

A STUDY ON IMPACT OF E-BANKING ON CUSTOMER SATISFACTION WITH SPECIAL REFERENCE TO COIMBATORE CITY

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ABSTRACT

The banking industry has been able to develop new and more effective delivery and processing channels as well as more inventive products and services thanks to the financial liberalisation and technological revolution. For many customers, electronic banking entails direct deposit of pay checks into checking or savings accounts or 24-hour access to cash through an automated teller machine (ATM). Checks and other paper-based transactions are replaced by electronic banking, commonly referred to as electronic fund transfer (EFT), which uses computer and electronic technology. ATM or debit cards, together with Personal Identification Numbers (PINs), are frequently used by financial institutions for this purpose. Some people use different kinds of debit cards, such as ones that only need your signature or a scan at most.

Key Words: E- Banking, Customer satisfaction, ATM.

INTRODUCTION

Modern banks are crucial in fostering a nation's economic prosperity. They gather the savings of huge groups of people dispersed across the nation. Which would have remained perfect and ineffective in the absence of banks? These sporadic amounts are gathered, combined, and made available to industry and trade for fulfilling needs. Banks supply the money required to carry out numerous programmes that are now being implemented in the process of economic development. Banks focus on serving their customers as a servicing industry. Customers are the bank's driving force, and through serving them, the bank makes money.

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Customers are the people or organisations who conduct business with the bank. In general, anyone who has a bank account will be treated as a client of that specific bank.

The majority of banks are attempting to run their whole banking process through an online platform in an effort to satisfy demand and wow clients. The current trend is towards online banking. For all banks, it is now "impossible to survive with" rather than just "nice to have." The evolution of banks in areas like products and services and how they are provided to customers depends heavily on electronic banking. As a result, it is regarded as a useful and effective tool for the growth, development, encouragement of innovation, and improvement of banks' competitiveness. Information technology has been found to boost corporate efficiency and service quality, which in turn attracts and keeps consumers given the crucial role that electronic banking has played in the development of banks.

Bank distribution methods including automated teller machines (ATM), phone banking, telebanking, PC banking, and now internet banking all benefit greatly from electronic banking. Additionally, internet banking has made a huge difference in how money is transferred, how savings account balances are viewed and checked, how mortgages and bills are paid, and how financial instruments like certificates of deposit are purchased.

This suggests that the ability of clients to conduct business both locally and across the country via electronic banking has improved the efficiency of service delivery in the banking industry.

Electronic banking has significantly altered conventional banking procedures to the point that it has been discovered to lead to a paradigm shift in marketing strategies that has a favourable impact on the banking industry.

RESEARCH OBJECTIVES

- To identify the factors influencing the adoption and usage of E-banking services in Canara Bank.
- To Identify the benefits to customers for using e- banking services.
- To identify the satisfaction level of customers in E-banking services.

STATEMENT OF THE PROBLEM

Once a time , people have to spend three to four hours to go for bank transaction sometimes cost of transaction was more than that of money deposited or withdrawn. E-banking allows customer to conduct financial transaction on a secure website. Nowadays user friendly technology is becoming more popular among customer, most of the banks are providing e-banking facility. Today, most of the customers are increasingly using the technological banking facilities available in banking sector. It reduces cost and save time. Form the customers perceptive towards technological banking sector. It reduces cost and saves time. Form the customers perceptive towards technological banking provides a convenient and effective way to manage finance that is easily accessible at 24 hours a day in 7 days a week. On the other hand, online banking has certain problems such as lack of knowledge to operate the technology, set-up cost, legal issues, lack of relationship among the banker and customer, securely and privacy issues. For some people the user-friendly technology really simplifies their life style, while for other it is very much threatening and complex. Therefore, in this context, it is necessary to study the perception of customers challenges towards user friendly technology.

SCOPE OF THE STUDY

The study helps 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 through modern 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 sales of goods is relying upon electronic banking services. E-banking has opened the doors for all customers to analyzing the comparative performances of E-banking services provide by private sector as well as public sector bank The study has been done on the usage of these services by the customers.

