Customers' Satisfaction on E-Banking Services – Special Reference to Palayamkottai

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Abstract: The banking sector has been the backbone of each economy whether or not developed or rising. It plans and implements economic reforms. Any amendment during this sector through the adoption of technology can have an in-depth impact on the associate degree economy's growth. The present study mainly aims to analyze 'Customers' Preferences satisfaction towards e-banking services in Public and private sector banks in Palayamkottai'. The researcher discusses customer satisfaction regarding the modern banking services provided by the public and private sector banks. The researcher also analyses the problems faced by the customers while using e-banking services. The researcher has taken ATM/debit card, credit card, mobile banking, online banking, telebanking, and so on as the modern banking services which the customer uses for various modes of services like mobile recharge, payment of telephone bill, payment of an electric bill, money transfer, railway ticket booking, air ticket booking, filing of tax returns, investments and so on. The review of literature is classified as a) Studies on National Level and b) Studies on Global Level. The study is based on both primary and secondary data. The sample size selected for the study is being restricted to 550 only. BY the study conducted on "Customer's expertise with E-banking" we will conclude that altogether respects the purchasers are happy with their net bank. Major concerns of customers include security and privacy because of the growing members of online frauds, cheating cases, and hacking. Banks ought to maintain secrecy and confidentiality of customer's accounts and take adequate risk management measures against hacking and technology failures. Banks should use the latest version software or upgrade existing software which gives better security & control to remove bugs and loopholes.

Key Words: E- banking , Online banking, Net banking, Web banking, Customer satisfaction

Introduction

The Indian banking system is regulated by the Central bank namely, the Reserve Bank of India (RBI). Under the control of RBI, there are scheduled and non-scheduled commercial banks which consist of commercial and co-operative banks. Scheduled commercial banks consist of public sector banks namely State Bank of India (SBI) and its associates, nationalized banks and one IDBI Bank Limited.

"The challenge for banks isn't becoming digital –it's providing value that is perceived to be in line with the cost-or better yet, providing value that consumers are comfortable paying for"

-Ron shevlin

Private sector banks consist of the old generation and new generation banks. Scheduled co-operative banks consist of urban and state co-operative banks. Non-scheduled banks include local area banks. In India, the banking industry has entered several new activities in the areas of merchant banking, leasing housing finance, venture capital and financial services in general. The range of services provided by the banks stretches from rural finance at one end to international banking at the other. The banking scenario worldwide is now undergoing a rapid diversification and technological change and Indian banking is not an exception with the

changing policy of the Government of India in the areas of industrial, trade and exchange rate policies. The functions of the bank have changed to cope with the changes.

Need and Importance of the Study

The banking industry has undergone many changes in the recent past. Technological development and competition among banks have made commercial banks to think of new strategies to attract more customers and retain the existing customers. With the increased competition among banks, quality of service rendered and customer satisfaction plays a crucial role in the sustainability and profitability of banks. Measuring service quality and level of satisfaction of bank customers become inevitable in the present scenario. Hence a study relating to customer satisfaction in banks is considered necessary.

Scope of the Study

The present study mainly aims to analyze 'Customers' Preferences satisfaction towards e-banking services in Public and private sector banks in Palayamkottai'. The researcher discusses customer satisfaction regarding the modern banking services provided by the public and private sector banks. The researcher also analyses the problems faced by the customers while using e-banking services. The researcher has taken ATM/debit card, credit card, mobile banking, online banking, telebanking and so on as the modern banking services which the customer uses for various modes of services like mobile recharge, payment of telephone bill, payment of electric bill, money transfer, railway ticket booking, air ticket booking, filing of tax returns, investments and so on.

The researcher also analyses the problems faced by customers while dealing with modern banking services. This study also analyses the overall satisfaction of the customers about the modern banking services of Public and Private sectors banks in the Palayamkottai. This study analyses the reliability statistics of customers towards the various modern banking services provided by Public and Private sectors banks in the Palayamkottai.

