

A Study On Satisfaction Level Of Internet Banking Customers Of Public Sector Banks And Private Sector Banks In Kanyakumari District

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Abstract: The core banking services provided by a group of networked bank branches, where customers may access their bank account and perform basic transactions from any of the member branch offices. Internet banking is a technology driven services offered by the banks. Here the customers can obtain their account details through internet. To access the details, the customer is provided with a user ID & password. In the present study three public sector banks and three private banks have been selected. The satisfaction levels of customers are compared with public sector banks and private sector banks.

Key Words: Internet banking, Public Sector Banks, Private Sector Banks.

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I. Introduction

The world of banking has assumed a new dimension at dawn of the 21st century with the advent of banking, thereby lending the industry a stamp of universality. In general, banking may be classified as retail and corporate banking. Retail banking, which is designed to meet the requirement of individual customers and encourage their savings, includes payments of utility bills, consumer's loans, credit cards, check accounts and the like. Corporate banking, on the other hand, caters to the need of corporate customers like bills discounting, opening letter of credit and managing cash. Application of marketing concept in the banking sector was introduced to enhance the customer satisfaction, the policy of privatization of banking services aims at encouraging the competition in the banking sector and introduction of financial services. An important agenda for every banker today is greater operational efficiency and customer satisfaction. In the present research paper the Internet banking services and demographic variables of public sector banks and private sector banks in Kanyakumari District are compared. In this study six banks are taken and they are State bank of India, Canara Bank, Indian Overseas Bank, ICICI, HDFC and Federal bank.

II. Review Of Literature

Dannenber and Kellner (1998)¹, the authors evaluated that appropriate application of today's cutting edge technology could ensure that success of banks in the competitive market. They evaluated the services of banks via internet as websites provide sophisticated line of products and services at low price. The authors analyzed that transactions via internet reduce the risk of data loss to customers, chance to cut down expenses, higher flexibility for bank employees, re-shaping the banks' image into an innovative and technologically leading institutes.

Elizabeth Daniel (1999)², the objective of the study was to analyze the current provision of electronic services of major retail banking organizations in UK. To make services more adoptable, customers should be provided maximum choice and convenience. Restriction and limitation within organization to operate the services and its market share or strength were viewed as important to decide and operate e-banking services.

Milimind Sathye (1999)³, the author stated that internet and other virtual banking and significantly lower the cost structure than traditional delivery channel. So, the bank should encourage customers to use internet for banking transactions. The author also emphasized that for adoption of internet banking, it was necessary that the banks offering this service made the consumers aware about the availability of such a product and explain how it adds value to the other products. The analysis of the study showed that security concerns and lack of awareness stand out as the reasons for non-adoption of internet banking by Australian customers.

Drigã *et al.* (2009)⁴, Internet banking can bring sustainable competitive advantage in terms of market share, but not in making profits. The results are based on the World Retail Banking Report 2009 (for 8 European countries, the US and Japan). It reveals that an active Internet Banking user on average paid for transactions

34% less than an active branch user. However, these findings were caused by European banks' aggressive policy aiming to discourage customers from visiting branches. The amounts of savings, time with bank or number of transactions were not investigated.

Isaeva (2012)⁵ and Nath *et al.* (2001) as well argue that Internet banking expands the customer base. The study by Nath collects data from 75 banks in the United States and examines the views of bankers on providing banking services via the Internet. They see Internet banking as an opportunity to reduce transaction costs, expand the customer base and increase cross-selling.

Objectives Of The Study

1. To analyze the satisfaction level of Internet Banking customers of public sector banks and private sector banks in Kanyakumari District.
2. To give suggestions related to the satisfaction level of Internet Banking customers in public sector banks and private sector banks.

Hypotheses Of The Study

1. There is no significant difference between Gender and the Satisfaction level of Internet Banking Services.
2. There is no significant difference between Marital Status and the Satisfaction level of Internet Banking Services.
3. There is no significant difference between Age and the Satisfaction level of Internet Banking Services.
4. There is no significant difference between Education and the Satisfaction level of Internet Banking Services.
5. There is no significant difference between Profession and the Satisfaction level of Internet Banking Services.

III. Research Methodology

In the present research study, primary data has been collected from the savings account holder of State bank of India, Canara bank, Indian Overseas Bank, ICICI, HDFC and Federal Bank. Secondary data has been collected through the various magazines, newspaper and by surfing on Internet. The method of data collection is quite popular and it is interview schedule. Total 14 questions were framed and request the respondents to answer these questions with correct information. Total population for the study was one hundred and twenty respondents.

IV. Tables

Table 1. Internet Banking Usage– wise classification of the Respondents

Sl. No.	Internet Banking Usage Per Month	Number of Respondents	Percentage
1	Nil	11	9.2
2	1 to 3 times	64	53.3
3	4 to 8 times	42	35.0
4	9 to 12 times	3	2.5
	Total	120	100.0

Comparison of Internet Banking Services with Gender

The respondent of the study are 120 bank customers, in which 84 are males and 36 are females. The hypothesis is ‘There is no significant difference between gender and the satisfaction level of Internet Banking Services’. The significant difference exists between the respondents based on Internet Banking Services are compared by using t-test in the table 2.

Table 2. Gender –wise Comparison of Satisfaction level of Internet Banking Services

Internet Banking Services	Gender	N	Mean	S.D.	‘t’ value	p-value
It is user friendly to get the account details	Male	84	3.90	.705	0.509	0.612
	Female	36	3.97	.560		

It is easy to make online payment	Male	84	3.62	.638	1.025	0.308
	Female	36	3.75	.649		
It is convenient to make Account to Account transfer	Male	84	3.70	.757	1.100	0.273
	Female	36	3.86	.639		
It is easy to check over dues	Male	84	3.69	.850	1.356	0.178
	Female	36	3.92	.806		
It makes the statement request easier	Male	84	3.73	.841	1.449	0.150
	Female	36	3.97	.878		

The table 2 reveals that ‘t’ value is not significant at any level. Therefore it is concluded that there is no significant difference between gender and the satisfaction level of Internet Banking Services. Hence the hypothesis is accepted for the above mentioned factors.