HYPOTHESIS

Based on the study problem this study aim to test the following hypothesis

H0: There is no significance difference among age group with respect to type of online banking service opted.

H1: There is significant difference among age group with respect to type of online service opted .

REVIEW OF LITERATURE

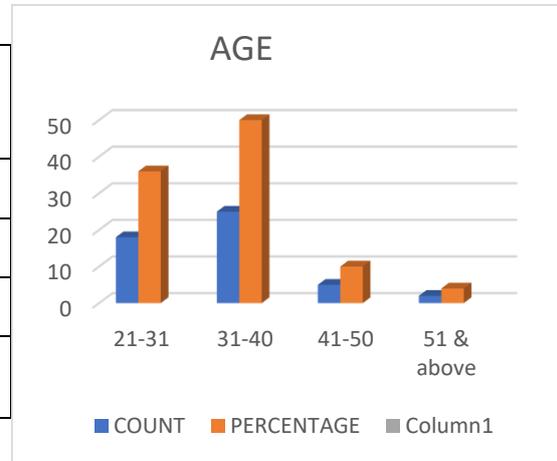
- **William Robert. P and Devi Preetha Gowthaman -Volume 26, Issue 2, (2020) “A STUDY ON THE IMPACT OF E-BANKING ON CUSTOMER SATISFACTION IN INDIA”** has stated that “Electronic Banking has greater impact in the economy and in the banking sector as well. Making financial services available to the poorest people is recognized as an important part of poverty reduction strategies. The customers should be imparted education and made aware of the use of e-channels”.
- **K. Sreenivasa Murthy and M. Subramanyam (2021) Volume: 25 , Issue: 5 “IMPACT OF E-BANKING STRATEGIES ON CUSTOMER SATISFACTION IN SELECT PUBLIC AND PRIVATE SECTOR BANKS IN INDIA”** has stated that “The mean satisfaction of SBI and Kotak Mahindra Bank sample customers in terms of e-banking strategies or services was compared and found to be either negligible or the same. The State Bank of India (SBI) is India's largest public sector bank. As a result, SBI must exercise extreme caution in order to maintain its market position; otherwise, it will be forced to cede market share to other closely competing banks such as Kotak Mahindra Bank”.
- **Suresh Kumar “A CRITICAL STUDY OF CUSTOMER SATISFACTION FOR E-BANKING IN INDIA” - Volume: 15 , Issue: 12 (2018)** ,states that the use of Internet banking is confined to a few consumer segments. The risks associated with Internet banking are many, which the banks have to model using sophisticated systems and extensive use of technology. The banks further have to take necessary steps to educate the customers regarding the new technology and other services offered by the banks.

DATA ANALYSIS & INTERPRETATION

PERCENTAGE ANALYSIS

AGE OF THE RESPONDENTS

| Age | Count | Percentage |
|--------------------|-------|------------|
| 21-31 years | 18 | 36 |
| 31-40 years | 25 | 50 |
| 41-50 years | 5 | 10 |
| 51 years and above | 2 | 4 |



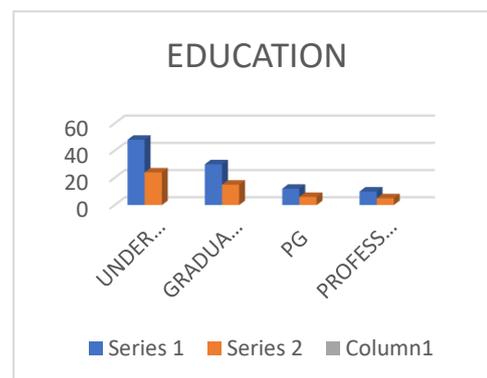
Source: Primary Data

INTERPRETATION

- According to the data, 36% of respondents are between the ages of 21 and 31 years, 50% are between the ages of 31 and 40 years, 10% are between the ages of 41 and 50 years, and just 4% are over the age of 51.

