

# Customer Satisfaction towards E – Banking

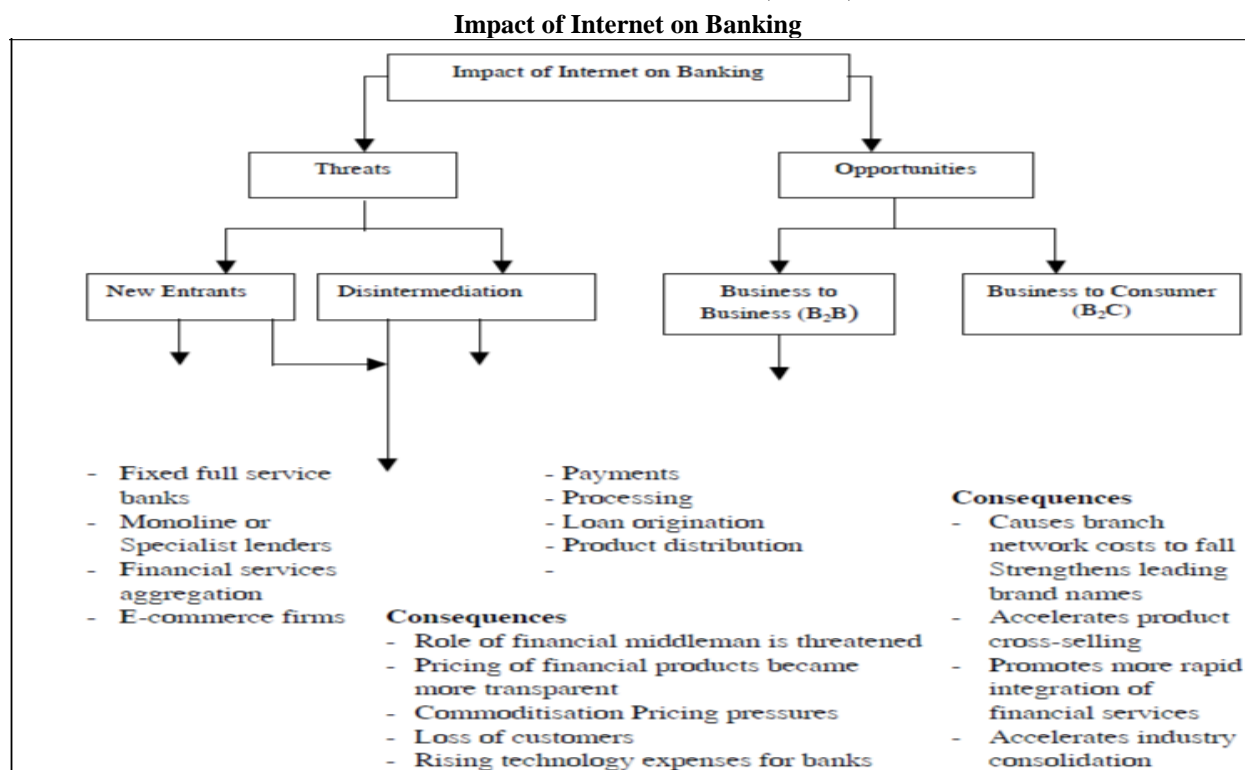
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**Abstract:** In any business organization has to listen to its external customers and stakeholders. In previous studies results shows success in terms of long term of an organization is depended on their capacity to create and sustain reliable customer 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.



Source- Malhotra and Singh (2006)

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**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.

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

Ahmad et al. (2011) concludes there is significant impact between the factors such as online banking. Safety, confidentiality and customer satisfaction.

Musiime 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.

