



A Study On Customer Satisfaction Towards E-Banking Services Among Selective Private Banks In Chennai City

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ABSTRACT:

E-banking is a generic term making use of electronically operated devices such as Computers, ATMs, etc., In addition, Internet, Telephone, Mobile electronic smart phones and other channels are also used for delivery of banking services and products. It allows customers to access banking services electronically such as withdrawal of amount, pay bills, transfer funds, view accounts or to obtain any banking information and advice. E-banking also facilitates new relationships with customers, regulatory authorities, suppliers and banking partners with digital-age tools.

KEY WORDS: E-banking, Internet, Telephone, ATM, Services.

E-Banking Introduction:

E-banking can be defined as “delivery of bank’s services to a customer at his office or home using electronic technology”.

Electronic banking is the wave of the future. It provides enormous benefits to consumers in terms of the ease and cost of transactions. Electronic banking has been around for some time in the form of automatic teller machines and telephone transactions. More recently, it has been transformed by the Internet, a new delivery channel for banking services that benefits both customers and banks. Access is fast, convenient, and available round the clock, whatever the customer's location may be banks can provide services more efficiently and at substantially lower costs.

Electronic banking also makes it easier for customers to compare banks' services and products, increase competition among banks, and allow banks to penetrate new markets and thus expand their geographical reach. Some even consider electronic banking as an opportunity for countries with underdeveloped financial systems to leapfrog developmental stages. Customers in such countries can access services more easily from banks abroad and through wireless communication systems, which are developing more rapidly than traditional "wired" communication network.

STATEMENT OF THE PROBLEM

- Banking is a customer-oriented service industry. Today customers expect many services with the various delivery modes which are speed and secure.
- The banking industry has been considerably influenced by the expansion of technology which has given way to the modern banking system to take over the traditional banking system.
- As customers need convenient system of banking, it becomes essential for the banks to adopt the recent updated technology to respond to the continuously changing requirements of the customers.

RESEARCH OBJECTIVES:

- ❖ To identify the customers Satisfaction Level towards e-banking.
- ❖ To assess the factors influencing the customer towards e-banking.
- ❖ To compare the services offered by public sector banks, Private Sectorbanks and in Chennai city.
- ❖ To find the challenges faced by the customers in e-banking services.
- ❖ To offer suggestions based on the study

SCOPE OF THE STUDY

- E-banking is one of the emerging trends in the Indian banking and is playing a unique role in strengthening the banking sector and improving service quality.
- Private banks are the first to explore e -banking services followed by private banks, which introduced it in a big way.
- To compete with the Private and Foreign sector banks, public sector banks also started transmitting their traditional brick and mortar banking system into E-banking.
- Private Banks and Foreign Banks in Chennai City". Chennai city is known as the "Manchester of South India" and is one of the industrialized towns of Tamil Nadu.
- the modernization and globalization, the city has adopted all the changes and now all the banks in the public sector, private sector and foreign have started adopting the technologies in banking.

HYPOTHESIS:

- ❖ **Hypothesis 1:** Irrespective of their personal profile all the respondents have on an average same level of awareness towards e-banking services.
- ❖ **Hypothesis 2:** Irrespective of their personal profile all the respondents have on an average same level of perception or opinion towards e-banking services.
- ❖ **Hypothesis 3:** All the factors under the study are equally influencing the customerstowards e-banking services.
- ❖ **Hypothesis 4:** Different banking sector are equally providing their various e-bankingservices to their customers.

LIMITATION OF THE STUDY

The focus of this study is mainly based on the e-banking services offered by selected public sector banks, private sector banks and foreign banks.

- The geographical area is confined to Chennai city of Tamil Nadu state in India.

2.REVIEW OF LITERATURE

Rakesh H M & Ramya T J (2014) In their research paper titled “A Study on Factors Influencing Consumer Adoption of Internet Banking in India” tried to examine the factors that influence internet banking adoption. Using PLS, a model is successfully proved and it is found that internet banking is influenced by its perceived reliability, Perceived ease of use and Perceived usefulness. In the marketing process of internet banking services marketing expert should emphasize these benefits its adoption provides and awareness can also be improved to attract consumers’ attention to internet banking services.

Pooja Malhotra & Balwinder SINGH (2009) In their research paper “The Impact of Internet Banking on Bank Performance and Risk: The Indian Experience”. The paper describes the current state of Internet banking in India and discusses its implications for the Indian banking industry. Particularly, it seeks to examine the impact of Internet banking on banks’ performance and risk. Using information drawn from the survey of scheduled

Pete Babick (1992) In his research titled “Customer Satisfaction-How good is good enough” tried to find out the importance of customer satisfaction in terms of market share and profitability. The research concluded that customer satisfaction has a direct and linear relationship with profits. More the satisfaction, higher will be the profits for the service companies.

