Customer Satisfaction towards E – Banking

Arcot Purna Prasad, V. Chandra Sekhar Rao, Gadda Vijaya Kumar

Abstract: In any business organization has to listen to its external customers and stakeholders. In previous studies results shows success in terms of long term of an organization is depended on their capacity to create and sustain reliable customer satisfaction and preferences to change. For continuing satisfaction of customers, the organization has to take proper measurements for developing and improving the methods and processed.

Customer satisfaction is a model to facilitate results that are significant, consistent and effective to forecasting the financial ability of an organization. This research customer satisfaction towards E – banking should be prepared with utmost carefulness. Determining customer satisfaction must be a constantly, reliable, suitable, precise and consistent process. A new approach in customer satisfaction becomes an important tool in strategic business units to the organization.

I. INTRODUCTION
The Electronic banking, it is also called as online, cyber and virtual banking. It facilitates the customers using this platform in means of electronic and internet to perform several transactions in banking like account assessing, executing transactions from anywhere at anytime. With the help of E-banking the buying and selling of goods and services through transfer of physical money using internet. The customer is click of a mouse away from any type of banking transactions. E – banking system provides benefits in the form of Quality services to customers, higher interest to customers, customer satisfaction, introducing E – banking products & services (e-banking, physical form of currency is shifting to cashless, digital and electronic currency). E-banking provides cashless banking like:- Automated Teller Machine (ATM), Mobile Banking, Phone Banking, Internet Banking, Electronic Fund Transfer (EFT), Debit card & Credit card, NEFT, RTGS.

Impact of Internet on Banking

Source - Malhotra and Singh (2006)

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Arcot Purna Prasad, Associate Professor, Institute of Management, Christ University (Deemed to be University), Bangalore,
Dr V. Chandra Sekhar Rao, Associate Professor, Coordinator of Department of Management Studies and Research Centre, Global Academy of Technology, Bangalore,
Dr G. Vijaya Kumar, Associate Professor, Department of Management Studies, Rajeev Gandhi Memorial College of Engineering & Technology, (Autonomous) Nandyala-518501, AP.
II. OBJECTIVES OF THE STUDY

1. To study the effect of demographic variables on various factors leading to satisfaction.
2. To investigate the factors influencing the level of satisfaction of E-banking customer.
3. To compare and analyze the Customer Satisfaction level in E-banking services of public, private sector and foreign Banks.

III. HYPOTHESIS OF THE STUDY

H0: There is no association between the factors influencing and level of satisfaction of E-banking customer.

H1: There is association between the factors influencing and level of satisfaction of E-banking customer.

IV. RESEARCH METHODOLOGY

- Area of Study: Rayalaseema Region
- Sampling Technique: Stratified random sampling
- Sample Size: A sample size of 325 respondents was taken
- Data Collection methods: Structured Questionnaire, Journals, Magazines, etc.,
- Statistical tools: SPSS 21 & SPSS AMOS 21 Versions

V. REVIEW OF LITERATURE

Kadir et al. (2011) explores the E-SERVQUAL models namely responsiveness, customization and flexibility and concludes that in order to satisfy the customers, Banks should improve their customer service and processing system.

Ahmad et al. (2011) concludes there is significant impact between the factors such as online banking, trouble shooting, Security implementation and receptiveness.

Kumbhar (2011) explores 13 variables were significant to forecast the level of satisfaction in E-banking services Brand perception, ease of use, trouble shooting, Safety, confidentiality and customer satisfaction.

Musime et al. (2011) concludes there is significant association between e-banking service, Customer acceptance and his satisfaction. The results shows that the online banking service was used by the maximum users.

Motlaq et al. (2011) indicated that apparent status, apparent structural declaration and apparent readiness to modify to have significant relationship with electronic faith.

Tsung et al. (2008) explored the ecological, managerial and global factors that produce impact on customer satisfaction along with online banking.

Sadegi et al. (2010) delivered a seven factor convenience, accuracy, accessibility, usefulness, security, and website design and bank image can be used as determinants to e-banking services on perception of customer.

A study by Zailani, S. et al (2008) examines 5 factors such as privacy, security, trust, convenience, and experience influences the customer perceptions on online ticketing service quality.

VI. DATA ANALYSIS & INTERPRETATION

The structured questionnaire was used in this study and five factors indicate which influence the level satisfaction of E-banking customers by using the statistical tools such as IBM SPSS 21 & SPSS AMOS 21 version.

