

# **CUSTOMER SATISFACTION ON E-BANKING SERVICES (WITH SPECIAL REFERENCE TO STATE BANK OF INDIA (SBI), ARIYALUR BRANCH)**

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## **ABSTRACT**

*E-Banking is your personal banking service on the Internet, protected with bank identifiers. It is available anywhere, anytime. E-Banking allows you to pay invoices to Finnish and foreign recipients easily and securely. You can also check your account balances and transactions. You can order a new card, withdraw a loan granted to you and make mutual fund subscriptions. You access e-Banking services by obtaining bank identifiers. E-Banking as such is free of charge but commissions and fees in accordance with the service tariff will be levied on orders and other transactions carried out through e-Banking. E-Banking allows you to pay invoices to Finnish and foreign recipients easily and securely. You can also check your account balances and transactions. You can order a new card, withdraw a loan granted to you and make mutual fund subscriptions. You access e-Banking services by obtaining bank identifiers. E-Banking as such is free of charge but commissions and fees in accordance with the service tariff will be levied on orders and other transactions carried out through e-Banking. The password for online banking is normally not the same as for telephone banking. Financial institutions now routinely allocate customers numbers, whether or not customers have indicated an intention to access their online banking facility.*

*Key Words: Customer satisfaction, E-Banking, Ariyalur district.*

## **1. INTRODUCTION**

### **ABOUT E-BANKING**

Electronic banking has many names like e banking, virtual banking, online banking, or internet banking. It is simply the use of electronic and telecommunications network for delivering various banking products and services. Through e-banking, a customer can access his account and conduct many transactions using his computer or mobile phone. In this article, we will look at the importance and types of e-banking services. Online banking is an electronic payment system that enables customers of a financial institution to conduct financial transactions on a website operated by the institution, such as a retail bank, virtual bank, credit union or building society. Online banking is also referred as Internet banking, e-banking, virtual banking and by other terms.

To access a financial institution's online banking facility, a customer with Internet access would need to register with the institution for the service, and set up some password for customer verification. The password for online banking is normally not the same as for telephone banking. Financial institutions now routinely allocate customers numbers, whether or not customers have indicated an intention to access their online banking facility.

Customers' numbers are normally not the same as account numbers, because a number of customer accounts can be linked to the one customer number. The customer can link to the customer number any account which the customer controls, which may be cheque, savings, loan, credit card and other accounts. Customer numbers will also not be the same as any debit or credit card issued by the financial institution to the customer. Online banking (Internet banking) allows customers to conduct financial transactions on a secure website operated by their retail or virtual bank, credit union. Internet banking allows customers to perform a wide range of banking transactions electronically via the bank's website. With the development of asynchronous technologies and secured electronic technologies, almost all banks have come forward to use Internet Banking both as transactional as well as an informational medium. The registered internet banking users can now perform common banking function such as

- Payment of bills
- Transferring funds to any part of the world
- Checking the balance
- Downloading and printing statements

- Opening various accounts such as Recurring deposit, fixed deposits etc.
- Payment of credit cards
- Stop payment of cheques
- Reporting lost cards
- Requesting cheque books
- Applying loans
- Downloading applications

Many have opened their own shopping site which enables customers to buy from the website at the ease of sitting back at home.

## 2. LITERATURE REVIEW

**Author Name: Azouzi, D. Topic: —**The Adoption of Electronic Banking in Tunisia, Journal of Internet Banking and Commerce **Date:** June, 09 2009.

This paper aims to check if the current and prompt technological revolution altering the whole world has crucial impacts on the Tunisian banking sector. Particularly, this study seeks some clues on which we can rely in order to understand the customers' behavior regarding the adoption of electronic banking. To achieve this purpose, an empirical research is carried out in Tunisia and it reveals that panoply of factors is affecting the customers-attitude toward e-banking. For instance; age, gender and educational qualifications seem to be important and they split up the group into electronic banking adopters and traditional banking defenders and so, they have significant influence on the customers' adoption of e-banking. Furthermore, this study shows that despite the presidential incentives and in spite of being fully aware of the e-banking's benefits, numerous respondents are still using the conventional banking. It is worthy to mention that the fear of loss because of transactions errors or hackers plays a significant role in alienating Tunisian customers from online banking.