Objectives of the Study

This research has been carried out with the following objectives:
- ➢ To study the nature, growth, and extent of e-banking services offered in the Public and Private sectors banks Palayamkottai.
- ➢ To study on ombudsman scheme of the banking service.
- ➢ To examine the influencing factors and the customers' adaptability towards modern banking services of Public and Private sectors banks in the Palayamkottai.

Methodology

The present study evaluates the satisfaction of customers concerning modern banking services provided by Public and Private sectors banks in the Palayamkottai. The study is based on both primary and secondary data. The primary data have been collected through the Interview schedule and also by personal observations and interviews taken from the respondents. The secondary data have been collected from the records of the banks, published and unpublished books, journals, reports and circulars issued by the Reserve Bank of India, encyclopedia and through websites.

Sampling Design

The number of responses collected after consistent follow up was 600. The remaining 50 customers failed to return their filled in interview schedules. Out of these 600, only 550 are found to be totally in order, suitable for data analysis work. Therefore, the sample size selected for the study is being restricted to 550 only.

Tools for Analysis

The general information regarding the customers and general details of modern banking services in the Palayamkottai are analyzed by using percentage analysis. For further analysis, some tools are applied and are given below: The primary data collected through questionnaire were analyzed using Microsoft excel. The statistical tools used for data analysis based on the data enumerated from the questionnaires are as follows:

➤ **Percentage analysis** is used to establish the contribution of variables in both optional and multiple-choice questions raised in the questionnaire regarding demographic variables and different types of services offered by the public sector and private sector banks.

➤ **One-way analysis of variance** is applied to verify the influence of demographic background and banking habits of customers and their perception towards service quality in the public sector and private sector banks.

Hypotheses of the Study

In this study, the following hypotheses are framed:

H_0 **1**: There is no significant difference between demographic variables and customer's influencing factors of Public and Private sectors banks in Palayamkottai

Limitations of the Study

• The limitations relate to the aspect that the study is conducted only on sample banks and so the results cannot be generalized.

• The study has considered only the influence of modern banking services on customer satisfaction but not on the loyalty of customers (customer's behavioral intention towards the bank in the future).

• The results obtained through the study relate to those respondents chosen through a simple random sampling method and hence the people of the sample is not a model of the actual market share of different public and private sector banks in India.

Review of Literature

The review of literature indicates the importance of modern banking services in banks. The review helped the researcher in the generation of ideas for the formulation of hypothesis, selection of various tools for analysis and to arrive at meaningfulconclusion. A review of all available related studies is quite indispensable to understand the basic concepts and theories pertaining to the research problem. In fact, a researcher gains a deep and perfect perception only from the experience gained in reviewing the publication closely related to the topic of interest. Hence, a genuine attempt is made to review some of the outstanding studies related to the present research study. The review of literature is classified as a) Studies on National Level and b) Studies on Global Level.

Data Analysis and Interpretation

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 public and private sector banks. The secondary data was collected from the books, reports, journals, and websites and so on. The respondents were selected on the basis of their experience on internet banking such as the customers who are using internet banking for over 3 years.

Three internet banking experienced customers were identified from each bank and then interview schedule was circulated among them. As there are 31public and private sector banks in the study area, totally 563 customers were contacted, out of that, 550 respondents gave fully fledged response.

Customer's Influencing Factors With Demographic Variable On E-Banking Services In Public And Private Sector Banks – Anova

H_0 **1: There is no significant relationship between age and reliability factor of e-banking services**

Table No 4.37.1

Anova Test to Analyse the Age And Reliability Factor of E-Banking Services

SOURCE	DF	SS	MS	F-value	P- value	Remarks
Between group	4	14028.97	3507.24	0.3196	0.8612	**Not Significant**
Within group	18	19755.67	10975.37			

Note: DF=Degrees of freedom, SS= sum of square, MS= Mean of square

Sources: compiled from primary data

From the above table shows that f-ratio value is 0.3196. The P-value is 0.8612. The result is accepting the null hypothesis at P>0.05. Therefore, there is no significant relationship between age and customer's influencing reliability factor of e-banking services in public and private sector banks.

