

CUSTOMER SATISFACTION TOWARD ONLINE BANKING IN THENI DISTRICT

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Abstract: *Customer satisfaction on banking services, the title indicates the present scenario customer opinion about online banking services which are practicing in Theni district. The practice of online banking services and its execution on regard to customer satisfaction is the main focus of this study.*

Key Words: *Online Banking, Customer Satisfaction, Awareness.*

1. 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.

2. HISTORY:

While financial institutions took steps to implement e-banking services in the mid-1990s, many consumers were hesitant to conduct monetary transactions over the web. It took widespread adoption of electronic commerce, based on trailblazing companies such as America Online, Amazon.com and eBay, to make the idea of paying for items online widespread. By 2000, 80 percent of U.S. banks offered e-banking. Customer use grew slowly. At Bank of America, for example, it took 10 years to acquire 2 million e-banking customers. However, a significant cultural change took place after the Y2K scare ended. In 2001, Bank of America became the first bank to top 3 million online banking customers, more than 20 percent of its customer base. In comparison, larger national institutions, such as Citigroup claimed 2.2 million online relationships globally, while J.P. Morgan Chase estimated it had more than 750,000 online banking customers. Wells Fargo had 2.5 million online banking customers, including small businesses.

3. TYPES OF ONLINE BANKING:

- Account Management
- Deposits and Payments
- Debit Cards
- E-statements

4. FIRST ONLINE BANKING SERVICES IN THE UNITED STATES:

Online banking was first introduced in the early 1980s in New York, United States. Four major banks - Citibank, Chase Bank, Chemical Bank and Manufacturers Hanover offered home banking services. Chemical introduced its Pronto services for individuals and small businesses in 1983, which enabled individual and small-business clients to maintain electronic checkbook registers, see account balances, and transfer funds between checking and savings accounts. Pronto failed to attract enough customers to break even and was abandoned in 1989. Other banks had a similar experience.

Since its inception in the United States, online banking has been federally governed by the Electronic Funds Transfer Act of 197

5. LITERATURE REVIEW:

Hamdan. O. Alanazi, Rami Alnaqeib, Ali K. Hmood, M. A. Zaidan , Yahya AlNabhani (MAY 2010)2, "On the Module of Internet Banking System" Because of the speed, flexibility, and efficiency that it offers, the Internet has become the means for conducting growing numbers of transactions between suppliers and large international corporations.

Tamilselvi. R, Research Scholar, (July-Dec.2012)³ “Bpr In Banks On Customer Satisfaction With Reference To Small Enterprises”, Banks and other financial services providers continuously claim to offer customer-oriented services, yet they still focus on delivering products instead of providing solutions to their customers’ needs.

Niveen El Saghier, Demyana Nathan (April 2013)⁵, “Service Quality Dimensions and Customers’ satisfactions of Banks in Egypt”, in this paper he measured the quality of service from customer’s perspective in the Egyptian banking.

6. STATEMENT OF THE PROBLEM:

The use of technology forms the backbone for better results in banking industry. Today’s banking situation demands continuous innovation in order to meet the earnings and aspirations of the ever demanding customers. Hence banks need to roll out new products and services quickly and effectively using the latest technological equipments. The development of technology and the adoption of internet by all industries remove a time, distance and communication constraint that brings the world under a single roof. Banking industry, no doubt, with the use of latest technology and adoption of internet banking, they are rendering quick services to their customers.

7. SCOPE OF STUDY:

- Research also analyses if the customer feels that the online banking
- India has around 470 million banking customers.
- Among this demographic, 60 million of them, amounting to 13% of the total users, use online banking.

8. OBJECTIVES:

- To know the Customer Satisfaction level towards online banking.
- To observe the present scenario of online banking practice in Theni district
- To find out the opinion of customer Easy transaction, time save and securities of online banking.
- To study on customer satisfaction prevailing at online banking.

9. TYPES OF DATA:

- Primary data
- Secondary data

9.1 PRIMARY DATA

The primary data are those which are collected afresh and the first time, and thus happens to be original in character. Primary data for this project was collected through questionnaires.

9.2 SECONDARY DATA

The secondary data are those which have already been collected by someone else and which have already been passed through the statistical process. Secondary data for this project were collected from the internet and library, journal ect.

10. TOOLS FOR ANALYSIS:

- Percentage Analysis
- Garret Ranking
- Chi-square test.

