

CUSTOMER SATISFACTION TOWARDS E-BANKING SERVICE IN KERLA

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Abstract- Banking sector is the lubricating wheel of modern economy and E-banking is one of the emerging trends of the banking industry which is not quite common yet in a developing country like India so it provides a lot of scope for research. This study examines customer satisfaction towards e-banking services in Kerala. To serve the objective descriptive research design is used and primary data is collected from 150 respondents with the help of questionnaire. Data is analyzed with the help of weighted arithmetic mean and percentages. It has been concluded that male peoples using more e-banking products than female counterparts, people prefer e-banking mainly due to convenience, simplicity and better terms and conditions. Peoples are more worry about security concern issues. Based on these findings, conclusions were drawn and some feasible recommendations were made.

Keywords: E-Banking, Customer Satisfaction, E-Banking products, Services

INTRODUCTION

A customer satisfaction is an ambiguous and abstract concept. Actual manifestation of the state of satisfaction will vary from person to person, product to product and service to service. Customer satisfaction depends on a number of factors which consolidate as psychological, economic and physical factors. The quality of service is one of the major determinants of the customer satisfaction. Many researchers and experts mentioned that, service quality can be enhanced by using advanced information and communication technology (ICT). Today, almost all banks in are adopted ICT as a mean of enhance service quality of banking services. They are providing ICT based e-services to their customer which is called as e-banking.

Electronic banking is defined as the automated delivery of new and traditional banking products and services through electronic, interactive communication channels, It brings connivance, customer centricity, enhance service quality and cost effectiveness in the banking services and increasing customers' satisfaction in banking services. Even now, customers are also evaluating their banks in the light of e-service era

Major products of e-banking

ATM/CDM

ATM/CDM also called 24-hour tellers are electronic terminals which give consumers the opportunity to bank at almost any time. To withdraw cash, make deposits or transfer funds between accounts, a consumer needs an ATM card and a personal identification number. No charges up to certain number of withdrawal, after that bank may charges some amounts as fees.

Mobile Banking

Mobile banking refers to the use of a smart phone or other cellular device to perform online banking tasks while away from your home computer, such as monitoring account balances, transferring funds between accounts, bill payment and locating an ATM.

Internet Banking

Online banking enables bank customers to handle account management and perform account transactions directly with the bank through the internet. This is also known as internet banking.

.Payment Card - Debit Card, ATM Cards, Credit Card,

Payment card is a type of a payment instruments issued to customers that enables the cardholder to access the funds in the customer's account and make payments by electronic fund transfer and access ATM. In this research context, payment card include debit card and credit card

POS Machine

POS is the acronym for Point of Sales. A POS terminal is a machine installed at Merchant Establishments which enables the merchants to accept payments through payment cards (credit cards, debit cards, gift cards etc.). The installation of POS machine at

a merchant outlet will reduce cash handling and will enhance business revenue for merchants through increased spending option. It is a method of hassle free shopping for customers since they don't need to carry cash with them. In this research context POS facilities classified as credit card purchases and debit card purchases

Banks provides number of services through its e-banking products namely, reviewing account balances, viewing recent transaction, downloading bank statement and passbook, ordering cheque book, downloading various application, account opening ,fund transfers between accounts, bill payments, mobile recharges etc.

REVIEW OF LITERATURE

Vandana Tandon Khanna & Neha Gupta (2015) in their study shows the factors such as Technology acceptability, safety, availability, user friendliness and accessibility highly depends on the demographic profile of the population size. Most of marketing decision in terms of enhancing the effectiveness of delivery channels can be taken by considering these factors.

A.Samsunisa (2015) The researcher has identified that different age group of customers have different perception toward the e-banking services and the usage level of these banks" customer is different so bank should concentrate on all the age group of customers for betterment of e- banking banks. It has also seen that different occupation group of customers have different perception toward the e-banking services. There are good number of customer in every group like student, service class, business class and professionals, it shows that they all are keen interesting in using the e-banking services.

Abdullah et al (2015) The variables ease of use, customer support, privacy, and transaction and payment were found to have significantly influenced customer satisfaction toward internet banking transaction.

Abdul and Moydheen (2015).The study reveals that customers not preferring to use internet banking thought thatthey would be swindled when using this service, and therefore, are particularly careful about high risk expectation during money transfers from and between accounts.

Nudurupati et al., 2016Increased usage of digital technologies and real-time ICT capabilities already have changed the platform for customers to adopt the e-banking practices. Therefore most of the banks and financial intermediaries are adopting e-banking practices to enable superior baking services to their customers.

Dr. M. Abdul Hakeem and Y. Moydheen Sha (2015) in their analysis it was observed that particular age group have used these services, the satisfaction of the customer majorly influenced the convenience, awareness, and responsiveness. In the present technology society, most of the banking customer prefer and switch to e-banking facilities. So the banker may improve their services, loyalty to customers and their retention by increasing awareness of other age groups and concentrating on the factors contributing customer satisfaction.

