



CUSTOMER SATISFACATION TOWARDS ONLINE BANKING IN COIMBATORE DISTRICT

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Abstract:

The research is focused on examining the customer's satisfaction towards online banking in Coimbatore district. The present study is mainly based on primary data which has been collected through issue of questionnaire to 200 respondents residing in Coimbatore district by adopting convenient sampling method. The statistical tools like simple percentage analysis, chi-square are applied to the analysis and interpreted the collected data. From the analysis, it is ascertained that customer's usage of online banking can be known through friends, relatives or through bank employees. The findings helps us to know about the online banking and the uses as it minimize the work of customers in doing person-person banking without any waste of time and energy from the place where you are. Also we are able to know the use of online banking in different sectors of our country likewise in industries, institutes etc.

Keywords: Online Banking - Customers - Awareness

Introduction:

Banks are said to be the heart of the financial structure in the world. It plays vital role in economic development of a nation. It is a system of trading money which provides a safe place to excess cash as deposits and supplies liquidity to the economy by loaning this money out to the needed business men for the growth of business and consumers. It is one of the oldest services in India. Internet banking provides a speedier, faster and reliable services to the customers for which they are relatively happy. Cost of internet banking form a fraction of costs through conventional methods. Rough estimates assume teller cost at Re.1 per transaction, ATM at 45 paise, phone banking at 35 paise, debit card at 20 paise and internet banking at 10 paise per transaction. The internet banking users is gradually increasing from 9 lakhs and expected to increase to 900 lakhs by 2025.

The emergence of new banking technology creates highly competitive market conditions, which have a critical impact upon customer behaviour. Internet banking providers must, therefore, attempt to better understand their customers and their attitudes toward technology in general. If they succeed, banks will be able to influence and even determine customer behaviour, which will become a major issue in creating competitive advantage in the future. Internet banking has become a very competitive area and companies are constantly looking for a way to make their services more attractive to customers.

Review of Literature:

Divya Singhal and V. Padhmanabhan,(Dec 2008)¹, "A Study on Customer Perception Towards Internet Banking: Identifying Major Contributing Factor", Internet banking is becoming increasingly becoming popular because of convenience and flexibility. The present paper explores the major factors responsible for internet banking based on respondents' perception on various internet applications. The study employs primary data as well as secondary data. Secondary data was collected from different published sources. Primary data was collected by structured survey. Thus,

Providing Internet banking is increasingly becoming a “need to have” than a “nice to have” service.

Hamdan. O. Alanazi, Rami Alnaqeib, Ali K. Hmood, M. A. Zaidan , Yahya AlNabhani (MAY 2010)², “On the Module of Internet Banking System” Because of the speed, flexibility, and efficiency that it offers, the Internet has become the means for conducting growing numbers of transactions between suppliers and large international corporations. The Unified Modeling Language (UML) is the uniquely language which is used to analyze and design any system. Banking systems usually contains legacy systems along with very large database systems. The processes, services, channels, and available resources that are included in internet Banking can be categorized in different layers.

Tamilselvi. R, Research Scholar, (July-Dec.2012)³ “Bpr In Banks On Customer Satisfaction With Reference To Small Enterprises”, Banks and other financial services providers continuously claim to offer customer-oriented services, yet they still focus on delivering products instead of providing solutions to their customers” needs. The results show that customer care has the maximum impact on the satisfaction of the customers, followed by transactional quality and procedural quality. All factors are found to be positive and significant.

Umma Salma¹ Mir Abdullah Shahneaz, (2013)⁴, “Customer Satisfaction: A Comparative Analysis of Public and Private Sector Banks in Bangladesh”, this paper discuss about attempts to make a comparative analysis of level of customer satisfaction towards services provided by public and private sector banks. The study has been conducted in 5 cities. But when we talk about public sector banks customers of public sector banks were more satisfied with reputation, reliability and the prices which public sector banks impose on services like cheque/cash deposit and cheque/cash withdraw (it has been shown that price charges are lower in public sector banks than in private sector).

