Customer Satisfaction on Online Banking Services at Present Scenario in India

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ABSTRACT

The banking industry like many other financial services industries is facing a rapidly changing market, new technologies, economic uncertainties, fierce competition, and especially more demanding customers; and the changing climate has presented an unprecedented set of challenges. The Banking sectors have been elevating the role of the customer to that of a key stakeholder. Customers are viewed as a group by the banks and satisfaction of the customers with their business must be incorporated in strategic planning efforts. Forward-looking banking institutions are finding value in directly measuring and tracking satisfaction level of their customer as an important strategic success indicator to sustain in the market and achieve further growth. Hence, the present study is undertaken to explore the customers' satisfaction and factors which are influencing to determine the customers' satisfaction as the study of this kind will give many implications to the relevant people in the banking industry and help them to devise appropriate policy to offer better services online to its customers at commercial banks in Tamilnadu.

***Key Words**: Customer satisfaction, technology; economic; market; banking industry*

1.   Introduction

In Indian commercial banks have been playing an important role since independence in the development of its economy. At the same time, after globalization and liberalization of economy, the banking services become competitive when the country has opened the doors to foreign bank. Banking Business realize that marketing is a core element of management philosophy and key to its success lies in focusing more and more on the customers. It is the customer who decides where the firm is hedging. Banks have been striving hard to provide quality of services and products in a bid to retain existing customers and bring new customers as well in their fold. On the other hand, the customers are willing to get the best value for the money and always coming around to identify the bank with best services. Thus, the main challenge before the marketers is to identify what would appeal and convince the customer and ensure that customers need, want and demands are satisfied. Today customer looks out value for money, therefore Marketers are trying to enhance the concept or value through unique delivery methods. They realize   that   product   services, characteristics,   customer's aspirations, perceptions and the availability of competing alternatives can be used to check

customer satisfaction.

2.   Need of the study

The Banking sectors have been elevating the role of the customer to that of a key stakeholder. Customers are viewed as a group by the banks and satisfaction of the customers with their business must be incorporated in strategic planning efforts. Forward-looking banking institutions are finding value in directly measuring and tracking satisfaction level of their customer as an important strategic success indicator to sustain in the market and achieve further growth. There are mounting evidences that placing a high priority on customer satisfaction is critical to achieve improved organizational performance apart from facing challenges from the competitors in a global market place.

STATEMENT OF THE PROBLEM

The satisfaction among the banking customers is foremost important factors that play pivotal role in increasing the profitability of banks. The efficiency of banking sector depends upon how best it can deliver services to the expectation of its customers. However, banks do not exactly know what the customers want and what they expect from them. The customers' wants and expectation can be ascertained only by means of their satisfaction level with various services provided by the banks. Therefore, the customer satisfaction has been a subject of great interest to banks as well as to academic researchers as customers are most important stakeholders in today's business of banking institutions. Hence, the present study is undertaken to explore the customers' satisfaction and factors which are influencing to determine the customers' satisfaction as the study of this kind will give many implications to the relevant people in the banking industry and help them to devise appropriate policy to offer better services online to its customers.

3.   Objectives of the study

The present investigation has the following objectives;

➢ The study on the customer satisfaction of commercial banks in Sivagangai district, Tamil Nadu.
➢ To analysis of Satisfaction with Online Banking Services at Present Scenario.

RESEARCH DESIGN OF THE STUDY

In the present study, the analytical type research designs have been administered. The study is based on primary data. Primary data has been calculated from persons having account of Commercial Banks in Ramanathapuram district by filling up well structured questionnaire and through personal meeting with customer. Secondary data was collected from website of commercial banks magazine and journals.

SAMPLING PROCEDURE

In total, there are 83 branches of Commercial Banks in the district. From each branch 5 customers are identified with the help of the bank managers as the sample of the study. Out of the 325 sample customers only 305 were responded fully and returned the filled questionnaire.

Thus, a total of 305 customers are the real sample of the present study. The applied sampling technique of the present study is convenience sampling method has been used for sampling procedures.

4.   **Summary of data analysis and interpretation**

Customer Satisfaction with Online Banking Services at Present Scenario

As per the Table 1 presents the factor loadings, the first factor has high loading on item 5 then on items 6 and 4. The second factor has high loading with items 1 and 2. The loading of item 3 with second factor is also more than substantial. From these loadings, it is understood that the first factor characterizes customer satisfaction with "Internet Banking Services with error free, secure transactions and all necessary information" while second factor is representing the customer satisfaction with "Attractive, Fast loading and Easy to Use Website".

Table 1. Factor Loadings of Items Measuring Customers' Satisfaction with Internet Banking Services

Item No.	Item Description	Valid Factor	
		1	2
1	Website is easy to use	0.1867	0.8929
2	Website is attractive	0.2721	0.8929
3	Web page is loaded fast	0.3862	0.7582
4	Availability of information is up-to-date	0.8246	0.3135
5	Transactions are error free and secure	0.9007	0.2161
6	All necessary information is readily available on the site	0.8486	0.2681
Factor Label		Internet Banking Services with Error free, Secure transactions and All necessary information	Attractive, Fast loading and Easy to Use Website

Source: Computed Data.

