

The Evaluation of Customer Satisfaction on Modern Banking Services

S. Deivamani^a, R. Nithya^b, R. Sneha Jaiswal^c

^aAssistant Professor, Department of Business Administration (IB & RM), P.S.G.R Krishnammal College for Women, Peelamedu, Coimbatore- 641004, Tamil Nadu.

^bII BBA(IB), P.S.G.R Krishnammal College for Women, Peelamedu, Coimbatore- 641004, Tamil Nadu, India

^cII BBA(IB), P.S.G.R Krishnammal College for Women, Peelamedu, Coimbatore- 641004, Tamil Nadu, India

Abstract

India is in the midst of a digital revolution, with Internet users going beyond just search and social networking and moving to more mature activities like online shopping and banking. Modern banking is to use the internet as connection between customer and banks for managing, preparing and controlling financial transactions. Electronic finance (E-finance) has become one of the most essential technological changes in the financial industry. The main purpose of this paper is to investigate the level of bank customer satisfaction towards the usage of modern banking services and to find the relationship between the Internet banking and the traditional banking activity, in order to understand if these two systems of financial services delivery are perceived as substitutes or complements by the banks.

KEYWORDS: Electronic finance, modern banking, traditional banking, customer satisfaction

I. INTRODUCTION

Technology has transformed the global world of banking and financial services beyond recognition. Computerization of the business of banks has been receiving high importance. The banking institutions have already crossed 70% level of computerization of their business. The directive from the Central Vigilance Commission (CVC) to achieve 100% computerization has resulted in renewed vigour towards computerization of branches. Networking has been receiving focused attention by banks. This activity is also being monitored by the reserve bank. Most banks have their own corporate networks to facilitate inter branch and branch controlling office communication in an electronic mode. Inter-Bank and Inter-City communication takes place through the Indian Financial Network (INFINET).

Modern Banking refers to the banking services provided by the banks over the internet or Mobiles phones. Some of these services include paying of bills, funds transfer, viewing account statement, etc. Banks also deliver their latest products and services over the internet. Virtual banking is performed through a computer system or similar devices that can connect to the banking site via the internet. Nowadays, customers can also use internet banking on the mobile phones using a Wi-Fi or 3G connection. With the ease of availability of cyber cafes in the cities, it has become quite popular.

Online Services:

Online banking account is easy to open and operate. The online services offered might differ from bank to bank, and from country to country. To know about the various

services, always go through the welcome kit that you get at the time of opening the account. You also get the password to access your online account, which you are supposed to keep with great care for security reasons.

The common online services offered by banks are:

- Transactional activities like funds transfer, bill pay, loan applications and transactions.
- Non-transactional activities like request for cheque book, stop payment, online statements, updating your contact information.

E-banks are easy to set up, so lots of new entrants will arrive. E-banking gives consumers much more choice. Consumers will be less inclined to remain loyal. Portal providers are likely to attract the most significant share of banking profits. Indeed banks could become glorified marriage brokers. They would simply bring two parties together e.g. buyer and seller, payer and payee.

1.2 OBJECTIVES OF THE STUDY

The present study is carried out with the following objectives:

1. To analyse the customers satisfaction in the usage of modern banking services.
2. To study the inexplicit opinions among the public about the modern banking services.
3. To examine the usage of modern banking services and its impact on traditional banking system.

1.3 SCOPE OF THE STUDY

The study was conducted to analyze the level of customer satisfaction with the use of modern banking services on banking customers in Coimbatore city. It investigated the beneficial and non-beneficial impacts of online banking services. Internet is a revolution that will sweep away the old process of satisfying the customer. Internet banking (e-banking) is a distant service, where access to account information and any transactions is granted at any time from any computer with an Internet connection. The study is based on the views expressed by the people in Coimbatore city about the various modern banking services rendered by different banks.

1.4 LIMITATIONS OF THE STUDY

Every work has its own limitation. Limitations are extent to which the process should not exceed. This research is carried out in Coimbatore city only therefore, research can be extended to other cities of Tamil Nadu. The sample of respondent in Coimbatore city limits the findings since, people mind set about the survey was obstacles in acquiring complete information.

