

# **Customer Satisfaction and Problems of E-Banking Services Selected Public Sector Banks**

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## **Abstract**

Banking operations plays significant role in the economic development of a country. It provides finance for all business activities and also fulfill the each and every persons needs. The development of economy is based on the efficiency of the banking system. The banking activity mainly connected with customer opportunities in a growing economy. The Government policy is important for economics and focused by the banking sector is financial inclusions, easy access of finance and services. The customers in the banking services are free to select their banks in search for best service and products. Hence, it is important to keep the customers satisfied and meet the expectation before time bankers are keeping changing their strategies for success their services in new age economy. Based on above view this study aims to analyse the customer satisfaction and problems towards banking services offered by Public Sector Banks in Villupuram District.

**Key words-** Customers, Satisfaction, Awareness, e-banking

## **Introduction**

The e-banking is operated by bank accounts in contrast to branch banking by way customers are use banking services. The transactions is done by online banking usually account balances, list of transactions, bill payments, point of sale and funds transfer one account to another account. These transactions requires satisfaction of the customers and important in banking services. The satisfaction is needs and requirements to the customers and it is vital part of the bankers. The banks need to satisfy the customer expectation about the actual service provided to them in comparing with their satisfaction. The customer expectation is the services availed by them before or during the delivery of a service. This is the continue actions from starting to end of the services provided to

them and their prior expectations. Therefore, it is essential to analyse the customer satisfaction of service delivery in the banking sector.

### **Review of literature**

Kodithuwakku, Dangalla, (2018), studied the service quality satisfaction of customers. In the modern world, customer expectations are higher in every business aspects. The maximum effort should be taken to attract the customers and also to keep the market share. The banking sector also to identify the customers' expectation and Satisfaction towards service provided to them. Dharmalingam et al., (2012), identified and evaluated the gap in the expected and perceived level of services. The areas need to improve superior quality of service in selected new private sector banks. The service dimensions like 'Tangible', 'Reliability', 'Responsiveness', 'Assurance', 'Empathy', 'Access', 'Security' and 'Price' and 'Product variety' were considered for customer service quality expectations and Satisfaction. The study indicates the customer expectations are very in the areas of security and accessibility dimensions while it is low in responsiveness. The study also finds that there is huge service gap between reliability, price, products while less service gap between empathy and tangibility of the banks.

### **SAMPLING TECHNIQUE**

The present study is undertaken from the Public sector banks in Villupuram District of Tamil Nadu. The banks were selected on the basis of semi-urban and rural area based on area classifications by the Reserve bank of India. Total of Ten public sectors i.e. is five banks from semi-urban area and five banks from rural area selected. In each bank 15 respondents were selected for the study. The questionnaire were used and circulated for the purpose of data collection. Out of total 150 questionnaires circulated five were found incorrect and these questionnaires were not taken for the study. Therefore, the present study consists of 145 bank customers were selected from public sector banks in the study and convenient sampling method is adopted to select the bank customers in the study area.

### **Objectives of the study**

1. To study the level of awareness on customers in the e-banking services
2. To analyse levels of satisfaction among the customers of Public sector banks in rural and semi urban area of study.
3. To assess the problems of the customers in the e-banking transactions.

Hypothesis of the study

*H<sub>01</sub>: There is no significant difference between satisfaction of the selected customers of rural and semi-urban area in the study.*

### **Demographic factors of the customers**

The customer responses based on demographic characteristics of the selected customers were collected from the study area. The demographic background of the customers like gender, age, marital category, education, occupation, monthly income and living place were collected and presented in the Table 1.

