



# **CUSTOMERS SATISFACTION LEVEL OF INTERNET BANKING SERVICES: A CASE STUDY ON PAKALA MANDAL OF CHITTOOR (Dt.) IN ANDHRA PRADESH**

## **Authors:**

**1. Dr. N. Gurumurthy**  
**Dept. of Commerce**  
**S.V. University**  
**Tirupati-517502**  
**Andhra Pradesh**  
**India**

**2. Dr.E.Gopi**  
**Associate Professor**  
**Dept. of Commerce**  
**Govt.Degree College, Nagari.**

**3. Prof. K. Jayachandra Reddy**  
**Dept. of Commerce**  
**S.V. University**  
**Tirupati-517502**  
**Andhra Pradesh**  
**India**

## **ABSTRACT:**

Now a day's technology has play a key role in modern society. Each and every task in the banking sector is digitalized. From the account opening to money transfer through online mode, eliminating the need for customers to visit banks and wait in long queues. This operation is very easy to customers and banking institutions. Online banking also encourages competition among banks to offer their customers better services and draw in a growing number of customers. To check the level of customer satisfaction among the 60 numbers randomly chosen. Online bill pay, money transfer, any time and any where use, update information, deliver services and save time and energy are directly related to customer satisfaction words internet banking in Pakala mandalam of chittoor district in Andhra Pradesh.

**Key words:** Information Technology, Customer satisfaction, Banking sector

## INTRODUCTION

Banking is a highly information intensive activity and relies mostly on information technology to acquire, process and deliver the quality information to all the users. Automated delivery of banking products and services to its customers through electronic communication like internet is referred as internet banking. Banks find that to retain their demanding customers, innovation and updation along with the provision of convenient, reliable and expedient services is very important. Today, almost all the Indian banks are trying to differentiate themselves in the competitive industry and align their offerings to the constantly evolving customer needs and developments in technology in everywhere in India. Globalization and deregulations helped banks expand their reach beyond countries which made them more competitive and therefore looking forward offering internet banking services, to maximize profits as well as retain customers. However, this cannot be achieved without high quality service which when satisfied, results in improved customer satisfaction. To make customers' banking more convenient, efficient and effective it is very important to ascertain the customers' perception of overall service quality and their satisfaction with online banking services.

### Conceptual frame work:

E-banking refers to banking operations, with which the customers can carry out transaction through internet, which is completely safe and secure. E- banking encourages paperless or cashless transaction in everywhere in india.

**Internet Transaction:** Banking facility provided the customers through the customers are able to perform a number of monetary& internet using transactions, through the bank websites.

**Mobile banking:** almost all the banks have designed their mobile applications with which you can perform transactions at your fingertips, which is smart phones, internet, mobile application and banking services in your bank account.

**ATM:** ATM is not a just a machine with which you can withdraw cash as and when required, bit it also allows you to check your accounts status , deposit funds, transfer funds, change debit card pin, personal identification number

**Debit Card:** now a day's debit cards used in our day to day life so as to perform end number of transactions. Debit cards are linked to the customer's bank account and so the customer's only needs to swipe the card, in order to make payment at point of sale (POS) outlets, online shopping. ATM withdrawals, in this way the amount is deducted from the customer's account directly.

**Credit card:** it is just like a debit card, a credit card is also a payment card which the banks issue to the customers on their on their request, after checking their credit score and history. It enables the cardholders to borrow funds up to the pre-approached limit and make a payment. The maximum limit is granted by banks with

issue the card. The card holder promises to repay the amount within a stipulated time period. Otherwise some charges for the issue of credit card.

**Point of Sale (PoS) :** PoS system refers to the point, in terms of date, time and place, where the customer makes a payment, using a plastic card for the purchase made or services received.

**Electronic Data Interchange (EDI):** EDI is a new mode of communicating information between businesses electronically using a standardized format.

**Electronic fund transfer:** when money is transferred electronically from one bank to another bank. It cover direct debit, direct deposits, wire transfers, RTGS, NEFT,etc.,.

## **OBJECTIVES OF THE STUDY**

This research has been carried out with the following objectives.

- To identify the factors influencing the customers to opinion for Internet Banking service in the study area.
- To analyse the problems of internet banking customers.
- To offer suitable suggestions to promote the Internet banking service of the public and private sector banks.