II. LITERATURE REVIEW

Divya Mittal (2015), conducted a study on “The effects of traditional practices on modern banking system” and identified that that public sector banking services are facing the internal challenges by its own service processes and employees’ behavioural intentions in respect of traditional practices with mobile banking services.

Based on surveys, Al-Rfou (2013) revealed that customers tend not to use the service even if they have it provided. It investigated the necessary conditions for bank customers to start using Internet banking. Complexity of usage, low privacy and bad

quality of Internet connection are the suggested reasons for Jordan with the usage of modern banking services.

Masrek et al, (2013) disclosed that though e-banking has generally been accepted in most countries with developed economic, telecommunication, political and social systems, it is still a challenge in some countries which includes Zambia among others.

Ali Bayrakdaroglu (2012), stated that evaluation of factors of e-banking usage varies according to demographic characteristics of customers as well. The results were obtained from questionnaires distributed among different bank users.

Shilpan Vyas, analysed that in order to control the risk management in online banking services, during the step of the process, controls that could mitigate or eliminate the identified risks, as suitable to the organization's operations because modern banking services provides many advantages as compared to traditional banking services.

III RESEARCH METHODOLOGY

Research design is a rational and systematically plan prepared for directing a research study. Descriptive research design has been used for this study. The researcher collected both primary data and secondary data. The data collection was done using a structured questionnaire of 25 questions (including demographic information), which consisted of closed and open ended questions. The secondary data is also collected from internet, Journals, books, magazines etc. The researcher has collected 70 samples and convenience sampling technique was adopted for this study. The collected data were analysed by applying statistical techniques using EXCEL along with charts and graphs to reach the conclusion.

IV DATA ANALYSIS AND INTERPRETATION

4.1 SIMPLE PERCENTAGE ANALYSIS

TABLE 4.1.1: DEMOGRAPHIC ANALYSIS OF THE SAMPLE

Description	Frequency	Percentage
Gender		
Male	40	79
Female	30	21
Age group of the Respondents		
20-25	10	14
26-30	21	30
31-45	23	33
46-50	13	19
51-55	3	4
Monthly Turnover		
Less than 50,000	21	30
50,000-1,00,000	16	23
1,00,000-1,50,000	12	17
1,50,000-2,00,000	12	17
Above 2,00,000	9	13
Occupational status		

Government Employee	15	21
Private Employee	30	43
Businessman	18	26
Housewife	7	10

Source: Computed from primary data

- Out of the 70 respondents, 79% were males and 21% were females.
- Majority 33% belonged to age group of 31-45 years followed by 30% who belonged to the age group of 26-30 years and 19% belonged to the age group of 46-50 .Only 14 people belonged to the age group of 20-25 years and 4 were belonged to age group of 51-55.
- Out of the respondents, majority 30% belonged to the monthly turnover of less than 50,000, followed by 23% who belonged to the turnover of 50,000-1,00,000. Only 13 people who earned above 2,00,000 as their monthly turnover.
- Regarding Occupational status 43% of the sample belonged to the private employee and 26% who belonged to business people and 10 % of the respondents belonged to housewife.

TABLE NO 4.1.2: OPINION ON TYPE OF USING BANKING FACILITIES

S.no	Opinion	No of respondents	Percentage
1.	Traditional Banking	25	36
2.	Modern Banking Services	45	64
	Total	70	100

Source: Computed from primary data

INTERPRETATION:

It is inferred from Table 4.1.2 that out of 70 customers, 36% respondents have used traditional banking services only and the remaining 64% of them have used modern banking services.

