A Study on Customer Satisfaction towards Various Electronic Banking Services in Selected Public Sector Banks in Coimbatore City

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ABSTRACT - Technologies in banking sector have made our life very easy. Now-a-days modern banking sector is doing more advanced and digitally connected network. Banking sector provides various services to the public at 24 hours/ 365 days such as ATM, Net banking, Mobile Banking etc.,. Today all the banking sectors are providing lot of services to their customers. Although the e-banking services are offered by all the banks, To get the highest satisfaction on the e-banking channels, a customer should have complete knowledge and awareness on various products and services offered by the bank and bankers should have the ability to identify the type of services needed by a customer and render the same to his satisfaction. This paper also attempts to find out the satisfaction level of customers using various banking services in Coimbatore city. For this purpose primary data was collected from 200 respondents. Data was tabulated and analyzed with the help of statistical tools to achieve the objectives of the study.

KEYWORDS -   Banking, Customer, Satisfaction, Services, Technology

I.   INTRODUCTION

Banking is a service industry, and therefore, the quality of customer service plays a pivotal role in the prosperity of any bank. Good customer service leads to better customer relationship, higher customer satisfaction, increased customer loyalty and ultimately profitability. Banking sector is very important for the economic development of the country. Financial services rendered to the community stimulate economic opportunities. However the customer's satisfaction in banks plays the great role to the development of the community. Satisfaction is a crucial concern for both customers and organizations including banks.

Banking system is an important constituent of overall economic system. It plays a crucial role in the attainment of macro-economic objectives. It acts as a vehicle for socio economic transformation and also as a catalyst to economic growth. It plays an important role in mobilizing the nation's savings and in channelizing them into high investment priorities and better utilization of available resources. In the present competitive environment consumers are increasingly aware of alternatives in relation to services and organizations providing services. Consequently, expectations rise and consumers become more critical of the quality of services. With a view to ensure efficient financial services, India has de-regulated and liberalized the financial sector in general and the banking sector in particular.

STATEMENT OF THE PROBLEM

Problem related to customer services and customer satisfactions have been given high priority by even the higher level of policy planners and this is one of the most favorable topics of discussions in the board room. With the increasing level of customer expectations, it is essential that to be more specific both the public and private sector commercial banks innovate strategies and promotes technology-driven, user friendly services to increase the market share as well as image building. This makes a strong advocacy in favour of bank marketing since its application in a right fashion would answer to a number of unsolved questions. The customer is being offered services in his drawing room. In order to succeed and stay successful, marketers need continually to capitalize on the changes in the market. They must cope with the speed of change.

One of the handy tools which helped in creating a quality service in private and foreign banks was use of Information Technology through heavy computerization and use of intranet and internet network for providing such services like money transfer in seconds which used to take weeks in public sector banks. The differentiators were – drastically different banking environment, responsive employees, quality of service delivered etc. The RBI regulates the banking service industry.

The customers in addition to the public sector banks increasingly prefer private sector service providers.

OBJECTIVES OF THE STUDY

- ✓ To study the demographic and socio economic status of the bank customers in Coimbatore city.
- ✓ To evaluate the opinion of customers on electronic banking services offered by banks in order to ascertain the extent of customer satisfaction
- ✓ To analyze the factors influencing customer satisfaction on electronic banking services.
- ✓ To suggest suitable measures to improve quality of electronic banking services.

SCOPE OF THE STUDY

The measurement of service quality is a pre- requisite for improving customer satisfaction. This study encompasses service quality of all public sector banks in Coimbatore city. This study covers respondents who are the customers of the public sector banks. It is expected that the output of this study will help the banks to improve their services and it will also be useful to the policy makers in framing future policies of the bank.

LIMITATIONS OF THE STUDY

* The comparative research has done in the selective private sector banks show the results may or may not be applicable for public sector banks.
* The study has done in the Coimbatore city it may vary   from   other   areas. Due to time and economic constraints of the researcher number of respondents has been limited to 200.

