

A STUDY ON CUSTOMERS LEVEL OF SATISFACTION TOWARDS E BANKING SERVICES IN PALAKKAD DISTRICT, KERALA

K. Lakshmanan

*Lakshmanan-K (Doing M.Phil), Guest Faculty in Commerce, College of Applied Science,
Kuzhalmannam, Palakkad Dist, Kerala*

Abstract

Banking has come a long way from the time of ledger cards and other manual filing systems. Most of the banks today have electronic systems to handle their daily voluminous tasks of information retrieval, storage and processing. Irrespective of whether they are automated or not, banks by their nature are continually involved in all forms of information management on a continuous basis. The computer is, of course, an established tool for achieving a competitive edge and optimal resource allocation. Competition and the constant changes in technology and lifestyles have changed the face of banking. Nowadays, banks are seeking alternative ways to provide and differentiate amongst their varied services. E-banking refers to the effective deployment of IT by the banks. It enables the dramatic lowering of transaction costs and the creation of new types of banking opportunities that address the barriers of time and distance. Banking opportunities are local, global and immediate in e-banking. An attempt has been made in this paper to study Customers Level of Satisfaction towards E- Banking Services in Palakkad District, Kerala. The primary data was collected through questionnaire. The questionnaire covered the questions regarding personal factors of the consumers, Medium of Preference towards E-banking Services and Customer level of satisfaction. Convenient sampling method was used to elicit the necessary information from customers. The results suggest that except the Personal factors like Marital status, Size of family and all other factors have positive influence on customers level of satisfaction towards E- banking services.

Key words- *Customers Satisfaction Level, E-Banking*

Introduction

Information Technology has become a necessary tool in today's organizations. Banks today operate in a highly globalized, liberalized, privatized and a competitive environment. In order to survive in this environment banks have to use IT. IT has introduced new business paradigm. It is increasingly playing a significant role in improving the services in the banking industry. Indian banking industry has witnessed a tremendous developments due to sweeping changes that are taking place in the information technology.

E Banking in India

E-banking refers to the effective deployment of IT by the banks. It is about using the infrastructure of the digital age to create opportunities - both local and global. It enables the dramatic lowering of transaction costs and the creation of new types of banking opportunities that address the barriers of time and distance. Banking opportunities are local, global and immediate in e-banking.

In India e-banking is of fairly recent origin. The traditional model for banking has been through branch banking. Only in the early 1990s there has been start of non-branch banking services. The good old manual systems on which Indian Banking depended upon for centuries seem to have no place today. The credit of launching internet banking in India goes to ICICI Bank. Citibank and HDFC Bank followed with internet banking services in 1999. Several initiatives have been taken by the Government of India as well as the Reserve Bank to facilitate the development of e-banking in India. The Government of India enacted the IT Act, 2000 with effect from October 17, 2000 which provided legal recognition to electronic transactions and other means of electronic commerce. The Reserve Bank is monitoring and reviewing the legal and other requirements of e-banking on a continuous basis to ensure that e-banking would develop on sound lines and e-banking related challenges would not pose a threat to financial stability (Roshan and Rajni2012).

Review of literature

Geetha and Malarvizhi (2012) their study investigated the factors which are affecting the acceptance of e- banking services among the customers and also indicates level of concern regarding security and privacy issues in Indian context. The study found that many factors like security and privacy and awareness level increased the acceptance of e-banking services among Indian customers. Study further showed that if banks provide them necessary guidance and ensure safety of their accounts, customers are willing to adopt e-banking.

Komal and Vandna Rani (2012)their study found that opportunities in e-banking are immense but the only need is to explore them. The nature of banking services may still be the same but the way in which they are being offered has been changed dramatically. Banks must realize the seriousness of challenges ahead and develop a strategy that will enable them to leverage the opportunities presented by e-banking. E-banks need to shift now from product centric to customer centric that is, to design services according to the needs dreams and expectations of the customers.