11. ADVANTAGES OF ONLINE BANKING

There are some advantages to using e-banking both for banks and customers:

- Permanent access to the bank
- Access anywhere using mobile or computer
- Less time consuming
- Very safe and secure method
- Helps to transfer the money immediately and accurately
- Easy to use

14. LIMITATIONS:

- Security and privacy aspects are major issue incase of E-Banking transaction.
- Varioussites are not properly locked at to ensure weather customers money is safe in cyber world or not

- The infrastructural cost of providing E-Banking facility is very high. The banks not only have to automate front-end services but also back office services, which involve high cost.
- Another great hindrance is lack of awareness

15. ANALYSIS OF DATA:

Table 1

Gender			
Variables	Categories	No of Respondents	Percentage
Sex	Male	58	72.5
	Female	22	27.5
Age of the respondents			
Age	Up to 25	40	50
	30-40 Years	20	25
	40-50 Years	11	13.75
	Above 50 Years	9	11.25
Educational qualification of the respondents			
Educational qualification	Below HSC	11	13.5
	UG	22	27.5
	PG	16	20
	Diploma	15	18.75
	Other	16	20
Occupation of the respondents			
Occupation	Government – Sector	14	17.5
	Private Sector	15	18.75
	Business man	12	15
	Home – makers	8	10
	Students	5	6.25
	Agriculturist	16	20
	Daily wage earners	10	12.5
monthly income of the respondents			
Monthly income	Below Rs.10,000	28	35
	Rs.10,000 –Rs.25,000	29	36.25
	Above Rs.25,000	23	28.75
Marital status of the respondent			
Marital status	Married	46	57.5
	Unmarried	34	42.5

16. CONSUMER ATTITUDE ON TVS BIKE GARRET RANKING:

To find out the most significant factor which influences the respondents, Garrett's ranking technique was used. As per this method, respondents have been asked to assign the rank for all factors and the outcome of such ranking has been converted into score value with the help of the following formula,

Table 2

Factors	1	2	3	4	5	6	7	Total	Rank
Brings about group cohesiveness	98	66	70	48	24	18	12	336	II
Enhances the collaborative culture	63	60	65	28	42	24	15	297	VII
Customer relationship	70	48	40	76	63	10	9	316	V
Price level	77	72	30	36	51	30	10	306	VI
Helped to do routine work more efficiently	91	90	45	56	15	34	7	338	I
Increased interest in work	77	96	65	32	21	22	14	327	III
Effective Training	84	48	85	44	24	22	13	320	IV

17. CHI-SQUARE TEST:

Table No 3

S.No	Variable	Statistical Test	Value	Significance
1	Gender and Customer Satisfaction in Online Banking	Chi-square test	0.58	Not significant ns
2	Age and Customer Satisfaction in Online Banking	Chi-square test	1.56	Not significant ns
	Educational Qualification and Customer Satisfaction in Online Banking	Chi-square test	11.63	Significant *
	Type of Account Holder in a Bank and Customer Satisfaction in Online Banking.	Chi-square test	11.30	Significant *

18. FINDINGS AND SUGGESTIONS:

FINDINGS

Findings The present findings from the interpretation of the results regarding factors considered for adopting e-banking / internet banking services by bank customers, functional / psychological barriers, and usefulness and benefits of ebanking services are enumerated here.

- (1) Internet centre in the study area is the place for using internet for around 50 per cent of the respondents.
- (2) Though majority of the bank customers perceive the ATM usage as important, the importance of ATM usage is significantly related to location, education and occupation of the bank customers based on the present study.
- (3) The perceived importance of Tele-banking is independent of the location and income but depends upon sex, age, education and occupation of the bank customers.
- (4) The extent of services like Online Enquiry, Online Payment, Credit Card and Telephone Banking has been at "Fair" level whereas the extent of services such as ATM Card, Debit Card, Internet Banking, Depository Service, and Investment Advisory Service, e-Transfer of Funds, Core Banking and Anywhere Banking has been "good" by the banks.

19. SUGGESTIONS

Suggestions The following suggestions are recommended for enhancing e-banking / internet banking services of banks to the customers

- Banks should take necessary steps to create awareness among rural people about the advantages of e-banking / internet banking services available in the banks.
- The e-banking / internet banking system should be enhanced to make the online enquiry and online payment much easier to the customers.
- Public sector banks should improve their e-banking / internet banking services to compete with their private sector counterparts.

20. CONCLUSION:

This research study revealed that Banking Needs, followed by Core Services, Problem Resolution, Cost Saved, Convenience and Risk and Privacy Concerns were the major factors that strongly affect the overall satisfaction of online consumers. On the other hand, Feature Availability and Consumer Continuation were found to moderately affect the overall satisfaction of customers using Online or Internet banking services. In order to promote customer satisfaction, it is inevitable for banks give due emphasis to all the above-mentioned factors. In closing, the researcher would like to add that a proactive and creative approach by banks, for example, providing consumer education re: Internet banking and friendly customer service, will help improve the consumer confidence, and eventually overall customer satisfaction levels in Vadodara as well as India.

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