II.   REVIEW OF LITERATURE

C.K.Sunith (2019) in his article named "**Customer Satisfaction in E-Banking Services "** quoted that Electronic Banking incorporates a variety of platforms such as internet banking, automated teller services and mobile phone banking to deliver banking products to the customer. The study aimed to identify most popular electronic banking services among customers. Customer service being an integral part of banking, the study also focused on the satisfaction of customers utilising E-Banking services.

Hindu J. Amin and et al. (2018) in their article named "**E – Banking, Service Quality and Customer Satisfaction in Selected Nigerian Banks"** quoted that the Electronic banking is an important tool for all banks to survive in the competitive Nigerian Banking Industry. This study examines the relationship between the quality of service and customer satisfaction in the e-banking era. A sample of 398 respondents was selected, out of the total number of 66,895 customer population. Structured questionnaires and interview were used in collecting the data. Descriptive statistics was adopted in analyzing the data from the respondents. The results revealed that there is a significant relationship between quality of service and customer satisfaction. The paper concludes that E-banking has a positive impact on the quality of service in the Nigerian banking sector, but not on customer satisfaction. The study suggests that staff training and development should be enhanced in the banking industry in order to render quality and timely services to their customers**.**

Goh and et al. (2016) in their research paper titled "**Understanding Customer Satisfaction of Internet Banking: A Case Study In Malacca"** quoted that the banking industry has been rapidly developing the use of Internet banking as an efficient and viable tool to create customer value. It is one of the popular services offered by the traditional banks to provide speedier and reliable services to online users. With the rapid development of computer technology as a commercial too Internet banking can be used to attract more customers to perform banking transactions in related banks. However, the main problem of Internet banking faced by the providers is that a large number of the banks' customers are not willing to use the Internet banking services offered. This happened due to the services offered through Internet banking have yet to satisfy their customers. Customer satisfaction is an important factor to help banks to sustain competitive advantages. Therefore, the purpose of this research is to search and examine the factors which influence customer satisfaction towards Internet banking. The five factors which can influence customer satisfaction toward Internet banking include service quality, web design and content, security and privacy, convenience and speed. With the use of a questionnaire survey, 200 working adults participated in this study have provided valuable feedback and responses pertaining to the above factors that influence customers' decision to do Internet Banking. The results of this research showed that web design and content, convenience and speed are closely linked to customer satisfaction toward Internet banking. Or … The results of this research showed that web design and content, convenience and speed are the top three factors that influence customer satisfaction toward Internet Banking.

Nadia Asghar (2012) in his article titled, **"An empirical analysis of Customer satisfaction on adoption of Internet Banking in Pakistan"** proves that in Pakistan (particularly in twin cities), customers are satisfied on adopting the internet banking and feel comfortable which processing their day to day business through the online banking facility.

Alabar, T. Timothy (2012) in his research paper titled**, "Electronic Banking Services and Customer Satisfaction in the Nigerian Banking Industry",** identified that electronic banking services has been able to cut costs, save time and offer services at the expenses of man-hour to the satisfaction of customers and with electronic banking, opportunities are also created for small banks to compete on more equal footing with the other larger banks in the world to satisfy customers.

RESEARCH GAP

With respect to various electronic banking services such as ATM, Telebanking, Internet banking, Mobile banking , e-counter services customer satisfaction towards usage plays a very vital role in the banking industry. Eventhough research have been conducted in various electronic banking services, still e-counter services is a budding area , which has been included in our study.

III.   RESEARCH METHODOLOGY

The research methodology was done in two phases. The initial phase was to undertake detailed secondary data search about the customers' perception trend and

satisfaction level based on the services offered by the banks. This forms the desk research work where the reviews of available secondary literature for the study were collected. This search forms the basis for preparing the questionnaire for the next stage. Data for the study were collected from customers' of the bank in Coimbatore city. The tool used for data collection is a pre-designed questionnaire, which covered the demographic profile, their banking habits, perception level and satisfaction level of the customers towards service quality provided the banks.

AREA OF THE STUDY

Coimbatore city have been included in the study. Coimbatore is the suitable place for the study due to the availability of people with all types of educational background. More over Coimbatore is traditionally a trading and industrial centre and now it is emerging as more users of net banking services.

PERIOD OF THE STUDY

The primary data of the study covers customer satisfaction towards electronic banking services; the data collection was made during the month of January 2019 to March 2019. The data covers of 200 respondents from various respondents in Coimbatore city.

