

A STUDY ON CUSTOMERS' SATISFACTION TOWARDS E-BANKING SERVICES OF THE PUBLIC AND PRIVATE SECTOR BANKS IN TIRUVARUR TOWN

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Abstract

In India, the commercial banks have seen many developments to face the competition among their competitors. Modern technology is one field that the banking sector spotlights for this competition. Now-a-days, e-banking is the most popular technology used by banks. E-banking is the result of technological advancement and competition. This study focuses on the fulfillment level of customers towards e-banking facility is provided by both sector of banks in Tiruvarur town. The objectives of the present study are: to assess the factors influencing in the implementation of e-banking rendered by public and private sector banks; and to find out the satisfaction level of customers of public and private sector banks towards usage of e-banking. The researcher has adopted convenience sampling method. The primary data were collected through well structured questionnaire. From the investigation, it is unveils that the fulfillment of ATM services provided to the customers of public sector banks and private sector banks were satisfied equally. Besides, the customers are satisfied with the e-banking facility is rendered by private banks. The study suggests that banks should keep its applications more users friendly and upto date. ATMs receive the higher attraction among the e-banking channels. Banks must pay concentration and plan to make the ATMs as the key distribution channels for all kinds of banking transactions.

Key words: E-banking, internet banking, mobile banking, green banking, ATM services, etc.

1. Introduction

In India, banks necessary to be admired on the enclosure of technology in a large way in their day-to-day operations. The last two decade has seen many positive developments in the Indian banking industry. Now-a-days, e-banking is the popular technology used by banks. E-banking refers to any user with a personal computer and a browser can get connected to his bank's website to make any of the virtual banking functions. E-banking is the result of technological innovations and competition. In fact, the commercial banks are using electronic and telecommunication networks for conveying a broad range of value added goods and services. As a part of their e-banking initiatives banks recommended the following new delivery channels to customers: Automated teller machines, phone banking, internet banking and mobile banking. Banks are using e-banking as mechanism to fight severe competition that existed in the market and also to retain the customer base.

2. Statement of the problem

In the competitive environment of the post-liberalization period, the financial sector reforms have significantly relaxed the market. Banks were developed new products and services to attract the customers through innovative technological delivery channels. There are several special operations which give a thorough marketing push to increase the customer base and usage of technological modern banking services. In India, the commercial banks have broad market potential amongst e-banking. The demand for e-banking is required by the growing e-commerce transactions and the paradigm shift in banking led by technology. From the outlook of both users and providers, e-banking is cost effective, quick and convenient. Hence, it is necessary to identify the reasons why customers prefer e-banking.

3. Objectives of the study

The researcher has framed the following objectives.

1. To assess the factors influencing in the implementation of e-banking services by public and private sector banks.
2. To find out the satisfaction level of customers of public and private sector banks towards e-banking.
3. To offer suitable suggestions based on findings.

4. Scope of the study

The study aims to find out the awareness and preference of customers towards e-banking services rendered by public and private sector banks. The present study aims at measuring the satisfaction of the customers and offer suitable suggestions to solve the problems. This study compares the perception and preference of customers towards e-banking services of the public sector and private sector banks in Tiruvarur town.

5. Research methodology

The present study is based on both primary and secondary data. The primary data were collected from public sector and private sector bank customers using well-defined and well-framed questionnaire. Convenience sampling method was used for selecting sample respondents. Two hundred and sixty one respondents were selected for the present study. The secondary data were collected from various books, journals, research articles, magazines and websites.

6. Analysis and interpretations

Demographic profile is one of the most important variables to determine the usage and satisfaction of the respondents. The following table clearly explains the demographic profile of the respondents in the study area.

TABLE 1
Gender-wise Classification of the Respondents

S.No.	Gender	Type of Bank				Total	Percentage
		Public Sector Banks		Private Sector Banks			
1	Male	67	52.34	92	69.17	159	60.92
2	Female	61	47.66	41	30.83	102	39.08
Total		128	100	133	100	261	100

Source: Primary data

Table 1 reveals that out of 261 respondents, majority 60.92 per cent are male respondents and the remaining 39.08 per cent of the respondents are female respondents.

