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A Study on Customer Satisfaction Measurement towards Internet Banking Services in Salem City

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Abstract: *Internet Banking is a product of e-commerce in the field of banking and financial services. In what can be described as B2C domain for cheque books, recording stop-payment instructions, balance transfer instructions, account opening and other forms of traditional banking services.*

Mostly, these are traditional services offered through Internet as a new delivery channel. Banks are also offering payment services on behalf of their customers who shop in different banks have different levels of such services offered, starting from Level-1 where only information is disseminated through Internet to level-3 where online transactions and offering other trade services. Considering the volume of business, e-commerce particularly in B2B domain, has been generating, it is natural that banking would position itself in an intermediary role in settling the transactions and offering other trade services. This is true both in respect of B2C and B2B domains. Besides, the traditional role of financial intermediary and settlement agents, banks have also exploited new opportunities offered by Internet in the fields of integrated service providers, payment gateway services, etc. However, the process is still evolving and banks are repositioning themselves based on new emerging e-commerce business models. A recent study by Arthur Alderson shows that banks and financial service institutions generally adopt one of three business models to respond to e-business challenges. In the first place, they treat it as an extension of existing business without any significant changes other than procedural and what technology demands. The second strategy takes the same approach as the first but introduces structural changes to the underlying business. In the third approach banks launch e-business platform as a different business from the existing core business and as a different brand of product

Keywords: *banking, services, internet banking, online services, customer satisfaction etc,*

I. INTRODUCTION

There is no definite answer as to which approach is appropriate. Perhaps it depends on the type of market the bank is operating, its existing competencies and the legal and regulatory environment. It is, however, sure that e-banking is evolving beyond the traditional limits of banking and many new products/services are likely to emerge as ecommerce matures.

The present study covers Salem City. For the purpose of the study, it considers both five and four public and private sector banks in the Salem City. The researcher has interested to study the various Internet banking services like, credit and debit card, fund transfer, Electronic burse, online payment and shopping, etc. offered to the customers of bank. He has also interested to analyse the opinion of customers towards satisfaction level of Internet banking services.

A. Research Objective

To find the level of satisfaction of Internet banking services

To find the reason for poor usage of Internet banking services

II. RESEARCH METHODOLOGY

The primary data were used for the study. Data have been collected through questionnaire method and survey method. 80 responses have been collected from Salem City. Secondary data have also been used for the study. Percentage method is used for analyzing the gathered data.

A. Data Analysis And Interpretation

The result of the survey conducted as a part of the research study has been presented and analyzed in this paper. Descriptive statistics of the survey respondents has been presented first which includes demographic profile of the respondents and the cross tabulation of the various demographic profile of the respondents.

Table – 1
Demographic Profile Of The Bank Customers

Particulars	No of Respondents	Percentage to Total
Gender		
Male	44	55
Female	36	45
Total	80	100.00
Age		
Below 30 years	60	75
31 years-45 years	16	20
45 years -60 years	3	3.75
Above -61 years	1	1.25
Total	80	100.00
Educational Qualification		
Up to Higher secondary	7	8.75
Postgraduate	49	61.25
Graduate	7	8.75
Professional	17	21.25
Total	80	100.00
Profession		
Un employed	26	32.50
Private Employee	03	3.75
Government Employee	39	48.75
Business Entrepreneur	12	15
Total	80	100.00
Residential Area		
Urban area	31	38.75
Rural area	49	61.25
Total	80	100.00
Nature of Bank Account		
Savings A/c	68	85
Current A/c	12	15
Total	80	100.00
Purpose of having Bank A/c		
Personal		
Business	68	85
Total	12	15
Total	80	100.00
Time period of using Internet Banking services		
Less than 1 year		
1year to 2 years	35	43.75
2years to 3 years	17	21.25
Above 3 years	15	18.75
Total	13	16.25
Total	80	100.00
Type of Bank		
Private bank	24	30.00
Nationalised bank	56	70.00
Total	80	100.00
Monthly income		
Below Rs.10000	27	33.75
Rs.10001 to 20000	21	26.25
Rs.20001 to 50000	23	28.75
Above Rs.50000	9	11.25
Total	80	100.00

Source: Primary Data

- 1) It is inferred that majority of the respondents are Male.
- 2) Majority of the respondents are in the age category of less than 30 years.
- 3) It is concluded that 61.25 per cent of the respondents have studied up to Post Graduate level
- 4) It is found that most of the respondents are Government employees.
- 5) Majority of the respondents are residing in rural area
- 6) It is pointed out that majority of the respondents are having Savings bank account.
- 7) It is noted that 85 per cent of the respondents are having the account for personal purpose.
- 8) It is clear that most of the respondents are using the internet banking services for less than 1 Year.
- 9) Majority of the respondents are having bank account in Nationalised bank.
- 10) Most of the respondents come under the income group of less than Rs.10000.