Comparison of Internet banking services with Marital status

In this study, 91 customers are married and remaining 27 are unmarried. The hypothesis is ‘There is no significant difference between Marital status and the satisfaction level of Internet Banking Services’. The significant difference exists between the respondent based on Internet Banking Services are compared by using t-test in the table 3.

Table 3. Marital status-wise Comparison of satisfaction level of Internet banking services

Internet banking services	Marital Status	N	Mean	S.D.	‘t’ Value	p-value
It is user friendly to get the account details	Married	93	3.86	.669	2.012	0.047
	Unmarried	27	4.15	.602		
It is easy to make online payment	Married	93	3.63	.639	0.757	0.451
	Unmarried	27	3.74	.656		
It is convenient to make Account to Account transfer	Married	93	3.77	.724	0.677	0.500
	Unmarried	27	3.67	.734		
It is easy to check over dues	Married	93	3.84	.838	1.968	0.051
	Unmarried	27	3.48	.802		
It makes the statement request easier	Married	93	3.83	.868	0.662	0.509
	Unmarried	27	3.70	.823		

The table 3 reveals that ‘t’ value is not significant at any level. Therefore it is concluded that there is no significant difference between marital status and the satisfaction level of Internet Banking Services. Hence the hypothesis is accepted. It is user friendly to get account details is significant so the hypothesis is rejected.

Comparison of Internet banking services with age of the respondents

The respondent for the study are heterogeneous in age. They are classified into five age groups and ANOVA table is prepared to study the significance of difference that exists among the Internet banking customers of different age group.

The hypothesis is ‘There is no significant difference between Age and the satisfaction level of Internet Banking Services’. The given hypothesis is tested with appropriate statistical tools and tabulated in table 4

Table 4. Comparison of Satisfaction level of Internet banking services and age of the respondents

	Age	N	Mean	S.D.	Sources of Variation	df	Mean Square	‘F’ value	Sig.
Satisfaction of Internet Banking Services	Below 20	17	19.41	3.163	Between Groups	4	2.256	0.892	.892
	21 – 30	26	19.08	2.607					
	31 – 40	46	18.74	3.109					
	41 – 50	16	18.50	2.477					
	Above 50	15	18.87	2.326					
	Total	120	18.89	2.813	Within Groups	115	8.109		

Since the F-value is $P < 0.05$, there is no significant difference between age and satisfaction level factor of Internet banking services. Hence, the hypothesis is accepted.

Comparison of Internet Banking Services with Education of the Respondents

The respondent of the study are 120 bank customers, in which 84 are males and 36 are females. The hypothesis is ‘There is no significant difference between Education and the satisfaction level of Internet Banking Services’. The given hypothesis is tested with appropriate statistical tools and tabulated in table 5.

Table 5. Comparison of Satisfaction level of Internet banking services and education of the respondents

	Education	N	Mean	S.D.	Sources of Variati on	df	Mean Squa re	‘F’ value	Sig.
Satisfaction of Internet Banking Services	High school	39	18.69	2.296	Between Groups	3	1.344	0.166	.919
	Degree	41	19.07	2.696					
	Master Degree	34	18.97	3.580					
	Others	6	18.50	2.168					
	Total	120	18.89	2.813	Within Groups	116	8.082		

Since the F-value is $P < 0.05$, there is no significant difference between education and satisfaction level factor of Internet banking services. Hence, the hypothesis is accepted.

Comparison of Internet banking services with Profession of the Respondents

The hypothesis is ‘There is no significant difference between Profession and the satisfaction level of Internet Banking Services’. The given hypothesis is tested with appropriate statistical tools and tabulated in table 6.

Table 6. Comparison of Satisfaction Level of Internet banking services and profession of the respondents

	Education	N	Mean	S.D.	Sources of Variation	df	Mean Square	‘F’ value	Sig.
Satisfaction of Internet banking Services	Govt. Employee	7	19.71	2.138	Between Groups	4	2.176	.878	.480
	Private Employee	63	18.92	3.023					
	Business	13	18.92	2.691					
	Self Employee	37	18.68	2.657					
	Total	120	18.89	2.813	Within Groups	115	8.061		

Since the F-value is $P < 0.05$, there is no significant difference between profession and satisfaction level factor of Internet banking services. Hence, the hypothesis is accepted.

V. Conclusion

Findings

Among banking customers more married respondents are using Internet Banking services than unmarried. Respondents working in private sector are using more Internet Banking services. There is no significant association with the gender and the category of banks. Male respondents are giving more importance to the Internet Banking services. Respondents who are using the account from last 5 years are using more Internet Banking services.

Suggestions

Now people do not prefer to visit the branch bank, due to time consumed for each transaction. So banking customers are giving importance to the Internet Banking services and it will save their time. The bank should give awareness program to their banking customer so that they can utilize these services and save their precious time.

Conclusion

People are using more Internet Banking services because they want to save their time, it provides banking throughout the year 24/7 days from any place have internet access and it provides some security and privacy to customers, by using state-of-the-art encryption and security technologies. Age is the major variable which influences the customer to use the Internet Banking service. Between 31yrs to 40 yrs customers are using the services to fulfill the day today activity. Males are giving more importance to the Internet Banking services than female. The profession of each respondent is also influence the choice of internet banking services.

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