

A Study On The Impact Of E- Banking Services On Customer Attitude And Satisfaction With Special Reference To Customers In Chennai District

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Abstract

Today's world is one with increasing online access to services. One part of this which is rising hastily is online banking. Customer satisfaction is imperative for the never-ending survival of any organization around the world. Purpose – This study aims to provide an analysis of the customer attitude and customer satisfaction toward three banking services technologies namely, automated teller machines (ATMs), mobile banking and internet (online) banking. This research work intends to investigate the impact of E-banking variables on Customer Attitude and customer satisfaction in Chennai District. Data has been gathered through questionnaire from 70 E-banking users as respondents, from different region in Chennai district. Results of the study have revealed that there is momentous connection between service quality dimensions and customer satisfaction in E-banking in Chennai District. Through this study we can conclude that service quality in E-banking leads to satisfied customers needs and wants and thus banks can gain competitive advantage by offering better-quality services to their customers in today's emulous world.

Keywords: E-banking Services Quality, Customer Satisfaction, Customer Attitude.

I. INTRODUCTION

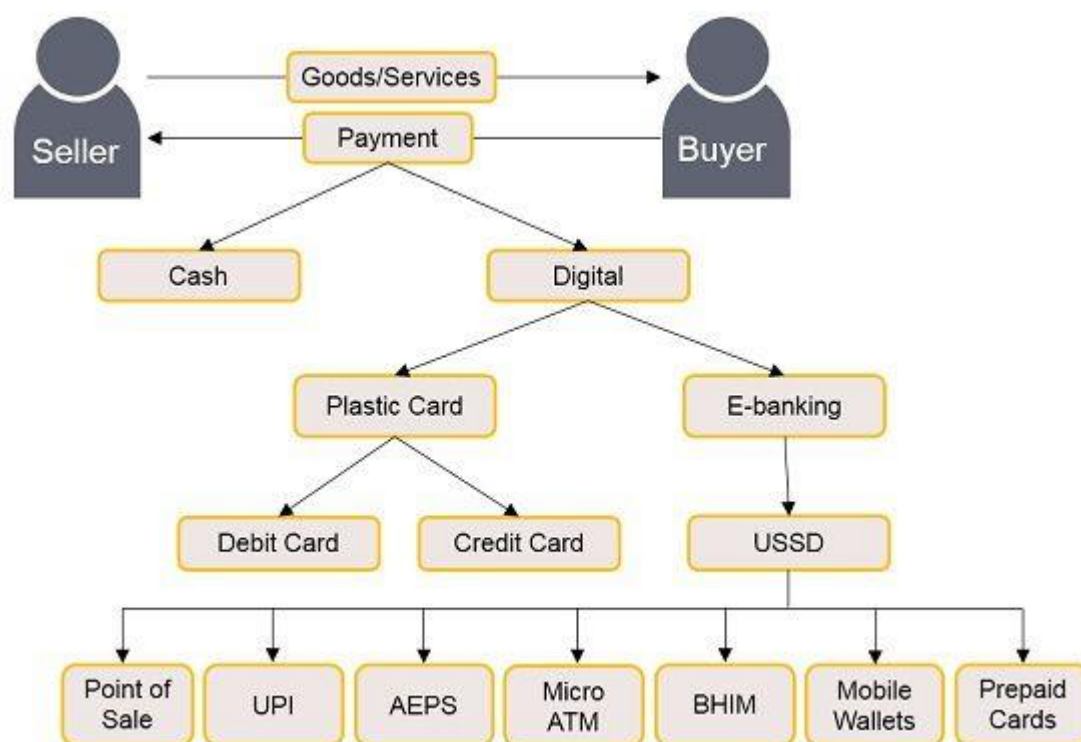
Technology has played a vital role in today's world. Internet has made this world a worldwide village and the same has revolutionized the banking industry. Conversion from the manual based ledger structure to systemized processes and the overture to internet based facilities has given a new facet to the banking sector. The competition in banking sector enlarged over the last few years and to stay aggressive, banks are espousing novel tools and techniques to attain customer withholding and satisfaction and EBanking is one tool towards it.

E-banking

Definition: E-banking is a blanket term used to indicate a process through which a customer is allowed to carry out, personal or commercial banking transactions using electronic and telecommunication network.

It is a product offered by banks which facilitates online banking, with the help of which the customer can have access to the bank account in just one click.

E-banking covers facilities such as – fund transfer, checking account statements, utility bill payments, opening of bank account, locating nearest ATM, obtain information on financial products and services, applying for loans, etc. using a personal computer, smartphone, laptop or personal digital assistant.



E-banking Services

In simple words, e-banking refers to a banking arrangement, with which the customer can perform various transactions over the internet, which is end-to-end encrypted, i.e. it is completely safe and secure.