Niveen El Saghier, Demyana Nathan (April 2013)⁵, “Service Quality Dimensions and Customers’ satisfactions of Banks in Egypt”, in this paper he measured the quality of service from customer’s perspective in the Egyptian banking. This study is based on the questionnaire survey conducted in Egypt based on an extensive review of literature, the paper uses empirical research to analyze the service quality of banking services provided, it is an analytical study based mainly on the primary data collected through a scientifically developed questionnaire. The results of the research suggest that there is a significant positive relationship between the empathy and customer satisfaction, so the customers prefer a face-to-face service by the banks.

Statement of the Problem:

The use of technology forms the backbone for better results in banking industry. Today’s banking situation demands continuous innovation in order to meet the earnings and aspirations of the ever demanding customers. Hence banks need to roll out new products and services quickly and effectively using the latest technological equipments. The development of technology and the adoption of internet by all industries remove a time, distance and communication constraint that brings the world under a single roof. Banking industry, no doubt, with the use of latest technology and adoption of internet banking, they are rendering quick services to their customers. One of the main benefit that bank derives from electronic banking products and services is

the delivery with improved efficiency and effectiveness of their operations, so that more transactions can be processed faster and more conveniently. The customers on the other hand enjoy the benefit of quick service delivery, reduced frequency of going to banks physically and reduced cash handling, which will give rise to higher volume of turnover. Though, customers are enjoying the benefit of online banking in one aspect, they are also facing some problems during their interaction with the machines.

1.3 Objectives of the Study:

To find out the answers for the questions raised above, the following objectives were framed for the study,

- To study the socio-economic profile of the customers using the on-line banking services,
- To find out the sources of awareness on online banking services.
- To know the customer satisfaction and to analyze the variables influencing customer satisfaction on online banking services.

1.4 Methodology:

Of the total population in Coimbatore district it is found that only 17-20 percent of the customers make use of online banking services. From these total customers who make use of online banking due to time constraints we have taken only 200 respondents have been selected on convenient sampling method to evaluate the customer satisfaction in online banking. This is done through preparing questionnaire which is collected from the customers directly by the researcher to find the percentage of satisfaction by customers in online banking. Questionnaire contains questions relating to customer awareness on online banking services, factors influencing to adopt the on-line banking services, satisfaction on online services and problems faced. This framed has been issued to customers of all public sector banks that are located in Coimbatore district by issuing and collecting directly from the respondents the filled questionnaires.

Sampling:

Customers of public sector banks located in Coimbatore District are to be chosen for the present study. A sample of 200 customers has been selected on convenient sampling method to evaluate the customer satisfaction in online banking. This is done through preparing questionnaire which is collected from the customers directly by the researcher to find the percentage of satisfaction by customers in online banking. Questionnaire contains questions relating to customer awareness on online banking services, factors influencing to adopt the on-line banking services, satisfaction on online services and problems faced. This framed has been issued to customers of all public sector banks that are located in Coimbatore district by issuing and collecting directly from the respondents of the filled questionnaires.

Tools Used in Analysis:

The tools used for analysis are

- Simple percentage analysis
- Chi-square test.

Analysis and Interpretation:

As though we have undertaken the study to know the customer satisfaction about online banking services, in the above said paragraph we have studied whether there is any relationship between customers overall satisfaction and the socio-

economic profile. Which in turn concluded that in certain cases there is a relation between customer satisfactions and the demographic future or vice-versa?

Table on Simple Percentage Calculation

Sl.No	Online Banking	No. of Respondents	Simple Percentage
1	Gender of Respondents	No. of Respondents	Percent
	Male	126	63
	Female	74	37
	Total	200	100
2	Age of Respondents	No. of Respondents	Percent
	Upto 25	72	36
	26-30	58	29
	31-50	59	29.5
	More Than 50	11	5.5
	Total	200	100
3	Educational Qualification	No. of Respondents	Percent
	H.S.C	23	11.5
	Diploma	24	12
	Under Graduate	73	36.5
	Post Graduate	48	24
	Professional	32	16
		Total	200
4	Occupation	No. of Respondents	Percent
	Student	43	21.5
	Housewife	17	8.5
	Agriculturist	7	3.5
	Employee	70	35
	Professional	28	14
	Business	35	17.5
		Total	200
5	Type of Account	No. of Respondents	Percent
	Savings A/C	159	79.5
	Recurring Deposit	8	4
	Current A/C	16	8
	Fixed Deposit	8	4
	Others	9	4.5
	Total	200	100
6	Annual Savings	No. of Respondents	Percent
	Less Than Rs.1,00,000	142	71
	Rs.1,00,001-1,50,000	34	17
	Rs.1,50,001-3,00,000	15	7.5
	Above Rs.3,00,000	9	4.5
	Total	200	100
7	Aware about Internet Banking	No. of Respondents	Percent
	Bank Employees	50	25
	Existing Users	41	20.5