EDUCATION OF THE RESPONDENTS

| Education | Percentage | Count |
|----------------|------------|-------|
| Under graduate | 48 | 24 |
| Graduate | 30 | 15 |
| PG | 12 | 6 |
| Professional | 10 | 5 |



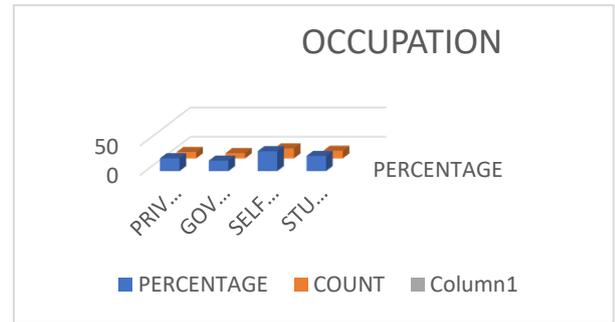
Source: primary data

INTERPRETATION

- According to the above table, 48% of respondents have less than a bachelor's degree, 30% have a graduate degree, 12% are postgraduates, and 10% are professionals.

OCCUPATION OF THE RESPONDENTS

| Occupation | percentage | count |
|---------------------|------------|-------|
| Private employee | 22 | 11 |
| Government employee | 18 | 9 |
| Self employed | 34 | 17 |
| Student | 26 | 13 |



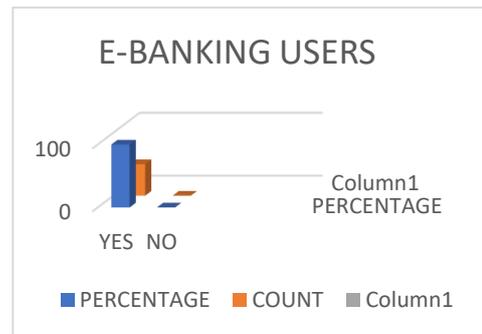
Source: primary data

INTERPRETATION

- According to the above table, 22% of respondents work for private employers, 18% work for the government, 34% are self-employed, and 26% are students.

PERCENTAGE OF E-BANKING USERS

| Options | Percentage | Count |
|---------|------------|-------|
| Yes | 100 | 50 |
| No | 0 | 0 |



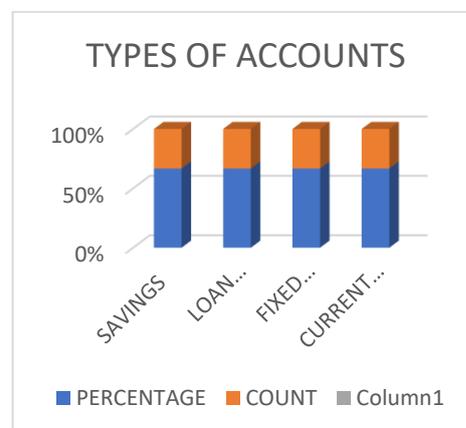
Source: Primary Data

INTERPRETATION

- The table above demonstrates that all respondents use online banking services.

TYPES OF ACCOUNTS CUSTOMER HOLD

| Type | Percentage | Count |
|-----------------|------------|-------|
| Savings | 84 | 42 |
| Loan account | 2 | 1 |
| Fixed account | 6 | 3 |
| Current account | 8 | 4 |

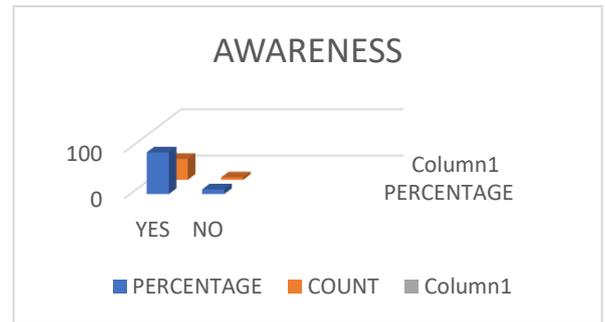


INTERPRETATION

- The type of bank accounts that consumers have are displayed in the above table. It reveals that 84% of the consumers have savings, 2% have loans, 6% have fixed accounts, and 8% have current accounts.