## **Research Methodology of the Study**

This study is on both the data is collected through a well structured questionnaire to address the research questions and take 60 randoms, but all the questions responses have five options, i.e., Highly satisfied, Satisfied, Neutral, Dissatisfied , Highly Dissatisfied. The relevant secondary data was collected from various journals, magazines, news papers, published information and details on websites and so on.

## **DATA ANALYSIS AND INTERPRETATIONS**

The primary data was collected from the users of Internet banking. Interview schedule was used to collect the data from the internet banking customers of selected public sector banks were State Bank of India, Canara Bank, Indian Bank,Axis Bank and other Banks in Chittoor District of Andhra Pradesh.

## **GENDER WISE CLASSIFICATION**

The gender wise classification of the respondents gives an outline about which category of customers highly prefers the internet banking.

**Table No.4.1**  
**Number of Respondents**

<b>Gender</b>	<b>Number Of Responds</b>	<b>Percentage</b>
Male	40	66.60
Female	20	33.40
Total	60	100

Source: Primary Data

Table 4.1 shows that out of the total respondents, a majority (66.60%) of respondents was male and the remaining 33.40% of the respondents were female using internet banking. Therefore, it is concluded that a majority of the male customers prefer internet banking than their females.

### **AGE WISE CLASSIFICATION**

Age is an important demographic variable that not only determines an individual's physical and mental maturity but also depicts life experiences. As the age increases, the learned experience changes the behaviors of individuals. Learning is an action based on experience. Hence, most behavior is learned by individuals. Therefore, it is interesting to note the age - wise distribution of the respondents.

**Table No.4.2**  
**Number of Respondents**

<b>Age</b>	<b>Number Of Respondents</b>	<b>Percentage</b>
Up to 20 years	18	30.10
21 – 30	29	48.30
Above 50 years	13	21.60
Total	60	100

Source: Primary Data

Table 4.2 from the above table no shows that the majority of the respondents belonged to the age groups 21 - 30 years using internet banking service in the modern world.

### **MARITAL STATUS**

In Indian society, marriage is supposed to be a religious obligation. In the social context, it is the prelude to the family formation, expansion or even bifurcation. After marriage, there is a transition in the status of men and women by change in rights and obligations. More than the conventional roles of parents, today's parents play a crucial role in building up a family; inculcate values for life and so on. Hence, the marital status of the respondents is given in the table.

**Table No.4.3**  
**Marital Status**

<b>Marital</b>	<b>Number Of Respondents</b>	<b>Percentage</b>
Married	35	58.3
Un Married	25	41.6
Total	60	100

Source: Primary Data

Table 4.3 shows that out of the total respondents, a majority (58.3%) of respondents was married and the remaining 41.6% of respondents were unmarried. So, it is identified that most of the respondents are married. It is clear from the table married people highly prefer internet banking.

### **EDUCATIONAL QUALIFICATION**

Education is one of the most important traits of the customers because the perception, awareness and behavior of the customers depend largely on his/her educational qualifications. Education plays a vital role for having access to basic internet banking. The level of education of the respondents is portrayed in the below table 4.4.

**Table No.4.4**  
**Educational Qualifications**

<b>Qualifications</b>	<b>Number Of Respondents</b>	<b>Percentage</b>
SSC	12	20.2
Inter	8	13.3
Graduate	28	46.6
PG	8	13.3
Others	4	6.6
Total	60	100

Source: Primary Data

It reveals that out of the total respondents, 46.6% of the respondents were graduates, 20.2% of the respondents have completed higher secondary level, 13.3% of the respondents were post graduates, again 13.3% of the respondents have completed upto secondary level. 6.6% of the respondents were others. Hence, it is clear that a majority of the respondents are graduates as internet banking requires a little technical knowledge.

## OCCUPATION WISE CLASSIFICATION

Occupation determines the need of using internet banking service. The occupation wise classification of the respondents is given in the table.4.5.

**Table No.4.5**  
**Occupation Wise Classification**

Occupation	Number Of Respondents	Percentage
Government	3	15.0
Private	20	11.1
Business	4	16.6
Agriculturist	6	10.0
Home Maker	11	20.7
Student	16	26.6
Total	60	100

Source: Primary Data

Table 4.5 shows that out of the total respondents, 26.6% of the respondents were studying, 20.7% of the respondents were homemakers, 16.6% of respondents were businessmen, 15% of the respondents were working as government employees, 11.1% of the respondents were business, and 10.% of the respondents were agriculturists.

