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A STUDY OF CUSTOMERS' SATISFACTION ON DIGITAL TECHNOLOGIES IN BANKING SERVICES

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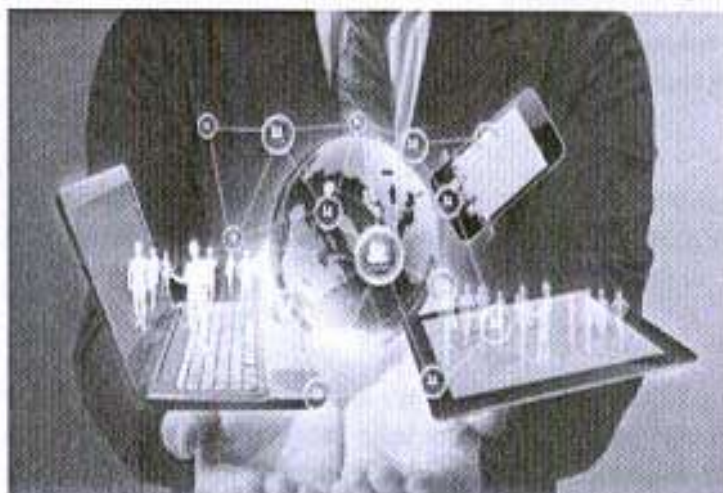
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ABSTRACT

Customers are the king and queen of the modern market. Without their satisfaction the manufactures or service providers cannot produce and sell their product or services in the market. From the nationalization of banks in 1969 and 1980, the banking sector aware of customer satisfaction and they are in the forefront in offering such satisfaction to the customers by adopting new technologies and making use of banking services as user friendly and convenient. Today without going to banks the customers are able to operate their banking services either in their homes or in work places. This paper intends to tell the readers that the extent in which the banking customers are satisfied by using digital banking services. Results indicate that the various factors are responsible for influencing the sample respondents to adopt e-banking services due to 'Time saving' (62.19) followed by 'Speed' (59.73) and 'Easy access' (57.87) respectively. More over the age group between 21-30 years are major users in availing e-banking services. Hence there is a great scope in the field of banking sector to use these services effectively and efficiently. This paper too offers few recommendations to the service providers to be effective in satisfying the needs of the banking customers in the coming years.

KEYWORDS : E-banking service, Information technologies.



INTRODUCTION :

New Information technology has taken important place in the future development of financial services, especially banking sector evolution are affected more than any other financial provider groups. Today most of the banking happens while you are sipping coffee or taking an important call. ATMs are at your doorstep. Banking services are accessible 24x7. There are more plastic cards in your wallet than currency notes.

A huge part of this change is due to the advent of Information and technology (IT). 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. Indian banking industry has witnessed a tremendous developments due to sweeping changes that are taking place in the information technology. Electronic banking has emerged from such an innovative development. The progress in e-banking in Indian banking industry is measured through various parameters such as Computerization of

branches, Automated Teller Machines, Transactions through Retail Electronic Payment Methods etc. As compared to traditional banking, Internet banking involves non-human interactions between customers and online bank information system. Customer satisfaction, customer retention and new customer acquisition are the key factors in Internet banking system. The biggest advantage of internet banking is that people can expand the services sitting at home, to transact business. Due to which, the account holder does not have to personally visit the bank. With the help of Internet banking many transactions can be executed by the account holder. When small transaction, etc. are to be processed, the internet banking facility proves to be very handy. The concept of internet banking has thus become a revolution in the field of banking and finance.

STATEMENT OF THE PROBLEM

Banking plays a major role in the development of a country. Most of the banks are computerized because of the development of technology and new scientific inventions the banking field is developing every day. The current banking services provided through internet is limited due to security concerns, lack of personal services, complexity and technological problems. Another problem facing e-banking industry is the limited online payment option which makes customers to drop out in the last stage of the purchasing process due to dissatisfaction and inconvenience. Customers fear that someone will have unlimited access to their personal financial information. Therefore, confidentiality of consumer data is another important concern in the adaptation of online banking. At this juncture a number of questions arise in the mind of the researchers like what are the factors that influence the respondents to avail digital technologies in banking services, how far the customers are satisfied with regard to e-banking services and what are the suggestions to be implemented to make e-banking technology as user friendly. Considering these questions the researchers have found the study on "Customer satisfaction on digital technologies in banking services".

