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CUSTOMER SATISFACTION OF E-BANKING IN COIMBATORE CITY

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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 30 respondents residing in Coimbatore district by adopting convenient sampling method. The statistical tools like simple percentage analysis 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 know through friends, relative or though bank employees. The findings helps us to know about the online banking and the uses as it minimize the work of customers in doing persons 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 sector of our country likewise in industries, institutes etc.

Keywords: E-Banking-Customer-satisfaction

Introduction

Bank are said to be the heart to 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 service to the customers for which they are relatively happy. Cost of internet banking from a fraction of costs through conventional methods. Rough estimates assume teller cost Re.1 per transaction, ATM at 45 paisa, phone banking at 35 paisa, debit card at 20 paisa and internet banking at 10 paisa per transaction. The internet banking users is gradually increasing from 9 lakhs and expected to increase to 900 lakhs by 2025. The emergency 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 further. Internet banking has become a very competitive area and companies are constantly looking for way make their services more attractive to customers.

E-Banking in India

Online banking, also known as internet banking, e-banking or virtual banking, is an electronic payment that enables customers of a bank other financial institution to conduct a range of financial transactions through the financial institution's website. The online banking system will typically connect to or be part of the core banking system operated by a bank and is in contrast to branch banking which was the traditional way customers accessed banking services.

To access a financial institution's online banking facility, a customer with internet access will need to register with the institution for the service, and set up a

password and other credentials for customer verification. The credentials for online banking is normally not the same as for telephone or mobile banking. Financial institutions now routinely allocate customers numbers, whether or not customers have indicated an intention to access their online banking facility. Customer numbers are normally not the same as account numbers, because a number of customer accounts can be linked to the one customer number. Technically, the customer number can be linked to any account with the financial institution that the customer controls, though the financial institution may limit the range of accounts that may be accessed to, say, cheque, savings, loan, credit card and similar accounts.

Review of Literature

DivyaSinghal and V. Padhmanabhan, (Dec 2008), "A Study on Customer Perception toward Internet banking: Identifying Major Contributing Factor", Internet banking is 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 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, YahyaAlNabhani (MAY 2010), "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 Modelling Language (UML) is the uniquely language which is used to analyze and design any system. Banking system usually contains legacy systems along with very large database systems. The processes, channels, and available resources that are included in internet Banking can be categorized in different layers.

Tamilselvi. R, Research Scholar, (July-Dec.2012)" 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 customer, followed by transactional quality and procedural quality. All factors are found to be positive and significant.

Umma Salma¹ Mir Abdullah Shahneaz, (2013)", Customer Satisfaction: A Comparative Analysis of Public and Private Sector Bank in Bangladesh", this paper discuss about attempts to make a comparative analysis of level of customer satisfaction toward services provided by public and private sector banks. The study has been conducted in 5 cities. But when we talk about public sector banks customer 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 show that price charges are lower in public sector bank than in private sector).

Niveen El Saghier, Demyana Nathan (April 2013), "Service Quality Dimensions and Customer' Satisfaction of Banks in Egypt", in this paper the 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 services quality of banking services provided, it is analytical study based mainly on the primary data collected through a scientifically development 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 services by the banks.

Statement of the Problems

The use of technology forms the backbone for better result in banking industry. Today's banking situation demands continuous innovation in order to meet the earnings and aspiration of the ever demanding customer. Hence banks need to roll out new products and services

quickly and effectively using the latest technological equipment. The development of technology and the adoption of internet by all industries remove a time, distance and communication constraint that brings the world under single roof. Banking industry, no doubt, with the use of latest technology and adoption of internet banking, they are rendering quick services to their customer. One of the main benefits that bank derives from electronic banking product and services is the delivery with improved efficiency and effectiveness of their operation, so that more transaction can be faster and more conveniently. The customer 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.