**Table 1 Demographic Variables**

<b>Variables</b>	<b>Demographic Variables</b>	<b>No. of Respondents</b>	<b>Percentage</b>
Gender	Male	94	64.83
	Female	51	35.17
Age	< 25 years	38	26.21
	26 to 35 years	30	20.69
	36 to 45 years	31	21.38
	46 to 55 years	15	21.38
	> 55 years	31	10.34
Marital Status	Married	92	63.45
	Unmarried	53	36.55
Educational Qualification	Upto HSC	50	34.48
	Degree	47	32.41
	Master Degree	34	23.45
	Professional	8	5.52
	Others	6	4.14
Occupation	Employed	15	10.34
	Traders/shops	34	23.45
	Students	17	11.72
	Housewife	14	9.66
	Others	65	44.83
Income	< ₹ 25000	36	24.83
	₹25001 - 40000	51	35.17
	₹40001 - 55000	35	24.14
	₹ 55001 – 60000	23	15.86

	> ₹ 60000	36	24.83
Place of Living	Semi-Urban area	67	46.21
	Rural area	78	53.79

**Source:** Primary data

Table 1 shows the responses of the customers based on demographic characteristics that were chosen for the study. It shows that male category constitutes majority of sample respondents (64.83 percent), with females constitutes for the remaining of 35.17 percent of respondents.

As the survey results indicates, the highest respondents (26.21 percent) are in the age of less than 25 years, the age between 26 to 35 years constitutes 20.69 percent, the age between 36 to 45 years constitute 21.38 percent, in the age between 46 to 55 years constitute 21.38 percent and were over 55 constitutes 10.34 percent of the total.

The marital category shows 63.45 percent are married and the rest of 36.55 percent were unmarried category in the study.

The respondents of people upto HSC were 34.48 percent, 32.41 percent were degree of education, 23.45 percent were master degree of education, 5.52 percent were professional degree of education and 4.14 percent were other category which includes diploma, ITI etc.

Respondents based on their employment status employed (10.34 percent), Traders/shops (23.45 percent), Students (11.72 percent), Housewife (9.66 percent) and others (44.83 percent)

Respondents monthly income results show that people earn less than ₹ 25000 are 24.83 percent, were earn ₹25001 to 40000 are 35.17 percent, were earn ₹40001 – 55000 are 24.14 percent, were earn ₹ 55001 to 60000 are 5.86 percent and people earn more than ₹ 60000 are 24.83 percent of the total.

The percentage of people's place of living in the semi-urban area is 46.21 percent and in rural area is 53.79 percent in the study.

### **Factors influenced to select e-banking services**

The factors to selection of e-banking services are an important parameter and customers were asked to factors to selecting the e-transaction is presented in Table 2.

**Table 2 Factors Influencing to Select E-Banking Services**

S. No.	Factors	VH	H	M	L	VL	Total
1.	Easy and Convenient of usage	53	49	15	18	10	145

		36.55	33.79	10.34	12.41	6.90	100.00
2.	E-banking guidance available	47	53	24	13	8	145
		32.41	36.55	16.55	8.97	5.52	100.00
3.	Less cost transactions	46	56	15	18	10	145
		31.72	38.62	10.34	12.41	6.90	100.00
4.	Time savings and immediate information on hand	43	57	24	13	8	145
		29.66	39.31	16.55	8.97	5.52	100.00
5.	Any time access regardless of time and place	32	76	12	14	11	145
		22.07	52.41	8.28	9.66	7.59	100.00
6.	Fast and effortless transaction with bank	57	29	33	11	15	145
		39.31	20.00	22.76	7.59	10.34	100.00
7.	Lower possibility of error	46	44	17	22	16	145
		31.72	30.34	11.72	15.17	11.03	100.00
8.	Download Previous bank transaction history	26	43	31	22	23	145
		17.93	29.66	21.38	15.17	15.86	100.00
9.	Online shopping	18	43	30	37	17	145
		12.41	29.66	20.69	25.52	11.72	100.00

**Source:** Primary data

Table 2 shows that the factors influenced to select of e-banking services. The respondents are very high level influence of 36.55 percent and 33.79 percent highly influenced to select the services is easy and convenient of usage e-banking. The e-banking guidance available shows 32.41 percent very high influence and 38.72 percent high influence of services. The fast and effortless transaction with bank shows 39.31 percent very high influence and 20 percent high influence in the e-banking services. The less cost for transactions 31.72 percent very high influences and 39.72 percent high influence of services. The low possibility of error 31.72 percent very high influence and 30,34 percent high influence of e-banking services. The factors of time savings and immediate information 29.66 percent very high influence and 39.31 percent high influence of services. Any time access shows 22.07 percent very high influence and 52.41 percent high influence of e-services. Downloading services (59.59%) and online shopping (42.07%) are also influencing factors to select the e-banking services.