OBJECTIVES

- To find out the demographic profile of the sample respondents.
- To analyze the satisfaction level of the sample respondents to prefer E-banking services.
- To offer suitable suggestion to make e-banking technology as user friendly..

HYPOTHESIS

- There is no significant relationship between age and level of satisfaction towards e-banking services
- There is no significant relationship between educational qualification and level of satisfaction towards e-banking services.

METHODOLOGY

This study is an empirical study combining the use of both primary and secondary data. Primary data were collected with systematically prepared interview schedule in Nagercoil town. The data collected from 75 sample respondents from Nagercoil town adopting simple random sampling technique. In order to carry out statistical enquires an interview schedule was prepared comprising of age, gender, qualification, working status, income, motivation, type of account, usage, safety to use of e-banking. The study was tested with the help of statistical tools like percentage analysis, chi-square and garret ranking technique methods. The secondary data are collected from magazines, books, journals, reports, unpublished reports, newspaper, websites etc.

DATA ANALYSIS AND INTERPRETATION**Demographic profile**

Demographic variables are one of the most important variables which decide about the usage habits and purchase behaviour of any modern gadgets. These gadgets save the time and offer convenience to the users in availing e-banking services. The following table shows the demographic profile of banking customers regarding e-banking services.

Table 3
DEMOGRAPHIC PROFILE OF THE RESPONDENTS

| variables | Particulars | No. of respondents | Percentage |
|-------------------------|------------------------|--------------------|------------|
| Age | Below 20 years | 6 | 8 |
| | 21-30 years | 45 | 60 |
| | 31-40 years | 15 | 20 |
| | 41-50 years | 5 | 6.67 |
| | Above 50 years | 4 | 5.33 |
| | Total | 75 | 100 |
| Gender | Male | 46 | 61.33 |
| | Female | 29 | 38.67 |
| | Total | 75 | 100 |
| Education Qualification | Upto higher secondary | 12 | 16 |
| | Under graduate | 8 | 10.67 |
| | Post Graduate | 22 | 29.3 |
| | Technical education | 9 | 12 |
| | Professional education | 24 | 32 |
| | Total | 75 | 100 |
| Occupation | Business class | 7 | 9.33 |
| | Agriculturalist | 4 | 5.33 |
| | Professional | 25 | 33.33 |
| | Home maker | 11 | 14.67 |
| | Student | 13 | 17.33 |
| | Any other | 15 | 20 |
| | Total | 75 | 100 |
| Income | Below 10,00 | 4 | 5.33 |
| | 10,001-30,000 | 25 | 33.33 |
| | 30,001-50,000 | 17 | 22.67 |
| | Above 50,001 | 29 | 38.67 |
| | Total | 75 | 100 |

Source: Primary Data

Table 1.1 shows that, 60 per cent (45) of the sample respondents belong to the age group of 21-30 and 5.33 per cent (4) of the sample respondents to the age group of above 50. It reveals that the younger generations are familiar in handling modern gadgets and benefited a lot by using e-banking services. 61.33 per cent (46) of the sample respondents are male and 38.67 percentage (29) of the sample respondents are female. It is understood that male respondents are decision makers and deciders in Indian family. So it clear that most of the financial transactions are done by male respondents. 32 per cent (24) of the sample respondents have completed professional education and

10.67 per cent (8) of them are under graduate. It is inferred that professionals are more time conscious in going to traditional banks. Hence they use e-banking services by sitting at their desk and saves plenty of times and use that time and energy for another purposes. 33.33 per cent (25) of the sample respondents are professionals like doctors, engineers, etc and 5.55 per cent (5) of the sample respondents are educated farmers. It reveals that the educated farmers realize the importance of using e-banking services to make payments like telephone, insurance, and other services. 38.67 per cent (29) of the sample respondents belong to the income group of above Rs 50,000 and 5.33 per cent (4) of the sample respondents belong to the income group of less than Rs 10,000. It is understood that respondents who are earning higher salary make use of e-banking services than the lower income group.

The degree of satisfaction of the sample respondents is measured in terms of age. Age is the important variables to decide about experience and decision power of one self. The following table measures the level of satisfaction towards e-banking services with the help of Chi-square test.

H_0 : There is no significant relationship between age and level of satisfaction towards e-banking services.