The final model after modifying the initial model on the basis of modification indices is given above Figure. The conceptual model above was tested through goodness of fit tests. The global goodness of fit index Chi-square for the model is 4479.724 significant at 0.0. Indicating that Chi-square is not significant and therefore the conceptual model has good fit with the data. In addition to the Chi-square goodness of fit index there are three sets of goodness of fit indices and one set of badness of fit index. All the goodness of fit indices is more than 0.9 indicating further that the model very well fits to the data. The badness of fit index Root Mean Square error approximation RMSEA should be lower than 0.05. The table below indicates that the RMSEA value is 0.044, showing that the model has good fit.
The e-BankQUAL model was satisfied when the study was done on 4 banks i.e two Indian banks and two foreign banks and it was found that the conceptual model global goodness of fit index Chi-square was 3254.65 significant at 0.0. Indicating that Chi-square is not significant and therefore the conceptual model has good fit with the data. In addition to the Chi-square goodness of fit index there are three sets of goodness of fit indices and one set of badness of fit index.

Table 1: Test of Homogeneity of Variances

<table>
<thead>
<tr>
<th>Dimension</th>
<th>Levene Statistic</th>
<th>Sig.</th>
<th>F</th>
<th>Sig.</th>
<th>Welch</th>
<th>Sig.</th>
</tr>
</thead>
<tbody>
<tr>
<td>E - Fulfillment</td>
<td>4.52</td>
<td>0.000</td>
<td>1.753</td>
<td>0.000</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Accuracy</td>
<td>5.59</td>
<td>0.000</td>
<td>23.47</td>
<td>0.000</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Security / Assurance</td>
<td>26.12</td>
<td>0.000</td>
<td>4.230</td>
<td>0.000</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Cost Efficiency</td>
<td>2.45</td>
<td>0.960</td>
<td>22.03</td>
<td>0.000</td>
<td>2.751</td>
<td>0.000</td>
</tr>
<tr>
<td>Compensation</td>
<td>10.12</td>
<td>0.000</td>
<td>1.238</td>
<td>0.000</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

Source: Authors Compilation

From the above table the results shows E – Fulfillment (Welch statistics of 1.753, significance <0.05), Accuracy (Welch statistics of 23.47, significance <0.05), Security (Welch statistics of 4.230, significance <0.05), Cost Efficiency (Welch statistics of 2.751, significance <0.05), Compensation (Welch statistics of 1.238, significance <0.05) differ significantly in Various Banks. For the detailed analysis, Paired comparison using Post hoc analysis was carried out.

Customer Satisfaction level for Factor 1: E - Fulfillment:

Table 2.1: Descriptive of 3 banks from were data was collected

<table>
<thead>
<tr>
<th>Dimension 1</th>
<th>Name of Bank</th>
<th>N</th>
<th>Mean</th>
<th>S.D</th>
</tr>
</thead>
<tbody>
<tr>
<td>SBI</td>
<td>110</td>
<td>2.82</td>
<td>1.097</td>
<td></td>
</tr>
<tr>
<td>ICICI</td>
<td>105</td>
<td>3.52</td>
<td>1.042</td>
<td></td>
</tr>
<tr>
<td>HSBC</td>
<td>110</td>
<td>2.86</td>
<td>1.066</td>
<td></td>
</tr>
<tr>
<td>Total</td>
<td>325</td>
<td>9.20</td>
<td>3.205</td>
<td></td>
</tr>
</tbody>
</table>

Source: Authors Compilation

From the mean score of this factors the researcher reached the conclusion that, Customers of ICICI are more satisfied (mean score 3.52) than SBI and HSBC (mean score 2.82 and 2.86). Even SBI customers are not satisfied with E – Fulfillment.

Table 2.2: Post Hoc Analysis Multiple Comparisons for E - Fulfillment factor

<table>
<thead>
<tr>
<th>Name of Bank (A)</th>
<th>Name of Bank (B)</th>
<th>Mean difference (A-B)</th>
<th>Standard Error</th>
<th>Sig.</th>
</tr>
</thead>
<tbody>
<tr>
<td>SBI</td>
<td>ICICI</td>
<td>-0.70</td>
<td>0.18</td>
<td>0.002</td>
</tr>
<tr>
<td></td>
<td>HSBC</td>
<td>-0.04</td>
<td>0.16</td>
<td>0.000</td>
</tr>
<tr>
<td>ICICI</td>
<td>SBI</td>
<td>0.70</td>
<td>0.18</td>
<td>0.000</td>
</tr>
<tr>
<td></td>
<td>HSBC</td>
<td>0.66</td>
<td>0.12</td>
<td>0.000</td>
</tr>
<tr>
<td>HSBC</td>
<td>ICICI</td>
<td>-0.66</td>
<td>0.12</td>
<td>1.000</td>
</tr>
</tbody>
</table>