Objectives

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

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

Methodology

Of the total population in Coimbatore district 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 30 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 customer directly by the researcher to find the percentage of satisfaction by customer in online banking. Questionnaire contains questions relating to customer

awareness on online banking services, factor 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 30 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 customer 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

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

Table 1: Gender & Age of the Respondents

Gender of Respondents	No. of Respondents	Percent
Male	22	73
Female	8	27
Total	30	100
Age of Respondents	No. of Respondents	Percent
18-25	26	87
26-30	3	10
31-40	-	-
41-50	1	3
Total	30	100

Source: Primary Data

Interpretation

The above indicates that out of 30 respondents 73% of the respondents' male 27% of the respondents are female. In relation to the age of respondents 87% are the age group of 18-25 years, 10% in the age group of 26-30 years, 3% in the age group of 41-50 years.

Table 2: Monthly Income of the Respondents

Monthly Income	No. of Respondents	Percent
Upto - 10,000	14	47
10,000-15,000	2	7
15,001-20,000	7	23
20,001-25,000	4	13
25001-30,000	1	3
30,001-40,000	2	7
Total	30	100

Source: Primary Data

Interpretation

The above indicates that out of 30 respondents 47% respondents up to 10,000, 7% of the respondents earn 10,000-15,000, 23% of the respondents earn 15,001-20,000, 13% of the respondents earn 20,001-25,000, 3% of the respondents earn 25001-30,000, 7% of the respondents earn 30,001-40,000.

Table 3: Occupation of the Respondents

Profession	No. of Respondents	Percent
Govt Employee	3	10
Private Employee	6	20
Business	2	7
Self Employee	1	3
Student	18	60
Total	30	100

Source: Primary Data

Interpretation

The above table indicates that out of 30 respondents 10% respondents Govt Employee, 20% of the respondents Private Employee, 7% of the respondents Business, 3% of the respondents Self Employee, 60% of the respondents Student.

Table 4: Opinion about bank's Most Advanced Technology

Sector	No. of Respondents	Percent
Public Sector	15	50
Private Sector	15	50
Total	30	100

Interpretation

The above indicates that out of 30 respondents 50% respondents of the Public Sector, 50% of the respondents Private Sector.

Table 5: Opinion about bank attribute's value

Attributes	No. of Respondents	Percent
Quality of Service	8	27
Technology Used	11	37
Trust	4	13
Location	6	20
Type of Bank	1	3
Total	30	100

Source: Primary Data

Interpretation

The above indicates that out of 30 respondents 27% respondents of the Quality of Service, 37% of the respondents Technology Used, 13% of the respondents Trust, and 20% of the respondents Location, 3% of the respondents Type of Bank.

Table 6: Opinion about New Techniques of the Bank

New Techniques	No. of Respondents	Percent
Reduced time Transaction	10	33
Cost Effectiveness	8	27
Ease of Use	6	20
Technology Know how	6	20
Total	30	100

Source: Primary Data

Interpretation

The above indicates that out of 30 respondents 33% respondents of the reduced time Transaction, 27% of the respondents Cost Effectiveness, 20% of the respondents Ease of Use, 20% of the respondents Technology savvy.

Table 7: Opinion about the Computer Knowledge of the bank employees

Knowledge Level	No. of Respondents	Percent
Beginner	3	10
Average Knowledge	15	50
Advanced Computer Knowledge	10	33
Expert	2	7
Total	30	100

Source: Primary Data

Interpretation

The above indicates that out of 30 respondents 10% respondents of the Beginner, 50% of the respondents Average Knowledge, 33% of the respondents Advanced Computer Knowledge, and 7% of the respondents Expert.

Findings

- Most of the customers were male.
- Most of the customers were in the age group of less than 25 years.
- Most of the customers were students.
- Most of the customers were private employee.
- Majority public sector bank have most advanced technology.

- Most of the customer have an monthly income upto Rs.10,000/-

Suggestions

- The banks must provide more advertisement in rural areas so that the common people also can make use online banking.
- The bank employees should maintain good and cordial relationship with their customers.
- The banks must provide frequency updates of their online banking services to customer.
- The procedure of 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 banker is 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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