CUSTOMER SATISFACTION TOWARDS E- BANKING SERVICES PROVIDED BY INDIAN OVERSEAS BANK IN KANYAKUMARI DISTRICT

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ABSTRACT

Banks play a major role in all the economic and financial activities in modern society. A strong banking sector is a necessity for all economies to develop and expand. Banking in the present scenario demands continuous innovation in order to meet the aspirations of the demanding customers. E-banking is an innovation which allows customers to access banking services electronically such as to pay bills, funds transfer or to obtain any banking information and advice through the internet. It has been widely adopted by customers worldwide. The present paper attempts to examine the Customer Satisfaction towards e-banking Services provided by Indian Overseas Bank in Kanyakumari District. The study tries to find out opinion of customer about the quality of services, responsiveness and courtesy etc.

Key words: Bank Customer Awareness and Satisfaction, E-Banking, Service Quality.

Introduction

E-banking is an umbrella term for the process by which customer may perform banking transactions electronically without visiting financial institution. Compared with traditional channels of offering banking services through physical branches, e-banking uses the Internet to deliver traditional banking services to their customers, such as of opening accounts, transferring funds, and electronic bill payment.

E-banking services are delivered to customers through the Internet and the web using Hypertext Markup Language (HTML). In order to use e-banking services, customers need Internet access and web browser software. Multimedia information in HTML format from online banks can be displayed by the web browsers. The heart of the e-banking application is the computer system, which includes web servers, database management systems, and web application programs that can generate dynamic HTML pages.

Bank customers’ account and transaction information is stored in a database, a specialized software that can store and process large amounts of data at high speed. The function of the web server is to interact with online customers and deliver information to users through the Internet. E-banking enables the customers to perform the basic banking transaction by sitting at their offices or home through the internet. The customers can access the bank website for viewing their account details and perform the transactions on account as per their requirements. Customers are being provided with additional delivery channels like ATM Smart cards, home banking, mobile banking, etc., which are more convenient to customers and are cost effective to the banks.
Customer satisfaction has been considered the essence of success in today’s highly competitive banking industry. Prabhakaran and Satya (2003) mentioned that the customer is the king. Customer satisfaction is an overall customer evaluation of a product or service based on purchase and consumption experience over a time period. Satisfaction of customer is the most important factor in judging the services quality of banking sector. Thus an increase in satisfaction levels leads to decrease in operating and service costs and provides an opportunity for banks to expand their product portfolio and services for the future development.

Statement of the Problem

Banks were traditionally has been in the forefront of harnessing technology to improve their products, services and efficiencies. They have been using electronic and telecommunication networks for delivering a wide range of value added products and services for a long time. The delivery channels include ATM, Internet banking, Mobile Banking and the like. E- Banking allows customer to conduct financial transaction on a secure website. Now E-banking has becoming more popular among customers. Most of the banks provide E-banking facility. It gives colourful way of life to the people throughout the world. Public Sector Banks, Foreign Banks and Private Sector Banks provide E-banking services to its customers. Among those banks the researcher selects Indian Overseas Bank (IOB) for this study.

Meaning of an Electronic Banking

E-banking means conduct of banking operations through electronic means or devices, such as computers, telephones, mobile phones, ATM’s etc. E-Banking means the conduct of banking operations (i.e., the provision of banking products and services) by bankers through electronic tools or devices.

Features of E-Banking

• E-Banking is essentially performance of banking operations through electronic means or tools.
• E-banking is provision of banking products and services by banks through the extensive use of information technology without direct recourse to the bank by customers.
• Provision of round the clock (i.e., twenty-four hour) access to banking facilities is an essentials feature of e-banking.
• E-Banking is conduct of banking operations globally. In other words, e banking is anywhere banking.

E-Banking Transactions

Through any type of transactions can be handled through e-banking. Generally, the following transactions are handled through e-banking Account enquiry, Fund transfer, Payment of bills i.e. water, telephone bills, etc., Online payment for transactions actually performed through internet, Request for issue of cheque book, draft, etc. Request for statement of accounts, Access to latest scheme of the bank and access to rates of interest and other service charges of the bank.