AWARENESS ON E-BANKING SERVICES

| Options | Percentage | Count |
|---------|------------|-------|
| Yes | 90 | 45 |
| No | 10 | 5 |



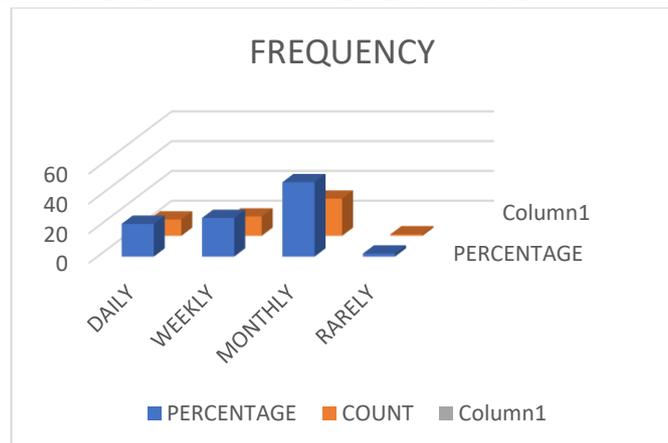
Source: Primary Data

INTERPRETATION

- The information in the table above demonstrates how well-informed clients are about the various online banking options available. 90% of them are aware of different services, while only 10% are unaware.

FREQUENCY OF USAGE OF E-BANKING SERVICES BY THE RESPONDENTS

| Frequency | Percentage | Count |
|-------------|------------|-------|
| Daily | 22 | 11 |
| Weekly | 26 | 13 |
| Monthly | 50 | 25 |
| Fortnightly | 2 | 1 |



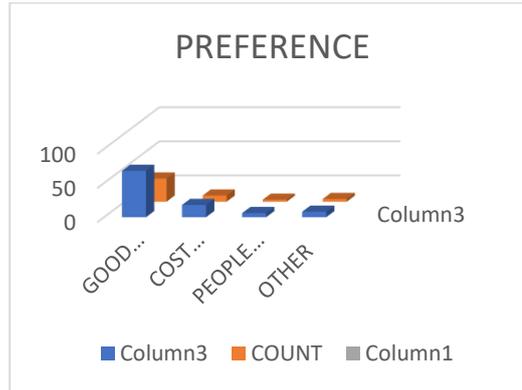
Source : Primary Data

INTERPRETATION

- The frequency of use of online services is displayed in the table above. 22% of them use it every day, 26% every week, 50% every month, and the remaining 2% every two weeks.

CUSTOMER PREFERENCE TOWARDS E-BANKING SERVICES

| Options | Percentage | Count |
|------------------|------------|-------|
| Good service | 68 | 34 |
| Cost charges | 18 | 9 |
| People reference | 6 | 3 |
| Other | 8 | 4 |