Therefore, it is evident from the table that most of the private employees are highly interested in internet banking service as they are well aware of its nuances.

## MONTHLY INCOME

Adequate income encourages the customers to opt for internet banking service. The monthly income of the respondents is disclosed in the Table 4.6 shows that out of the total respondents, 51.6% of the respondents had a monthly income of Rs. 10,001 to Rs. 20,000, 43.3% of respondents had a monthly income up to Rs. 10,000, and above Rs. 20,000 respectively.

**Table No.4.6**  
**MONTHLY INCOME**

<b>INCOME</b>	<b>Number Of Respondents</b>	<b>Percentage</b>
UP to Rs.10,000	26	43.3
Rs. 10,001-20,000	31	51.6
Above 20,000	3	5.1
Total	60	100

Source: Primary Data

### **TYPE OF FAMILY**

The family background plays an important role in moulding the behavior to any person. The family provides the recognition and security for the individual identity. The living arrangements are very crucial for the socio-economic status of a person. Traditionally, Indian society preferred to live on joint family arrangements. As the economic necessities improved, people moved towards nuclear families than of joint families. Besides this some of the cultural aspects such as family relationship, increase in style of living have made the family size to shrink. The outline about the type of family of the respondents is given in the table.

**Table No.4.7**  
**TYPE OF FAMILY**

<b>FAMILY</b>	<b>Number Of Respondents</b>	<b>Percentage</b>
Nuclear Family	46	76.6
Joint family	14	23.3
Total	60	100

Source: Primary Data

Table 4.7 indicates that out of the total respondents, a majority (76.6%) of the respondents belonged to nuclear family and the rest 23.3% of respondents belonged to joint family.

### **PREFERRED BANK**

There are a few reasons behind the choice of bank such as easy convenience, trust worthiness, low cost of transaction and the availability of service. The bank which is preferred by the respondents to maintain their account is shown in the table.

**Table No.4.8**  
**PREFERRED BANK**

<b>PREFERRED BANK</b>	<b>Number Of Respondents</b>	<b>Percentage</b>
SBI	11	18.30
Canara Bank	13	1.66
Indian Bank	19	31.60
Union Bank	12	20.11
Axis Bank	2	3.33
Other Bank	3	25.00
Total	60	100

Source: Primary Data

Table 4.8 shows that out of the total respondents, 31.60% of respondents held their account in Indian Bank, 25% of respondents held their account in other Banks, 20.11% of the respondents held their account in Union Bank, 18.30% of the respondents held their account in State Bank of India, 3.33% of respondents held their account in Axis Bank, and 1.66% of the respondents held their account in Canara Bank. Hence, it is clear that a majority of the respondents maintain their accounts in Indian Bank as it offers better quality of service.

#### **SOURCE OF INTRODUCTION**

Source of introduction refers to the person who motivates the respondents to open a bank account in a specific bank. The source of motivation of the respondents is unveiled in the table.

**Table No.4.9**  
**SOURCE OF INTRODUCTION**

<b>Source</b>	<b>Number Of Respondents</b>	<b>Percentage</b>
Friend	27	45.0
Relative	18	30.0
Advertisement	3	5.0
Banker	12	20.0
Total	60	100

Source: Primary Data

Table 4.9 unveils that out of the total respondents, 45% of the respondents were motivated by their friends, 30% of the respondents were motivated by their relatives, 20% of the respondents were motivated by the Banker and 5% of the respondents were motivated by the advertisement to choose the respective banks. Hence, it is clear that most of the respondents were motivated by their relatives to opt for a particular bank.



## FREQUENCY OF USING INTERNET BANKING SERVICE

The frequency of using internet banking varies from one customer to another. How often the respondents are accessing internet banking service is displayed in the table.

**Table No.4.10**

### FREQUENCY OF USING INTERNET BANKING SERVICE

ATM	Number Of Respondents	Percentage
Frequently used	16	26.66
Occasionally	11	18.34
When need arises	33	55.00
TOTAL	60	100

Source: Primary Data

Table: 4.10 shows that out of the total respondents, 55% of the respondents used internet banking service when need arises, 18.34% of the respondents used internet banking service occasionally and the rest 26.66% of the respondents used internet banking service frequently.