TABLE NO 4.1.3: UTILISATION OF MODERN BANKING SERVICES

S.no	Opinion	No of respondents	Percentage
1.	Utilised	58	83
2.	Not Utilised	12	17
	TOTAL	70	100

Source: Computed from primary data

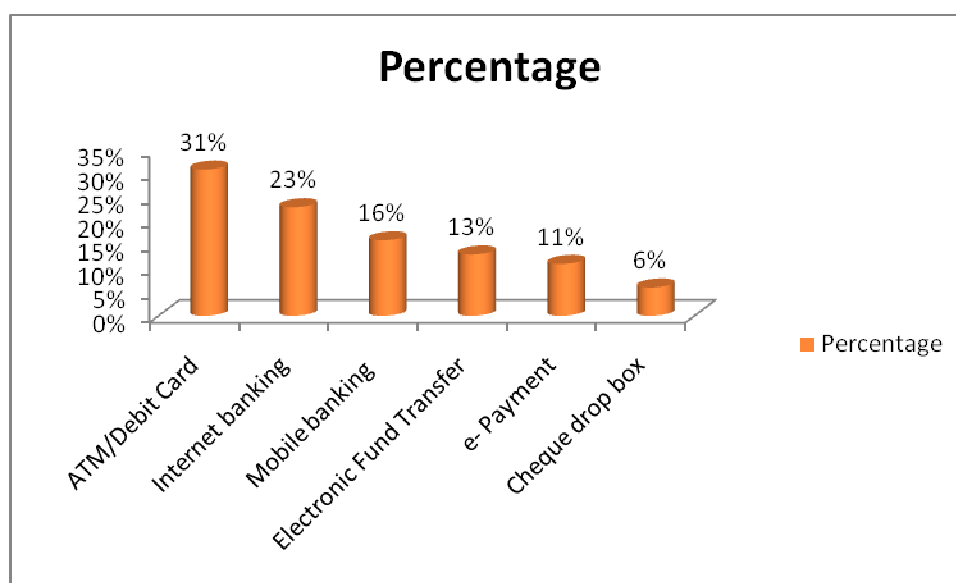
INTERPRETATION:

It is identified from Table 4.1.3 that out of 70 customers, 83% respondents have used modern banking services and the remaining 17% of them only have not used modern banking services.

TABLE 4.1.4: TYPES OF MODERN BANKING SERVICES USED

S.no	Opinion	No of respondents	Percentage
1.	ATM/Debit Card	22	31
2.	Internet banking	16	23
3.	Mobile banking	11	16
4.	Electronic Fund Transfer	9	13
5.	e- Payment	8	11
6.	Cheque drop box	4	6
	TOTAL	70	100

Source: Computed from primary data



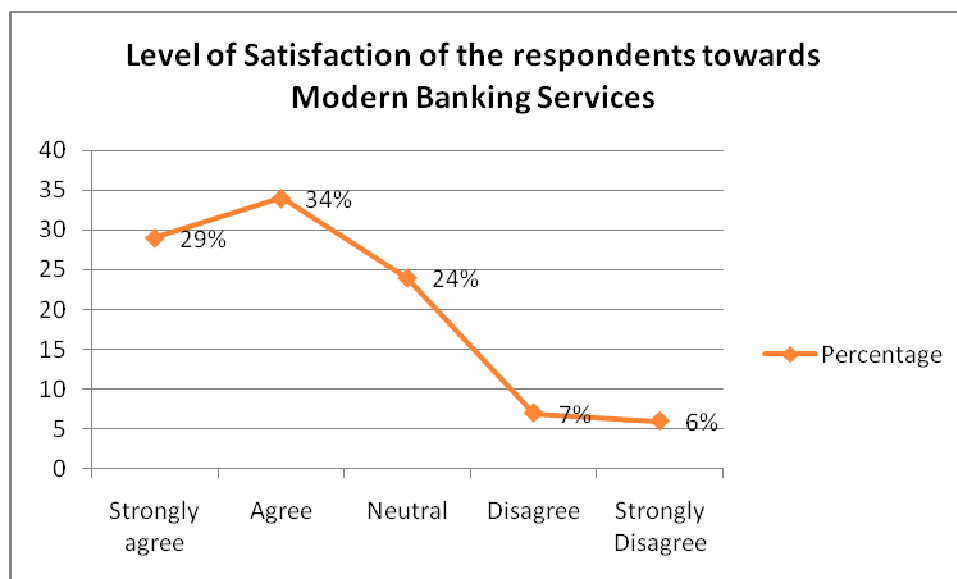
INTERPRETATION:

From the above table, it is inferred that 31 % of the respondents are frequently use the modern banking system with the help of ATM/debit card. 23 % of the respondents are using internet banking. 13% are using frequently mobile banking systems, and rests of the respondents are using the other systems frequently such as EFT, e- payment and CDB.

