year from January 2019 – Dec 2019.

AREA OF THE STUDY

The study has been undertaken only in Namakkal District.

SOURCE OF DATA COLLECTION

The data required for the study is collected from both primary data and secondary data.



PRIMARY DATA

Questionnaire is main tool for collecting primary data. Questionnaire has been designed in a systematic manner covering adequate and relevant questions which covers all aspects of the study. It is the foremost extensively used methodology in varied economic and business surveys.

SECONDARY DATA

The background of the present study was collected from various sources which include Books, journals, website and other related research work.

STATISTICAL TOOLS USED

The following statistical tools have been used to analyses and interpret the data.

- Percentage analysis
- Analysis of variance (ANOVA) – One way

HYPOTHESIS

Hypothesis is typically thought-about because the principle instrument in analysis. Its main operate is to counsel new experiments and observations. There are two types of hypothesis they are, Null Hypothesis and Alternate Hypothesis. In our study we considered null hypothesis as there is no significant relationship between Banking Services and Customer Satisfaction.

REVIEW OF LITERATURE

Fozia (2013) in a study on “A Comparative Study of Customer Perception toward E-banking Services Provided By Selected Private & Public Sector Bank in India” has determined the customer’s perception toward the e-banking services. The result of the study clearly shows that different age group of customer and different occupation group of customers have different perception toward the e-banking services. The results also propose that demographic factors impact significantly internet banking behavior, specifically, occupation and age.

Gaurang Trivedi (2014) in a study on “Internet Banking & Customer Retention- A study on the impact of internet banking on Customer Retention of HDFC Bank” has find out the impact of internet banking to retain customers in the context of HDFC Bank. His study has indicated that the factors, which are Service Quality, Responsiveness, Security and Privacy, Assurance, and Reliability, have impacts on customer retention in terms of Internet Banking.

Dr. Geeta Sharma and Surendra Malviya (2014) in their study titled “Internet Banking Service Quality and Its Impact on Customer Satisfaction in Indore District of Madhya Pradesh” found that there is a positive impact of service quality dimensions on customer satisfaction. The study shows that Website ease of use, comfort, accessibility; confidence and responsiveness are the major integral determinants of internet banking services quality.

Md. Shahidul Islam (2015) in a research on “Analysis of service quality and satisfaction level of customers in banking sector of Bangladesh” has studied the impact of service quality on customer satisfaction in banking sectors. This study investigated the customer satisfaction and service quality relationship in terms of five dimension such as Initial Experience, Delivery service condition, Service Experience, Relationship & Environment and Grievance Handling. The study explained a positive correlation between the dimensions of service quality and customer satisfaction.

Fatemeh Sakhaei & Ahmad J. Afshari (2015) in a study “The Impact of Service Quality on Customer Satisfaction in Internet Banking” has studied the impact of service quality factors of internet Banking



on customer satisfaction in Iran .The study shows that the Six service quality dimensions has meaningful relationship with customer satisfaction in Internet Banking and reliability has most relation and website design has least relation to customer satisfaction.

R. Kavitha and Fatima Razia (2016) in a study “Factor Analysis of Customer Preference Towards E – Banking Services With Special Reference To Coimbatore City” has analyzed the factors encouraging to prefer e – banking services by customers. She picked twenty factors and after performing factor analysis she concluded that all factors can be summarized into six factors named Data Management and Integrity, Trust in e – services, User friendly, Grievance Handling, Easy login, Reputation and Prompt Service which were preferred by customers.

Percentages Analysis Classification on the basis of Demographic

Demographic variables	Categories	No of Respondents	Percentage
Gender	Male	50	50
	Female	50	50
	Total	100	100
Age	Below – 25 years	30	30
	26-35 years	31	31
	36-45	24	24
	46 years & above	15	15
	Total	100	100
Educational Qualification	illiterate	6	6
	SSLC	13	13
	HSC	5	5
	UG Degree	36	36
	PG Degree	29	29
	Professional	11	11
	Total	100	100
Profession	Government Employee	21	21
	Private Employee	41	41
	Business	13	13
	Professional	16	16
	Home maker	9	9
	Total	100	100
Marital Status	Married	56	56
	Un married	44	44
	Total	100	100
Annual Income	Below 100000	38	38
	Rs. 100000- 300000	40	40
	Rs. 300000-600000	14	14
	Above	8	8
	Total	100	100
Place of Residence	Rural	34	34
	Urban	47	47
	Semi Urban	19	19
	Total	100	100



Interpretation

From the above table is clear that both the male and female respondents are equal. Out of 100 respondents 31% are 26-35 years and followed by below 25 years. Based on educational qualification 36% completed UG Degree and 29% are in PG Degree. 41% of the respondents are working in private company. 56% of the respondents are married. It is clear that 40% of the respondent's annual incomes are Rs. 100000- 300000 and followed by below 100000 (38%). 47% of the respondents live in urban area.