Indian Overseas Bank

Indian Overseas Bank is a major bank based in Chennai (Madras), with about 3300 domestic branches, 3 extension counters and six branches overseas as of 31.03.2012. IOB was founded in February 10th 1937 by Shri.M.Ct.M.ChidambaramChettyar, a pioneer in many fields such as Banking, Insurance and Industry with the twin objectives of specialising in foreign exchange business and overseas banking. In the inaugural day itself it started three branches simultaneously - at Karaikudi and Chennai in India and Rangoon in Burma.

Indian Overseas Bank has an ISO certified in-house Information Technology department, which has developed the software to provide online banking to customers. It provides various banking services that include saving bank, current accounts, credit facilities and other services. The company also offers corporate banking services, and loans for professional and self-employed individuals.

The Products & Services of the bank includes NRI Services, Personal Banking, Forex Services, Agri Business Consultancy, Credit Cards, Any Branch Banking and ATM Banking. IOB formulated its Web site during the month of February in 1997. The Bank got autonomous status during the year 1997-98. IOB was one among the first to join Reserve Bank of India’s negotiated dealing system for security dialing online. The Bank has finalised an e-commerce strategy and has developed the necessary Internet banking modules in-house.

Review of Literature:

Dodderaaju M. E. (2013), in his study A Study on customer satisfaction towards public and private sector banking services with special reference to Anantapur District of Andra Pradesh “observed that there is significance difference among the respondents according to their income level and level of satisfaction. Whereas there are no significance difference between occupation and satisfaction. Further he observed that there is a lack of customer relationship and aggressive marketing in public sector bank as compared to private sector bank.
Geetha. K. T. & Malarvizhi. V (2011), investigates the factors which are affecting the acceptance of e-banking services among the customers and also indicates level of concern regarding security and privacy issues in Indian context. Primary data was collected from 200 respondents through a structured questionnaire. Descriptive statistics was used to explain demographic profile of respondents and Factor and Regression analyses were used to know the factors affecting e-banking services among customer in India. The finding depicts many factors like security and privacy and awareness level increased the acceptance of e-banking services among Indian customers.

Objectives of the study

I. To analyse the socio economic background of the sample respondents.
II. To analyse the satisfaction level of the customers while using e-banking.
III. To study the problems faced by customers in e-banking.
IV. To examine the impact of services quality dimensions on customer satisfaction in e-banking.

Methodology

The present study provide empirical in nature based on primary data. It is collected by Interview Scheduled. This Interview Schedule was both open-ended and close ended questions. This using the survey was conducted in Kanyakumari District among 100 customers. Convenience sampling technique was adopted in the selection of the IOB bank customers. For analyzing the data, percentages, Garrett ranking techniques and chi-square test were applied.

Primary Data

Primary Data was collected by using questionnaire under simple random sampling method. 100 samples were selected from Indian Overseas Bank customers in Kanyakumari District.

Secondary Data

Secondary data were collected from internet, books, journals, magazines and newspapers.

Limitations of the Study

- The present study considers only the selected respondents in Kanyakumari District.
- The research work is based on the primary data which are collected from the selected respondents. Therefore the findings are not to be generalised.
- Due to the time constraint the researcher has selected Indian Overseas Bank only, for this study.

RESULTS AND DISCUSSIONS

Socio Economic characteristics of E-banking

In this research a careful analysis is done to find whether there is any significant relationship between the Customer Satisfaction of E-banking and the socio-economic factors such as age, sex, education, occupation and income. The null hypothesis formed to test whether there is any significant difference between the Customer Satisfaction of E-banking and socio-economic factors. The null hypothesis is tested with the help of chi-square Test.

<table>
<thead>
<tr>
<th>Character</th>
<th>Calculated Value</th>
<th>Degrees of freedom</th>
<th>Table Value</th>
<th>Result</th>
</tr>
</thead>
<tbody>
<tr>
<td>Age</td>
<td>29.71</td>
<td>12</td>
<td>21.02</td>
<td>Accepted</td>
</tr>
<tr>
<td>Sex</td>
<td>18.24</td>
<td>6</td>
<td>12.59</td>
<td>Accepted</td>
</tr>
<tr>
<td>Income</td>
<td>22.15</td>
<td>12</td>
<td>21.02</td>
<td>Accepted</td>
</tr>
<tr>
<td>Education</td>
<td>23.14</td>
<td>9</td>
<td>16.91</td>
<td>Accepted</td>
</tr>
<tr>
<td>Occupation</td>
<td>21.53</td>
<td>9</td>
<td>16.91</td>
<td>Accepted</td>
</tr>
</tbody>
</table>
From the above table it is clear that there is no significant difference between and the socio-economic factors of age. But there is a significance difference between Customer Satisfaction of E-banking and the Socio-economic Factors such as Sex, education, occupation and Occupation number of dependents.