H_0 2: There is no significant relationship between gender and accessibility factor of e-banking services

Table No 4.2

Anova Test to Analyse the Age and Accessibility Factor of E-Banking Services

SOURCE	DF	SS	MS	F-value	P- value	Remarks
Between group	4	2520.83	630.21	0.0582	0.993	**Not Significant**
Within group	19	205682.91	10825.42			

Note: DF=Degrees of freedom, SS= sum of square, MS= Mean of square
Sources: Compiled from primary data

From the above table shows that f-ratio value is 0.0582. The P-value is 0.993.The result is accepting the null hypothesis at P>0.05. Therefore, there is no significant relationship between gender and customer's influencing accessibility factor of e-banking services in public and private sector banks.

H_0 3: There is no significant relationship between educational qualification and Use friendliness factor of e-banking services

Table No 4.3

Anova Test to Analyse the Educational Qualification and User Friendliness Factor of E-Banking Services

SOURCE	DF	SS	MS	F-value	P- value	Remarks
Between group	4	134.56	33.64	0.0027	1	**Not Significant**
Within group	20	2244684.7	12234.24			

Note: DF=Degrees of freedom, SS= sum of square, MS= Mean of square
Sources: Compiled from primary data

From the above table shows that f-ratio value is 0.0027. The P-value is 1. The result is accepting the null hypothesis at P>0.05. Therefore, there is no significant relationship between educational qualification and customer's influencing user friendliness factor of e-banking services in public and private sector banks.

H_0 4: There is no significant relationship between occupation and privacy/security factor of e-banking services

Table No 4.4

Anova Test to Analyse the Occupation and Privacy/Security Factor of E-Banking Services

SOURCE	DF	SS	MS	F-value	P- value	Remarks
Between group	4	1551.28	387.81	0.056	0.99	**Not Significant**
Within group	21	145493.37	6928.25			

Note: DF=Degrees of freedom, SS= sum of square, MS= Mean of square
Sources: Compiled from primary data

From the above table shows that f-ratio value is 0.056. The P-value is 0.99.The results is accepting the null hypothesis at P>0.05. Therefore, there is no significant relationship between occupation and customer's influencing privacy/security factor of e-banking services in public and private sector banks.

H_0 5: There is no significant relationship between monthly income and efficiency factor of e-banking services

Table No 4.5
Anova Test to Analyse the Monthly Income and Efficiency Factor of E-Banking Services

SOURCE	DF	SS	MS	F-value	P- value	Remarks
Between group	4	1551.28	387.819	0.071	0.99	**Not Significant**
Within group	21	114699.35	5461.87			

Note: DF=Degrees of freedom, SS= sum of square, MS= Mean of square
Sources: Compiled from primary data

From the above table shows that f-ratio value is 0.071. The P-value is 0.99.The results is accepting the null hypothesis at P>0.05. Therefore, there is no significant relationship between monthly income and customer's influencing efficiency factor of e-banking services in public and private sector banks.

H_0 6: There is no significant relationship between marital status and responsiveness factor of e-banking service

Table No 4.6
Anova Test to Analyse the Marital Status and Responsiveness Factor of E-Banking Services

SOURCE	DF	SS	MS	F-value	P- value	Remarks
Between group	4	49500	12375	1.259	0.324	**Significant**
Within group	17	167097.97	9829.29			

Note: DF=Degrees of freedom, SS= sum of square, MS= Mean of square
Source: compiled from primary data

From the above table shows that f-ratio value is1.259. The P-value is 0.324. The results is not accepting the null hypothesis at P<0.05. Therefore, there is significant relationship between marital status and customer's influencing responsiveness factor of e-banking services in public and private sector banks.

