

A Critical Analysis Of Customer's Satisfaction Towards Online Banking Services: A Case Study Of Nagpur City

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ABSTRACT

The internet banking is the part and parcel of modern era. There has been tremendous improvement in number of beneficiaries of internet banking . There are several factors which are responsible for its growth. One of the crucial among them will be the availability of internet facility at modest price. In this research the researcher has made an effort to study the satisfaction in internet banking customers. For this purpose he has filled questionnaire from 100 respondents in Nagpur city.

Keywords: internet banking , customer satisfaction

INTRODUCTION

The banking and the human being goes way back to the early civilization. The business of banking and lending of money fulfills the imperative need of society. At that time Profits derived from lending capital-which was regarded as including money, whereas money is only a representative of capital-were regarded as illegitimate. In India, the first reference of banking goes way back in early Vedic period. The book of Manu contains reference of deposits, advances, pledge, policy of loan etc. From the beginning of 20th century banking has been so developed that in fact, has come to be called "LIFE BLOOD" of trade and commerce. India is known for both public and private banking. Modern banking in India began in the 18th century, when British government founded the English Agency House in Calcutta and Bombay. In the first half of the 19th Century three presidency banks were founded. After the 1860 introduction of limited liability, private banks began to appear and foreign banks entered into Indian market. In July 1969, the Government of India nationalized 14 banks whose deposits were greater than Rs. 500 million. Hence it brings nationalization of 84 percent branches in India. The reforms in Indian banking sector happens to be in 1991 when Narasimham Committee was constituted to suggest improvement in banking sector. It suggested reforms which include interest rate deregulation, directed credit rules, statutory pre-emptions and entry deregulation for both domestic and foreign banks.

The banking in today's era is all about mobile banking, online banking, ATMs. The banks all over the world are using internet technology for better efficiency; they are using internet as connection between customer and banks for managing, preparing and controlling financial transactions. In the era of globalization the whole world has become a small world. The internet facility is available at every smartphone. This has made internet banking even more popular. Modern banking tools like mobile banking is the using of mobile devices to deliver communication , financial information, and customer's transactions such as checking of account balances, accessing to various banking services and transferring of funds.

REVIEW OF LITERATURE

Luis V. Casalo, Carlos Flavian & Miguel Guinalú, their study analyzed the influence of perceived web site its security and privacy, reputation on consumer trust in the context of online banking. Also researcher also evaluate the significance of trust in online banking.

Laforet and Li 2005 found that there are several factors which influence consumers attitude towards online banking which include person's demography, behavior and acceptance towards different banking technologies.

Kim et al. (2006) in their study predicted that 87% of banks would adopt Internet banking in 2003 to meet consumers' needs. It will also help them in facing competition and make efficient communication.

In their study concluded that e banking services can be adopted into four formats viz e banking system operates and operate the service properly. Second e-banking can provide necessary guidance to its

customers. Third it provides rapid solution to any possible future error. Finally it can and does solve the consumers query at a rapid rate.

Madu and Madu (2002), responsiveness is the readiness to support the bank’s customers and deliver them a rapid service. This kind of service can be shaped into four forms. First, the E-Banking system can control and operate the service properly. Second, the E-Banking channels can guide customers toward proceeding properly in case of any failing operations. Third, it can also cover a rapid solution for any possible error in E-Banking transactions. Finally, it can support the customer’s questions with on-the-spot response.

Parasuraman, Zeithaml, and Berry (1988) also conclude in a study that the relationship between quality of service and customer satisfaction is very important in internet banking services.

RESEARCH METHODOLOGY

For the purpose of current research data will be collected from both primary as well as secondary data. For the purpose of primary data structured questionnaire was distributed among the respondent. Also the observation at the time of filling questionnaire proved to be extremely crucial. For the aforesaid research 125 questionnaire were distributed out of these 100 were found valid. Secondary data was collected from various books, journals, magazines etc. various statistical tools were applied for the hypothesis testing.

OBJECTIVES

- 1) To study the degree of awareness among bank customers towards e-banking.
- 2) To assess the influence of awareness on attitude of bank customers towards using e-banking.
- 3) To suggest some strategy to build positive attitude of bank customers towards e-banking

HYPOTHESIS

H1 Educational qualification is not significantly related with the awareness about internet banking.

