

CUSTOMER SATISFACTION TOWARDS E-BANKING SERVICES

-- A STUDY OF HDFC AND ICICI BANK

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Abstract

Banking during Roman times was not as we understand banking in modern times. During the Participate, the majority of banking activities were conducted by private individuals, and not by large banking corporations that exist today. Internet banking-Internet banking is changing the banking industry and is having the major effects on banking relationships. Banking is now no longer confined to the branches were one has to approach the branch in person, to withdraw cash or deposit a cheque or request a statement of accounts. In true Internet banking, any inquiry or transaction is processed online without any reference to the branch (anywhere banking) at any time. Providing Internet banking is increasingly becoming a "need to have" than a "nice to have" service.

Key words –e-banking customer satisfaction pudhuchery.

1. INTRODUCTION

E-banking is defined as the automated delivery of new and traditional banking products and services directly to customers through electronic, interactive communication channels. E-banking includes the systems that enable financial institution customers, individuals or businesses, to access accounts, transact business, or obtain information on financial products and services through a public or private network, including the Internet. Customers access e-banking services using an intelligent electronic device, such as a personal computer (PC), personal digital assistant (PDA), automated teller machine (ATM), kiosk, or Touch Tone telephone. While the risks and controls are similar for the various e-banking access channels, this booklet focuses specifically on Internet-based services due to the Internet's widely accessible public network. Accordingly, this booklet begins with a discussion of the two primary types of Internet websites: informational and transactional

E-banking can be offered in two main ways. First, an existing bank with physical offices can also establish an online site and offer e-banking services to its customers in addition to the regular channel. For example, Citibank is a leader in e-banking, offering walk-in, face-to-face banking at its branches throughout many parts of the world as well as e-banking services through the World Wide Web. Citibank customers can access their bank accounts through the Internet, and in addition to the core e-banking services such as account balance inquiry, funds transfer, and electronic bill payment, Citibank also provides premium services including financial calculators, online stock quotes, brokerage services, and insurance

2. OBJECTIVES OF THE STUDY

The study is carried with the following specific objectives:-

- To study about the factors that affects the customer perception towards e-banking Of HDFC and ICICI bank.
- To find out the major problems faced by the customers while using e-banking services.
- To know about the satisfaction level of customer towards e-banking services.

3. SCOPE OF THE STUDY

- Area is restricted to only PUDUCHERY because due to the time constraint and not able to visit all the branches in other cities or states
- All the classes of the customers were taken into consideration.
- This study was covered E-Banking service sector.
- This is a realistic source directly collected from the customers of Bank.

4. REVIEW OF LITERATURE

Malhotra, Pooja & Singh, This study is an attempt to present the present status of Internet banking in India and the extent of internet banking services offered by Internet banks. In addition, it seeks to examine the factors affecting the extent of Internet banking services.

B. Dizon, J.A. In this study they have founded that while big banks still conduct the bulk of their business in brick and mortar bank branches, the finance sector has been increasingly investing on e-banking facilities to offer 24-hour, queue- free services to their regular clients, whether through ATM machines, mobile phones or the Internet.

Reeti, Sanjay, and Malhotra Stated about the Customers' perspectives regarding e-banking in an emerging economy. So that, the author determining various factors affecting customer perception and attitude towards and satisfaction with e-banking is an essential part of a bank's strategy formulation process in an emerging economy like India.

Picado, Gonzalez & Eckelman This study investigated the customer satisfaction using QFD and a research on service quality and customer satisfaction has become significant in the service industries. This study develops a case study that considers both external and internal service management issues and subsequent service innovations based on the framework of quality function deployment (QFD).

METHODOLOGY OF THE STUDY

In this research project Descriptive research design is used. Judgment and Convenience sampling Method will be used to get the information about online banking. This method is used because we are interested in exploring gender, age, or occupation disparities in terms of online banking in the population. For conducting this research, a structured questionnaire is prepared and sample of 150 customers is taken from ICICI and HDFC bank.

5. HYPOTHESIS OF THE STUDY

In tune with the objectives of the study, the following hypothesis were formulated and tested.

- ✓ There is no significant relationship between Educational Qualification and Overall satisfaction of the respondents.
- ✓ There is no significant relationship between mode of operating in E Banking and Overall satisfaction of the respondents.
- ✓ There is no significant relationship between Distance from home and overall satisfaction of the respondents.
- ✓ There is no significant relationship between Experiences and Overall satisfaction of the respondents.

6. ANALYSIS AND INTERPRETATION

Tools applied for the study

The following statistical tools were applied for this research and interpretations were also made.

- ✓ Percentage analysis
- ✓ Chi-square analysis
- ✓ Ranking analysis

7. LIMITATIONS OF THE STUDY

The study is the cause to experience with the following limitations.