H_0 7; There is no significant relationship between location and fulfillment factor of e-banking services

Table No 4.7
Anova Test to Analyse the Location and Fullfillment Factor of E-Banking Services

SOURCE	DF	SS	MS	F-value	P- value	Remarks
Between group	4	14028.91	350.24	0.449	0.771	**Not Significant**
Within group	18	140394.62	7799.70			

Note: DF=Degrees of freedom, SS= sum of square, MS= Mean of square
Sources: Complied from primary data

Findings and Suggestions
1. From the above table shows that f-ratio value is 0.449. The P-value is 0.771. The results
2. is accepting the null hypothesis at P>0.05. Therefore, there is no significant relationship between location and customer's influencing fulfillment factor of e-banking services in public and private sector banks.
3. The calculated f-ratio value is 0.3196. The P-value is 0.8612. The result is accepting the null hypothesis at P>0.05. Therefore, there is no significant relationship between age and customer's influencing reliability factor of e-banking services in public and private sector banks.
4. The calculated f-ratio value is 0.0582. The P-value is 0.993.The result is accepting the null hypothesis at P>0.05. Therefore, there is no significant relationship between gender and customer's influencing accessibility factor of e-banking services in public and private sector banks.
5. The calculated f-ratio value is 0.0027. The P-value is 1. The result is accepting the null hypothesis at P>0.05. Therefore, there is no significant relationship between educational qualification and customer's influencing user friendliness factor of e-banking services in public and private sector banks.

6. The calculated f-ratio value is 0.056. The P-value is 0.99.The results is accepting the null hypothesis at P>0.05. Therefore, there is no significant relationship between occupation and customer's influencing privacy/security factor of e-banking services in public and private sector banks.

7. The calculated f-ratio value is 0.071. The p-value is 0.99.The results is accepting the null hypothesis at P>0.05. Therefore, there is no significant relationship between monthly income and customer's influencing efficiency factor of e-banking services in public and private sector banks.

8. The calculated f-ratio value is1.259. The p-value is 0.324. The results is not accepting the null hypothesis at P<0.05. Therefore, there is significant relationship between marital status and customer's influencing responsiveness factor of e-banking services in public and private sector banks.

   The calculated f-ratio value is 0.449. The P-value is 0.771. The results is accepting the null hypothesis at P>0.05. Therefore, there is no significant relationship between location and customer's influencing fulfillment factor of e-banking services in public and private sector banks.

Suggestions

- Banks must ensure to their customers that their service is competitive. Thus the banks are suggested that though internet banking is useful it will improve only if security concept is concerned more. Thus banks must concentrate further on security and withhold their customers and improve them more.

- If you are using a public computer, the risk of compromising your login credentials is higher, However if you have to login from such places, make sure you clear the cache and browsing history, and delete all the temporary files from the computer. Also, never allow the browser to remember your ID and password. Or just go incognito.

- The biggest threat of an open Wi-Fi network is that the hacker can sit in between the end user and the hotspot and can trace all the data without any difficulty. Hackers see unsecured connection as an opportunity to introduce malware into your device. So, usage of public Wi-Fi hotspots for internet or mobile banking and making payments on ecommerce sites should be avoided.

- To protect your computer from phishing, malware and other security threats always use genuine anti-virus software. Anti-virus helps in detecting and removing spyware that can steal your sensitive information.

Conclusion

In the past few years, the Indian banking sector has fully reworked. The banks face many challenges and lots of opportunities are accessible with the banks. Many monetary innovations like ATMs, credit cards, RTGS, debit cards, mobile banking etc. have completely changed the face of Indian banking. But still there is a need to have more innovative solutions so that the challenges can be solved and opportunities can be availed efficiently by the Indian banks. BY the study conducted on "Customer's expertise with E-banking" we will conclude that altogether respects the purchasers are happy with their net bank. Major concerns of customer include security and privacy because of growing member of online frauds, cheating cases and hacking. Banks ought to maintain secrecy and confidentiality of customer's account and take adequate risk management measures against hacking and technology failures. Banks should use latest versions software or upgrade existing software which gives better security & control to remove bugs and loopholes.

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