Table 2
AGE AND LEVEL OF SATISFACTION

| S. No | AGE | LEVEL OF SATISFACTION | | | TOTAL |
|-------|----------------|-----------------------|-----------|-----------|-----------|
| | | HIGH | MEDIUM | LOW | |
| 1 | Upto 20 years | 2 | 3 | 1 | 6 |
| 2 | 21-30 years | 10 | 21 | 12 | 43 |
| 3 | 31-40 years | 6 | 4 | 7 | 17 |
| 4 | 41-50 years | 4 | - | 1 | 5 |
| 5 | Above 50 years | 3 | 1 | - | 4 |
| | TOTAL | 25 | 29 | 21 | 75 |

Source: Primary data

Table 2 portrays that out of 75 respondents; only 25 respondents are highly satisfied due to fast access, time saving and convenient. 29 of them are satisfied medium level and 21 of them are having low level satisfaction due to power cut and complication in the procedure of operating e-banking services nature. With regard to relationship between the age and the level of satisfaction the calculated value of chi-square (13.69) is less than the table value (15.5). Hence the hypothesis is accepted; therefore this study concludes that there is no relationship between age and the level of satisfaction of the customers in using e-banking services. The following table measures the satisfaction in terms of educational qualification.

H_0 : There is no significant relationship between educational qualification and level of satisfaction towards e-banking services.

TABLE 3
EDUCATIONAL QUALIFICATION AND LEVEL OF SATISFACTION

| S.No | Educational qualification | Level of satisfaction | | | Total |
|------|---------------------------|-----------------------|-----------|-----------|-----------|
| | | High | Medium | Low | |
| 1 | Upto higher secondary | 5 | 6 | 2 | 13 |
| 2 | UG | 4 | 1 | 5 | 10 |
| 3 | PG | 4 | 11 | 6 | 21 |
| 4 | Technical education | 4 | 5 | 4 | 13 |
| 5 | Professional education | 4 | 7 | 7 | 18 |
| | TOTAL | 21 | 30 | 24 | 75 |

Source: Primary data

Table 3 portrays that 62 respondents are degree holders who understand the importance of using on-line banking services. More over when compared to traditional banking, e-banking services are quicker and faster. Sitting in the office site itself they can operate their banking transactions. With regard to relationship between the education and the level of satisfaction the calculated value (9.05) is less than the table value (15.5). Hence the hypothesis is accepted and therefore this study concludes that there is no relationship between educational qualification and level of satisfaction of sample respondents.

Satisfaction level of respondents to prefer e-banking services

Every customer is purchasing a particular product or services due to influence of many factors. The influence may differ from one customer to another and from product to product. Customers of e-banking services also prefer a particular e-channel due to various factors such as easy access, cost effectiveness, social status, time saving, effective service etc. The table 4 and 5 shows that the factors influencing the customer to preference on various e-banking services.

Table 4
FACTORS INFLUENCE TO PREFER E-BANKING SERVICES TO THE RESPONDENTS

| S.No | Factor | Garett's Mean Score | Rank |
|------|----------------------------|---------------------|------|
| 1 | Easy access | 57.867 | III |
| 2 | Higher security | 46.813 | VI |
| 3 | Time saving | 62.187 | I |
| 4 | Convenience | 53.467 | V |
| 5 | Cost effectiveness | 44.213 | IX |
| 6 | Individual self confidence | 45.813 | VIII |
| 7 | Social status | 40.330 | X |
| 8 | Privacy | 46.330 | VII |
| 9 | 24*7 Service | 56.520 | IV |
| 10 | Eco friendly process | 35.387 | XI |
| 11 | Speed | 59.730 | II |

Source: Primary data

Table 4 clearly shows that the respondents have given first rank to "time saving" with a mean score of 62.187, followed by "speed and easy access" with a mean score of 59.730 and 57.867 respectively. It is analyzed that digital technologies are very fast and the transaction will happen within nanoseconds. So the skilled workers prefer to operate their transactions through e-banking services either for payments or to check the balance.

