Think India Journal

ISSN: 0971-1260Vol-22, Special Issue-19

International Conference on

Multidisciplinary Research in Global Challenges and Perspectives of Sustainable Development

on 21th December 2019 at**St. Jerome's College, Anandhanadarkudy, Nagercoil, Tamilnadu, India**

Impact of Electronic Banking Services on Customers

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ABSTRACT

E-banking services are advances to provide comfort to the customers about financial transactions. E-banking services provide fast access of banking services to customers. It gives more benefits to customers in the banks. Customer can access their account through internet banking services at their home. In organisation information and communication technology has become a necessary tool. E-banking has become an integral part of the global financial environment. The development in technologies and financial innovations has made E-banking a powerful part of the banking sector. Day by day more technologies and benefits are growing. The banking customers mostly visit the bank for transforms amounts using Demand draft and cheques. With the help of electronic payment there is increase in customer satisfaction level, security, reduction in cost of banking operations, fast transfer, convenient, responsiveness and accuracy in the banking industry. Nowadays, the banks are mainly focusing on supporting the concept of e-banking services along with their customers. Through the study, it was found that positive relationship between modernization made in the information and technology in banking sector. Around the world e-banking is use of by all customers in bank. It is concluded that e-banking positively impacted the customer satisfaction level of service quality.

Keywords: E-banking, Customer Satisfaction

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INTRODUCTION

E-banking is an electronic payment options that enables customers of a bank or other financial organization to conduct a range of financial transactions through the financial organization's website. 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. Internet banking is performed through a computer system or similar devices that can connect to the banking website via the internet. Nowadays, you can also use internet banking on your mobile phones using a Wi-Fi or Network connection. Banking is now no more partial in going and visiting the bank in person for several purposes like depositing, withdrawing money, requesting for account statement, stop a payment, request cheque book, etc. It is concerned with doing all these financial transactions from home, office and organisation without visiting the branch; 24X7 by using ATM"s, internet and mobiles etc for doing banking services. E-banking technology is gaining the all-round adoption in banking industry across developed and developing countries. The use of e-banking technologies that includes automated teller machines (ATM"s), telephone-banking, internet banking and mobile banking i.e. branchless banking in the delivery of banking products and services to their customers has become an essential aspect of modern banking system. Now-a-days banking is known as modern banking. The banks offer most of the same benefit and advantages of online as a traditional bank. Transfer money to one or more accounts from private and national banks. It uses to customer payment option like credit cards, debit cards, net banking, various payment options are Google pay, Wallets, Paytm, Gateway provided more payment options purchase goods and service.

Many of the banks like State bank of India, Tamil Nadu Mercantile Bank, Indian Bank, Canara Bank, Indian Overseas Bank, AXIX Bank and South Indian Bank were offering e-banking services. The bank has high growth potential for e-banking are focused on increasing and improving e-banking services. The cost of average payment transaction on the internet is minimum. It reduces margin for human error. Digital records reduce paperwork and make the process easier to handle. E-banking services are customer-friendly, banks experience higher loyalty from its customers. Customer can access his account and transact from anywhere 24X7. The customer does not have to visit the branch for every transaction, it saves him both time and money. In traditional banking systems, geographical distances could hamper certain banking transactions, with e-banking, geographical barriers are reduced.

In deeply important to understand about organization and safety procedures of E-banking System and its role in economic development. This is for promoting appropriate culture of growth in modern business. These services of banking concern by internet or other electronic medias, computers are being used instead of papers (paperless systems). Preparing goods and services and retailing through electronic channels. Electronic banking currently provided for saving and current accounts holders only. It has improved customer satisfaction, reduced frequency of bank hall for banking service, reduced waiting time for customers. There are customers who don't know the fee charged for being e-banking users. The bank customers' satisfaction increased after being e-banking services, enabled customers to control their account movements and there is high opportunity to expand e-banking service.