**Table 2. Problems Faced by Customers**

<table>
<thead>
<tr>
<th>SL.NO</th>
<th>Problems</th>
<th>Garrett’s mean score</th>
<th>Rank</th>
</tr>
</thead>
<tbody>
<tr>
<td>1.</td>
<td>Network problem</td>
<td>62.52</td>
<td>I</td>
</tr>
<tr>
<td>2.</td>
<td>No access to internet</td>
<td>58.17</td>
<td>II</td>
</tr>
<tr>
<td>3.</td>
<td>Processing time</td>
<td>57.13</td>
<td>III</td>
</tr>
<tr>
<td>4.</td>
<td>Lack of Operational Knowledge</td>
<td>55.18</td>
<td>IV</td>
</tr>
<tr>
<td>5.</td>
<td>Insecurity</td>
<td>49.01</td>
<td>V</td>
</tr>
<tr>
<td>6</td>
<td>Password together</td>
<td>48.06</td>
<td>VI</td>
</tr>
</tbody>
</table>

The above table reveals that the major problem of the Customer is risk taking with the mean score of 62.52 and the least problem is resistant with the mean score of 48.06.

**Table 3. Satisfaction of E-Banking Services**

<table>
<thead>
<tr>
<th>Sl. No</th>
<th>Positive Impact</th>
<th>Garrett’s Mean score</th>
<th>Rank</th>
</tr>
</thead>
<tbody>
<tr>
<td>1.</td>
<td>Time Save</td>
<td>53.72</td>
<td>I</td>
</tr>
<tr>
<td>2.</td>
<td>Que avoidance</td>
<td>50.35</td>
<td>II</td>
</tr>
<tr>
<td>3.</td>
<td>cost save</td>
<td>49.38</td>
<td>III</td>
</tr>
<tr>
<td>4.</td>
<td>Request for issue of cheque, bond, DD etc.</td>
<td>49.10</td>
<td>IV</td>
</tr>
<tr>
<td>5.</td>
<td>All time Availability</td>
<td>47.30</td>
<td>V</td>
</tr>
<tr>
<td>6</td>
<td>Online payment</td>
<td>45.06</td>
<td>VI</td>
</tr>
<tr>
<td>7</td>
<td>Bette and Quicker Services</td>
<td>41.32</td>
<td>VII</td>
</tr>
<tr>
<td>8</td>
<td>Stop payment</td>
<td>39.34</td>
<td>VIII</td>
</tr>
</tbody>
</table>

The above table reveals that the major Satisfaction of E-banking Services are satisfaction taking with the mean score of 53.72 and the least Satisfaction is resistant with the mean score of 39.34.
Findings

- Though majority of the people prefer this E-banking Services because of its quick services, it can retain its existing customers and create various customer related services.
- Since majority of the customers are satisfied because many banks introduced this services.
- E-banking charges are low, so all customers accepted in these services.

Suggestion

- The basic of e-banking is network. Therefore, it is essential to maintain proper network facility without any interruption.
- Most of the customers may afraid to use e-banking services because of the immaterial knowledge gained by them. So, it is the duty of the banks to give awareness and provide correct information in their language.

Conclusion

After conducting the analysis of the data collected from the customers, it can be concluded that the introduction of the e-banking services help to improve the service quality of the banks. E-banking offers the customers the ease and comfort of banking whenever and wherever it is most convenient for them. Customers can access their account to monitor and control activity with accurate, up-to-date information whether they are at home, work, or out of town. E-banking gives them direct access to their bank account information 24 hours a day, 365 days a year, rather it can be any of the two. Other than checking account status and making payments and deposits, one is able to transfer funds, trade shares, receive alerts concerning their accounts and account aggregation. As technology advances, we should embrace it, because sooner or later the majority of the population will be banking online. Connection to e-banking is available worldwide. By making our banking activities simpler and efficient, e-banking is not to erase our banking habit but it is improving them. Thus e-banking is safer, quicker, less expensive, convenient and more preferable by the customers.

References: