

Title:**A Study on Customer Satisfaction Towards Internet Banking Services in Nagapattinam
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ABSTRACT

In the present scenario Indian banking sector offers large range of internet banking services and informational services to the customers and general public. In order to gain a market share, customer satisfaction is an important factor to help banks to sustain competitive advantages. The objective of the study; is to study the demographic profile of the sample customers, to measure the level of customers satisfaction towards the internet banking services and to analyse the influence of demographic factors on the satisfaction level. Descriptive research design used and data were obtained from the 345 customers of different banks from different localities who use internet banking by adopting simple random sampling method. The result of the study is shows that the age, education and income shows significant association with level of satisfaction which means difference in age, education and income can create a significant difference in the level of satisfaction on internet banking services.

Key Words: Banks, Customer, Technology, Awareness, Services

I. INTRODUCTION

The introduction of information technology gives new business paradigms and it is playing a significant role of developing the services of banking sector. The tremendous advancements in the technology and the aggressive new ideas in information technology have brought the shift in banking operations. This has resulted in decrease of physical boundaries, easy reach to the customers, reliable and secure services. Thus, today's banking sector is no longer confined to the branches. Customers are being facilitated with additional delivery of channels which are more convenient and also cost effective to the banks. Hence, continuous research will enhance the internet banking services. The present research focuses on the study on customer satisfaction level towards internet banking services in Nagapattinam district, Tamil Nadu.

II. REVIEW OF LITERATURE

According to the study of Agarwal, R & Mehrotra, A. (2009) the customers are highly influenced by the age and profession of the respondents in the e-banking services and attached highest degree of usefulness to balance enquiry service among e-banking services. Hassan et al., (2012) conclude that the website design, security, trust, product diversification, credibility, collaboration, access and communication strongly affect the customer perception about the quality of internet banking services. Rajkanna, K.A (2015) concludes that ATM is a very convenient and has anytime any where usage. As the services of ATM and number of ATM is increasing day-by-day, and simultaneously the number of ATM users is also increasing. The study conducted by Arvind Chaudhari et al (2014) among the college students in Bhusawal city, he conclude that they have awareness about different e-banking services very well, students also

used net banking and trust on net banking. ATM is popular services among students. There is need to create awareness about e-banking security. The demographic profile of customers affects the internet banking, the typical internet banking customer is middle aged male, and had high income levels (Schaaf, 2002). Information and Perceived usefulness on internet banking were key elements affecting internet-banking acceptance (Pikkarainen et al 2004). Minjoon et al., (2004) found that there is significantly positive link between service quality and satisfaction and Reliability, prompt response, attentiveness and ease of use had considerable affect customer satisfaction. Sylvie and Xiaoyan (2005) conclude that the education level not influence online banking adoption. Baskar and Ramesh (2010) study observed old age customers perceived high service quality compared to young age customers. The customers who are young to middle aged and with high-income were major users of internet banking services.

III. STATEMENT OF THE PROBLEM

The using information technology in internet banking services limited due to security concerns, complexity and technological problems. Moreover, reliable and systematic information on the scope of information technology in Indian context is still not sufficient. In addition to this, people find a difficulty of trusting a completely mechanized system of internet banking is the problem of the study. Normally, these issues are relating to transaction difficulty, technical bottlenecks, payment risk, security risk, due to lack of knowledge, lack of proper training, outdated technology, internet connectivity and access problems, frustration in getting work done electronically and increased work efficiency but reduced personal efficiency. The customer awareness and satisfaction plays a dominant role in the success of any service industry like banking sectors, as well as assists the banking sector in maintaining market majority share.

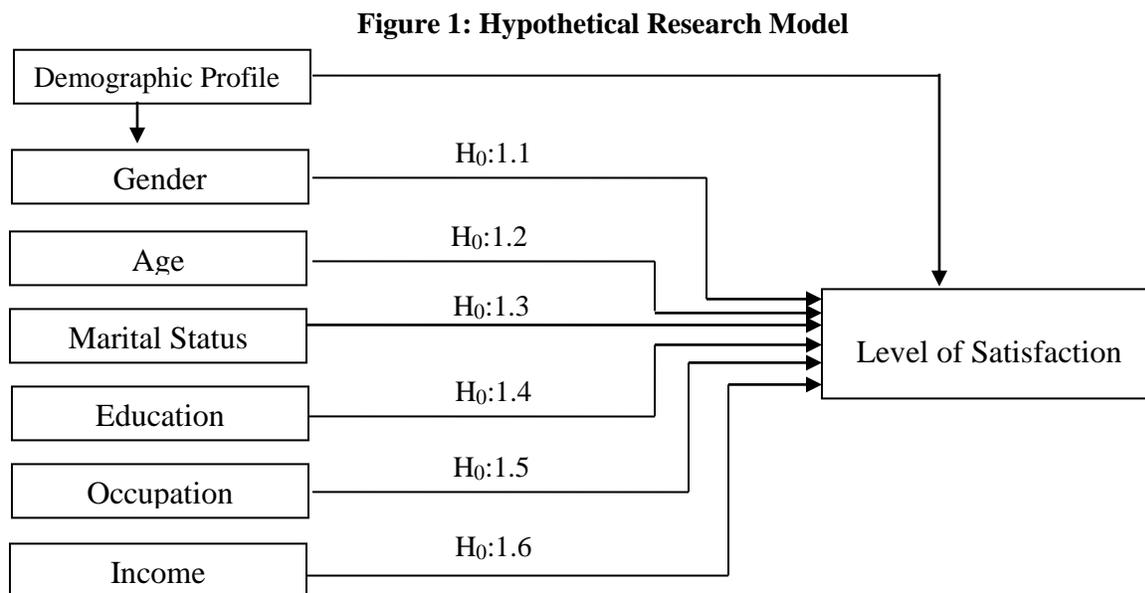
Hence, in this back drop to study the customer's satisfaction on internet banking services is important in the area of banking sectors.

IV.OBJECTIVES

1. To study the demographic profile of the sample customers.
2. To measure the level of satisfaction towards the Internet Banking Services
3. To analyse the influence of demographic factors on the satisfaction level

V. HYPOTHESIS

H₀:1 There is no significant association between demographic factors and the level of satisfaction towards the Services on Internet Banking



VI. METHODOLOGY

The study is descriptive in nature. Field survey method was adopted. The study employed both primary and secondary data. The secondary data were collected from the published journals, books and web sources. The primary data were collected from the customers of different banks from different localities who use internet banking. Simple random sampling method has been applied for the selection of respondents. About 400 questionnaires distributed after asked a question whether you are using at least one internet banking service. If the answer is yes then only the questionnaire was provided to them. The entire questionnaire has been received but 55 questionnaires were rejected due to incomplete information. Hence, the total sample consists of 345 and the response rate is 86 percent of the total.

VII. ANALYSIS AND DISCUSSION

In this section, the major findings of the study were discussed. The discussion consists of the demographic profile of the respondents, level of satisfaction and the association between demographic profile and level of satisfaction.

i. Demographic Profile of Respondents

Out of 324 samples, 71.8 percent of the respondents are male and 28.2 percent of the respondents are female. The majority (40.9 %) of the respondents belong to middle age group i.e., 31 years to 40 years. Most of them (62.1 %) were married rest of them are unmarried and other categories. In total 28.79 percent of the respondents are having education of Bachelor Degree, followed by 24.14 percent are having education of Master Degree remaining them

having school education. 37.07 percent of the respondents are businessmen, 32.53 percent are employed in private sector, 14.85 percent are other category of agriculture, students, house wife etc., The highest of 30.81 percent are earning income of up to Rs.15,000, followed by 28.08 percent are earning income of Rs.15,001 to Rs. 30,000, the income level of other respondents is more than 30,000 to 45,000.

ii. Satisfaction towards Services of Internet Banking

The performance and efficiency are the quality of easy to use and understand content is vital for the success of the internet banking. The satisfaction of the respondents are in the performance of internet banking has presented in table 1.