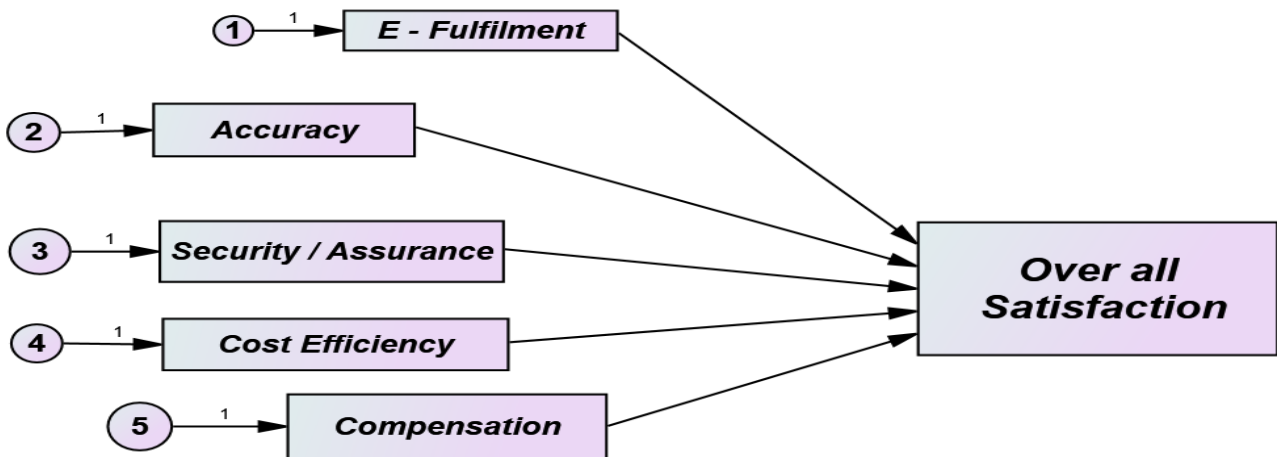
Tsung et al. (2008) explored the ecological, managerial and global factors that produce impact on customer satisfaction along with online banking.

Sadegi et al. (2010) delivered a seven factors 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 indicates 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.

Table 1:

Criterion	$\chi^2$	df	p-value	$\chi^2/df$	GFI	RMSEA	NFI	CFI	AGFI
				$1 < \chi^2/df < 2$	$\geq 0.90$	$< 0.05$	$\geq 0.90$	$\geq 0.90$	$\geq 0.90$
Obtained values	3254.65	657	0.709815		0.854	0.044	0.8521	0.873	0.897

Source: Authors Compilation

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. All the goodness of fit indices was more than 0.8521 indicating further that the model very well fits to the data. The badness of fit index Root Mean Square error approximation RMSEA was also lower than 0.05 which again proved goodness of model.

Table 1.1: Test of Homogeneity of Variances

	Levene Statistic	Sig.	F	Sig.	Welch	Sig.
E - Fulfillment	4.52	0.000			1.753	0.000
Accuracy	5.59	0.000			23.47	0.000
Security / Assurance	26.12	0.000			4.230	0.000
Cost Efficiency	2.45	0.960	22.03	0.000	2.751	0.000
Compensation	10.12	0.000			1.238	0.000

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 where data was collected

	Name of Bank	N	Mean	S.D
Dimension 1	SBI	110	2.82	1.097
	ICICI	105	3.52	1.042
	HSBC	110	2.86	1.066
	Total	325	9.20	3.205

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

Name of Bank (A)	Name of Bank (B)	Mean difference (A-B)	Standard Error	Sig..
SBI	ICICI	-0.70*	0.18	0.002
	HSBC	-0.04*	0.16	0.000
ICICI	SBI	0.70*	0.18	0.000
	HSBC	0.66*	0.12	0.000
HSBC	SBI	0.04*	0.16	0.000
	ICICI	-0.66	0.12	1.000

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**

	Name of Bank	N	Mean	S.D
Dimension 2	SBI	110	3.95	0.845
	ICICI	105	3.21	0.921
	HSBC	110	3.3	0.68
	Total	325	10.46	2.446

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 321 and 3.30).

**Table 2.2: Post Hoc Analysis Multiple Comparisons for Security factor**

Name of Bank (A)	Name of Bank (B)	Mean difference (A-B)	Standard Error	Sig..
SBI	ICICI	0.74	0.257	0.125
	HSBC	0.65	0.149	0.692
ICICI	SBI	-0.74	0.257	0.125
	HSBC	-0.09	0.136	0.830
HSBC	SBI	-0.65	0.149	0.692
	ICICI	0.09	0.136	0.830

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 factor3**

	Name of Bank	N	Mean	S.D
Dimension 1	SBI	110	3.560	0.95
	ICICI	105	3.940	0.89
	HSBC	110	4.500	0.42
	Total	325	12.00	2.26

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 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.

**Table 2.2: Post Hoc Analysis Multiple Comparisons for Cost Effectiveness factor**

Name of Bank (A)	Name of Bank (B)	Mean difference (A-B)	Standard Error	Sig..
SBI	ICICI	-0.38	0.280	0.000
	HSBC	-0.94	0.46	0.230
ICICI	SBI	0.38	0.28	0.000
	HSBC	-0.56	0.75	0.230
HSBC	SBI	0.94	0.46	0.000
	ICICI	0.56	0.75	0.000

Source: Authors Compilation

## 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 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.

In case of Security, 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.

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 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.

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