RESEARCH METHODOLOGY

Research Design

“A research design is the arrangement of conditions for collection and analysis data in a manner that aims to combine relevance to the researcher purpose with economy in procedure.”

Descriptive Research

The type of research used in this project is descriptive in nature. The main goal of this type is to describe the data and characteristics about what is being studied

Sampling Plan

A sampling plan is a definite for obtaining a sample from the sampling frame. It refers to the technique or the procedure the researcher would adopt in selecting some sampling units from which inferences about the population is drawn. Sampling design is determined before any data are collected.

Convenience sampling technique was adopted. In this method the researcher select those units of the population in the sample, which appear convenient to him or the management of the organization where he is conducting research.

Sample Size

Considering the time and financial resources as well as the applications of relevant statistical tools it is thought fit to have an adequate sample size of 450.

Types of Data Collected Primary Data

The primary data's are those which are collected afresh and for the first time, and thus happen to be original in character. The primary data is collected during the course of doing the experiment through observation or through direct communication with the respondents in one form or another or through personal interviews. Here, data's are collected using questionnaire. For this, the residents in Chennai city were contacted.

Secondary Data

Secondary data was collected from internet, various books, journals, and customers as respondents.

- Chi-square test
- ANOVA

3 PEARSON CHI-SQUARE TEST:

To find out one particular opinion on frequency of visiting the bank, frequency of operating the account and the mode of awareness of e-banking services by majority of the respondent's chi-square test is applied.

Frequency of visit to the bank

To find out the frequency of the number of visits made to the bank by the majority of the respondent's chi-square test is applied. The following table gives frequency distribution on visiting the bank by the respondents:

Null Hypothesis:

Frequency of visits Weekly, Monthly or Occasionally all are equally followed by the respondents.

Alternative Hypothesis:

Frequency of visits - Weekly, Monthly or Occasionally all are not equally followed by the respondents.

Table 3.1**Frequency of visit to the bank**

Frequency	Observed N	Expected N	Residual
Weekly	104	150.0	-46.0
Monthly	274	150.0	124.0
Occasionally	72	150.0	-78.0
Total		450	

Test statistics

	value	Df	Asymp.sig. (2-sided)
Pearson chi-square	15.153	16	0.513
Likelihood ratio	15.985	16	0.454
Linear-by-Linear Association	.698	1	0.404
No. of Valid cases	450		

3.2 Frequency of operation of account

To find out the frequency of operation of account by the majority of the respondent's chi-square test is applied. The following table gives frequency distribution on operation of bank account by the respondents:

Null Hypothesis:

Frequency of operation of account once in a week, once in a fortnight or once in a month all are equally followed by the respondents.

Alternative Hypothesis:

Frequency of operation of account - once in a week, once in a fortnight or once in a month all are not equally followed by the respondents.

Table 3.3**Frequency of operation of account**

Frequency	Observed N	Expected N	Residual
Once in a week	140	150.0	-10.0
Once in a fortnight	185	150.0	35.0
Once in a month	125	150.0	-25.0
Total	450		

Test Statistics

	value	Df	Asymp.sig. (2-sided)
Pearson chi-square	15.153	16	0.513
Likelihood ratio	15.985	16	0.454
Linear-by-Linear Association	.698	1	0.404
No. of Valid cases	450		

Since table significance (0.513) is greater than 0.05 the level of significance, the null hypothesis is rejected. Comparing the Observed values and Expected values it is concluded that majority of the respondents operate the account once in a fortnight.

Mode of awareness of e-banking services:

To find out the mode of awareness of e-banking services by majority of the respondents chi- square test is applied. The following table gives frequency distribution on mode of awareness of e-banking services by the respondents:

Null Hypothesis:

Mode of awareness – Advertisements, Through Bank, Colleagues, Friends and relatives all are equally followed by the respondents.

FINDINGS, SUGGESTIONS AND CONCLUSION**FINDINGS:****CHI-SQUARE TEST:**

From the chi-square test it was found that

- Majority of the respondents follow Monthly visit to the bank.
- Majority of the respondents operate the account once in a fortnight.
- Majority of the respondents are aware through friends and relatives.
- Majority of the respondents are aware through newspaper under advertisements.

ANOVA

- From the ANOVA analysis the variation between respondents' awareness on online banking, telephone banking and mobile banking performance in future, so we have the conclusion that there is no variation between respondents' awareness on online/internet banking, telephone banking and mobile banking performance in future
- From the ANOVA analysis the variation between respondents' level of satisfaction on online/internet banking and mobile banking. so, we have the conclusion that there is no variation between respondents' level of satisfaction on online/internet banking and mobile banking.