Nisure (2014) in his paper examines the problem being faced by developing countries in the adoption of E-banking initiatives due to low penetration of Information Technology. The paper highlighted the problems such as security concerns, rules, regulation and management. In India there is a major risk of the emergence of a digital divide as the poor are excluded from the internet and so from the financial system.

R.Elavarasi (2014) The researcher has identified which commercial bank provides better service with regards to e-banking services to customers and also identified satisfaction level of customer view about internet banking website of banks. The data analysis shows that age, educational qualification, occupation, income level of customer are significant factor that decide usage of e-banking services of various banks in the study area. The findings were to increase awareness among people; SBI should advertise and conduct special awareness programs to make E-Banking services more popular among customers.

STATEMENT OF THE PROBLEMS

E-banking was promoted by banks so as to improve their service to customers. Through e-banking banks provides facilities like downloading bank statement and passbook, ordering cheque book, downloading various application, account opening, fund transfers between accounts, bill payments, mobile recharges etc. In spite of the effort of banks to make sure that customers enjoy the advantages of e-banking, the bank is met with complaints from customers as regards, breakdown of equipments and network connection,, online theft and fraud, failure of fund transfer, high cost of e-banking. Some customers gave positive response towards e-banking services while some others gave negative response. Therefore, this study is aimed to make an analysis of customer satisfaction toward e-banking services provided by banks in Kerala.

OBJECTIVES OF THE STUDY

- 1 To study the level of customer satisfaction towards E-banking services
- 2 To analyses the demographic status of respondents likes age, gender, occupation etc.

- 3 To determine usage and reason for preferring e-banking services
- 4 To study the problem of e-banking services

RESEARCH METHODOLOGY

The study was mainly based on primary data and data collected through questionnaire.. The primary data collected from sample customers from sample branches of State Bank of India and South Indian Bank through questionnaires. Random sampling was used for selecting the banks; two banks were randomly selected from the total banks in Kerala as at the time of carrying out this study. The banks were divided in to public banks and private banks. One bank was selected from the public sector banks other selected from the private sector banks operating in Kerala. Convenient sampling method is adapted for selecting the respondents. The number of respondents was selected and collected 150. The secondary data is collected from the official records of the banks, RBI bulletins, and annual reports of the Banks etc. Data analyzes were conducted to classify the data according to the research objectives and was analyzed with the help of various tools like Arithmetic mean, percentages.

RESULTS AND DISCUSSION

This section considered the discussion on respondent's profile, quality of e-banking services by banks, effect of customers relationship on bank services and customers level of education as it influence the adoption of e-banking services.

Table 1: Gender and marital status wise e-banking services users:

E-banking users	Male		Female		Total	
	No. of respondents	%	No. of respondents	%	No. of respondents	%
Married	57	38	39	26	96	64
Single	36	24	18	12	54	36
Total	93	62	57	38	150	100

Source: (Field survey)

Results in table1 reveals that about 62% of the respondents were male (38% are married and 24% are unmarried) while 38% were female (26% are married and 12% unmarried).This tends to indicate that there are more male customers than the female customers and married respondents are more when compared with unmarried.

Table 2: Age wise e-banking service users

Age	No. Of Respondents	Percentage
30 years and below	39	26
31 to 50 years	105	70
51 years and above	06	04
Total	150	100

Source: (Field survey)

Table No.2 discloses the opinion of respondents in their age wise. In this context, 70%respondents are between 31-50 years age; 26% are 30 years and below and remaining 04% are above 50 years old and above. This is quite clear from the figures that majority of the bank customers are 31-50 years who are responsible persons of the family and more of them are literate person who are engaged in any occupation. And following to that 26% of respondents are young and energetic person who are well aware of e-banking usage. While 51 years and above respondent of this category are acquainted with the old traditional banking system and they are not having trust in e-banking services

Table 3: Occupation of respondents who are using-banking services

Occupation	No. of Respondents	Percentage
Professionals	42	28
Students	12	08
Employees	51	34
Businessmen	30	20
Agriculturists	06	04
Abroad	09	05
Total	150	100

Source: (Field survey)

It can be seen from table No.3 that almost all the respondents who were involved in this study had some form of occupation. Majority of them 62% are employees and professionals, 20% are businessmen, 08% are students, 04% are agriculturists and

remaining 05% are working in abroad.. In the ultimate analyses it can be stated that, employees and professionals are educated and they know very well about the e-banking services whereas businessmen always seek fast, effective and efficient kind of services that's why they are next to educated personnel. Students are now trying to use e-banking services and agriculturists are very few in number because they are not aware of e-banking services.