SOURCES OF DATA COLLECTION

Primary data was collected by using Questionnaire. Secondary data was collected in books, journals and websites.

SAMPLING

The sampling methodology used is Simple Random Sampling which is one of the probability sampling methods. Simple random sampling is a sampling technique where every item in the population has an even chance and likelihood of being selected in the sample. Here the selection of items completely depends on chance or by probability and therefore this sampling technique is also sometimes known as a method of chances. The total number of respondents is 200 were given the questionnaire to fill up and data was collected in the places in and around Coimbatore city. Based on their performance, technology and customer base, I have chosen 5 public sector banks, out of which 40 customers from each branch were surveyed.

TOOLS FOR ANALYSIS

1) Simple Percentage Analysis
2) Ranking Analysis
3) Chi-square Analysis

IV. DATA ANALYSIS

SIMPLE PERCENTAGE ANALYSIS

❖ Out of 200 respondents 57% are belong to the age group of below 30 years.
❖ Majority of the respondents are male.
❖ Around 34% of post graduate respondents are using electronic banking services.
❖ 35% of the respondents are facing problems while using electronic banking services.
❖ 90% of the respondents are satisfied safety and security of electronic banking services.

TABLE:1 GENDER–WISE DISTRIBUTION OF BANK CUSTOMERS

S.No	Gender	No of respondents	Percentage (%)
1	Male	114	57
2	Female	86	43
	Total	200	

Source: Primary Data

The above table indicates that out of 200 respondents' surveyed, majority i.e., 57 per cent of the respondents' are male and the remaining 43 per cent of the respondents' are female. **Thus it has been concluded that majority i.e., 57 per cent of the respondents' are male.**

TABLE:2 AGE–WISE DISTRIBUTION OF BANK CUSTOMERS

S.No	Age	No of respondents	Percentage (%)
1	Below 30years	105	52.5
2	30-40 years	58	29
3	40-50 years	32	16
4	Above 50years	5	2.5
	Total	200	

Source: Primary Data

From the above table it is inferred that 52.5 percent (105) of the respondents are comes under the category of below30 years, 29 percent (58) of the respondents are comes under the category of 30 – 40 years and 16 percent (32) of the respondents are comes under the category of 40-50 years and 2.5percent (5) of the respondents fall under the category above 50years. **Majority (52.5 per cent) of the respondents are comes under the category of below 30 years.**

TABLE:3 EDUCATIONAL QUALIFICATION WISE DISTRIBUTION OF BANK CUSTOMERS

S.No	Education	No of respondents	Percentage (%)
1	School level	45	22.5
2	Graduates	55	27.5
3	Post-Graduates	65	32.5
4	Technicals/Professionals	35	17.5
	Total	200	

Source: Primary Data

From the above table it is inferred that 22.5 per cent (45) of the respondents are having school level education, 27.5 per cent (55) of the respondents are Graduates, 32.5 per cent (65) of the respondents are Post Graduates and 17.5 per cent 35) are Technical/Professionals. **Majority 32.5 percent (65) of the respondents are having post graduate level education.**

TABLE :4 FACTORS THAT INFLUENCE CUSTOMERS' PERCEPTION TO OPEN BANK ACCOUNT WITH SPECIFIC BANKERS

Reasons	Sum	Mean	Rank
Location near to residence	1955	9.775	1
Nearness to workplace	1935	9.675	2
Convenient working hours	1702	8.51	4
Salary/Pension gets credited	1734	8.67	3
Simple and Easy formalities	1234	6.17	8
e- facilities are user-friendly	1622	8.11	5
Anywhere banking facilities	1564	7.82	6
Friendly staff	1323	6.615	7

Source: Primary Data

The table 4 explains the factors influencing customer's perception to open bank account with the specific bankers - the factor nearness to the place of residence have been ranked as first with an average mean of 9.775, the factors such as nearness to workplace and the salary/pension gets credited has obtained second and third rank with an average mean of 9.675 and 8.67 respectively. The factors viz., convenient working hours, user friendly e- facilities, anywhere banking facility, friendly staff and simple, easy formalities have been ranked as four, five, six, seven and eight with mean score of 8.51, 8.11,7.82,6.615 and 6.17 respectively. **From this table it is concluded that the factor, Nearness to the place of residence have been ranked as first with an average mean of 9.775**