Statement of the problem

Banking has come a long way from the time of ledger cards and other manual filing systems. Most of the banks today have electronic systems to handle their daily voluminous tasks of information retrieval, storage and processing. Irrespective of whether they are automated or not, banks by their nature are continually involved in all forms of information management on a continuous basis. The computer is, of course, an established tool for achieving a competitive edge and optimal resource allocation. Competition and the constant changes in technology and lifestyles have changed the face of banking. Nowadays, banks are seeking alternative ways to provide and differentiate amongst their varied services. Customers, both corporate as well as retail, are no longer willing to queue in

banks, or wait on the phone, for the most basic of services. They demand and expect to be able to transact their financial dealings where and when they wish to. Every year, the electronic delivery of banking services is becoming the ideal way for the banks to meet their clients' expectations. Hence the present study tries to analyse Customers Level of Satisfaction towards E- Banking Services in Palakkad District, Kerala.

Objective of the Study

- To measure customer level of satisfaction towards E Banking services.

Methodology of the Study

The present study is based on primary data, which collected through questionnaire method. Questionnaires were prepared for the purpose of collection of primary data from the respondents. It is prepared in simple and understandable way, so as to the respondents to express their views and opinion freely and frankly.

Area of the Study

It is confined only urban area of Palakkad district in Kerala.

Sampling Design

The sample size of 120 respondents was chosen and adopted convenient random sampling method for the study.

Limitation

The study is micro level, as it covers only in Palakkad district and also it is limited with 120 respondents.

Results and Discussion

The collected data from respondents were systematically analysed and presented.

Diagram 1 Gender and Marital Status of Respondents



Source: Primary Data

Gender of the respondents is presented the Diagram - 1. This reveals that out of total respondents taken for the study 55 percent respondents are males and 45 percent

respondents are females. It can be understood from the diagram that 52 percent respondents are married and 48 percent of respondents are unmarried.

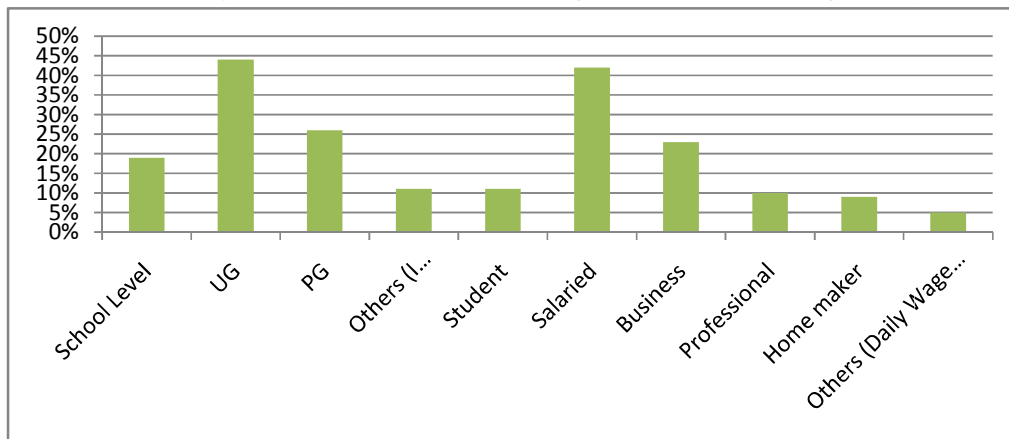
Table -1 AgeGroup of Respondents

S. No	Age Groups	Number of Respondents	Percentage of Respondents
a	Below 20 Yrs	21	18
b	20- 40 Yrs	49	41
c	40- 60 Yrs	40	33
d	Above 60 Yrs	10	8
	Total	120	100

Source: Primary Data

Table - 1 explains that Age group of respondents. Table indicates that out of total respondents taken for the study 18 percent respondents are in the age group of below 20 years, 41 percent respondents are in the age group of 20- 40 years, 33 percent respondents are in the age group of 40- 60 years and 8 percent respondents are in the age group of above 60 years.

