



A STUDY ON CUSTOMER PERCEPTION AND SATISFACTION TOWARDS NET BANKING

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Cite This Article: Dr. A. John Ditto, "A Study on Customer Perception and Satisfaction towards Net Banking", International Journal of Interdisciplinary Research in Arts and Humanities, Volume 2, Issue 1, Page Number 29-32, 2017

Abstract:

E-banking is one of the emerging trends in the Indian banking. The development progress in the Information and Communication Technology (ICT) have brought about a lot of changes in Banking Industry, it has been in the form of E-Banking or Net banking or Online Banking or Internet Banking, which is now replacing the traditional banking mechanism. The main objective of the study is to find out the customer perception and satisfaction towards net banking. The study was done based on interview schedule with a sample of 100 respondents. The data were analyzed using simple percentage analysis and chi-square test to find customer perception and satisfaction towards net banking.

Key Words: Banking, Perceptions, Online, Internet, Satisfaction & Customers etc.,

Introduction:

Online banking, also known as internet banking, e-banking or virtual banking, is an electronic payment system that enables customers of a bank or other financial institution to conduct a range of financial transactions through the financial institution's website. The online banking system will typically connect to or be part of the core banking system operated by a bank and is in contrast to branch banking which was the traditional way customers accessed banking services. Banks are competing in a highly competitive environment to offer quality oriented services according to customer expectations.

Advantages of e –Banking:

- ✓ e- Banking gives more interest rates and saves lot of expenses.
- ✓ All banking transactions at customer's convenience.
- ✓ More precious time and the paper work are saved.
- ✓ Banks provide balance alerts
- ✓ In e-banking no extra charges
- ✓ Now days more improvement in customer access.

Need for the Study:

Banking services largely depend upon customer demands and their perceived preferences. The entry trend of globalization and liberalization had posed serious problem to domestic banks. Due to rapid change in technology and the entry of private and foreign banks a number of new products and delivery channels have been introduced. The changing environment, banks implemented tele-banking, mobile banking, call centre services, ATM, etc., In this regard a study has been undertaken to know the customers perception and satisfaction towards net banking services.

Review of Literature:

Waqarul Haq and Bakhtiar Muhammad (2012), revealed that purpose of conducting this research is to compare public and private sector banks of Pakistan by evaluating their customer satisfaction. This research is mainly based on primary data and this paper makes a useful contribution as there are very low number of studies has been conducted in Pakistan on such areas like price, technology, reliability, customer service, location and infrastructure. The research shows that customer satisfaction varies from person to person and, bank managers need to conduct more researches in order to evaluate customer satisfaction more strongly.

R. Elavarasi (2014) identified commercial bank provides better service with regards to e-banking services to customers and also identified satisfaction level of customer view about internet banking website of banks. The data analysis shows that age, educational qualification, occupation, income level of customer are significant factor that decide usage of e-banking services of various banks in the study area. The findings were to increase awareness among people; SBI should advertise and conduct special awareness programs to make E-Banking services more popular among customers.

Dr. M. Abdul Hakkeem and Y. Moydheen Sha (2015) observed that particular age group has used these services; the satisfaction of the customer majorly influenced the convenience, awareness, and responsiveness. In the present technology society, most of the banking customer prefer and switch to e-banking facilities. Hence the study concluded that banker may improve their services, loyalty to customers and their retention by increasing awareness of other age groups and concentrating on the factors contributing customer satisfaction.

Objectives of the Study:

- ✓ To study the demographic profile of the net banking customers in Coimbatore District.
- ✓ To find the customers perception towards net banking.

- ✓ To identify the customers satisfaction towards net banking

Limitations of the Study:

- ✓ The study is restricted to the selected sample of Coimbatore District and hence the result of the study cannot be generalized.
- ✓ The statistical methods used to analyze the data have their own limitation.
- ✓ All the limitations of primary data are applicable to this study.

Research Methodology:

Coimbatore District is the study area. A total of 100 policy holders are taken as sample. These respondents were randomly selected in Coimbatore District. Primary data is collected through well interview schedule. The collected information were reviewed and consolidated into a master table. For the purpose of analysis the data were further processed by using statistical tools. The statistical tools are

- ✓ Simple Percentage
- ✓ Chi-Square Test

Analysis and Interpretation:

1.1 Demographic Profile of the Respondents:

Table no.1 describes the demographic profile of the net banking customers which is taken for the study. Out of 100 respondents who were taken for the study: it has been identified that most (58%) of the respondents are male, (49%) whose age group is under 26 to 45 years, most (53%) of the respondents are graduates, maximum number (39%) of respondents are employee, the monthly income of (42%) respondents is up to Rs.10,000, (48%) of the respondents are came to know about net banking through friends/ relatives.