## Customer Satisfaction

The level of satisfaction of the selected customers in the public sector banks has collected and listed in the Table 3.

**Table 3 Customer Satisfaction on e-banking Services**

S. No.	Variables	VH	H	M	L	VL	Total
1.	The commission and charges are reasonable in e-banking services	52	38	28	18	9	145
		35.86	26.21	19.31	12.41	6.21	100.00
2.	The access of services are easy by way of e-banking	27	83	20	6	9	145
		18.62	57.24	13.79	4.14	6.21	100.00
3.	E-banking provides secured transactions	16	102	11	7	9	145
		11.03	70.34	7.59	4.83	6.21	100.00
4.	Electronic banking saves time	27	85	19	8	6	145
		18.62	58.62	13.10	5.52	4.14	100.00
5.	Better than offline payment	16	103	12	7	7	145
		11.03	71.03	8.28	4.83	4.83	100.00
6.	Fast and effortless transaction with bank	27	84	17	10	7	145
		18.62	57.93	11.72	6.90	4.83	100.00
7.	Satisfaction on e-banking threats and frauds	37	32	31	27	18	145
		25.52	22.07	21.38	18.62	12.41	100.00
8.	Funds Transfer or Pay of utility bills	33	58	30	12	12	145
		22.76	40.00	20.69	8.28	8.28	100.00
9.	Checking of account and credit card balances	53	75	7	8	2	145
		36.55	51.72	4.83	5.52	1.38	100.00
10.	Bank offers need based and innovative services	102	28	2	7	6	145
		70.34	19.31	1.38	4.83	4.14	100.00
11.	Provide better quality products / services	66	40	23	8	8	145
		45.52	27.59	15.86	5.52	5.52	100.00
12.	Makes financial transactions easier	13	105	12	7	8	145
		8.97	72.41	8.28	4.83	5.52	100.00
13..	Help to reduce errors	61	44	10	12	18	145
		42.07	30.34	6.90	8.28	12.41	100.00
14.	Help in checking frauds	42	83	9	9	2	145

		28.97	57.24	6.21	6.21	1.38	100.00
15.	Provide timely and better solutions	74	49	9	7	6	145
		51.03	33.79	6.21	4.83	4.14	100.00

Source: Primary data

The highly perceived e-banking services is need based services, checking of balances, help in checking frauds, provide timely solutions, secured transactions, and makes financial transactions easier since the satisfaction level of these variables are above four fifth of the selected bank customers.

With regard to the customer's satisfaction on e-banking services more than four fifth the customers are satisfied with or the following services: Bank offers need based and innovative services (89.66%), checking of account and credit card balances (88.28%), help in checking frauds (86.21%), provide timely and better solutions (84.83%), e-banking provides secured transactions (81.38%), better than offline payment (82.07%) and makes financial transactions easier (81.38%). The respondents of more than three fourth of customers are satisfied with access of services are easy by way of e-banking (75.96%), electronic banking saves time (77.24%) and fast and effortless transaction with bank (76.55%). To provide better quality products/services (73.10%), help to reduce errors (72.41%), funds transfer or pay of utility bills( 62.76%), the commission and charges are reasonable in e-banking services (62.07%) are also high level satisfaction towards e0banking services. however they are less satisfied with e-banking threats and frauds (47.59%) in the study.