**Author Name: Nitsure, R.R. Topic: —**E-Banking: Challenges and Opportunities.

**Date:** December 25, 2004.

This article indicates the E-banking Challenges and opportunities lies in the banking industry. E-banking has the potential to transform the banking business as it significantly lowers transaction and delivery costs. This paper discusses some of the problems developing countries, which have a

low penetration of information and telecommunication technology, face in realizing the advantages of e- banking initiatives. Major concerns such as the 'digital divide' between the rich and poor, the different operational environments for public and private sector banks, problems of security and authentication, management and regulation, and inadequate financing of small and medium scale enterprises (SMEs) are highlighted.

### **3. STATEMENT OF THE PROBLEM**

In traditional banking, the customer has to visit the branch of the bank in person to perform the basic banking operations, viz., account enquiry, fund transfer, cash withdrawals etc... But e-banking enables the customers to perform the basic banking transactions by sitting at their office or homes through viewing their account details and perform the transactions through PC, lap top or mobile phone. Unfortunately most of the customers are unaware about the e-banking facility. It is due to the lack of e-literacy. Only a few percentages of the total customers of the bank use online banking. The online banking users are also not confident about the security due to the hackers who hacks the bank's website. Whatever it is, a bank doesn't offer 100 percentage securities in online transactions.

### **4. HYPOTHESES**

#### **CHI-SQUARE**

- ✓ There is no relationship between age of the respondents and overall satisfaction.
- ✓ There is no relationship between qualification of the respondents and overall satisfaction of E-Banking.
- ✓ There is no relationship between income of the respondents and overall satisfaction of the E-Banking.
- ✓ There is no relationship between usage of the respondents and overall satisfaction of the E-Banking.

## ANOVA

- ✓ There is no significant difference in performance and service of respondents and age of the respondents.

## 5. OBJECTIVES OF THE STUDY

1. To assess the impact of service quality dimensions on customers satisfaction in E-banking.
2. To assess the impact of perceived value of e-banking service on customers satisfaction.
3. To identify the most widely used application of internet banking.
4. To find out the reasons for preferring internet banking.

## 6. METHODOLOGY

Methodology is the way of systematically solving the research problems. It explains the various steps that are generally adopted by researcher in studying the research problem along with logic behind them. Here the type of research, method of research, selection of topic, selection of sample, collection of data, sources of data, statistical tools applied, analysis of data, interpretation of data and preparation of report are explained.

### Type of Research

A research has to come under any one of the types of research. As such, this research is a 'Descriptive' type of research. In this type, the characteristic features of different variables taken for the study are described.

### Method of Research

A research has to follow any one of the methods of research namely survey method, observation method and experimental method. Among them, 'Survey' method was adopted to execute the study.

### Selection of Sample

*Convenient' Sampling Technique* is used to select the sample size of customers. Among the total customers, 150 respondents were selected and met in the study.

### Collection of Data

As regards data collection, a standard Questionnaire with questions was prepared by the researcher and given to the customers of SBI Ariyalur branch.

### Sources of Data

The sources of getting data are numerous and effective today. This study depends more on primary data and less on secondary data. Primary data were collected from the respondents through

the questionnaire. Secondary data were gathered from text books, websites. Here, the proportion of primary data is larger than the proportion of secondary data that is used in the study.

### **Data Analysis**

Two statistical tools are used to analyze the primary data collected from the above source. This involves a lot of calculation and computations. In order to economize the time and ensure accuracy computer is used for analysis of such data. SPSS (Statistical Package for Social Sciences) software is used to interpret the data. Through this package, the following analyses are done here, namely Frequency test, Chi-square test is used to test the association between two factors.

### **Period of the Study**

This study is carried for a period of 6 months from March 2019 to August 2019 during which the topic is selected, the questionnaire, the data are collected and analyzed and the report is prepared.

## **7. SCOPE OF THE STUDY**

The study entitled "**CUSTOMER SATISFACTION ON E-BANKING SERVICES PROVIDED BY SBI IN ARIYALUR BRANCH**" aims to find out the awareness level and the effectiveness of Internet banking service provided by Dent bank to the customers. The analysis will help to know the awareness level of customers regarding the internet banking services. Along with the satisfaction level of tie customers in the internet banking services and the customer's perception regarding the internet banking service at SBI.