STATEMENT OF THE PROBLEM

The introduction of e-banking into the banking sector is to bring customers satisfaction there by to enhance the bank's profitability. The information and technology will increase customers satisfaction than the traditional branches. Other branches customer may perceive the same as different branches rather than a new delivery channel. The major problem with banks is people deposit most of the money is banks and when they need to transfer or withdraw, they find it difficult in the form of withdrawal limit and other procedure thus the satisfaction level one not upto to the market.

SCOPE OF THE STUDY

Now a day's most of the banking customers use online banking services and has its positive and negative effects. This study proposed to investigate the impact of electronic banking on customer satisfaction in banking industries by looking at the customer's perception on e-banking services. This study go through the customer awareness on e-banking services and the accessibility of e-banking to customers and the impact of e-banking on customers satisfaction.

OBJECTIVES OF THE STUDY

- To find out demographic profile of respondents.
- To know about the problems faced by e-banking customers.
- To analysis the satisfaction level of e-banking services.
- To study about impact of E-banking services.

REVIEW OF LITERATURE

Ashita Chadha, Shumeet Grewal, (2011) concluded that a relationship exists between the driven factors of the customer and their preference for e-banking the worth of electronic delivery channels to the customers adopt e-banking services. Services likes that mobile banking are still not being used by the customers because of cost issues, high charges, slow data transmission. The internet banking is being used by the technology savvy customers. Security and privacy of individuals data are the main concerns that customers are afraid about while using e-banking solution.

Doreen Akad Mchomba, (2018) There were different challenges of e-banking showing such as network failure, limited withdraw amount, no instant help in case of transaction failure, new enough cash on machines especially during the weekends. This study concluded that customers prefer ATM among the e-banking products and services because of its accessibility, time saving and availability. It was recommended that information on e-banking services should be given to customers in order to inspire and attract more bank customers to using the services and products.

METHODOLOGY

In this paper, both primary and secondary data has been used. Primary data is collected with the help of questionnaire from a sample respondent using the e-banking services by the various banks. Secondary data has been collected from books, Journals, Articles. A sample size of 30 respondents was selected through convenience sampling technique. The method of data analysis will be based on the statistical table format using frequency distribution and consequently converted into Percentage Analysis, Hentry Garret Ranking and Weighted Average method are used this study.

DATA AND INTERPRETATION

Demographic Profile

The descriptive analyses for demographics profile of respondents which indicated out of 30 respondents.

Table: 1. Demographic Profile

Descriptive	Frequency	Percent
Gender		
Male	19	63
Female	11	37
Age		
Below 30	7	23
31-40	19	63
41-50	4	14
Above 50	0	-

Marital status		
Married	22	73
Unmarried	8	27
Education status		
Upto HSC	9	30
Graduate	12	40
Professional	9	30
Occupation		
Student	7	23
Employed	12	40
Unemployed	7	20
Business	5	17
Annual Income (lakhs)		
Below 2	16	53
2-4	9	30
5-6	4	14
Above 6	1	3

Source: Primary data

The above table shows that the majority of the 63% of male respondents used e-banking services. 63% in the age group of 31-40 years of the respondents most used in e-banking services. 73% of the respondents are married and 27% of unmarried. The highest level of married respondents used in e-banking services. The majority of the 40% of respondents education level is upto graduate. 40% of the employed respondents used e-banking services in the highest level of occupation. The majority of the 53% of respondents annual income was below 2 lakhs used e-banking services.

Problems Faced by the Customers

There are many problems faced by the respondents while using e-banking services. The respondents are frequency converted into score using Hentry Garret Ranking methods.