TABLE 4.1.5: LEVEL OF SATISFACTION OF THE RESPONDENTS TOWARDS MODERN BANKING SERVICES

S.no	Opinion	No of respondents	Percentage
1.	Strongly agree	20	29
2.	Agree	24	34
3.	Neutral	17	24
4.	Disagree	5	7
5.	Strongly Disagree	4	6
	TOTAL	70	100

Source: Computed from primary data



INTERPRETATION:

On being asked the level of satisfaction towards modern banking system, 34 % of the respondents are agree with the use of modern banking system and 29 % of the respondents have told that they strongly agree with modern banking system whereas 24% of respondents told neutral and rests of the respondents have told disagree and strongly disagree about the level of satisfaction towards modern banking system.

4.2 WEIGHTED AVERAGE RANKING METHOD

Respondents were asked to give their opinion towards the reasons for availing modern banking services. Based on the data collected from respondents, weighted average method was applied to analyse the reasons and give a rank on different aspects by assigning weights to each factor.

Aim: To find out reasons for using the modern banking services than traditional banking services.

TABLE 4.2.1: RANKING OF REASONS TO AVAIL MODERN BANKING SERVICES

Reasons for availing modern banking services	Easy	Moderate	Difficult	Total Score	Weighted Average mean	Ranks
High Speed	66	80	8	154	25.66	I
High Security	3	96	21	120	20	III

Technology	42	76	18	136	22.66	II
User friendly	20	42	8	70	11.66	IV

Source: Primary data

INTERPRETATION

From the analysis it can be seen that high speed is ranked first since customers can do their banking activities quickly without any delay, technology is ranked second, high security is ranked third and finally, user friendly is ranked fourth since apart from serving customers, the new techniques need to be updated based on customer phase.

V FINDINGS

The research paper is about to check the customer satisfaction towards the use of modern banking. The satisfaction of the customer in the service business had a great significance because the satisfaction of the customer directly linked with the usage of services that has been provided to them and majority of customers expressed their positive opinion towards modern banking services. Weighted average technique has also been adopted to analyse the adaptability of modern banking services with regard to parameters such as avail of modern banking services. As the quality of the services provided by the modern banking improves continuously, the customer satisfaction level and usage of modern banking services would also increase in future.

VI CONCLUSION

From this study it becomes clear that the customers are willing to use the modern services like the internet banking, ATM etc. and they prefer the facility provided by the modern banking. Electronic banking is a borderless entity permitting anytime, anywhere and anyhow banking. This smooths the progress of all banking functions and provides many advantages as compared to traditional banking services. Customers can also move funds into an online bank via an online transfer or money transfer. Generally, online banks have check scanning and check entry money depositing options as well. Of course modern banking is changing the banking industry, having the major effects on banking relationships also.

REFERENCES:

Aghdaie, S. F., & Faghani, F. (2012). Mobile Banking Service Quality and Customer Satisfaction (Application of SERVQUAL Model). *International Journal of Management and Business Research*, 2(4), 351-361.

Aliabadi, R. L., Jablou, R. D., Zohrehnejad, F., Mir, S. M., Ali, Y. S., Attar, M., et al. (2012). Efficiency of Electronic Banking Services and Evaluation of Effective. *J. Basic. Appl. Sci. Res*, 5.

Allen, F., McAndrews, J., & Stratran, P. (2002). E-finance: An introduction. *Journal of [2] Financial Services Research*, 22, 5-28.

An introduction to computers and their application in banking – by T.N. Srivastava, McMillan Publications

RaoM (2008). “India:Financial inclusion through biometric ATMs”
<http://www.financialexpress.com>