## **8. LIMITATIONS OF THE STUDY**

Period given for the project work is limited.

2. The study is restricted only to selected area, so it cannot be generalized.
3. Since the research is based on the sample respondents, the accuracy of the research may be affected.
4. Another major limitation of this research was the inadequacy of knowledge that most bank customers had about e-banking especially regarding the internet banking and tele-banking delivery channels.

**9. ANALYSIS AND DISCUSSION****CHI- SQUARE ANALYSIS****AGE AND OVERALL SATISFACTION OF THE E-BANKING**

<b>Chi-Square Tests</b>			
	<b>Value</b>	<b>df</b>	<b>Asymp. Sig. (2-sided)</b>
<b>Pearson Chi-Square</b>	<b>7.196<sup>a</sup></b>	<b>6</b>	<b>.303</b>
<b>Likelihood Ratio</b>	<b>7.134</b>	<b>6</b>	<b>.309</b>
<b>Linear-by-Linear Association</b>	<b>.812</b>	<b>1</b>	<b>.368</b>
<b>N of Valid Cases</b>	<b>150</b>		
<b>a. 3 cells (25.0%) have expected count less than 5. The minimum expected count is 2.61</b>			

**Source: Primary Data**

In the chi – square test, the researcher find that the calculated value is (7.196) higher than the table value. The degree of freedom is 6 and the significant level is 3% is  $> 0.005$ . Therefore null hypothesis is rejected. So there is relationship between age of the respondents and overall satisfaction.

**10. QUALIFICATION AND OVERALL SATISFACTION OF THE E-BANKING**

<b>Chi-Square Tests</b>			
	<b>Value</b>	<b>df</b>	<b>Asymp. Sig. (2-sided)</b>
<b>Pearson Chi-Square</b>	<b>2.851<sup>a</sup></b>	<b>6</b>	<b>.827</b>
<b>Likelihood Ratio</b>	<b>2.793</b>	<b>6</b>	<b>.834</b>
<b>Linear-by-Linear Association</b>	<b>.002</b>	<b>1</b>	<b>.965</b>
<b>N of Valid Cases</b>	<b>150</b>		
<b>a. 4 cells (33.3%) have expected count less than 5. The minimum expected count is 2.24</b>			

**Source: Primary Data**

In the chi – square test, the researcher find that the calculated value is (2.851) higher than the table value. The degree of freedom is 6 and the significant level is 8% is  $> 0.005$ . Therefore null hypothesis is rejected. So there is relationship between qualification of the respondents and overall satisfaction of the e-banking

**INCOME AND OVERALL SATISFACTION OF THE E-BANKING**

<b>Chi-Square Tests</b>			
	<b>Value</b>	<b>df</b>	<b>Asymp. Sig. (2-sided)</b>
<b>Pearson Chi-Square</b>	<b>19.823<sup>a</sup></b>	<b>8</b>	<b>.011</b>
<b>Likelihood Ratio</b>	<b>28.618</b>	<b>8</b>	<b>.000</b>
<b>Linear-by-Linear Association</b>	<b>1.952</b>	<b>1</b>	<b>.162</b>
<b>N of Valid Cases</b>	<b>150</b>		
<b>a. 3 cells (20.0%) have expected count less than 5. The minimum expected count is 1.87</b>			

**Source: Primary Data**

In the chi – square test, the researcher find that the calculated value is (19.823) higher than the table value. The degree of freedom is 8 and the significant level is 0.011% is > 0.005. Therefore null hypothesis is rejected. So there is relationship between income of the respondents and overall satisfaction of the E –Banking.

**USEAGE OF E-BANKING AND OVERALL SATISFACTION OF THE E-BANKING**

<b>Chi-Square Tests</b>			
	<b>Value</b>	<b>df</b>	<b>Asymp. Sig. (2-sided)</b>
<b>Pearson Chi-Square</b>	<b>5.254<sup>a</sup></b>	<b>4</b>	<b>.262</b>
<b>Likelihood Ratio</b>	<b>7.285</b>	<b>4</b>	<b>.122</b>
<b>Linear-by-Linear Association</b>	<b>.078</b>	<b>1</b>	<b>.780</b>
<b>N of Valid Cases</b>	<b>150</b>		
<b>a. 2 cells (22.2%) have expected count less than 5. The minimum expected count is 2.24.</b>			

**Source: Primary Data**

In the chi – square test, the researcher find that the calculated value is (5.254) higher than the table value. The degree of freedom is 4 and the significant level is 2% is > 0.005. Therefore null hypothesis is rejected. So there is relationship between usage of e banking of the respondents and overall satisfaction of the e-banking.