Table 1: Satisfaction towards Services of Internet Banking (N=345)

Services	Scale of Agreement					Mean	SD
	5	4	3	2	1		
Satisfaction with the transaction process through Internet Banking	102	91	62	59	31	3.50	1.314
Satisfaction with the online transaction procedures	72	141	92	23	17	3.66	1.036
Access of accounts information and balance enquiry	163	100	41	23	18	4.06	1.152
Satisfaction with fund transfer	162	89	56	28	10	4.04	1.103
Account statements or Transactions history	58	174	40	48	25	3.56	1.140
Payment of bills	152	112	45	25	11	4.07	1.071
Mobile, DTH recharges	151	104	56	19	15	4.03	1.102
Due installment enquire	94	98	61	71	21	3.50	1.256
Loan procedures and deposit schemes provided in bank's website	67	76	84	76	42	3.14	1.299
Satisfied with your bank providing online services	103	59	92	56	35	3.40	1.333

Scale 5 – Highly Satisfied 1- Highly Dissatisfied

Source: Compiled from primary data

It is clearly known from table 1 the Customers satisfaction towards the Internet Banking services is measured by mean value and standard deviation. The mean values of services 'Access of accounts information and balance enquiry', 'Satisfaction with fund transfer', 'Payment of bills', and 'Mobile, DTH recharges' are more than 4.00 as such 4.06, 4.04, 4.07 and 4.03 respectively. In a 5 point scale agreement mean value if more than 4.00 are indicates that the respondents are more satisfied in these services. The mean value of services such as 'Satisfaction with the transaction process through Internet Banking', 'Satisfaction with the online transaction procedures', 'Account statements or Transactions history' and 'Due installment enquire' are between 3.5 to 4.00. This indicate they satisfied with these services are moderately. The mean values of 'Loan procedures and deposit schemes provided in bank's website' and 'Satisfied with your bank providing online services' are between 3.00 to 3.40, it is understood that the sample respondents are satisfied less.

iii. Level of Awareness on Service of Internet Banking

An attempt is made to measure the level of satisfaction. The arithmetic mean and standard deviation were calculated for the total of 345 respondents. Those who have scores above Arithmetic Mean and Standard Deviation ($41.36 + 4.43 = 45.79$) are classified into high level, those who are having scores below Arithmetic Mean and Standard Deviation ($41.36 - 4.43 = 36.93$) are classified into low level. Those who have secured in between these two are classified with moderate level of satisfaction. 37.6/3.9

Table 2: Level of Satisfaction towards Services of Internet Banking

Level of Awareness	Frequency	Percent
Low	65	18.8
Moderate	190	55.1
High	90	26.1
Total	345	100.0

From the table 2 it is observed that out of 345 respondents, 18.8 per cent of respondents fall under the category of low level of satisfaction, 55.1 per cent of respondents belong to moderate level of satisfaction and 26.1 of respondents come under the category of high level of satisfaction towards Service of Internet Banking .

H₀:1 There is no significant association between demographic factors and the level of satisfaction towards the Services on Internet Banking

The association between demographic factors of the respondents and their satisfaction level towards internet banking have been measured with the help of Chi-square test by cross tabulation. There are six factors namely gender, age, marital status, educational qualification, occupation and income have been taken for this analysis. In the cross tabulation analysis χ^2 value, degrees of freedom and p-value calculated and it is presented in the table 3.

Table 3: Association between Demographic Factors and Level of Satisfaction

H₀	Demographic Profile	Statistical Inference			Result
		χ^2	df	p-value	
H ₀ :1.1	Gender	0.806	2	0.668	Accepted
H ₀ :1.2	Age	15.396	6	0.017	Rejected
H ₀ :1.3	Marital Status	7.165	6	0.306	Accepted
H ₀ :1.4	Education	18.028	8	0.006	Rejected
H ₀ :1.5	Occupation	4.246	6	0.643	Accepted
H ₀ :1.6	Income	12.566	6	0.047	Rejected

From the table 3 it is understood clearly out of six types of demographic factors three factors such as Age, Education and income have significant association with satisfaction level towards services of internet banking as such the p-value less than 0.050. The remaining factors such as Gender, Marital Status and Occupation have not significant association with satisfaction level towards services of internet banking. Hence the null hypothesis rejected in case of age, education and income and accepted with other factors.

VIII. CONCLUSION

This research has examined the customer satisfaction towards internet banking services in Nagapattinam District. The customers is differing from various demographic sections such as age, gender, marital status, occupation, education and in internet banking services availed. The analysis concluded that the satisfaction level towards the services of internet banking is

independent of their demographic factors viz., gender, marital status and occupation. Whereas age, education and income shows significant association with level of satisfaction which means difference in age, education and income can create a significant difference in the level satisfaction on internet banking services.

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