

Customer Satisfaction Factors towards E-Banking Services: Study with reference to Axis Bank of Mangalore City

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Abstract: This study was conducted to know the perception level of the customers towards E-Banking services. Nowadays majority of the customers are using electronic modes to do their banking transactions. E-Banking concept is a gift to the banking field. This concept was very successful in the banking era. Customers prefer e-banking due to the factor of convenience, accuracy, tangibility, reliability, customer loyalty and availability. This study was undertaken in Mangalore area. The total sample size chosen for the study is 80 and convenience sampling technique has been used to derive the number of population.

Keywords: E-banking, Customer satisfaction, Factor

1. Introduction

E-banking means doing financial activities through electronic modes. It is a newly wide spread Avatar over the world. In today's competitive environment customers do not have enough time to visit the banks. So they prefer electronic gazettes to do their banking transactions. E-banking includes ATM, credit card, Mobile banking, Internet banking, SMS banking, RTGS, NEFT, IMPS and so on. Hence the bank employees need to provide good services to the customers. Or else customers will move on to other banks, where they get better services. Customer satisfaction is a very important concept which the bank has to keep in mind.

2. Statement of the problem

E-Banking offers lot of benefits to the customers, as it is a miracle to them, that they can do their banking transactions by their own. With the help of E-Banking services banking transactions can be carried out anytime, anywhere. But it is no longer free from demerits; nevertheless there are some loop holes such as connectivity issues, leakage of data, hidden charges, server problems and enlarged frauds. Customers are the main source of any business, so customer satisfaction plays a major role in all the organizations. This study mainly focuses on the factors which affect the customer satisfaction towards e-banking services.

3. Objectives

The objectives of the study are as follows;

- To know the concept of E-Banking
- To study the factors which affect the satisfaction level of the customers

4. Methodology

The data includes both primary and secondary sources. Primary data is collected from structured questionnaire method and personally interviewing the respondents. Secondary data is collected from reviewing related literature, websites, books and magazines. For the purpose of analysis and interpretation, required Statistical Methods will be applied. The statistical tools used for the study is percentage, mean, standard deviation, median and factor analysis method.

5. Analysis and Interpretation

Table 1.4.1: Personal profile of the respondents

Particulars	No of respondents	Percentages
Gender		
Male	40	50%
Female	40	50%
Total	80	100
Marital status		
Single	30	37.5%
Married	50	62.5%
Total	80	100
Age		
Less than 25	20	25%
25-30	30	37.5%
30-40	18	22.5%
Above 40	12	15%
Total	80	100
Educational Qualification		
PG	40	50%
Degree	30	37.5%
others	10	12.5%
Total	80	100

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Income level		
Less than 2lakh	30	37.5%
2-3lakh	24	30%
3-5lakh	16	20%
Above 5lakh	10	12.5%
Total	80	100
Occupation		
Salaried	36	45%
Professionals	24	30%
Others	20	25%
Total	80	100

Source: Survey data

The above table shows that equal importance has given to both male as well as female respondents. 62.5% of the respondents are married and 37.5% of the respondents are single. 37.5% of the respondents belongs to the age group of 25 to 30 years and 15% of the respondents are belongs to above 40 years. 50% of the respondents are having an educational qualification of PG and 12.5% of the respondents are belongs to other category i.e PUC, Engineering and lawyers. 37.5% of the respondents are

having an annual income of less than 2lakh rupees and only 12.5% of the respondents are having above 5lakh income. 45% of the respondents are salaried people and only 25% of them are belongs to other category such as business and housewives.

5.1 Survey questionnaire

5.1.1 Factors influencing the satisfaction level of the customers towards e-banking.

Satisfaction of the customers is the prime consideration for any business. The different factors influencing satisfaction of the customers towards E-Banking services are easy and convenient banking, efficiency, assurance, accuracy, reliability, customer services, responsiveness, security and tangibility. These factors are measured on five point rating scale as Strongly Agree-5, Agree-4, Neutral-3, Disagree-2 and Strongly Disagree-1. Assessment will be done on mean value as mean>4 indicates highly satisfied, mean>3 indicates satisfied, mean<3 indicates dissatisfied and mean<2 indicates highly dissatisfied. The analysis table is indicated below;