Table: 2. Problems Faced by the Customers

Sl. No	Problems	Total	Average Score	Rank
1	Out of services	1582/30	52.73	IV

2	Unreliable Net work	1752/30	58.4	II
3	Limited Services	1399/30	46.63	VI
4	Power breakdown	1572/30	52.4	V
5	Technical problem	1606/30	53.53	III
6	Limited withdraw amount	1210/30	40.33	IX
7	Lack of Information	1389/30	46.3	VII
8	Service charges	1264/30	42.13	VIII
9	Server Problem	1939/30	64.63	I

Source: Primary data

The above table analysis the data of nine variable in e-banking services and server problem get the first rank that show a very negative service. Unreliable network for transaction got the second rank. The third rank goes to the technical problem. The fourth rank goes for out of services. The fifth rank was occupied by power breakdown. Limited services in the online service by the bank goes to the sixth rank. The seventh rank is bagged by lock of information to the customers. Online service charges by the bank goes to the least rank.

Customers Satisfaction Level of E-Banking services

The researcher identified 8 variables that help to analyse the satisfaction level of E-banking services. The variables considered by the researcher were reliability, transfer time, security, availability, easy to use, awareness, accessibility, time factors and the level of satisfaction of customers using e-banking services. The respondents are asked to give their opinion on it using Weighted Average Method.

Table: 3.Customers Satisfaction Level of E-Banking services

Sl. No	Services	Strongly Agree	Agree	Neutral	Disagree	Strongly Disagree	Score	Rank
1	Fast transfer	19	11	0	0	0	4.63	1

2	Cost	4	11	9	6	0	3.43	8
3	Accuracy	7	16	7	0	0	4.00	5
4	Security	9	15	5	1	0	4.06	3
5	Availability	8	17	4	0	1	4.03	4
6	Convenient	11	12	6	1	0	4.07	2
7	Responsiveness	8	12	9	1	0	3.87	6
8	Accessibility	9	11	7	1	1	3.76	7

Source: Primary data

The above table analysis the data of respondents receives above average scores in eight variables viz. The first rank goes to fast transfer, the score is 4.63. The second rank goes to convenient, the score is 4.07. Security, the score is 4.06 and get it third rank. The fourth rank goes to availability, the score is 4.03. the fifth rank goes to accuracy, the score is 4.00. Responsiveness the score is 3.87 and get it sixth rank. The seventh rank goes to accessibility, the score is 3.76 and the least rank goes to cost, the score is 3.43. The factors such as accessibility 3.76 and cost 3.43 have obtained below average scores. Thus, on the whole respondents are highly satisfied with the fast transfer towards online transactions by e-banking services.

SUGGESTIONS

- Electronic banking has improved customers satisfaction level than ordinary banking and enabled customers to control their accounts better than the ordinary banks.
- The banks facilitate more bill payments in the e-banking services.
- Impact in reducing waiting time for customers make bank services, more satisfying. Any financial transaction getting SMS and notification through emails should be improved.
- Reduce the charge for transfer of funds to another bank accounts in online services due to less man-power.

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- The banks should exceed the promise of proving 24X7 rather than under delivery. The banks should ensure that at no time services should cease as a result of network problem, server problem, power break town and technical problem.
- The banks should give more to awareness rural people and customers, this study suggest to make the bank customers aware about various delivery channels through advertisements, which are one of the most effective sources to create awareness of e-banking services. Conducting training programme and providing information kit and demos at a bank counters to make customers adopt e–banking system.
- Banks are required to create used friendly website to promote e-banking transaction. For this, regional language, step-wise guidelines and usage of demo video for various E-banking services should be included in website.

CONCLUSION

The study concludes that there was a strong confident relationship between e-banking services and customer satisfaction. Customers support greatly the use of e-banking services such as mobile banking, ATM and internet banking. Internet banking using the customer respective banks providing by the online services. This paper attempts to provide the demographic profile of the current market for internet banking, the factor affecting the decision to adopt internet banking as well as scope of service offered by the bank. They derive certain benefits from the use of these services mostly saves time, easy to access and convenient. The customers choose ATM among the E-banking services because of its efficiency, user friendliness and time saving. Despite the benefits of E-banking, it is linked with some challenges. The study shows that network failure from internet connection, higher transaction charges and limited withdraw amount are the major challenges facing customers using E-banking services and products.

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