Diagram - 2 Educational and Occupational status of Respondents



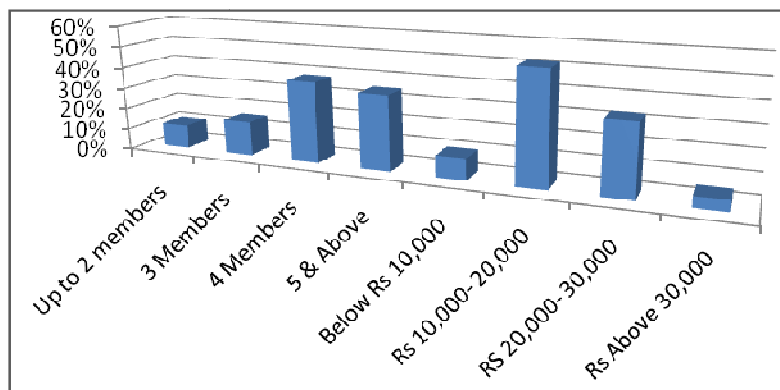
Source: Primary Data

Educational and Occupational status of Respondents indicates Diagram - 2. Diagram shows that out of total respondents taken for the study 19 percent respondents have School level education, 44 percent respondents have UG level education, 26 percent respondents have PG level education, and 11 percent respondents have other type of education. (ITI, MBA, BCA etc.). Occupational status of respondents is observed from the Diagram that, 11

percent respondents are students, 42 percent respondents are salaried, 23 percent respondents are doing business, 10 percent respondents are professionals, 9 percent respondents are homemakers and 5 percent respondents are other (Daily wage workers) workers.

Family income and size of respondents is presented the Diagram- 3. Diagram reveals that out of total respondents taken for the study 10 percent respondents are come under the category of below Rs 10,000, 52 percent respondents are come under the category of between Rs 10,000 - 20,000, 33 percent respondents are come under the category of between Rs 20,000 - 30,000 and 5 percent respondents are come under the category of Rs30, 000 and above. It can be understood from the diagram that 11 percent of respondents have up to 2 members in family, 16 percent respondents have 3 members in family, 38 percent respondents have 4 members in family and 35 percent respondents have 5 and above members in family.

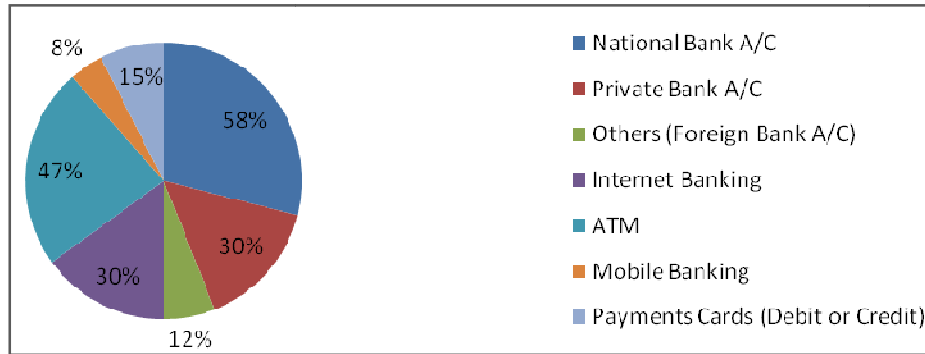
Diagram- 3 Family Income and Size of Respondents



Source: Primary Data

Respondents Medium of Preference towards E- Banking Services and Their Type of Bank Account is indicated the Diagram - 4. Out of total respondents taken for the study 58 percent respondents have National Bank Account, 30 percent respondents have Private Bank Account and 12 percent respondents have other Bank Account (Foreign Bank). Further Diagram reveals that out of total respondents taken for the study 30 percent respondents are using internet banking, 47 percent respondents are using ATM, 8 percent respondents are using phone banking and 15 percent respondents are using payments cards.

Diagram- 4 Respondents Medium of Preference towards E- Banking Services and Their Type of Bank Account



Source: Primary Data

Table -2 shows that Respondents Level of Satisfaction towards E- Banking services. Table indicates that out of total respondents taken for the study 10 percent respondents have very high satisfaction, 25 percent respondents have high satisfaction, 53 percent respondents have moderate satisfaction, 7 percent respondents have low satisfaction and 5 percent respondents have very low satisfaction.