Table No-1: General profile of respondents

Particulars	Categories	Number of Respondents	Percentage %
Gender	Male	65	65%
	Female	35	35%
Age	21-30	24	24%
	31-40	22	22%
	41-50	21	21%
	51-60	31	31%
	60 & above	02	02%
Marital Status	Married	61	61%
	Unmarried	39	39%
Types of customers	Student	29	29%
	Working professional	21	21%
	Salaried	28	28%
	Businessmen	08	08%
	Housewife	12	12%
	Pensioner	02	02%
Qualification	U.G. []	45	45%
	P.G. []	20	20%
	Professionals []	30	30%
	Ph.d []	05	05%
Gross Annual income	Below 4 lakh	35	35%
	4 to 8 lakh	20	20%
	8 to 12 lakh	35	35%

	12 to 16 lakh	10	10%
Banks	State bank of India	41	41%
	Bank of Maharashtra	18	18%
	ICICI Bank	21	21%
	Punjab national bank	17	17%
	Andhra bank	02	02%
	Bank of Baroda	01	01%

Source: primary data

Table No-2: How many times customers avail internet during last year

Particulars	Frequency	Percentage
0-10	15	15%
10-20	20	20%
20-30	36	36%
30-40	27	27%
40 & above	02	02%
Total	100	

Source: primary data

Out of total 100 respondent's majority of respondents have availed internet banking from range of 10 to 40.

Table No-3: the services used

Particulars	Frequency	Percentage
ATMs	21	21%
ECS (<i>Electronic Clearing Services</i>)	06	06%
EFT (<i>Electronic Funds Transfer</i>)	18	18%
Mobile Banking	40	40%
Smart Cards	10	10%
Telephone Banking	05	05%

Source: primary data

Table No-4: What types of work done with the help of internet banking

Particulars	Frequency	Percentage
Bill payment service	52	52%
Fund transfer.	21	21%
Credit card customers	03	03%
Railway pass	10	10%
Shopping	14	02%

From the above question it is clear that more than fifty percent 50% of respondents have make bill payment services.

Table-5: Analysis of customer's satisfaction through internet banking

Particulars	SA	A	NEUTRAL	D	SD
Convenience					
it gives information	25	68	00	03	04
it facilities comparison	45	26	28	01	00
it gives whole range of products	23	40	16	15	06
it gives latest products	06	15	16	40	23
24* 7 shopping	60	03	00	04	33

Cost efficiency					
One can compare price	36	25	18	11	10
Saves money of actual transportation	52	12	18	08	10
Time saving					
Less time to purchase	54	16	22	04	04
Less time in evaluation	16	14	32	18	20
Can read the opinion of customers	25	15	05	18	37
Web site help					
Website design	14	13	36	08	29
Helps in searching actual product	20	18	32	14	16
It is very easy to navigate	32	12	22	16	18
I am familiar with the website	21	16	03	52	08
It gives me quality information	63	13	05	09	10
Security					
I feel safe while purchasing online	16	21	52	02	11
I have my own password	56	18	10	10	06
I can make secured payment	08	45	21	14	12
I can make payment on delivery	50	04	16	18	20

The analysis customer’s satisfaction through internet banking showed the following findings

- 1) **Convenience:** - while studying convenience of respondents it was found that the main points of convenience were the facility of comparison and 24*7 services .
- 2) **Cost Efficiency:-** while studying the it was found that respondents were happy that they need not to go the banks hence it saves their transportation cost.
- 3) **Time saving :-** while studying time constraints respondents were satisfied as internet banking saves their valuable time.
- 4) **Help :-** while analyzing the help by internet banking to customers it was found that internet banking gives valuable information to respondents.
- 5) **Security :-** The two of the biggest security measures which internet banking are that it tells respondents that they have their own password or even they can make payment on delivery.

HYPOTHESIS TESTING

H1 Educational qualification is not significantly related with the awareness about internet banking.

	ATMs	ECS (Electronic Clearing Services)	EFT (Electronic Funds Transfer)	Online Mobile Banking	Smart Cards	Telephone Banking	Total
U.G. []	15	02	01	22	04	01	45
P.G. []	02	02	02	10	02	02	20
Professionals []	03	02	13	08	02	02	30
Ph.d []	01	00	02	00	02	00	05
	21	06	18	40	10	05	100

While doing chi square calculation it was found that calculated value is 37.877425044092, while table value is 24.996 . Hence null hypotheses is **rejected**. Educational qualification is not significantly related with the awareness about internet banking.

FINDINGS

During the research it was found that the internet banking has received tremendous momentum in recent era and it is here to stay. Earlier internet banking is used to be popular among young personnel and it was

supposed to be the work of high profile people. But due to certain advantage internet banking has reached to every section of society.

CONCLUSION & RECOMMENDATIONS

In internet banking there is obvious concern about the security. Although there is password but many times it can also be stolen. Hence extra care must be taken by banks. During the research it was found that compliant handling procedure is not efficient. In case of complaint the customer approaches bank and they divert them to certain toll number which is often engage or not too responsive. Hence proper mechanism in this regard must be developed.

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