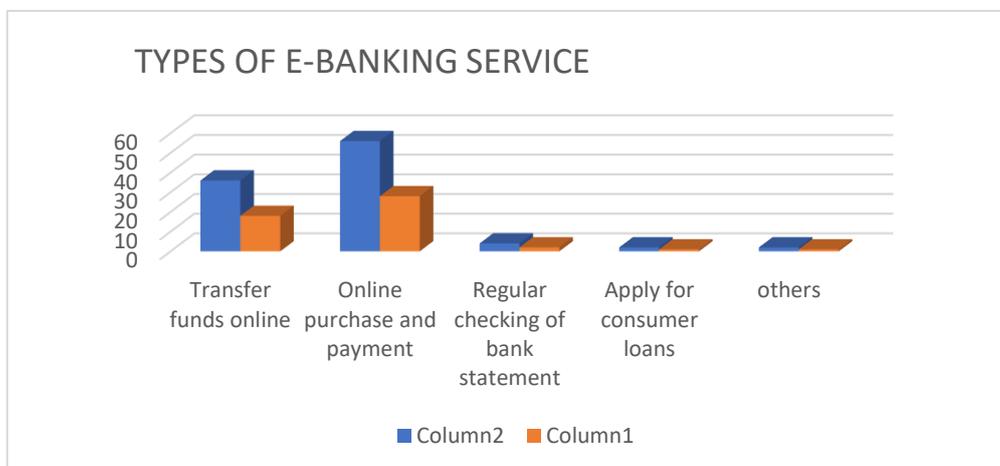
Source: Primary Data

INTERPRETATION

- As we can see from this table, 68% of those who use internet banking desire good service, 18% prefer lower costs, 6% prefer referrals from people they know, and 8% have different preferences.

TYPES OF E-BANKING SERVICES USED BY CUSTOMERS

| | PERCENTAGE | COUNT |
|------------------------------------|------------|-------|
| Transfer funds online | 36 | 18 |
| Online purchase and Payment | 56 | 28 |
| Regular checking of bank statement | 4 | 2 |
| Apply for consumerloans | 2 | 1 |
| Others | 2 | 1 |



INTERPRETATION

- The above table lists the different types of online services that clients utilise. 36% of customers use these services for online fund transfers, 56% for online purchases, 4% for statement checks, 2% for consumer loan applications, and 2% for other uses.

ANOVA

ASSOCIATION BETWEEN AGE GROUP AND SERVICE OPTED

| Type | age | | | | Total | F-Value | P-Value |
|-------------------------------------|-------|-------|-------|-----|-------|---------|---------|
| | 21-30 | 31-40 | 41-50 | 51+ | | | |
| Transfer of Funds | 12 | 2 | 1 | 3 | 18 | 1.604 | 0.190 |
| Online Purchase and Payment | 22 | 3 | 2 | 1 | 28 | | |
| Regular checking of Bank Statements | 1 | 1 | 0 | 0 | 2 | | |
| Apply for consumer loans | 0 | 0 | 1 | 0 | 1 | | |
| Others | 0 | 0 | 1 | 0 | 1 | | |
| Total | 35 | 6 | 5 | 4 | 50 | | |

- The age group and the choice of online banking service do not differ much. The null hypothesis is accepted at the 5% level of significance since the P-value is greater than 0.05.

FINDINGS

- All respondents (100%) utilize online banking.
- Most of the customers choose their bank because of their exceptional service.
- The majority of clients were aware of the online banking options that their bank offers.
- People have just opened savings accounts in order to meet their banking needs.
- Half of the respondents use internet banking once a month or more frequently, but they are not frequent users.
- Good hassle-free service is preferred by the majority of customers while using internet banking.

- Online shopping and payments are the E-banking services that users use the most.
- The ANOVA test revealed that there was no significant difference between the respondents' age group and the type of online banking service they selected.

SUGGESTION

- The bank can guarantee the safety of internet banking by constructing robust firewalls to guard against hackers and viruses.
- Because not all respondents were fully aware of the internet services offered by banks, the bank can employ more promotional tactics to increase customer awareness.
- The respondents' top issues were server crashes and poor working speeds. Banks can use adaptive technology to build better servers that won't crash during peak server traffic.
- In order to provide respondents with a hassle-free banking experience for more comfortable banking, it is better to continue enhancing service. The majority of respondents favored clearer/simpler service over rewards.

CONCLUSION

The purpose of this study was to determine how online banking services affected consumers' satisfaction with the services provided in the Thrissur town. This report clearly shows that every respondent uses internet banking services. Online banking services come in a wide range, and all of the respondents utilize at least one of them.

The majority of respondents utilize internet banking to make and receive payments online. People like internet banking since it is more convenient and makes banking hassle-free. Users have been influenced to choose online banking over manual banking because of the clearer service. Thus, it is apparent that online banking contributes significantly to the development of the banking industry.

REFERENCE

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