

A REVIEW OF CUSTOMER SATISFACTION TOWARDS SERVICE QUALITY OF E-BANKING IN SIVAKASI

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Abstract

Information technology has become global tool for banking industry to reach global markets. The use of IT in banks has become a global phenomenon and every bank must be IT compliance in order to survive in global competitive environment. The introduction of IT has changed manual and traditional forms of doing business and is being replaced by the sophisticated technology that is based on automation and interconnection of computers and other electronic devices. Two most powerful forces affecting each sector of the economy today are the increasing rate of globalisation and advances in information and communication technology. Technological change brings about an increase in per capita income, either by reducing the amount of inputs per unit of output or by yielding more output for a given amount of input. In the last decade, almost all the sectors have gone in for a massive investment in information technology. Banking is one of the industries which involves both high information content of the product and high information intensity of process. The role of information technology in performance of an organization is still a paradox.

Key words: Information Technology, E-Banking, Customer Satisfaction

INTRODUCTION

Today, globalization and advances in information and communication technology are the great forces having impact on each sector of the economy. The introduction of IT has changed manual and traditional forms of doing business and is being replaced by the sophisticated technology that is based on automation and interconnection of computers and other electronic devices. Almost all the sectors have gone in for a massive investment in information technology. Technological change brings about an increase in per capita income, either by reducing the amount of inputs per unit of output or by yielding more output for a given amount of input. Banking is one of the industries which involve both high information content of the product and high information intensity of process. Information technology has become global tool for banking industry to reach global markets. The use of IT in banks has become a global phenomenon and every bank must be IT compliance in order to survive in global competitive environment. In this context, the study is an attempt to analyse Customer Satisfaction towards E-Banking services in Sivakasi.

REVIEW OF LITERATURE

One of the ways to help obtain loyal customers is by having products and services that are so good that there is very little chance that the customer requirements will not be met. One of the difficulties in understanding the true customer requirements is that the customer can and will change them without notice or excuse. Having a good recovery process for a dissatisfied customer is a very important and necessary process for any service organization(**Jayaraman Munusamy, Shankar Chelliah and Hor Wai Mun 2010**). The continuity to deal with e- banking services is a result of the customer's satisfaction with the banks as well as the ease of use and minimizing the time and efforts which result from using e-banking services (**Mahmod Jasim Aksamdai, Rudaina Othman Yousif and Mohammad Hamdi Al Khasawnesh,2012**).Investment on ICT system and infrastructures has become a key element in productivity and growth in the banking industry. Increased investment in ICT-Capital has accelerated growth in industry. ICT facilitates the absorption of high and medium skilled labour (**Matthew K. Luka, and Ibikunle A. Frank 2012**). Technologies driven delivery channels are being used to reach out to maximum number of customers at lower cost and in most efficient manner. The beauty of these banking innovations is that it puts both banker and customer in a win- win situation (**Aditi Mittal, and Sumit Gupta, 2013**).Information technology has massive influence on the use of banking services and affords utmost satisfaction to the customer with new contemporary strategies often. Information technology innovation in banks facilitate to avail all version of service to the customers in a cost effective way (**Rajesh, R and Palpandi, A 2015**).

OBJECTIVES OF THE STUDY

The main objective of the present study is outlined below

- To measure the level of satisfaction of the customers towards E-banking services.

HYPOTHESES

Hypothesis is a tentative proposition formulated for empirical testing. The study is explorative in nature. In order to achieve the objectives of the study, the researcher has framed the following hypotheses:

- ✓ H_{01} : There exists no significant difference between the Gender and the level of satisfaction towards E-banking services.
- ✓ H_{02} : There exists no significant difference between the Age and the level of satisfaction towards E-Banking services.
- ✓ H_{03} : There exists no significant difference between the income and the level of satisfaction towards E-Banking services.

METHODOLOGY

The survey has been undertaken to analyze the customer satisfaction towards E-banking services. The study is based on both primary and secondary data. Convenience sampling techniques has been used to collect the primary data. Data has been collected through well structured questionnaire.

The data collected are classified and analyzed keeping in view the objective of the study. For the purpose of analysis, the statistical tools such as Percentage, Garrett Ranking Technique, Weighted Ranking Technique and Chi – Square Test have been used.

RESULTS AND DISCUSSION

I. DEMOGRAPHIC PROFILE OF THE RESPONDENTS

The demographic profile of the respondents was obtained by using six parameters namely gender, age, marital status, occupation, monthly income and education qualification. The same is presented in the Table 1

Table 1 Demographic Profile of the Respondents

Factor	Particulars	Number of Respondents	Percentage
Gender	Male	113	75
	Female	37	25
	Total	150	100
Age (in years)	Below 30	13	9
	30-40	113	75
	41-50	21	14
	Above 50	3	2
	Total	150	100
Marital Status	Married	115	77
	Unmarried	35	23
	Total	150	100
Occupation	Businessman	52	35
	Private Employee	42	27
	Government Employee	20	13
	Professionals	18	12
	Housewives	20	13
	Total	150	100
Monthly Income (in Rs.)	Less than Rs.5000	17	11
	Rs.5000 to Rs.10000	76	51
	Rs.10001 to Rs.15000	28	19
	More than Rs.15000	29	19
	Total	150	100
Educational Qualification	School Level	59	39
	Graduates	60	40
	Post Graduate	11	7
	Professional	20	14
	Total	150	100

Source: Primary Data

Table 1 reveals that a majority of 75 per cent of the respondents are male; a majority of 75 per cent of the respondents fall under the age group of 30- 40 years; a majority of 77 per cent of the respondents are married; 35 per cent of the respondents

are businessman; 51 per cent of the respondents fall under the income scale of ₹.50,000 to ₹.10,000; 40 per cent of the respondents are graduates.