TABLE 5: GENDER AND SATISFACTION LEVEL OF SAFETY AND SECURITY

GENDER	SATISFACTION LEVEL				TOTAL
	Highly Satisfied	Satisfied	Dissatisfied	Highly dissatisfied	
Male	86	27	0	1	114
Female	70	16	0	0	86
Total	156	43	0	1	200

NULLHYPOTHESIS:

There is no significance relationship between gender and level of satisfaction on safety and security. Chi-square result:

Factor	Calculate value	Degree of freedom	Table value @ 5%	Hypothesis
Gender	1.6259	3	7.08	Accepted

INTERPRETATION

It can be revealed from the table 5 that the calculated chi-square values are less than the table value, Null Hypothesis is accepted at 5% level. So there is no significant relationship between gender and satisfaction level of safety and security of the respondents.

TABLE 6: EDUCATIONAL QUALIFICATION AND SATISFACTION LEVEL OF SAFETY AND SECURITY

Educational qualification	SATISFACTION LEVEL				TOTAL
	Highly Satisfied	Satisfied	Dissatisfied	Highly dissatisfied	
School level	15	20	5	5	45
Graduates	25	20	5	5	55
Post-Graduates	28	17	15	5	65
Technicals/Professionals	17	13	3	2	35
Total	85	70	28	17	200

NULLHYPOTHESIS:

There is no significant relationship between educational qualification and level of satisfaction on safety and security.

Chi-square result:

Factor	Calculate value	Degree of freedom	Table value @ 5%	Hypothesis
Education	10.47	9	16.92	Accepted

INTERPRETATION

It can be revealed from the table.6 that the calculated chi-square values are less than the table value, the Null Hypothesis is accepted at 5% level. So there is no significant relationship between educational qualification and satisfaction level of safety and security.

TABLE 7 -   SOCIO-ECONOMIC PROFILE OF RESPONDENTS

For analyzing customer satisfaction, socio economic profile of the respondents such as gender, age, educational qualification, marital status, occupation, monthly income, number of members in the family, number of earning members in the family, type of account, type of family, status of member and annual savings are taken as independent factors and the customer satisfaction is taken as a dependent variable

Variables	Category	No. of Members	Percentage
Gender	Male	114	57
	Female	86	43
Age	Below 30 years	105	52.50
	31-40 years	58	29
	41-50years	32	16
	More than 50 years	5	2.50
Educational Qualification	School level	45	22.50
	Graduate	55	27.50
	Post Graduate	65	32.50
	Professional	35	17.50
Marital Status	Married	109	54.5
	Unmarried	91	45.5
Occupation	Student	43	21.5
	Housewife	17	8.5
	Agriculturist	7	3.5
	Employee	70	35
	Professional	28	14
	Business	35	17.5
Monthly Income	Less than Rs. 1,00,000	87	43.5
	Rs. 1,00,001 - Rs. 2,00,000	56	28
	Rs. 2,00,001 - Rs. 3,00,000	27	13.5
	Above Rs. 3,00,000	30	15
No. of Members in a Family	Below 4 Members	105	52.5
	4 - 5 members	76	38
	5 - 6 members	16	8
	Above 6 members	3	1.5
No. of earning members in family	1 member	66	33
	2 members	107	53.5
	3 members	16	8
	Above 3 members	3	1.5
Type of Account	Savings A/C	159	79.5

	Recurring Deposit	8	4
	Current A/C	16	8
	Fixed Deposit	8	4
	Others	9	4.5
Type of family	Nuclear	155	77.5
	Joint	45	22.5
Status of member	Head of the family	76	38
	Member of the family	124	62
Annual savings	Less than Rs. 1,00,000	142	71
	Rs. 1,00,001 - Rs. 1,50,000	34	17
	Rs. 1,50, 001 - Rs. 3,00,000	15	7.5
	Above Rs. 3,00,000	9	4.5