B. Likert Scaling Techniques

Likert scaling technique is one of the techniques used to find out which one has most positive outlook. For this analysis, the researcher has prepared 3 to 13 statements in each service on a five point scale and asked the customers to give their opinion about the level of satisfaction towards internet banking services. In this study, he has framed totally 39 statements. The Weightage is given for each column ranging from five points to one point in order to find out the total score and mean score.

C. Efficiency Of A Bank

It is related with the efficiency of a bank in terms of service provided. The main areas covered under this category are account login of a customer, adequate information on the bank's website, user friendly website, instructions and notice statements for customer on the website, Hangout during transaction process and speed during logout of customer.

Table 2
Efficiency Of Internet Banking Services

S.NO	Statements	V.G.	Good	Avg.	Poor.	V.P.	Total scores	Mean scores
1.	The speed of login of your account	5	29	42	3	1	274	3.43
2.	Availability of the important information on the bank's website	3	45	28	3	1	286	3.58
3.	User friendly website	6	24	40	9	1	265	3.31
4.	Availability of appropriate instructions and guidelines	4	40	24	6	3	267	3.34
5.	Server efficiency during transaction	9	26	39	5	1	277	3.46
6.	The speed of log out of your account	5	30	29	12	4	260	3.25

Source: Primary Data

It is inferred that statement "Availability of the important information on the bank's website" has secured maximum scores, followed by statement "server efficiency during transaction". The statement 'speed of login of your account', 'availability of appropriate instruction and guidelines', 'user friendly website', 'speed of logout of your account' have secured third, fourth, fifth and sixth places respectively.

D. Service Delivery System

It is related with the service delivery system to a customer by the bank. The main area covered under this category are promptness of bank response at the time of occurrence of problem, promptness in problem solving, Online customers service connectivity, customer service representative on telephone, Bank initiative to educate customer, Bank response to complain, Ability of bank representative and Behaviour and attitude of Employee/ Bank representative.

TABLE 3
Service Delivery System Of Internet Banking Service

S.NO	Statements	V.G.	Good	Avg.	Poor.	V.P.	Total scores	Mean scores
1.	Promptness of bank response at the time of occurrence of problem	3	22	51	4	0	264	3.3
2.	Promptness in problem solving	5	30	36	8	1	270	3.38
3.	Online customer service representative connectivity	8	33	36	4	0	288	3.6
4.	Customer service representative on telephone	5	32	31	9	3	267	3.34
5.	Bank initiative to educate customer	8	19	45	5	3	264	3.3
6.	Bank response to complaint	10	24	35	10	1	272	3.4
7.	Ability of bank representative	7	20	43	7	3	261	3.27
8.	Behaviour & Attitude of employee/Customer service representative	9	19	41	7	4	262	3.28

Source Primary Data

It is concluded from Table 3 that the statement ‘online customer service representative connectivity’ has got maximum scores, followed by the statement ‘bank response to complaint’. The statements such as ‘promptness in problem solving’, ‘customer service representative on telephone’, ‘promptness of bank response at the time of occurrence of problem’, ‘bank initiative to educate customer’, ‘behaviour and attitude of employee/representative’, ‘ability of bank representative’ have secured third, fourth, fifth, sixth, seventh and eighth places respectively.

E. Expectation Of Customer

It is related with the expectation of customers from a bank when they are using internet banking services provided by the banks. The main points covered under this category are confirmation message for the service availed, online purchased facilities and fulfilment of customer instructions.

TABLE 4
Expectation Of A Customer Of Internet Banking Service

S.NO	Statements	V.G	Good	Avg.	Poor.	V.P.	Total scores	Mean scores
1.	Confirmation message for the service availed	10	36	29	4	1	290	3.625
2.	Online purchase facility	3	48	24	4	1	288	3.6
3.	Fulfilment of customer instruction	20	31	23	5	1	304	3.8

Source: Primary data

Table 4 reveals that the statement ‘fulfilment of customer instruction’ has obtained first place, followed by the statement ‘confirmation message for the service availed’. The statement ‘online purchase facility’ has secured third place.