II. BANKING TRANSACTIONS DETAILS

The details of banking transactions were obtained by using four parameters namely type of account, purpose of account and period of operating the bank account and frequency of visit to the bank in a week. The same is exhibited in the Table 2

Table 2 Banking Transactions Details

Variable	Particulars	Number of Respondents	Percentage
Type of Account	Saving A/C	95	46
	Current A/C	78	38
	Fixed Deposit A/C	33	16
	Total	206*	100
Purpose of Account	General Purpose	105	53
	Commercial Purpose	92	47
	Total	197*	100
Period of Operation	Below 1 year	25	17
	1 year to 3 years	49	33
	3 years to 6 years	62	41
	More than 6 years	14	9
	Total	150	100
Frequency of visit to the bank in a month	One time	25	17
	Two Times	30	20
	Three Times	35	23
	More than three times	60	40
	Total	150	100

Source: Primary Data * - Multiple Response

Table 2 exhibits that 46 per cent of the respondents are having savings account; a majority of 53 per cent of the respondents are general purpose user; 41 per cent of the respondents are maintaining their accounts between 3 years to 6 years of duration; 60 per cent of the respondents made a visit to the bank more than three times in a month.

III. E-BANKING SERVICES

1. E-Banking Services Used

E-banking services not only facilitates speedy services but also reduces the cost and time per transactions. The respondents are asked to state the E-banking services that they are using and the results are depicted in Table 3

Table 3 Use of E-Banking Services

S.No	E-Banking Services	Number of Respondents	Percentage
1	ATM	150	28
2	Credit Card	32	5
3	Fund Transfer	26	4
4	Online Shopping	42	8
5	E-Ticketing	105	20
6	Utility Bill Payment	78	15
7	Online Investment	9	2
8	Balance Enquiry	95	18
	Total	537*	100

Source: Primary Data * - Multiple Response

It is clear from the Table 3 that a ATM (28%), E-Ticketing (20%), Balance Enquiry (18%) and Utility Bill Payment(15%) are the four preferred E-Banking services by the respondents.

2. REASONS FOR ADOPTION OF E-BANKING

Respondents are asked to rank reasons for adoption of E-Banking. Based on the ranks that the respondents awarded, the researcher has found the number of responses placed in each rank. Using Garrett Ranking Technique, the researcher has computed the Garrett score and allotted ranks accordingly. Table 4 demonstrates the result.

Table 4 Reasons for Adoption of E-Banking

S.No	Reasons	Garret Score	Average Score	Garret Rank
1	Fastest mode	8346	55.6	II
2	Cost Effectiveness	7641	50.9	VII
3	Convenience	9408	62.7	I
4	Anytime and Anywhere banking	8271	55.1	III
5	Ease of use	7854	52.4	V
6	Track Spending	7955	53.0	IV
7	Internet access	7782	51.9	VI
8	Improved service	7325	48.8	VIII
9	Minimum Risk	6448	43.0	X
10	Upto date Information	6858	45.7	IX

Source: Computed Data

Table 4 upshot that convenience got the first rank with the maximum score of 9408; Fastest mode secured second rank with the score of 8346 and minimum risk occupied last rank with the least score of 6858.

IV. LEVEL OF SATISFACTION TOWARDS E-BANKING SERVICES.

Eight statements are framed to obtain level of satisfaction of customers towards E-Banking services. Likert's five point scaling techniques have been used to determine the level of satisfaction. Table 5 exhibited the number of respondents under various level of satisfaction towards the statements.

Table 5 Level of Satisfaction

S.No	Particulars	No. of Respondents					Mean Score	Rank
		HS	S	N	DS	HDS		
1	E-banking provides modern looking equipment.	37	78	11	13	11	37.80	I
2.	E-banking ensures physical safety of the transaction.	34	54	17	24	21	33.73	VI
3.	It helps in reducing the number of queues in the bank branches.	52	33	27	24	14	35.67	III
4.	Banks use advanced Computer/IT to serve clients.	51	44	28	14	13	37.07	II
5.	E-banking provides more physical facilities to the customers.	17	57	20	37	19	31.07	VIII
6.	Physical representation of service through plastic card, credit and debit card is easy.	34	51	26	19	20	34.00	V
7.	E-banking provides 24 hours, 365 days a year service to customers.	32	63	19	24	11	35.20	IV
8.	Password facility provides confidentiality to transaction.	29	51	33	19	18	33.60	VII

Source: Computed Data

Note: HS- Highly Satisfied; S- Satisfied; N-Neutral; DS-Dissatisfied; HDS-Highly Dissatisfied

The average score of E-banking provides modern looking equipment (37.80), Banks use advanced Computer/IT to serve clients(37.07) and It helps in reducing the number of queues in the bank branches(35.67) . It reveals that except these three statements, all the other statements are not satisfied by the majority of the respondents.