- As a research is based on a sample, therefore, the findings may not reveal the factual information about the research problem, though an utmost care will be taken to select a truly representative sample.
- There may be some bias in the responses of the respondents which cannot be ruled out fully.
- Sudden change in the e-banking practices during the course of research can affect the results.
- The study is limited to areas of Pudhuchery only.
- People were reluctant to go in to details because of their busy schedules.

Percentage Analysis

| Gender | No. of Respondents | % | Age | No. of Respondents | % |
|------------------------------------|---------------------------|------------|---------------------------|---------------------------|------------|
| Illiterate | 51 | 34.0 | Below 30 yrs | 36 | 24.0 |
| Primary School level | 32 | 21.3 | 30 – 40 yrs | 68 | 45.4 |
| High School level | 35 | 23.4 | Above 40 yrs | 46 | 30.6 |
| College level | 32 | 21.3 | Total | 150 | 100 |
| Total | 150 | 100 | Distance from bank | No. of Respondents | % |
| Mode of e banking operation | No. of Respondents | % | Below 5 kms | 61 | 40.6 |
| Smartphone | 73 | 48.7 | 5-10 kms | 54 | 36.0 |
| Pc | 36 | 24.0 | Above 10 kms | 35 | 23.4 |
| Both | 41 | 27.3 | Total | 150 | 100 |
| Total | 150 | 100 | | | |

Source: Primary Data

Educational Qualification of the Respondents

The above table shows that the 34% of the respondents are illiterates.

Age of the Respondents

The above table shows that the 45.4% of the respondents are belonging to 30-40 years of age group.

Mode of operation in E banking of the Respondents

The above table shows that the 48.7 percentage of the respondents are having own land.

Distance of the Place of Respondents

The above table shows that the 40.6% of the respondents are having below 5 kms of distance from their home.

Chi-Square Analysis

| Education al Qualificati on | Overall satisfaction | | | Total | Mode of operation in E- banking | Overall satisfaction | | | Total |
|--------------------------------------|----------------------|------------|------|-------|---------------------------------------|----------------------|------------|------|-------|
| | Low | Medium | high | | | Low | Medium | high | |
| Illiterate | 5 | 19 | 27 | 51 | Smartpho ne | 19 | 25 | 29 | 73 |
| Primary | 13 | 6 | 13 | 32 | PC | 9 | 16 | 11 | 36 |
| High School | 6 | 15 | 14 | 35 | Both | 2 | 9 | 30 | 41 |
| Collegiate | 6 | 10 | 16 | 32 | Total | 30 | 50 | 70 | 150 |
| Total | 30 | 50 | 70 | 150 | Experien ce | Overall satisfaction | | | Total |
| Distance | Overall satisfaction | | | Total | Upto 5 years | Low | Mediu m | high | |
| | Lo w | Mediu m | high | | | 8 | 26 | 42 | 76 |

| | | | | | | | | | |
|--------------|-----------|-----------|-----------|------------|----------------|-----------|-----------|-----------|------------|
| Upto 5 kms | 10 | 14 | 37 | 61 | 6-10 years | 18 | 19 | 21 | 58 |
| 6-10 kms | 14 | 23 | 17 | 54 | Above 10 years | 4 | 5 | 7 | 16 |
| Above 10 kms | 6 | 13 | 16 | 35 | Total | 30 | 50 | 70 | 150 |
| Total | 30 | 50 | 70 | 150 | | | | | |

Source :Primary
Data

Chi-Square Test

| No Association Between | Calculated Chi- Square Value | Degree of freedom | Table Value | Result |
|--|------------------------------|-------------------|-------------|----------|
| Educational Qualification and Overall satisfaction of the respondents | 13.987 | 6 | 12.592 | Rejected |
| Mode of operation in E banking and Overall satisfaction of the respondents | 18.335 | 4 | 9.488 | Rejected |
| Distance and Overall satisfaction of the respondents | 10.232 | 4 | 9.488 | Rejected |
| Experience and Overall satisfaction of the respondents | 9.779 | 4 | 9.488 | Rejected |

Source: Primary
Data

Educational Status and Overall satisfaction of the respondents

The above table shows that the calculated Chi-Square value is more than the table value and the result is rejected at 5 % level. Hence, there is significant relationship between educational qualification and Overall satisfaction of the respondents.

Mode of operation in E banking and Overall satisfaction of the respondents

The above table shows that the calculated Chi-Square value is more than the table value and the result is rejected at 5 % level. Hence, there is significant relationship between Mode of operation in E banking and Overall satisfaction of the respondents.

Distance from home and overall satisfaction of the respondents

The above table shows that the calculated Chi-Square value is more than the table value and the result is rejected at 5 % level. Hence, there is significant relationship between distance of home and overall satisfaction of the respondents.

Experience and Overall satisfaction of the respondents

The above table shows that the calculated Chi-Square value is more than the table value and the result is rejected at 5% level. Hence, there is significant relationship between experience in and Overall satisfaction of the respondents.