Table 4: Usage of e-banking services

Usage of services	No. of Respondents	Percentage
Preference on e-banking	120	80
Preference on face to face banking	24	16
No awareness on e-banking	6	04
Total	150	100

Source: (Field survey)

From table 4 above envisage that 80 % of respondents are of the opinion that they prefer e-banking services; 16% prefer face to face banking and remaining 04% of respondents expressed that they not aware of e-banking services. These figures and facts speak that the customers prefer e-banking services of the banks because these are the innovative kind's services, which are attracted by all over the world. Even though still few who are tied with the personnel banking system i.e., face to face banking and there is other who does not know about the e-banking at all. It is the need of the bank today to convince all of them in order to stay in the market.

Table5: Reasons for preferring e-banking services

Reasons	No. of Respondents	Percentage
Simple to understand and operate	28	23
Less time and cost benefits	24	20
Anytime/anywhere	36	30
Reliability & convenient	14	12
Service quality	12	10
Environment friendly	06	05
Total	120	100

Source: (Field survey)

Among the 150 respondent only 120 respondents prefer e- banking services. Table 5 defines the opinion of respondent about the reason for preferring e-banking services. In this context 30% respondent were opinion that e-banking services is anytime and anywhere available service; 23% respondents were felt that simple to understand and operate. 20% respondents were opinion that time saving and low cost; 12% respondents depicts that e-banking services are reliable and convenient. 10% respondent preferring e-banking on account of its service quality and remaining 05% respondent prefer e-banking services due to eco friendly. This envisages that customers prefer e-banking services due to many reason because it is totally satisfying all kind of respondents.

Table6: Benefit of e-banking services are identified

Benefits	No. of Respondents	Percentage
Save time and money	24	16
Better terms and conditions	33	22
Fast and efficient	21	14
Customer convenience	27	18
Simplicity	15	10
Fund transfers	09	06
Safe and secure method	12	08
Other benefits	09	06
Total	150	100

Source: (Field survey)

Table no 6 discloses the opinion of respondents about the benefits of e-banking services. Majority of respondents (22%) were of the opinion that e-banking services is better terms and convenience; 18% respondents were felt that it is customer convenience; 16% respondents were opined that it save time and money; 14% respondents were thought that fast and efficient; 10% respondents spelt out that simplicity; 08% respondents depicts that safe and secure method and remaining respondents give equal importance to better fund transfers and other benefits. This envisages that e-banking services are providing many more services by replacing traditional bank services.

Table 7: Expected problems of e-banking services identified

Expected risks	No. of Respondents	Percentage
Security issue	54	36
Adverse effect on bank relation	21	14
Service issue	39	26
Transactional problems	12	08
Lack of knowledge	06	04
High service charges	18	12
Total	150	100

Source: (Field survey)

With regard to problem associated with e-banking table 7 indicates that the major challenge given by the respondents was that of security issue problem representing 36%. This was followed by 14% adverse effect on bank relation; 26% service issues relating to e-banking services; 08% transaction problems; 04% lack of knowledge of e-banking services and remaining 12% respondents in favour of higher service charges on e-banking transaction. These figures and facts speaks that customers are facing some problems as well as they have some doubts about e-banking services. All the above problems shows still they are tied with the personal banking system i.e. traditional banking system.

FINDINGS

1. Among the electronic banking customers male customers are higher than that of female customers and married customers are more when compared with unmarried customers.
2. Majority of the bank customers using e- banking services are in between 31 to 50 years old
3. Old aged peoples are acquainted with the old traditional banking system and they are not having trust in e-banking services
4. Educated peoples like employees and professionals, using more e-banking services, than uneducated peoples namely businessmen, farmers etc.
5. Now day's peoples prefer e- banking services than traditional face to face banking but some peoples are unaware of technological development in the field of banking and there is the need of the bank today to convince all of them in order to stay in the market
6. Customers prefer e-banking services due to many reason namely simplicity, time and cost savings, anytime/anywhere services, reliability and convenience, service quality and eco friendly because it is totally satisfying all kind of respondents.
7. The benefit of e-banking services are identified are better terms and condition, fast and efficient, convenience, fast and secure method, fund transferability, mobility, and simplicity and peoples use e banking mainly due to better terms and conditions, convenience, and time savings.
8. Customers are facing some problems and doubts about e-banking services. They are more worry about security issues and expected risk of the transaction.

COCLUSIONS AND SUGGESTIONS

From the above discussion, it is quite clear that, e-banking products have become an accepted norm of monetary transactions for number of users in India over the past decade and definitely, a right more to impart convenience to the customer as well as the bankers. The ease with which a customer can check his account, make online payments, make error free transactions, economy in costs, reduction in time spent in carrying out business activities, improve delivery system and quick transfer money between accounts has made this mode of banking hugely popular among Indians who are perpetually short of time to visit the bank premises physically. However, along with the world of conveniences this method of banking has number of problems, which need to be considering in order to protect the interest of the customers and to increase the customer's satisfaction level. Therefore, banker and e-banking service designers should think over these types of e-banking products to customize the product in the country context. And make possible changes on e-banking products according to the customers' expectations and need of the period. It will help to enhance the level of customers' satisfaction with e-banking.

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