TABLE 2
Age-wise Classification of the Respondents

S.No.	Age (years)	Type of Bank				Total	Percentage
		Public Sector Banks		Private Sector Banks			
1	18 - 30	58	45.31	52	39.10	110	42.15
2	30 - 50	46	35.94	45	33.83	91	34.87
3	Above 50	24	18.75	36	27.07	60	22.98
Total		128	100	133	100	261	100

Source: Primary data

Table 2 elicit that out of 261 respondents, 42.15 per cent of the respondents are belonging to the age group of 18-30 years, 34.87 per cent of the respondents are in the age group of 30-50 and the remaining 22.98 per cent of the respondents are in the age group of above 50 years.

TABLE 3
Education-wise Classification of the Respondents

S.No.	Education	Type of Bank				Total	Percentage
		Public Sector Banks		Private Sector Banks			
1	School level	14	10.94	8	6.02	22	8.43
2	U.G level	28	21.88	48	36.09	76	29.12
3	P.G level	39	30.47	37	27.82	76	29.12
4	Professional	47	36.71	40	30.07	87	33.33
Total		128	100	133	100	261	100

Source: Primary data

From Table 3, it is clear that out of 261 respondents, 33.33 per cent of the respondents are having professional education, 29.12 per cent of the respondents are undergraduates, 29.12 per cent of the respondents are postgraduates, and 8.43 per cent of the respondents have school education.

TABLE 4**Marital Status of the Respondents**

S.No.	Marital Status	Type of Bank				Total	Percentage
		Public Sector Banks		Private Sector Banks			
1	Married	92	71.88	109	81.95	201	77.01
2	Unmarried	36	28.12	24	18.05	60	22.99
Total		128	100	133	100	261	100

Source: Primary data

Out of 261 respondents, 77.01 per cent of the respondents are married and the 22.99 per cent of the respondents are unmarried.

TABLE 5**Occupation of the Respondents**

S.No.	Occupation	Type of Bank				Total	Percentage
		Public Sector Banks		Private Sector Banks			
1	Government employee	26	20.31	19	14.29	45	17.24
2	Private employee	29	22.66	38	28.57	67	25.67
3	Business	15	11.72	23	17.29	38	14.56
4	Professional	31	24.22	26	19.55	57	21.85
5	Student	13	10.16	14	10.53	27	10.34
6	House wife	14	10.93	13	9.77	27	10.34
Total		128	100	133	100	261	100

Source: Primary data

Table 5 depicts that out of 261 respondents, 25.67 per cent of the respondents are private employees, 21.85 per cent of the respondents are professionals, 17.24 per cent of the respondents are government employees, 14.56 per cent of the respondents are businessmen, 10.34 per cent of the respondents are students and 10.34 per cent of the respondents are housewives.

TABLE 6**Income-wise Classification of the Respondents**

S.No.	Monthly Income (Rs.)	Type of Bank				Total	Percentage
		Public Sector Banks		Private Sector Banks			
1	Less than 20000	38	29.69	23	17.29	61	23.37
2	20000-40000	36	28.13	38	28.57	74	28.35
3	40000 - 60000	31	24.22	43	32.33	74	28.35
4	More than 60000	23	17.96	29	21.81	52	19.93
Total		128	100	133	100	261	100

Source: Primary data

Table 6 divulges that out of 261 respondents, 28.35 per cent of the respondents earn Rs.40000-60000 per month, 28.35 per cent of the customers earn Rs. 20000-40000 per month, 23.37 per cent of the customers earn less than Rs. 20000 per month and 19.93 per cent of the customers earn more than Rs. 60000 per month.