Ranking Analysis

Reasons for using E-Banking

| S. No | Criteria | Mean value | Rank |
|--------------|-----------------|-------------------|-------------|
| 1 | Easy access | 3.84 | 4 |
| 2 | Time saving | 3.29 | 5 |
| 3 | High security | 3.07 | 3 |
| 4 | Fashion | 2.96 | 2 |
| 5 | Necessity | 2.52 | 1 |

Sources: Primary Data

The above table shows that the reasons for selecting the product. Out of 150, majority of the respondents were given First rank to necessity for using for the E Banking services.

8. FINDINGS, SUGGESTIONS AND CONCLUSION

Percentage Analysis

- ✓ The majority of respondents are illiterates.
- ✓ The majority of respondents are belonging to 30-40 years of age group.
- ✓ The majority of respondents are operating E Banking at Smartphone.
- ✓ The majority of respondents are having below 5 kms of distance from their home .
- ✓ Most of respondents are business man, private and government service are using E-banking services. Because the benefits which are having while using these services are more benefited by the business man and service people so they are availing these services more than the other respondents.
- ✓ Among the overall percentage of the customers whose having their account in the both the bank which we have conducted in our survey should be the 14.5%, and they are using the services of both the banks and the categorical division is to be 33.3% in ICICI and 52.1% in HDFC.
- ✓ E-banking constitutes services provided in Phone Banking, Mobile Banking, Internet terms of ATMs, Debit Card, Credit Card, Banking etc., of which the first six have been covered. Amongst these Debit Card scores the largest used service status Close on the heels is Mobile Banking, Phone Banking, while Online banking lags behind by scoring the least.
- ✓ When asked to list various benefits accruing from the usage of e-banking, time saving received highest percentage. Quite interestingly, easy processing feature scored more than the inexpensiveness of the e-banking services.
- ✓ We easily from our interpretation find out that there is not at all as such comparison between both the banks. As there are some of the services which are equally good and bad as the services of other bank. So in findings we can't say that overall which bank provides the satisfactory facility to their customers only there is some services which is better of HDFC and some are better of ICICI bank. But from the survey from the sample unit we have found that most of the respondents considered the services provided by HDFC bank are better in respect of ICICI bank.

Chi-Square Analysis

- ✓ There is significant relationship between Educational Qualification and Overall satisfaction of the respondents.
- ✓ There is significant relationship Mode of operation in E banking and Overall satisfaction of the respondents.
- ✓ There is significant relationship between distance of home and Overall satisfaction of the respondents.
- ✓ There is significant relationship between experience and Overall satisfaction of the respondents.

Ranking Analysis

- ✓ The majority of the respondents were given First rank to Necessity

9. SUGGESTIONS

We can see the time is changing and with the passage of time people are accepting technology there is still a lot of perceptual blocking which hampers the growth it's the normal tendency of a human not to have changes work on the old track, that's also one of the reasons for the slow acceptance of internet banking accounts.

- Banks should obey the RBI norms and provide facilities as per the norms, which are not being followed by the banks. While the customer must be given the prompt services and the bank officer should not have any fear on mind to provide the facilities as per RBI norms to the units going sick.
- Internet banking facility must be made available in all branches of these two Banks.
- Each section of these Banks should be computerized even in rural areas also.
- Personalized banking should be given a thrust as more and more banks are achieving in usual services.
- Covering up the towns in rural areas with ATMs so that the people in those areas can also avail better services.
- Prompt dealing with permanent customers and speedy transactions without harassing the customers.

- Fair dealing with the customers. More contributions from the employees of the bank. The staff

Should be co-operative, friendly and must be capable of understanding the problems of the customers.

- Give proper training to customers for using e-banking.
- Create a trust in mind of customers towards security of their accounts.
- Provide a platform from where the customers can access different accounts at single time without extra charge.

CONCLUSION

This study attempted to identify key quality attributes of internet banking services by analyzing internet banking customers & their comments on banking experience. The findings of this study show that despite of many advantages of online banking. People still consider it as an alternative for analyzing their bank records. Although every bank today provides the facility of online banking but most of people use it only once a month. This reason is that in case of internet banking interpersonal interaction with customers is seldom possible. Identification & measurement of customer's expectations of the internet banking services provide a frame of reference & their related quality dimension. The main factors which persuade people to use online banking are comfort & convenience & the facility which attracts them most is quality & quantity of information. Therefore the implementation of quality initiatives should begin with defining customer's need & preferences & their related quality dimensions. There is still a lot needed for the banking system to make reforms and train their customers for using internet for their banking account. Going through the survey the main problem lies that still customer have a fear of hacking of accounts and thus do not go on for internet banking. Banks are trying their level best by providing the best security options to the customers but then to there is lot of factors which betrays a customer from opening an internet bank account. Banks are providing free internet banking services also so that the customers can be attracted. By asking the bank employs we came to know that maximum numbers of internet bank account holders are youth and business man. E-Banking is an innovative tool that is fast becoming a necessity. It is a successful strategic we upon for banks to remain profitable in a volatile and

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