Source: Authors Compilation&*. The mean difference is significant at the 0.05 level.
Customer Satisfaction towards E – Banking

From the above table it can be concluded that, SBI customers has significant association with ICICI and HSBC Banks customers on E - fulfillment factor. ICICI Bank customer has significant association with SBI and HSBC Bank customer. There was no significant association were found between HSBC & SBI & ICICI Banks. Hence three clusters were observed on the basis of E - Fulfillment: Public Bank (SBI), Private Bank (ICICI) & Foreign Bank (HSBC) Respondents. The second clustered had higher mean score (3.52) than the first & third clusters which indicate that these people are highly satisfied than the first & third cluster persons on E - Fulfillment.

Table 3.1: Customer Satisfaction level for Factor 2: Security

<table>
<thead>
<tr>
<th>Name of Bank</th>
<th>N</th>
<th>Mean</th>
<th>S.D</th>
</tr>
</thead>
<tbody>
<tr>
<td>SBI</td>
<td>110</td>
<td>3.95</td>
<td>0.845</td>
</tr>
<tr>
<td>ICICI</td>
<td>105</td>
<td>3.21</td>
<td>0.921</td>
</tr>
<tr>
<td>HSBC</td>
<td>110</td>
<td>3.3</td>
<td>0.68</td>
</tr>
<tr>
<td>Dimension 2</td>
<td>Total</td>
<td>325</td>
<td>10.46</td>
</tr>
</tbody>
</table>

Source: Authors Compilation

The mean score of this factors revealed that, Customers of SBI Bank are more satisfied (mean score 3.95) than those ICICI and HSBC Customer (mean score 3.21 and 3.30).

Table 2.2: Post Hoc Analysis Multiple Comparisons for Security factor

<table>
<thead>
<tr>
<th>Name of Bank (A)</th>
<th>Name of Bank (B)</th>
<th>Mean difference (A-B)</th>
<th>Standard Error</th>
<th>Sig..</th>
</tr>
</thead>
<tbody>
<tr>
<td>SBI</td>
<td>ICICI</td>
<td>0.74</td>
<td>0.257</td>
<td>0.125</td>
</tr>
<tr>
<td>SBI</td>
<td>HSBC</td>
<td>0.65</td>
<td>0.149</td>
<td>0.692</td>
</tr>
<tr>
<td>ICICI</td>
<td>SBI</td>
<td>-0.74</td>
<td>0.257</td>
<td>0.125</td>
</tr>
<tr>
<td>ICICI</td>
<td>HSBC</td>
<td>-0.09</td>
<td>0.136</td>
<td>0.830</td>
</tr>
<tr>
<td>HSBC</td>
<td>SBI</td>
<td>-0.65</td>
<td>0.149</td>
<td>0.692</td>
</tr>
<tr>
<td>HSBC</td>
<td>ICICI</td>
<td>0.09</td>
<td>0.136</td>
<td>0.830</td>
</tr>
</tbody>
</table>

Source: Authors Compilation

From the above table it can be concluded that, There was no significant association was found between SBI & ICICI and HSBC Banks respectively. Hence three clusters were observed on the basis of Security: Public Bank (SBI), Private Bank (ICICI) & Foreign Bank (HSBC) Respondents.. The first clustered had higher mean score (3.95) than the second & third clusters, which indicate that these people are highly satisfied than the second & third cluster persons on Security factor.

Table 4.48: Descriptive of Cost Effectiveness factor 3

<table>
<thead>
<tr>
<th>Name of Bank</th>
<th>N</th>
<th>Mean</th>
<th>S.D</th>
</tr>
</thead>
<tbody>
<tr>
<td>SBI</td>
<td>110</td>
<td>3.560</td>
<td>0.95</td>
</tr>
<tr>
<td>ICICI</td>
<td>105</td>
<td>3.940</td>
<td>0.89</td>
</tr>
<tr>
<td>HSBC</td>
<td>110</td>
<td>4.500</td>
<td>0.42</td>
</tr>
<tr>
<td>Dimension 1</td>
<td>Total</td>
<td>325</td>
<td>12.00</td>
</tr>
</tbody>
</table>

Source: Authors Compilation

The mean score of this factors revealed that, Customers of HSBC Bank are more satisfied (mean score 4.50) than those SBI and ICICI Customer (mean score 3.56 and 3.94) in cost effectiveness factor.