## SATISFACTION ON INTERNET BANKING SERVICE

The satisfaction of the customers plays a crucial role in the promotion of the service. The customers' satisfaction on internet banking service is described in the below table 4.11

The customers' satisfaction on internet banking is ranked based on the mean score. As per the mean score customers were highly satisfied on a few statements and satisfied on a few statements. The customers were highly satisfied on internet banking provides 24×7 hours service (61.7%), it curtails the time to stand on queues in the bank branches satisfied and neutral in (35%), it helps to perform the transactions confidentiality in neutral (25%), internet banking highly satisfied (18.3%) internet banking provides up to date information regularly 23.3% in satisfies and highly dissatisfied. It offers high quality service satisfied at (31.66%).

**Table No.4.11**

### SATISFACTION LEVEL ON INTERNET BANKING SERVICE

Statements	HS	S	N	DS	HDS	TOTAL
Internet banking provides 24 X 7 hours service	37 (61.7)	11 (18.8)	5 (8.33)	4 (6.66)	3 (5.5)	60
It curtails the time to stand in queues in the bank Branches	8 (13.33)	21(35.00)	21 (35)	5 (8.33)	5 (8.33)	60
It helps to perform the transactions confidentially	14 (23.3)	14 (23.3)	15(25.00)	13(21.6)	4 (6.66)	60
It provides necessary information to the customers	11(18.3)	15 (2.5)	13 (21.6)	12(20.00)	6 (10.0)	60

It enhances the financial security	8 (13.3)	11(18.3)	15(2.5)	12(20.0)	14(23.3)	60
It reduces the cost of transaction	14(23.3)	19(1.66)	9(15.9)	10(16.6)	8(1.66)	60
Internet banking provides up-to-date information Regularly	10(16.6)	14(23.3)	15(2.5)	14(23.3)	7(11.6)	60
It performs the transaction at pre-determined time	16(23.6)	17(28.3)	9(15.0)	12(20.0)	6(10.0)	60
It offers high quality service	12(20.00)	19(31.66)	10(16.6)	11(18.3)	8(1.6)	60
Availability of service is faster than traditional banking	17(28.3)	14(23.3)	10(16.6)	7(11.6)	12(20.0)	60
It increases the believability, honesty and trustworthiness of the customers	11(18.3)	17(28.3)	10(16.6)	13(21.6)	9(15.0)	60
12 Internet banking ensures accountability	11(18.3)	13(21.6)	13(21.6)	10(16.6)	3(5.0)	60

(HS – Highly satisfied S– Satisfied N– Neutral DS – Dissatisfied HDS – Highly Dissatisfied)

The customers were highly satisfied on availability of service is faster than traditional banking (28.3%), and it increases the believability, honesty and trustworthiness of the customers satisfied in (28.3%). It perform the overall internet banking ensures accountability is highly satisfied (18.3%) respectively.

## FINDINGS AND SUGGESTIONS

- A majority (66.60%) of the male customers have preferred internet banking than their female counterparts as male is technology.
- 48.3% of the respondents who belonged to the age group of 21 - 30 years make use of internet banking service as they are exposed to technology enabled services.
- A majority (58.3%) of the respondents are married. It is identified that married people mostly prefer internet banking as they have greater responsibility.
- All (100%) the respondents are educated and there is no respondent without formal education.
- It is found out that 26.6% of the respondents are from students background.
- It is understood that 51.6 % of the respondents belong to a monthly income category of Rs. 10,001 - Rs. 20,000.
- A majority (76.6%) of the respondents belong to nuclear family as they need privacy and expect to be independent in all walks of life.
- It is understood that 31.60% of the respondents hold their accounts in Indian Bank as it offers better quality of services in this area.

## SUGGESTIONS

- Banks should take necessary steps to create awareness among rural people about the advantages of internet banking services available in the banks.
- The banks should offer internet banking service in the regional language to attract the customers to enable all the customers to make use of the service irrespective of their education bag round.
- The internet banking system should be enhanced to make the online enquiry and online payment much easier to the customers.
- The bank should not restrict the time to carryout NEFT transaction in care of transferring fund from one bank to another.
- Public sector banks should improve their internet banking services to compare with their private sector counterparts.
- The public sector banks must improve its service quality in terms of communication, responsiveness, reliability and understanding.
- The bank should provide various effective modes for promotional schemes, interaction with the customers, more accuracy in billing, and financial security and privacy in transactions.

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