SUGGESTIONS:**1. Awareness:**

E-Banking is an effective way of banking but some of the customers are not using it due to the lack of awareness. It is suggested to the bank to create awareness on e-banking services to the customers through proper channels like road shows, telecasting and publishing advertisements, etc. From the study it is found that even the customers who know about e-banking are not utilising the facility due to lack of adequate knowledge. Hence, the customers may be encouraged to use the same.

2. Education and Training:

Banks need to be more concerned about the attitudes of the customers with regard to e-banking. In order to increase the usage of e-banking, the banks can educate the bank personnel by conducting training programme for them. In turn the trained bank personnel can educate the customers on using e-banking service which can be brought under Digital India Program.

3. Safety and Security:

The customers are mainly concerned on safety issues. They can be educated on the various digital security and safety system available. The banks can ensure the adoption of technical security standards for access

control, encryption / decryption, verification signature, Public Key Infrastructure, shielding phishing websites, etc., The banks have to create trust in minds of the customers towards security of their accounts and ensure confidence among them.

4. Flexibility:

The bank procedures regarding e-banking can be made easier and simple for the proper understanding of the customers. The number of ATMs on-site and off-site can be increased for the benefit of the customers. The banks can encourage their customers to make use of mobile wallets for making payments rather than carrying physical plastic cards with the fear of losing them. The restriction in the withdrawal limit through ATMs can be removed, this may benefit the customers to meet their needs.

5. Expansion to rural areas:

The banks can extend their e-banking services to rural areas through advertisements, workshops, camps, NGOs, etc., and educate them on the usage and attracting their attention towards e-banking. It is suggested to provide adequate network infrastructure to rural areas and train them to use this facility to full fill the Digital India concept which is one of the prime objectives of the Government policy. This will help our country in technological development. Opening of more ATMs in rural areas help to improve better business opportunities.

6. Updated Technology:

There are vast technologies available in banking sector. To fulfil the needs of the customers, the banks have to update their existing facilities and also bring in new facilities. The latest technologies followed in foreign banks can be implemented in India. Some of the technologies are Digital Deposit App (for depositing cheque using internet technology and mobile apps), Photo Bill payment apps, Smart phone credit card scanners, etc.,

7. Supportive Government policies:

There are number of mobile banking applications that have been developed by major banks for their respective customers to perform transactions that they would normally have conducted over the bank's web portals. The Bharat Interface for Money (BHIM) application has been developed by the National Payments Corporation of India (NPCI) to allow any customer of a Universal Payment Interface (UPI)- live bank (like SBI, HDFC, ICICI, etc) to conduct certain basic transactions such as sending or receiving money.

8. Consideration on service charges:

Since e-banking encourages digital transactions, it also attracts bankers to collect service charges on the services rendered. So it is suggested to the banks to consider the service charges and not to collect charges for their digital transactions in order to increase the use of cash less transactions.

9. Customer care and relationship:

The banks have to focus on customer relationship by providing support to queries and helping for operating e-banking services. The banks can improve their relationship with customers through personal contact, e-mail, SMS, telephone, mobile which leads to better customer satisfaction and also helps for more

utilization of E-banking services. It is also suggested to have more interactions through social media banking with the customers.

10. Versatility:

Normally the banks focus on Business and Industry for any type of financial transactions. It is suggested that the banks with the Digital India concept can expand to all the sectors to ensure the ultimate growth and development of the banks.

CONCLUSION:

Today, Banking services are rendered through the click of the mouse and touch of the screen at a lower cost with quickest mode. No doubt, the facilities in e-banking are immense but the banks need to create awareness among the customers about the various facilities available. It is found from the study, that the number of respondents using Online / Internet Banking, Telephone Banking and Mobile Banking are low when compared to ATM irrespective of public sector, private sector or foreign Bank.

Even though the customers using Online / Internet Banking, Telephone Banking and Mobile Banking are low and faced the problems, the existing users are satisfied with the services rendered by their banks while all the ATM users are highly satisfied. All the respondents of various banking sectors are highly satisfied with the time factor as they feel it saves time except for Telephone Banking who is satisfied with the convenience of usage.

It is concluded from the study, that the Public sector, Private sector and Foreign Banks are providing same level of e-banking services to all their customers. Customers are interested in new technology as it provides convenience, and spending less time for accessing banking services. All the banking sectors should adopt the latest technology to provide the customers with improved and better e-banking service to retain the existing customers and attract new customers, So that the e-banking services which are offered by the banking sectors can be utilized properly in order to secure the sustainable development of the society.

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