Table 1: Demographic Profile of the Respondents

Factors	Number of Respondents N=100	Percentage
Gender		
Male	58	58
Female	42	42
Age (Years)		
Up to 25	26	26
26 to 45	49	49
Above 45	25	25
Educational Qualification		
Up to School Level	24	24
Graduate	53	53
Professional	23	23
Occupation		
Agriculture	31	31
Employee	39	39
Business	26	26
Others	4	4
Monthly Income		
Up to Rs.10000	42	42
Rs.10000 to Rs.25000	36	36
Above Rs.25000	22	22
Source of Knowledge		
Friends/Relatives	48	48
Advertisement	19	19
Officers	33	33

1.2 Relationship between Demographic Variables and Customers Level of Perception Towards Net Banking:

Table no.2 depicts the relationship between selected demographic variables of the customers and their level of perception towards net banking. It is clear that , the calculated Chi-square value is less than the table value at five percent level, there does not exists any significant association between educational qualification and occupation of the net banking customers. Thus the null hypothesis is accepted. It is clear that, the calculated Chi-square value is greater than the table value at five percent level, there exists a significant association between gender, age and monthly income of the net banking customers

Table 2: Relationship between the Demographic Profile and Level of Perception

Variables	Level of Perception			Total	χ^2 Value	Table Value	Remarks
	Low	Moderate	High				
Gender							
Male	29	20	9	58	6.432	5.991	S

Female	18	18	6	42			
Age (Years)							
Up to 25	10	3	13	26	14.896	9.488	S
26 to 50	23	18	8	49			
Above 50	8	10	7	25			
Occupation							
Agriculture	12	11	8	31	9.845	12.592	NS
Business	7	8	11	26			
Employee	13	15	11	39			
Others	4	7	3	14			
Educational Qualification							
Up to School Level	6	8	10	24	2.178	9.488	NS
Graduate	13	26	14	53			
Professional	5	9	9	23			
Monthly Income							
Up to Rs.10,000	25	6	11	42	15.98	9.488	S
Rs. 10000 to Rs.20,000	13	14	9	36			
Above Rs.20,000	8	6	8	22			

*significant at 5% percent level

1.3 Relationship between Demographic Variables and Customers Level of Satisfaction Towards Net Banking:

Table no.3 depicts the relationship between selected demographic variables of the customers and their level of satisfaction towards net banking. It is clear that , the calculated Chi-square value is less than the table value at five percent level, there does not exists any significant association between Monthly income and occupation of the net banking customers. Thus the null hypothesis is accepted. It is clear that, the calculated Chi-square value is greater than the table value at five percent level, there exists a significant association between gender, age and educational qualification of the net banking customers.

Table 3: Relationship between the Demographic Profile and Level of Satisfaction

Variables	Level of Satisfaction			Total	χ^2 Value	Table Value	Remarks
	Low	Moderate	High				
Gender							
Male	19	19	20	58	16.432	5.991	S
Female	16	10	16	42			
Age (Years)							
Up to 25	7	8	11	26	14.896	9.488	S
26 to 50	18	20	11	49			
Above 50	8	8	9	25			
Occupation							
Agriculture	10	11	10	31	9.845	12.592	NS
Business	11	7	8	26			
Employee	11	13	15	39			
Others	4	5	5	14			
Educational Qualification							
Up to School Level	12	5	7	24	12.178	9.488	S
Graduate	23	16	14	53			
Professional	7	9	7	23			
Monthly Income							
Up to Rs.10,000	20	16	6	42	5.98	9.488	NS
Rs. 10000 to Rs.20,000	11	11	14	36			
Above Rs.20,000	7	7	8	22			

*significant at 5% percent level

Conclusion:

Competition has already set in and public sector and private sector players should take steps to recapture the market according to the perception of the net banking customers. The future growth of the banking sector will depend on how effectively the customers are able to come up with product designs suitable to our context and how effectively they are able to change the perceptions of the Indian consumers and make them aware of the banking products. The future growth of banking sector also depends on how technology and communication oriented banks are going to be.

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