F. Secrecy Of Customer

It is related with the privacy of customer account by the banks. The main points covered under this category are secrecy of personal information, protection against cookies to collect information and reliability on bank understanding for not sharing the information.

TABLE 5
Secrecy Of Customer Of Internet Banking Service

S.NO	Statements	V.G.	Good	Avg.	P.	V.P	Total scores	Mean scores
1.	Secrecy of personal information	40	168	60	14	1	283	3.5625
2.	Protection against cookies to collect information	35	128	108	10	-	281	3.5125
3.	Secrecy for your credit card information	65	156	72	8	-	301	3.7625
4.	Reliability on bank undertaking for not sharing the information	40	132	96	8	3	279	3.4875

Source: Primary Data.

It is clear from Table 5 that the statements ‘secrecy for your credit card information’ has secured maximum scores followed by statement ‘secrecy of personal information’. The statements ‘protection against cookies to collect information’, and ‘reliability on bank undertaking for not sharing the information, have secured third and fourth places respectively.

G. Tangibles

It is related with the Tangibles which are seen by everyone everywhere. The main point covered under this category are Technological advancement, Visually appealing physical facilities, Smart employee, Visually appealing materials associated with service and Bank modify their home page occasionally.

Table 6
Tangibles Of Internet Banking Service

S.NO	Statements	V.G	Good	Avg.	Poor.	V.P	Total scores	Mean scores
1.	Technological advancement	12	31	32	1	4	286	3.575
2.	Visually appealing physical facilities	1	40	33	3	3	273	3.4125
3.	Smart employees	8	31	33	8	0	279	3.4875
4.	Visually appealing materials associated with service	7	31	38	4	0	281	3.5125
5.	Bank modify their home page occasionally	10	21	45	1	3	274	3.425

Source: Primary Data.

Table 6 reveals that the statement ‘technological advancement’ has obtained first place, followed by the statements ‘visually appealing materials associated with service’, ‘smart employees’. The statement ‘bank modify their home page occasionally’ and ‘visually appealing physical facilities’ have secured third, fourth and fifth places respectively.

H. Reliability Of The Internet Banking Services

The result confirms the following information.

Personal Factors	Degrees of freedom	Calculated value	Table value	Result
Age	6	17.64	12.6	Rejected
Educational level	6	15.48	12.6	Rejected
Profession	6	13.99	12.6	Rejected
Residential area	2	2.03	5.99	Accepted
Monthly income	6	11.60	12.6	Accepted
Gender	2	0.157	5.99	Accepted

In order to test the reliability of the internet banking services, the researcher has prepared 13 statements. It is related with the services like reliability of web page, service beyond the banking hours, and page down facilities, accuracy of information, convenient ATM location, and reputation of bank and so on. In order to test whether there is any significant relationship between the gender, age, Educational level, profession, Residential area and monthly income of the respondents and their level of satisfaction towards reliability of the Internet banking services, Chi-Square test has been used, residential area, monthly income, and gender are the determined factors of internet banking services in Salem city.

III. SUGGESTIONS

- A. The bank should create awareness about the facilities and benefits of Internet banking services by conducting awareness programs among the customers. It may be done in the form of telling them that on line banking service saves time, involves less cost, speed of transaction and so on.
- B. The bank should take necessary steps to increase the speed of login in to the customer's account.
- C. The bank should increase the ability of bank representative by giving proper training in the field of Internet banking.
- D. They expect more facilities in the service of on line purchase facility. It should be up to the expected level of customers.
- E. The banks should advise its staffs that they should share the information after getting authenticated permission from the account holders.
- F. The bank should render some types of facilities transparently and physically available to all types of customers

IV. CONCLUSION

Indian economy is witnessing stellar growth over the last few years. There has been rapid development in infrastructure and business front during the growth period. Internet adoption among Indian has been rapidly increasing over the occasion by offering new channels of delivery for customer. But proportionately Indian customers of internet banking users are less than the developed nations. If the concurred bank authorities take proper measures to educate their customers about the benefits of internet banking services, the level of customer satisfaction will be increased. It will attract the new customers also.

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