Table 5
TYPES OF E-BANKING SERVICES

| S. No | E-banking services | H.S (5) | S (4) | M (3) | DS (2) | HDS (1) | Total | Score | Rank |
|-------|--------------------|-------------|------------|-------------|------------|----------|-------------|-------|------|
| 1 | ATM | 44 (220) | 23 (92) | 6 (18) | 1 (2) | 1 (1) | 75 (333) | 4.44 | I |
| 2 | Internet Banking | 31 (155) | 24 (96) | 15 (45) | 3 (6) | 2 (2) | 75 (224) | 2.98 | IV |
| 3 | Mobile banking | 7 (35) | 20 (80) | 36 (108) | 8 (16) | 4 (4) | 75 (243) | 3.24 | III |
| 4 | Tele banking | 6 (30) | 13 (52) | 36 (108) | 12 (24) | 8 (8) | 75 (222) | 2.96 | V |
| 5 | E-payments | 18 (90) | 24 (96) | 22 (66) | 6 (12) | 5 (5) | 75 (269) | 3.58 | II |

Source: Primary data

Out of five digital technologies in e-banking services the first rank is given to 'ATM' service with a score value of 4.44. It is evident that respondents can transact money from anywhere, at anytime and it works for round the clock. As and when time permits the respondents could operate their transactions. Adding to that to handle ATM service it is simple and to convenient to handle. The secrets are maintained and there is a less chance of fraudulent activities compared to other way of e-banking services. The last rank is given to 'Tele banking' with its mean score of 2.96. It is clear that many of the respondents don't know about 'Tele banking' and this method is popular only in western countries.

FINDINGS

- + 60 per cent (45) of the sample respondents belong to the age group of 21-30 and 5.33 per cent (4) of the sample respondents to the age group of above 50. It reveals that the younger generations are familiar in handling modern gadgets and benefited a lot by using e-banking services.
- + 61.33 per cent (46) of the sample respondents are male and 38.67 percentage (29) of the sample respondents are female. It is understood that male respondents are decision makers and deciders in Indian family. So it is clear that most of the financial transactions are done by male respondents.
- + 32 per cent (24) of the sample respondents have completed professional education and 10.67 per cent (8) of them are under graduate. It is inferred that professionals are more time conscious in going to traditional banks.
- + 33.33 per cent (25) of the sample respondents are professionals like doctors, engineers, etc and 5.55 per cent (5) of the sample respondents are educated farmers. It reveals that the educated farmers realize the importance of using e-banking payments like telephone, insurance, and other services.
- + 38.67 per cent (29) of the sample respondents belong to the income group of above Rs 50,000 and

5.33 per cent (4) of the sample respondents belong to the income group of less than Rs 10,000. It is understood that respondents who are earning higher salary make use of e-banking services than the lower income group.

- + With regard to relationship between the age and the level of satisfaction the calculated value of chi-square (13.69) is less than the table value (15.5). Hence there is no relationship between age and the level of satisfaction of the customers in using e-banking services.
- + With regard to relationship between the education and the level of satisfaction the calculated value (9.05) is less than the table value (15.5). Hence there is no relationship between educational qualification and level of satisfaction of sample respondents.
- + The respondents have given first rank to "time saving" with a mean score of 62.187, followed by "speed and easy access" with a mean score of 59.730 and 57.867 respectively. It is analyzed that digital technologies are very fast and the transaction will happen within nanoseconds.
- + Out of five digital technologies in e-banking services the first rank is given to 'ATM' service with a score value of 4.44. It is evident that respondents can transact money from anywhere, at anytime and e-banking services are provided for round the clock.

SUGGESTIONS

- The educated mass can be given awareness with regard to the importance of digital technologies in banking services.
- The customers should be informed that e-services provide quick transaction and they don't need to stand in lines to make their payments or transaction.
- The service providers of banking companies can make their sites more user friendly so that more and more bank customers can be benefitted from the same.
- The banker may explain the security systems about digital technology in banking services to their customers and remove their fear and anxieties.
- The e-banking services operations are simple and economical. So irrespective of their age or literacy level, the banking customers can come forward to operate the services and benefit from the same.
- The banking customers who have more responsibilities can be benefitted from this nature of service and use their timing for other productive purposes.
- The government can ask the tax-payers to make their payment through e-banking services, so that our country would become digital nation in the days to come.

CONCLUSION

The introduction of 'Digital world' by Prime Minister Narendra Modi on July 1st 2015 is a real boon to banking sector to reach banking customers in the nook and corner of this world. These in turn enable both banking customers and banking companies to operate in a highly globalized, liberalized, privatized and a competitive environment. So it is up to the banking customers and service providers to fulfill the dream of our Prime Minister of country. This in turn facilities our country as digital world where everyone whether belonging to rural or urban may transact via e-banking services.

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