V. RELATIONSHIP BETWEEN DEMOGRAPHIC PROFILE OF THE RESPONDENTS AND LEVEL OF SATISFACTION TOWARDS E-BANKING SERVICES.

The level of satisfaction of the respondents towards E-Banking services has been classified into three categories viz., low level, medium level and high level. Likert's five point scaling techniques have been used to determine the level of satisfaction. If the score values are greater than $\bar{X} + S.D.$, it has been taken as high level satisfaction towards E-banking services. If the score values are less than $\bar{X} - S.D.$, it has been taken as low level satisfaction towards E-banking services. The difference between $\bar{X} + S.D$ and $\bar{X} - S.D$ has been classified as medium level of satisfaction towards E-banking services

In order to analyse the relationship between demographic profile of the respondents and their level of satisfaction towards E-banking services, chi-square test has been employed. The calculated value of chi square is compared with the table value of chi square at 5% level of significance. If the calculated value of chi square test is more than the table value, the null hypothesis is rejected and vice versa.

Hypothesis Testing - 1

H_01 : There exists no significant difference between the Gender and the level of satisfaction towards E-banking services. Here Chi-Square test is used as a tool to test it.

Table 6 Result of Chi-square Test

Gender	Level of Satisfaction			Total
	High	Medium	Low	
Male	44 (38.9)	67 (59.3)	2 (1.8)	113 (100)
Female	17 (45.9)	18 (48.6)	2 (5.4)	37 (100)
Total	61 (40.7)	85 (56.7)	4 (2.7)	150 (100)
Chi-square	Computed Value	DF	p value	
	2.275	2	.321	

Source: Computed Data; Figures within the parenthesis represent expected frequency

As $p > 0.05$, the null hypothesis is accepted at 5% level of significance. Hence, it is concluded that the level of satisfaction of the respondents towards E-Banking services does not vary with gender.

Hypothesis Testing - 2

H_02 : There exists no significant difference between the Age and the level of satisfaction towards E-Banking services. Here Chi-Square test is used as a tool to test it.

Table 7 Result of Chi-square Test

Age (in years)	Level of Satisfaction			Total
	High	Medium	Low	
Below 30	3 (23.1)	9 (69.2)	1 (7.7)	13(100)
30-40	49(43.4)	62 (54.9)	2 (1.8)	113 (100)
41-50	9 (42.9)	11 (52.4)	1 (4.8)	21 (100)
Above 50	0 (0)	3 (100)	0 (0)	3 (100)
Total	61 (40.7)	85 (56.7)	4 (2.7)	150 (100)
Chi-square	Computed Value	DF	p value	
	5.922	6	.432	

Source: Computed Data; Figures within the parenthesis represent expected frequency

As $p > 0.05$, the null hypothesis is accepted at 5% level of significance. Hence, it is concluded that the level of satisfaction of the respondents towards E-Banking services does not vary with age of the respondents.

Hypothesis Testing - 3

H_{03} : There exists no significant difference between the income and the level of satisfaction towards E-Banking services. Here Chi-Square test is used as a tool to test it.

Table 8 Result of Chi-square Test

Age (in years)	Level of Satisfaction			Total
	High	Medium	Low	
Less than Rs.5000	34 (40)	44 (60)	1 (0)	79 (100)
Rs.5000 to Rs.10000	15 (31.9)	30 (63.8)	2 (4.3)	47 (100)
Rs.10001 to Rs.15000	10 (55.6)	7 (38.9)	1 (5.6)	18 (100)
More than Rs.15000	2 (33.3)	4 (66.7)	0 (0)	6 (100)
Total	61 (40.7)	85 (56.7)	4 (2.7)	150 (100)
Chi-square	Computed Value	DF	P value	
	5.922	6	.432	

Source: Computed Data; Figures within the parenthesis represent expected frequency

As $p > 0.05$, the null hypothesis is accepted at 5% level of significance. Hence, it is concluded that the level of satisfaction of the respondents towards E-Banking services does not vary with income level.

SUGGESTIONS

- Though lot of safety measures are taken by the bank, the customers should keep their username and password confidential.
- The customer should strictly adhere to terms and conditions regarding e-banking services to ensure safety of transactions.
- As the e-banking services saves time and cost of transaction the customers may avail maximum services offered by bank.
- As the level of satisfaction of the respondents do not vary with this demographic profile, the banker should innovate new e-banking services to target the customers irrespective of their Gender, Age and Income.

CONCLUSION

The survival of the banks in the new e-economy depends on delivering some or all of their banking services on the Internet while continuing to support their traditional infrastructure.

The finding of the study indicated factors of convenience, fastest mode, and anytime banking statistically significant and positive effects on customer satisfaction. Banks have to enhance the adoption of technology and constantly think of new innovative customized e-banking services to remain competitive.

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