Classification of the Basis of Category of the Bank

Category of the bank	Frequency	percentage
Public sector Bank	40	40.0
Private sector Bank	60	60.0
Total	100	100

Sources: Primary Data

From the above table we found that 40% of the respondents have preferred public sector bank, 60% of the respondents have preferred private sector bank. It is concluded 60% of the respondents have preferred private sector bank.

Classification on the basis of types account

Types of account	Frequency	percentage
Savings a/c	52	52.0
Current a/c	26	26.0
Fixed deposit a/c	17	17.0
Recurring deposit a/c	5	5.0
Total	100	100.0

Sources: Primary Data

From the above table we can ascertain the 52% of the respondents have savings account, 26% of the respondents has current account.7% of the respondents has fixed deposit account, 5% of the respondents has recurring deposit account. It is concluded that 52% of the respondents has savings account.

Classification on the basis of Risk related to internet Banking

Risk related to internet banking	Frequency	Percentage
Transaction risk	27	27.0
Interest rate risk	24	24.0
Price risk	20	20.0
Password risk	29	29.0
Total	100	100.0

Sources: Primary Data

From the above table. We found that 27% of the respondents face transaction risk, 24% of the respondents face interest rate risk, 20% of the respondents face price risk and 29% of the respondents face password risk. It is concluded 29% of the respondents faces password risk.

HYPOTHESIS (H0)

There is no significant difference between age and satisfaction of E- Banking services.

Contribution of new technology	Frequency	Percentage
Very high	14	14.0
High	26	26.0
Average	38	38.0
Low	10	10.0
Very Low	12	12.0
	100	100

The above ANOVA result show that the probability value is greater than 0.05 between age and satisfaction of customer towards E- Banking services such as accounting info and balance enquiry, e- payments, account to account transfer statement request, promptness of card delivery, number of transaction, conveniently located, better than offline payments and easy to use the adopt. Hence Null hypothesis is accepted and it is concluded that these factors do no differ significantly among the age group of the respondents.

HYPOTHESIS (H0)

There is no significant difference between category and satisfaction of E- Banking

Number of Transaction	Between Groups Within the Group Total	.962 125.788 126.750	3 96 99	.321 1.310	.245	.865	Accepted
Conveniently Located	Between Groups Within the Group Total	1.430 144.680 146.110	3 96 99	.477 1.507	.316	.814	Accepted
Better than offline payment	Between Groups Within the Group Total	4.424 98.326 102.750	3 96 99	1.475 1.024	1.440	.236	Accepted
Easy to use and adopt	Between Groups Within the Group Total	4.055 132.945	3 96	1.352 1.385	.976	.407	Accepted

Sources: 5% significance level

The above ANOVA result that the probability value is greater than 0.05 between category of banks and customer satisfaction towards E- Banking services like accounting info balance enquiry, e- payments account to account transfer, statement , Request, promptness of card delivery number of transactions, conveniently located, better than offline payments and easily used and adopted. Hence Null hypothesis is accepted and it is concluded that these factors do not differ significantly among the category of banks adopted by the respondents.

LIMITATIONS OF THE STUDY

Every research is carry out under some limit and this research is not an exemption. Limitation of the study are summarized as follows,



The sample size of only 100 respondents was taken from the large population. The inferences apply only to the respondents of Namakkal District. It is not applicable to any other place in Tamil Nadu.

SUGGESTIONS

There is lack of awareness about E-Banking usage among rural people. Banks should take necessary steps to create awareness among them about the various services of E-Banking that are available and also the advantages of using such services. Demonstration of E-Banking should be provided to the customers to promote Electronic banking. The banks should focus on the security issues regarding the confidential credentials which are under the risk of hacking in the cyber world. The cost involved in using the Internet Banking services can be minimized in order to increase the number of users of Internet banking. The E-Banking system should be enhanced to make online enquiry and online payment much easier to the customers.

CONCLUSION

The importance of the customer satisfaction in banking services is the result on the one hand, of the stronger dynamics of the industry. Electronic Banking technology is useful to customers as well as banks and other organizations. To increase efficiency, service quality of banks, safety, integrity, E-Banking can be used in a rightful way. Based on the results, there is no significant difference between personal factors like age, profession, annual income and category of the bank chosen and the satisfaction level of the customers. Also there is no significant difference between personal factors like age, profession, annual income and category of the bank chosen and the problems of E-Banking services. The result of the study shows that customers' are using only few facilities of various E-Banking services available.

The research conducted revealed that overall customer satisfaction with banking services and customer satisfaction with e-banking services are strongly correlated, thus pointing out the importance of e-banking services. The research results also indicated that the assessment of the satisfaction with e-banking services does not differ based either on gender, or on residence environment (rural/urban).

Considering the importance of e-banking services in the overall assessment of satisfaction with banking services and given the impact of customer satisfaction in the increasingly competitive banking sector, the conducted research may represent a starting point for future studies regarding customer satisfaction with banking services both at national and international level.

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