E-banking promotes paperless/cashless transactions. It comes with a number of rights, responsibilities and fees as well. The range of services covered under E-banking are:

1. **Internet Banking:** A banking facility provided to the customers through which the customers are able to perform a number of monetary and non-monetary transactions, using the internet, through the bank's website or application.
2. **Mobile Banking:** Almost all the banks have designed their mobile applications with which you can perform transactions at your fingertips. For this, four things are required – a smartphone, internet, mobile application, and mobile banking service enabled in your bank account.
3. **ATM:** Automated Teller Machine, popularly known as ATM is one of the most common and initial service, provided under e-banking. It is not just a machine with which you can withdraw cash as and when required, but it also allows you to check your account status, transfer fund, deposit fund, changes mobile number, change Debit Card PIN, i.e. Personal Identification Number.
4. **Debit Card:** Debit cards are used in our day to day life so as to perform end number of transactions. Debit cards are linked to the customer's bank account and so the customer only needs to swipe the card, in order to make payment at Point of Sale (POS) outlets, online shopping, ATM withdrawal. In this way, the amount is deducted from the customer's account directly.
5. **Credit Card:** Just like a debit card, a credit card is also a payment card

which the banks issue to the customers on their request, after checking their credit score and history. It enables the cardholder to borrow funds upto the pre-approved limit and make payment. The limit is granted by the banks which issue the card. The cardholder promises to repay the amount within a stipulated time, with some charges, for the use of credit card.

6. **Point of Sale (POS):** Points of sale system refers to the point, in terms of date, time and place (retail outlet) where the customer makes a payment, using a plastic card, for the purchase made or services received.
7. **Electronic Data Interchange (EDI):** EDI is a new mode of communicating information between businesses electronically using a standardized format, which was conventionally paper-based.
8. **Electronic Fund Transfer (EFT):** When money is transferred electronically from one bank to another, it is called as electronic fund transfer. It covers direct debit, direct deposits, wire transfers, [NEFT](#), RTGS, IMPS, etc.

Benefits of E-banking

- It enables digital payments, which encourages transparency.
- It allows 24/7 access to the bank account.
- It also sends notifications and alerts to get updated with the banking transactions and changes in the rules.
- It lowers transaction cost for the banks.
- It is convenient and easy for customers, as they are not required to visit the bank branch every time.

Internet Banking

- **Efficiency:** The ease and speed of accessing and using the site.
- **Fulfilment:** The extent to which the site's promises about order delivery and item availability are fulfilled.
- **System availability:** The correct technical functioning of the site.
- **Privacy:** The degree to which the site is safe and protects customer information.
- **Responsiveness:** Effective handling of problems and returns through the site.
- **Website design:** The degree of ease of navigating through and using the website. Which the site compensates customers for problems.
- **Contact:** The availability of assistance through telephone or online representatives.
- **Dimensions:** a framework was developed for the present study, to develop the relationship between E-service quality in Internet Banking and customer satisfaction.

II.STATEMENT OF THE PROBLEM

Previously while traditional banking was the only option, the customers had to go to the bank in person to conduct any banking transaction such as money transfer, withdrawal, deposits etc. Then come forward the concept of Electronic banking which offer various services to the customer's satisfaction. Electronic banking services include Internet banking, Automated Teller Machines, Debit/Credit cards, e-cheque, smart cards, RTGS, NEFT etc. These services help to manage and use one's bank account such as verifying balance of the accounts, transfer of money from one person to another.

III.SCOPE OF THE STUDY

The study facilitate in knowing how far the modern banking services are used by the customers. The study further extends and helps

to develop an increasing association with the customer's satisfaction through modern Technology services. Today the customer demands the banking services for 24 hours. In the modern age, the entire banking structure has been changed due to widespread internet technology. Now all the aspects of economy such as commerce, trade, import, export, purchase and sale of goods is relying upon electronic banking services. Future research can be done in analyzing the comparative performance of E-Banking services provided by private sector as well as public sector banks. The study has been done on the usage of these services by the customer's satisfaction.

IV. OBJECTIVES

- To Identify the Various Dimensions of Internet Banking Service Quality in Chennai District.
- To Examine the connection Between the Customer Satisfaction and the Various Internet Banking Service Quality Dimensions in Chennai District.
- To Study the Impact of the Internet Banking Service Quality Dimensions on the satisfaction of customers & Customer Attitude in Chennai District.

V. SAMPLING SIZE

The samples of the survey were people living in Chennai District that have been users of Internet Banking system of SBI. This makes sure that all respondents had sufficient experience in internet banking.

Table 1 Gender Profile of the Customers

Gender	Frequency	Valid percent	Cumulative Percent
Male	50	71.5	71.5
Female	20	28.5	100
Total	70	100	

Table 2 Marital Profile of the Customers

VI. SAMPLING DESIGN

The man of science should decide the approach of preferring a sample or what's popularly referred to as sample style. Samples may be either chance samples or non-probability samples. In this study, we used non-probability samples.