Table - 2 Respondents Level of Satisfaction towards E- Banking Services

S. No	Level of Satisfaction towards E- Banking	Number of Respondents	Percentage of Respondents
a	Very High Satisfaction	12	10
b	High Satisfaction	30	25
c	Moderate Satisfaction	64	53
d	Low Satisfaction	8	7
e	Very Low Satisfaction	6	5
	Total	120	100

Source: Primary Data

Table - 3 Reasons for Satisfaction towards E- Banking Services

S. No	Reasons for Satisfaction towards E-Banking Services	Number of Respondents	Percentage of Respondents
a	Fast transaction	48	40
b	Cheap and best	14	12
c	Saving time	43	36
d	Convenience	11	9
e	Others	4	3
	Total	120	100

Source: Primary Data

Table - 3 depicts that reasons for satisfaction towards E- Banking Services. Out of total respondents taken for the study 40 percent respondents are opined fast transaction, 12 percent respondents are opined cheap and best , 36 percent respondents are opined saving time, 9 percent respondents are opined convenience and 3 percent respondents are opined other reasons(like easy to carry, Safe).

Chi Square Analysis

Chi Square is a statistical test commonly used to study the divergence of actual and expected frequencies.

Comparison between Personal factors VS Level of Satisfaction towards E- Banking Services.

Null Hypothesis

There is no significant Association between Personal factors and Level of Satisfaction towards E- Banking Services.

Alternative Hypothesis

There is significant Association between Personal factors and Level of Satisfaction towards E- Banking Services.

Table - 4 Chi Square Test Result

Personal Factors	Chi Square Value	Level of Significance
Gender	59.39	0.00*
Age Group	192.75	0.00*
Marital Status	61.46	0.22
Educational Qualification	170.39	0.00*
Occupational Status	358.70	0.00*
Family Monthly income	281.03	0.00*
Size of Family	198.50	0.17

Source: Authors Calculation

Note:* Represent level of significance at 1 Percent Level.

Chi square test result is presented the Table-4. Chi square result reveals that except personal factors like marital status and Size of family all other remaining factors significantly influence Customer Level satisfaction towards E- Banking services in Palakkad District

Major Findings of the Study

Major findings of the study are following

Type of Bank Account

1. The study found that 58 percent respondents have National Bank Account and then followed by other bank accounts like, Private Bank Account (30 %) and Foreign Bank Account (12%)
2. The study revealed that majority (47 %) of respondents are using ATM services comparing to other E- banking services.
3. The study observed that majority (53 %) respondents have moderate satisfaction and then followed by high satisfaction (25 %), very high satisfaction (10%), low satisfaction (7%) and very low satisfaction (5%) towards E- banking services.
4. Study found that majority of respondents are opined fast transaction (40 %), is the reason for satisfaction towards E- banking services.
5. The study found that except personal factors like marital status and Size of family all other remaining factors significantly influence Customer Level satisfaction towards E- Banking services.

Suggestions

1. Customers should be made literate about the use of e-banking products and services.
2. Seminars and workshops should be organised on the healthy usage of e-banking especially for those who are ATM or computer illiterate.
3. Increasing number of ATM networks in rural area.
4. Bank should make their internet banking services user friendly with simple operation systems.

Conclusion

E-banking is a borderless entity permitting anytime, anywhere and anyhow banking. This facilitates us with all the functions and many advantages as compared to traditional banking services. In India, E-banking is day by day developing. No doubt Indian banks are making sincere efforts for the adoption of advanced technology and installation of e-delivery channels but still masses are wary of the concept. Banks are making sincere efforts to popularise the e-banking services and products.

Reference

1. Geetha and Malarvizhi "Acceptance of E-Banking among Customers", Journal of Management and Science Vol .2, No.1 June 2012, pp. 1- 72.
2. Komal and Vandna Rani, "Progress of Banking in India: Customers Perspectives" Business Intelligence Journal, Vol.5 No.1, January 2012 pp. 28- 40.
3. RimpiJatana and Uppal "E Banking in India; Challenges and Opportunities", New century Publication New Delhi (2007).

4. Roshanlal and Rajnisaluja, "E-banking: The Indian Scenario", Asia Pacific Journal of Marketing & Management Review, Vol.1 (4), December 2012, pp. 16-25.
5. Santaki CN, "Principles of Marketing", Kalyani Publishers, New Delhi (2000).
6. Uppal R K, "E-Delivery Channels in Banks- A Fresh Outlook", Researchers World- Journal of Arts Science & Commerce, Vol. II, No. 1, January 2011, pp. 180-191.