TABLE 7

Factors Induced to Use E-banking

S.No.	Factors	Type of Bank				Total	Percentage
		Public Sector Banks		Private Sector Banks			
1	Reduced time of transaction	28	21.88	40	30.08	68	26.05
2	Cost effectiveness	22	17.19	31	23.31	53	20.31
3	Ease of use	54	42.18	44	33.08	98	37.55
4	Technology knowledge	24	18.75	18	13.53	42	16.09
Total		128	100	133	100	261	100

Source: Primary data

Table 7 highlights that out of 261 respondents, 37.55 per cent of the respondents says that ease of use is the motivating factor for availing e-banking services, 26.05 per cent of the respondents says that reduced time of transaction is the motivating factor for availing e-banking services, 20.31 per cent of the respondents says that cost effectiveness is the motivating factor for availing e-banking services and 16.09 per cent of the respondents says that technology knowledge is the motivating factor for availing e-banking services.

TABLE 8

Customers Satisfaction towards Banking Services

Customer Satisfaction	Type of Bank					
	Public Sector Banks			Private Sector Banks		
	Maximum	Minimum	Mean	Maximum	Minimum	Mean
ATM services	5	3	3.76	5	3	3.78
Internet banking services	4	2	2.83	5	2	3.39
Telephone banking services	4	1	2.17	4	2	3.01
Mobile banking services	3	1	2.32	4	2	3.53

Source: Primary data

Table 8 expounds the mean score of the customers' satisfaction towards e-banking services. The mean score of 3.76 with the range of 5 and 3 for public sector banks and 3.78 with the range of 5 and 3 on ATM services divulges that the customers are equally satisfied with both public and private

sector banks. The mean score of 2.83 with a range of 4 and 2 for public sector banks and 3.39 with the range of 5 and 2 on internet banking services discloses that the customers were better satisfied on internet banking services in private sector than public sector banks. The mean score of 2.17 with the range of 4 and 1 for public sector banks and 3.01 with the range of 4 and 2 on telephone banking services exposes that customers are moderately satisfied in private sector banks. The mean score of 2.32 with the range of 3 and 1 for public sector banks and 3.53 with the range of 4 and 2 on mobile banking services unveils that the customers of public sector banks were less satisfied than private sector banks on mobile banking services. It is observed from the analysis that customers were satisfied with the services rendered by private sector banks.

7. Findings of the study

1. Male customers are dominated in both public and private sector banks. Majority of the respondents belong to the age group of 18-30 years. Majority of the customers are married.
2. In public sector banks, majority of the customers have completed their professional courses and in private sector banks majority of the respondents are undergraduates.
3. In public sector banks majority of the customers are professionals and in private sector banks majority of the customers are private employees.
4. In public sector banks, majority of the customers earn less than Rs.20000 per month and in private sector banks, majority of the respondents earn Rs. 40000-60000 per month. In both public and private sector banks, majority of the customers says that ease of use is the motivating factor for availing e-banking services.
5. The public and private sector bank customers are equally satisfied with ATM services provided. On the whole customers are satisfied with the services rendered by private sector banks.

8. Suggestions

1. Public sector banks must give individual attention and proper response to the customers in providing information, whereas the level of responsiveness is high in the private sector banks. This will help many customers to reply on public sector banks for their banking needs.
2. Banks must ensure to their customers that their service is competitive. Many customers feel that the privacy and security features are to be improved. Hence, banks must concentrate further on security and withhold their customers and improve them more.
3. Ease of use is the major factor to stimulate the customers to adopt e-banking. So banks should maintain its applications more user friendly and up to date.

4. ATMs receive the higher attraction among the e-banking channels. Banks must pay concentration and plan to make the ATMs as the key distribution channel for all kinds of banking activities.

9. Conclusion

Internet adoption among the Indian has been increasing over the last two decade. Indian banks have also increased to the occasion by offering new delivery channel which has become available to Indian customers. The private banks are quite successful in satisfying their customers' wants. However, the public sector banks are still need to put more attempts to make this sector to survive in the present world of e-banking competition.

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