SAMPLING TECHNIQUE

The convenient sampling method is used in our study. When population parts area unit designated for inclusion within the sample supported the convenience of access, it can be called as convenient sampling.

AREA OF THE STUDY The learning has been undertaken only in Chennai District.

VII. SOURCE OF DATA COLLECTION

The data required for the study is collected from both primary data and secondary data.

VIII. HYPOTHESIS

From the above objectives the following set of hypothesis were framed:

H1: Efficiency has a significant positive relationship with on Customer Satisfaction
 H2: System availability has a significant positive association with Customer Satisfaction

H3: Fulfilments has a significant positive association with Customer Satisfaction

IX. Analysis and Interpretations

Marital Status	Frequency	Valid percent	Cumulative Percent
Married	44	62.8	62.8
Unmarried	26	37.3	100
Total	70	100	

Table 3 Age Profile of the Customers

Age	Frequency	Valid percent	Cumulative Percent
Below 30	37	52.5	52.5
30 -40	19	27	79.5
40-50	10	15	94.5
Above 60	4	5.5	100
Total	70	100	

Table 4 Educational Profile of the Customers

Educational Profile	Frequency	Valid percent	Cumulative Percent
Below Matric	1	1.8	1.8
HSC	13	18.8	20.5
Graduate	19	26.5	47
Post Graduate	23	32.8	79.8
Others	14	20.3	100
Total	70	100	

Table 5 Occupational Profile of the Customers

Occupation	Frequency	Valid percent	Cumulative Percent
Businessman	14	20.5	20.5
Serviceman	30	43.3	63.8
Professional	12	17.5	81.3
Agriculturist	5	5.3	86.5
Any other	9	13.5	100
Total	70	100	

Table 6 Monthly Income Profile of the Customers

Monthly Income	Frequency	Valid percent	Cumulative Percent
Below 10000	12	17.3	17.3
10000-15000	14	20	37.3
15000-20000	12	17.8	55
20000-25000	11	15.8	70.8
Above 25000	21	29.3	100
Total	70	100	

Table 7 Type of Account of the Customers

Type of Account	Frequency	Valid percent	Cumulative Percent
Savings	53	76.3	76.3
Current	12	16.3	92.5
Salary	5	7.5	100
Total	70	100	

Table 8 Analysis of Customers' Perception Regarding Access Dimension

Statements	Response	t-value	p-value
E-banking service is accessible via Internet banking, Mobile banking, EFT, ECS, ATM	3.91	1.374	0.170
Online purchase of goods and services including online payment is easier.	3.87	-1.452	0.002**
It provides convenient location of service facility(location of ATM, POS terminals)	3.93	0.000	0.500
It reduces the waiting time to receive the service.	4.02	3.409	0.000**

**** p-value is significant at 0.05 level.**

Table 8 shows the statistical difference of access dimension in SBI banks. In the access dimension, there is a significant gap in two services while in other two there is no such difference. In case of online purchase of goods and services, SBI bank 3.87 where the p-value is significant at 5 per cent level. This difference could be due to better time management, efficient employees and installation of more number of ATMs. Whereas in case of internet, mobile, ECS, EFT services there is no such significant difference found.

X. LIMITATIONS OF THE STUDY

➤ The sample size of only 70 respondents was taken from the large population of Chennai District.

➤ The inferences apply only to the respondents of Chennai District. It is not applicable to any other place in Tamil Nadu.

➤ It's concluded that these dimensions namely, that efficiency, privacy and website design contribute most highly towards customer satisfaction.

➤ It is clear by the above results that internet banking service quality does have an impact on the customer satisfaction in internet banking in Chennai District.

XI. Suggestions of the Study

➤ There is lack of awareness about E-Banking usage among rural people.

➤ Banks should take necessary steps to create awareness among them about the various services of E-Banking that are available and also the advantages of using such services.

➤ Demonstration of E-Banking should be provided to the customers to promote

Electronic banking. The banks should focus on the security issues regarding the confidential credentials which are under the risk of hacking in the cyber world.

➤ The cost involved in using the Internet Banking services can be minimized in order to increase the number of users of Internet banking.

➤ The E-Banking system should be enhanced to make online enquiry and online payment much easier to the customers.

XII. CONCLUSION

This make enquiries paper aims make an original contribution to the existing knowledge by exploring the impact of internet banking service quality on customer satisfaction and customer attitude in Chennai District. The study revealed that efficiency, privacy and website design are the major integral determinants of internet banking services quality. The experimental results show that there is a direct relationship between internet banking service quality dimensions and customer satisfaction in the banking industry.

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