	Friends/Relatives	84	42
	Advertisement	25	12.5
	Total	200	100
8	Choice of Internet Banking	No. of Respondents	Percent
	No	27	13.5
	Yes	173	86.5
	Total	200	100

Above table depicts that out of 200 customers 126(63Percent) of customers are male; 72(36Percent) belong upto 25 years of age group, 73 (36.5Percent) are under graduates 70(35Percent) of the customers are employees; 159(79.5Percent) of the customers hold savings account in a bank, 142(71Percent) of the respondents hold savings of less than Rs.1,00,000/- only annually, 50(25Percent) respondents came to know about online banking services through bank employees; 173(86.5Percent) of the respondents has recommended that the use of internet banking is helpful in all means to their friends, relatives and their associates.

Hypothesis:

The following hypothesis has been framed to find out relation between overall customer satisfaction and socio-economic profile of customers.

Hypothesis 1: There is no relationship between gender and customer satisfaction with regard to online banking

Hypothesis 2: There is no relationship between age and customer satisfaction in online banking

Hypothesis 3: There is no relationship between educational qualification and customer satisfaction in online banking

Hypothesis 4: There is no relationship between occupation and customer satisfaction in online banking.

Hypothesis 5: There is no relationship between monthly income and customer satisfaction towards online banking services

Hypothesis 6: There is no relationship between type of account holder in a bank and customer satisfaction towards online banking services.

Hypothesis 7: There is no relationship between annual savings of a customer of a bank and customer satisfaction towards online banking service.

Table: 2
Factors Influencing Switching Behaviour of Branded Products

S.No	Variable	Statistical Test	Value	Significance
1.	Gender and Customer Satisfaction in Online Banking	Chi-square test	0.58	Not significant ns
2.	Age and Customer Satisfaction in Online Banking	Chi-square test	1.56	Not significant ns
3.	Educational Qualification and Customer Satisfaction in Online Banking	Chi-square test	11.63	Significant *

4.	Occupation and Customer Satisfaction in Online Banking	Chi-square test	6.32	Not significant _{ns}
5.	Monthly Income and Customer Satisfaction in Online Banking	Chi-square test	9.465	Significant *
6.	Type of Account Holder in a Bank and Customer Satisfaction in Online Banking.	Chi-square test	11.30	Significant *
7.	Annual Savings of a Customer of a Bank and Customer Satisfaction in Online Banking	Chi-square test	0.30	Not significant _{ns}

Source: Primary data * - 5% level of freedom ** - 1 % level of freedom

From the above table it is found that there is a significant relationship between the Educational Qualification and Customer Satisfaction in Online Banking. There is a significant relationship between Monthly Income and Customer Satisfaction in Online Banking. There is a significant relationship between Type of Account Holder in a Bank and Customer Satisfaction in Online Banking.

Findings:

- Most of the customers were male.
- Most of the customers were in the age group of less than 25years.
- Most of the customers were under graduates.
- Most of the customers were employees.
- Majority of the customers hold savings account in a bank.
- Most of customers have an annual savings below Rs.1,00,000/-
- Most of the customers came to know about online banking through advertisement,
- Most of respondents have recommended about use of online banking to friends, relatives and their associates.

Suggestions:

- The banks must provide more advertisement in rural areas so that the common people also can make use of online banking.
- The bank employees should maintain good and cordial relationship with their customers.
- The banks must provide frequent updates of their online banking services to customers.
- The procedure for usage of online banking must be in a simple mode so that a common man can make easy use of it.
- The processing speed should be increased for fast use of all services.

Conclusion:

Now days, due to increase in competition, customer satisfaction is considered to be the most important thing in banking industry. So the bankers are in the position to apt to the information technology to change the way of service to attract customers and increase their satisfaction level. This study gives information about online banking and their services methodology, design and validation of questionnaire and factor analysis were used to enhance the reliability of findings.

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