**ANOVA TEST****ANOVA****PERFORMANCE AND SERVICE**

	<b>Sum of Squares</b>	<b>df</b>	<b>Mean Square</b>	<b>F</b>	<b>Sig.</b>
<b>Between Groups</b>	1.652	3	.551	1.617	.188
<b>Within Groups</b>	49.708	146	.340		
<b>Total</b>	51.360	149			

**Source: Primary Data**



In the one way anova test, the researcher find that the calculated (P) value is (0.188) higher than the 0.05. Therefore null hypothesis is accepted. So there no significant difference in performance and service of respondents and age of the respondents.

## 11. RANKING ANALYSIS

REASON FOR SELECTING THE RASI SEEDS COMPANY PRODUCT			
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.

## 12. FINDINGS, SUGGESTIONS AND CONCLUSION

### **FINDINGS;**

#### **Percentage Anal**

- ✓ The categorization of 150 respondents showed that 72% were males and 28% representing females.
- ✓ The age statistics indicated that least age groups were those above 55 years which was represented 2% of the respondents sampled for the study. Additionally the highest age groups from the study were those between 18-25 years.
- ✓ In the case of marital status, majority of the respondents belongs to unmarried group.
- ✓ Government employees, NRIs, Students and professionals most commonly use internet banking services. Others were minority,
- ✓ In terms of education, none of the respondents were without any formal education. The most represented educational levels were those with a degree which was made up of 32%. This was followed by 38% of respondents who were with a masters degree. The least represented educational level were those with basic education who were 6%. It shows that highly qualified persons prefer internet banking more than that of others.
- ✓ Middle class people prefer internet banking more. People having income in between 10000 and 30000 uses internet banking than others as per the study conducted.
- ✓ Out of the internet banking services, withdrawal is the most preferred internet banking service of SBI.
- ✓ More than 3/4th of the respondents are satisfied with the internet banking facilities of SBI.
- ✓ From the study, it is clear that internet banking reduces time wastage and increases efficiency.
- ✓ Majority (58%) of the respondents are unaware of the usage of internet banking.

### **CHI-SQUARE ANALYSIS**

- ✓ There is a significant relationship between age of the respondents and overall satisfaction.
- ✓ There is a significant relationship between qualification of the respondents and overall satisfaction of the e-banking.
- ✓ There is a significant relationship between income of the respondents and overall satisfaction of the e-banking.
- ✓ There is a significant relationship between usage of e-banking of the respondents and overall satisfaction of the e-banking.

### **ANOVA ANALYSIS**

- ✓ There no significant difference in performance and service and age of the respondents.

### **RANKING ANALYSIS**

- ✓ Majority of the respondents were given First rank to necessity for using for the E Banking services.

### **SUGGESTIONS :**

Existing complaint resolving mechanism has to be retained.

- ✓ Existing customer – bank relationship to be maintained to get more customers.
- ✓ Proper feedback and follow up procedures to be introduced to delight the customers.
- ✓ Bank should educate the senior citizens regarding the use and services of internet banking.
- ✓ Bank can include a demo video on their website describing the procedures of various internet banking services, so that more customers will use facilities like stop payment, cheque book orders etc.
- ✓ Regarding the applying of loans through internet banking, bank should ease the procedures, so that many will be able to apply online.
- ✓ Brand positioning have to be assigned for different type of customers.
- ✓ Adequate number of cash depository machines should be fixed in proper locations

### **CONCLUSION**

The study has analyses the overall perception of customers regarding the services of internet banking. Age and qualification are the important demographic factors which used to measure the perception of customers on internet banking services. The study concludes that different age group of customers has different perception towards the internet banking services and the usage levels of

customers are different. So bank should concentrate on all the age group of customers. It is also seen that different education group of customers have different perception towards internet banking. There are good numbers of customers in every group. Bank should educate the senior citizens about the usage of internet banking services.

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