From the below table 2.2 it can be concluded that, SBI and ICICI customers differ significantly from HSBC Banks customer on Cost Effectiveness factor. There was is significant association were found between SBI & ICICI & HSBC Banks. Hence three clusters were observed on the basis of Cost Effectiveness: Public Bank (SBI), Private Bank (ICICI) & Foreign Bank (HSBC) Respondents. The third cluster had higher mean score (4.95) than the first & secondcluster which indicate that these people are highly satisfied than the first & second cluster persons on Cost Effectiveness factor.
VII. FINDINGS, SUGGESTIONS & CONCLUSION

7.1 Findings

1. The present study indicate that there is significant association in Satisfaction level regarding various factors of E banking services provided by Public, Private & Foreign Bank.
2. Average E-fulfillment in E banking service was approximately same in three banks.
3. Average Efficiency in E banking services was higher in HSBC banks in comparison of its other banks. Customers of SBI & ICICI are Dissatisfied on cost Efficiency parameter.
4. Average Accuracy in E banking services was higher in SBI bank than other banks. Even ICICI & HSBC bank Customers are dissatisfied on security parameter.

7.2 Suggestions

The policy makers have to take certain measurements for improving the delivering services in E – Banking as follows.
1. Core Banking services
2. Services through Automatic Teller Machines
3. EFT services
4. MICR Services
5. Debit & Credit card services
6. Internet banking & Mobile Banking services

7.3 Conclusion

In case of E- Fulfillment; SBI customers have significant association with ICICI and HSBC Banks customers on E - fulfillment factor. ICICI Bank customer has significant association with SBI and HSBC Bank customer.

There was no significant association were found between HSBC & SBI & ICICI Banks. Hence three clusters were observed on the basis of E- Fulfillment: Public Bank (SBI), Private Bank (ICICI) & Foreign Bank (HSBC) Respondents. The second cluster had higher mean score (3.52) than the first & third clusters which indicate that these people are highly satisfied than the second & third cluster persons on Security factor.

In case of Cost Effectiveness SBI and ICICI customers differ significantly from HSBC Banks customer on Cost Effectiveness factor. There was is significant association were found between SBI & ICICI & HSBC Banks. Hence three clusters were observed on the basis of Cost Effectiveness: Public Bank (SBI), Private Bank (ICICI) & Foreign Bank (HSBC) Respondents. The third cluster had higher mean score (4.95) than the first & second cluster which indicate that these people are highly satisfied than the first & second cluster persons on Cost Effectiveness factor.

This study also revealed that Customers of ICICI are more satisfied (mean score 3.52) than SBI and HSBC (mean score 2.82 and 2.86). Even SBI customers are not satisfied with E – Fulfillment.

This study also revealed that Customers of SBI Bank are more satisfied (mean score 3.95) than those ICICI and HSBC Customer (mean score 3.21 and 3.30).

This study also revealed that Customers of HSBC Bank are more satisfied (mean score 4.50) than those SBI and ICICI Customer (mean score 3.56 and 3.94) in cost effectiveness factor.

REFERENCES

Customer Satisfaction towards E-Banking


AUTHORS PROFILE:

Arcot Purna Prasad, Associate Professor in Institute of Management, Christ University (Deemed to be University), Bangalore, with 21 years of Teaching and Research Experience has been conferred with MTC Global Award and Aryabhatta International award for the contribution to the field of Management Education. Attended and presented Research Papers in six International conferences and sixteen National Conferences. The author published research articles in reputed International and UGC Journals. His areas of Research are Lean Operations, Services, Supply Chains and Sustainability.

Dr. V.ChandraSekharRao, Associate Professor and Coordinator of Department of Management Studies and Research Centre, Global Academy of Technology, Bangalore, Karnataka is with 14 years of Teaching and Research Experience, 7 Years of Industrial Experience. He has attended and presented Research Papers in five International conferences and six National Conferences of repute. The author published research articles in reputed International and UGC Journals. His areas of research are Commodity Derivatives, Enterprise Risk Management, Capital Markets and Sustainable Agriculture Production and Marketing. He is certified in Business Analytics and Quantitative Techniques.

Dr.G.Vijaya Kumar, Associate Professor in Department of Management Studies, Rajeev Gandhi Memorial College of Engineering & Technology, (Autonomous) Nandyala-518501,AP. With 18 years of experience in Teaching and Research. Attended and presented Research Papers in ten International conferences and fourteen National Conferences. The author published research articles in reputed International and UGC Journals. His areas of research are Marketing &HR Management.