TABLE 8: CHI- SQUARE ANALYSIS

Personal factors	Factor	DF	Calculated value	Table value		Significant
				@ 5 percent level	@ 1 percent level	
Gender		1	0.58	3.841	6.635	NS
Age		3	1.56	7.815	11.341	NS
Educational qualification		4	11.63	9.488	13.277	**Significant**
Occupation		5	8.32	11.070	15.086	NS
Marital status	Customer	1	13.07	3.841	6.635	**Significant**
Monthly income	Satisfaction	3	8.68	7.815	11.341	**Significant**
No. of members in the family		3	0.66	7.815	11.341	NS
No. of earning member in family		3	1.902	7.815	11.341	NS
Type of Account		3	1.30	7.815	11.341	NS
Annual savings		3	0.30	7.815	11.341	NS

From the chi-square analysis we identified that there is a significant effect of three variables namely educational qualification, marital status and monthly income of the respondents towards customer satisfaction. Gender and age of the customers does not influence the customer satisfaction towards online banking. It is reflected in this study, where there is no significant effect of gender, age, occupation, number of members in family, number of earning members in the family, type of account and annual savings of the respondents towards the customer satisfaction.

V. FINDINGS

The socio-economic profile of the customers, information about electronic banking services availed to customers by public sector banks has been evaluated using simple percentage analysis and to analyze the satisfaction level of the consumers, chi-square test has been employed..

The socio economic profile of respondents implies that the majority of the respondents were males with majority in the age group of less than 25 years and many of them were graduates. Most of the respondents were married. The majority of the respondents are employees and earn less than Rs. 1,00,000 as monthly income. Maximum number of respondents belong to the nuclear family having the total

members less than four with two earning members in their family. Majority of the respondents have an annual savings below Rs. 1,00,000 and have the savings bank account**.**

Majority of the respondents are found to hold their accounts only in public sector banks and majority of the respondents came to know about the online banking services mostly through the advertisements. Many respondents revealed that their bank provides all type of core banking facilities and they make use of alternative banking facilities too. They recommended the use of online banking to friends, relatives and their associates

VI. SUGGESTIONS

The study prefers to offer the following suggestions,

ATM

Cash must be loaded regularly to increase usage of it as wel as non-financial transactions enquiry options must be increased**.**

Tele banking

Multiple customer care line extensions must be done to decrease traffic so that customer queries can be attended.

Internet Banking

Banker must concentrate in avoidance of fake web sites to the net banking services. The banker should guide the customers to their secured passwords and user name while using net banking services. There is no enough awareness regarding safety and security of using net banking services. So the banker must give more awareness to their securities.. Service charge shall be reduced in net banking services and one or two banks providing free service charges for using net banking services.

Mobile Banking

Mobile banking application must be automatically enabled for online users in their registered mobile numbers so that its access will be increased.

E-Counters

Along with existing facilities such as cash/cheque deposit, passbook printing facilities, more non-financial customer general service request facilities can be enabled to reduce footfall in branches.

VII.   CONCLUSION

Undoubtedly e-banking is a strong catalyst for the economic development and in order to enhance the propensity to use e-banking as a primary channel, it must be tailored suiting to the need of the customers. As more and more customers adopt the internet for their banking transactions, it becomes important for management of banks to be innovative in their approach to meet customer requirements.

In **Electronic banking** many **channels** are used like the Internet, WAP based mobile network, automated telephone, ATM network, SMS and FAX messaging, multipurpose information kiosks Web TV and others. E-**channels** enable financial transactions from anywhere and allow non-stop working time.

The modern service delivery formats vary significantly from the branch based model. First of all the focus is on efficiency. This means that the banks aim to provide more and more services at the least cost possible. Secondly the focus is on educating the customers and making them accustomed to banking via these new channels.

The banking industry believes that mobile banking of m-banking is the future of the industry wherein people will be able to avail any service they require at the click of a few buttons. Technology is therefore enabling banks to provide customers with unprecedented service levels while simultaneously providing their shareholders with unprecedented return on equity. Technological developments in computing are certain to find more applications in the baking world. Therefore, the forerunners in the banking industry understand that their business has become intertwined with technology and the next industry leader will be someone who is able to utilize technology to the maximum.

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