Hence, it is found that the satisfaction of bank customers with internet banking services is broadly based on two aspects, viz., "internet banking services with error free, secure transactions and availability of all necessary information" and "attractive, fast loading and easy to use website". The scores for each one of three valid factors underlying ATM service and two valid factors of internet banking service are calculated by averaging the scores of items that are highly loaded with respective factors. The extent of customer satisfaction with online banking services (ATM service and internet banking service) is identified by descriptive analysis of calculated

scores. Table 2 is given with results of descriptive analysis such as mean, standard deviation and 95 per cent confidence interval along with percentage of mean to 5, the value for highly satisfied.

Table 2. Results of Descriptive Analysis Showing the Status of Customer Satisfaction with Online Banking Services

Online Banking Services	Mean	SD	95% CI		% Mean	Opinion
			Lower	Upper		
ATM Services						
Sufficient ATM in multiple locations	3.72	0.75	3.66	3.79	74.40	Agree
Secured ATM with Safe Transaction	3.63	0.66	3.58	3.69	72.66	Agree
24x7 ATM service offering variety of transactions	3.68	0.70	3.62	3.74	73.68	Agree
Overall ATM Services	3.68	0.57	3.63	3.73	73.53	Agree
Internet Banking Services						
Internet Banking Services with Error free, Secure transactions and All necessary information	3.50	0.73	3.43	3.56	69.92	Agree
Attractive, Fast loading and Easy to Use Website	3.54	0.73	3.48	3.60	70.82	Agree
Overall Internet Banking Services	3.52	0.65	3.46	3.57	70.37	Agree

Source: Computed Data.

As given in the table 3, the mean scores are in satisfied level for entire customer sample in respect of all three factors as well as in respect of overall ATM services (3.68 to 3.72). That is, the customers have agreed that "sufficient ATM in multiple locations", "ATM is secure with safe for transactions" and "24x7 ATM service offering variety of transaction" are satisfactory. Similarly, from mean scores between 3.50 and 3.54 for two underlying factors as well as for overall internet banking services, it is understood that the customers are satisfied with "Error free, secure transactions and All necessary information" and "Attractive, fast loading and Easy to Use Website" in internet banking service.

The 95 per cent confidence interval values (lower and upper bound values) have clearly shown that 95 per cent of the time the outcome would be as predicted above if study of similar kind is undertaken in current population. In sum, it is found that there is satisfaction with online banking services among customers of commercial banks and the above outcome would be 95 per cent of the time same if study of similar kind is undertaken in current population.

The role of demographic/socio-economic characteristics of the customers in influencing their satisfaction level with online banking services is investigated by correlating canonical varieties of the variables in two sets – criterion set (5 factors of online banking service – 3 under ATM service and 2 under internet banking service) and predictor set (demographic/socio-

economic variables) using Canonical Correlation Analysis. The statistical significance of the correlation functions produced by the analysis is shown in

Table 3. Significance of Canonical Functions Correlation between Customers' Satisfaction with Online Banking Service and Demographic/Socio-Economic Variables

Canonical Function	Canonical R	Canonical R2 (Eigenvalue)	Chi-Square	df	p-Value	Wilks Lambda
0	0.2338	0.0547	57.01**	35	0.0108	0.8947
1	0.1751	0.0307	28.20	24	0.2518	0.9465
2	0.1178	0.0139	12.24	15	0.6604	0.9764
3	0.0953	0.0091	5.08	8	0.7492	0.9901
4	0.0279	0.0008	0.40	3	0.9404	0.9992

Source: Computed Data

From the observation of the table, it is evident that the first canonical correlation function, out of 5 possible functions, is significant at 1 per cent level. That is, there is at least one pair of canonical varieties of the criterion and predictor variables set with significant relationship. Hence, it is found that demographic/socio-economic variables of the customers have remarkable influence on their level of satisfaction with online banking services. To know, which predictor variable(s) has (have) more power in influencing which online banking service factors, canonical loadings of the variables in both sets with their respective canonical variety of the first function are used.

5.   **Conclusion**

Finally, the present research paper concludes that the overall satisfaction or dissatisfaction of customers with regards of expected and From the perusal of the table 4 reports the canonical loadings., one can understand that the dependent canonical variety of the first function is highly loaded by customers' satisfaction with "Internet Banking Services with Error free, secure transactions and all necessary information" followed by "24x7 ATM service offering variety of transactions". The loading of customer satisfaction with "Attractive, Fast loading and Easy to Use Website" is also at considerable level. The customers suggested that the bank is yet to instill confidence among the customers that it has the ability to provide excellent services dependably and accurately.

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