**Table 4 Problems of Using E-Banking Services**

S. No.	Variables	VH	H	M	L	VL	Total
1.	Victim of Fraudulent cheating	31	54	15	29	16	145
		21.38	37.24	10.34	20.00	11.03	100.00
1.	Wrong transfer of fund	33	42	19	32	19	145
		22.76	28.97	13.10	22.07	13.10	100.00
2.	Delay in transaction	16	53	18	40	18	145
		11.03	36.55	12.41	27.59	12.41	100.00
3.	Poor network connectivity	23	38	34	40	10	145
		15.86	26.21	23.45	27.59	6.90	100.00
4.	Security	16	53	18	40	18	145
		11.03	36.55	12.41	27.59	12.41	100.00
5.	Updation of Technology	23	38	34	40	10	145

		15.86	26.21	23.45	27.59	6.90	100.00
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**Source:** Primary data

Table 4 shows a highest of 21.38 percent agree very high problems and 37.24 agree high problems of victim of fraudulent cheating, followed by 22.76 percent agree very high problems and 28.97 agree high problems in the wrong transfer of funds in the e-transactions.

The next level of 15.86 percent agrees very high problems and 26.21 percent agree high problems in poor network connectivity. Similarly 11.63 percent are very high problems and 26.21 percent are problems in security of e-transactions. The updation of technology is the least problems among the customers in the study.

**Table 5 T test for Customer Satisfaction on E-banking Services**

Variables	Gender	Nos.	Mean	S.D.	T value	Sig.
The commission and charges are reasonable in e-banking services	Male	74	3.69	1.30	0.413	0.680
	Female	71	3.77	1.19		
The access of services are easy by way of e-banking	Male	74	3.88	0.92	1.212	0.228
	Female	71	3.68	1.08		
E-banking provides secured transactions	Male	74	3.84	0.83	1.123	0.264
	Female	71	3.66	1.04		
Electronic banking saves time	Male	74	3.88	0.92	0.752	0.453
	Female	71	3.76	0.96		
Better than offline payment	Male	74	3.84	0.83	0.715	0.476
	Female	71	3.73	0.94		
Fast and effortless transaction with bank	Male	74	3.93	0.93	1.832	0.069
	Female	71	3.63	1.03		
Satisfaction on e-banking threats and frauds	Male	74	3.46	1.37	1.479	0.141
	Female	71	3.13	1.34		
Funds Transfer or Pay of utility bills	Male	74	3.65	1.19	0.438	0.662
	Female	71	3.56	1.16		
Checking of account and credit card balances	Male	74	4.19	0.87	0.338	0.736
	Female	71	4.14	0.85		
Bank offers need based and innovative services	Male	74	4.34	1.05	1.567	0.119
	Female	71	4.61	1.01		



Provide better quality products / services	Male	74	4.15	1.08	1.359	0.176
	Female	71	3.89	1.23		
Makes financial transactions easier	Male	74	3.81	0.82	0.902	0.369
	Female	71	3.68	0.97		
Help to reduce errors	Male	74	3.89	1.40	0.693	0.490
	Female	71	3.73	1.37		
Help in checking frauds	Male	74	4.07	0.83	0.079	0.937
	Female	71	4.06	0.88		
Provide timely and better solutions	Male	74	4.26	1.01	0.341	0.733
	Female	71	4.20	1.09		

Source: Primary data

Table 5 shows the customer satisfaction towards e-banking and the test results indicates there is no significant different among the customers of semi-urban and rural customers in the study. Hence, the formulated hypothesis is rejected.

### Suggestions

- ❖ The banks should provide good customer experience in a view to obtain the satisfaction of their customers. They also provide the good customer service, along with the better experience, whether that is direct banking or online banking.
- ❖ Banks staffs are talk with their customers makes them happy with the banking transactions.
- ❖ Banks should recognize the account holder needs, requirements based on their preferences and provide relevant information at the right time.
- ❖ The highly satisfied e-banking services is need based services and checking of balances, fund transfers and hence, the information with regards to customers is clear to helps them to understand what they can do with your product or service and how it works.

### Conclusion

The customer satisfaction is the primary task to success and builds a strong reputation among the customers. In the present scenario trustworthiness of the banking services is important to acquire the confidence of customers. The increased confidence results in the economy of the banks and contribute to society to a greater extend. The quality and safety services are important focus of the banks in order provide safety and returns to the investors' funds. The quality services enhance

the customer satisfaction and bank should focus on providing qualitative support to its customers and make them grow. Therefore, the banks should pay special attention to by giving quality and timely services win the customers' confidence.

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