Table 1.4.2: Factors influencing satisfaction level of the customers towards E-Banking

	SD	D	N	A	SA	Mean	S.D	Median
	Count ()	Count (%)	Count (%)	Count (%)	Count (%)			
Easy and convenient banking	0 (.0%)	0 (.0%)	2 (2.5%)	60 (75.0%)	18 (22.5%)	4.20	.461	4.00
Efficiency	0 (.0%)	0 (.0%)	0 (.0%)	56 (70.0%)	24 (30.0%)	4.30	.461	4.00
Assurance	0 (.0%)	0 (.0%)	0 (.0%)	46 (57.5%)	34 (42.5%)	4.43	.497	4.00
Accuracy	0 (.0%)	0 (.0%)	6 (7.5%)	36 (45.0%)	38 (47.5%)	4.40	.628	4.00
Reliability	0 (.0%)	0 (.0%)	14 (17.5%)	28 (35.0%)	38 (47.5%)	4.30	.753	4.00
Customer services	0 (.0%)	6 (7.5%)	6 (7.5%)	40 (50.0%)	28 (35.0%)	4.13	.848	4.00
Responsiveness	0 (.0%)	6 (7.5%)	10 (12.5%)	52 (65.0%)	12 (15.0%)	3.88	.753	4.00
Security	0 (.0%)	0 (.0%)	12 (15.0%)	48 (60.0%)	20 (25.0%)	4.10	.628	4.00
Tangibility	0 (.0%)	12 (15.0%)	32 (40.0%)	18 (22.5%)	18 (22.5%)	3.53	1.006	3.00

Source-Survey Data

Study shows that customers are highly satisfied towards easy and convenient banking with mean±s.d is 4.20±.461, in efficiency 4.30±.461, in assurance 4.43±.497, in accuracy 4.40±.628, in reliability 4.30±.753, in customer service 4.13±.848, in responsiveness 3.88±.753, in security 4.10±0.628 and in tangibility 3.53±1.006.

Study shows that mean value is high in assurance i.e 4.43, which means customers are highly satisfied with factor assurance. Whereas mean value is low in tangibility with 3.53 values, which means customers are satisfied with tangibility factor.

5.1.2 Factor analysis results to identify and group the various customer satisfaction factors towards of e-banking

There are 9 customer satisfaction factors towards e-banking were considered in the present study, they are easy and convenient banking, efficiency, assurance, accuracy, reliability, customer service, responsiveness, security and tangibility. Factor analysis was performed to group the various factors into primary set of factors, secondary and tertiary etc. factors. The results are shown in the following table:

Table 1.4.3: Factor analysis results for customer satisfaction factors towards e-banking

Factors	Components		
	1	2	3
Easy and Convenient banking		0.717	
Efficiency		0.829	
Assurance	0.635		
Accuracy	0.828		
Reliability		0.780	
Customer service	0.918		
Responsiveness	0.908		
Security			0.697
Tangibility			0.958
% variance	33.7	29.4	17.1
Total variance	80.3		
KMO	0.640		
Bartlett's test of Sphericity	p=0.000		

Source- Computed from Survey Data

Factor analysis resulted in 3 components with total variance 80.3% and also it satisfies sample adequacy test by KMO=0.640>0.5 and Bartlett's test p=0.000 significant. The primary factors for customer satisfaction were assurance

(0.635), accuracy (0.828), customer service (0.918) and responsiveness (0.908). Secondary factors were easy and convenient banking (0.717), efficiency (0.829) and reliability (0.780) and at the tertiary factors were security (0.697), and tangibility (0.958).

6. Suggestions

The suggestions drafted for the study are as follows:

- The bank staff's has to provide good services to the customers.
- Proper training facilities have to be provided to the staff's, so that they can give valid answers to the customers.
- Staffs have to update their knowledge, for that bank has to take necessary actions.
- The bank needs to educate the customers regarding the e-banking technology.
- The bank has to inform the customers to frequently change the PIN numbers.

7. Conclusions

In recent years many changes have been taken place in the banking sectors. These changes do not reduce the errors and mistakes in terms of operational activities. The customers are still facing various problems while using banking transactions. Therefore, the banks need to focus more on service sector and operational activities, which makes the customer more comfort and satisfied in dealing with banking activities.

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