

A Study on Factors Affecting Level of Customer Satisfaction Towards Online Banking in Bangalore City



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ABSTRACT

In recent times banking industry has played a major role in developing the economy of different countries and India is one of them. The way we look at banking industry is totally changed today. A lot of new developments have taken place leading banks to increase their customer base and attracting the non banking customer to freely do financial transactions. Today world is a global village where people can freely carry out their businesses and all this is happening because of banks adopting information technology to make the process more easy and fast, which has led tracking of information in no time so that customers can fulfil their business and personal commitments without any hurdle. All the service sectors depend on customer and their satisfaction and the banks are no exception, therefore they need to make sure they study their customers well understand them satisfy these customers and retain them. Here the researcher has conducted a quantitative study through a questionnaire method taking 100 as a sample size and along with personal interview done with 12 regular online banking customers. The purpose of this paper is to understand the factors which can affect the level of customer satisfaction among the online banking customers.

Key Words: Online Banking Services, Customer Satisfaction, Information Technology.

I. INTRODUCTION

Electronic Banking means performing any kind of banking transaction electronically without visiting your bank branch. Banks have welcomed the changes due to the use of technology and developed its services with the help of technology to satisfy the customers. The goal of any organisation is to generate profit, increase their customer base by giving the customer the best services and satisfying them. And banks are no different. Thus customer satisfaction has got its own importance in electronic banking, and when you see closely they are different banks providing similar kind of services with a little difference therefore the competition is too high, in this scenario, banks only focus should be to study the customer well, understand customer perception satisfy the existing customer so that they share their experience to others and give more customers to their respective banks. Now when it comes to customer satisfaction, customers need a level of comfort when using online banking services though the customers are well educated but they are hesitant to use these services mainly because of security, privacy and the matter of fact that these customers may require assistance so that they can interact with the service providers for any assistance. It is important to identify what drives customer satisfaction and focus on making changes according to customer requirement and delivering best services. The limitation of this study is that the research was conducted selecting a particular geographical area which had its own constraints and limitation.

II. OBJECTIVES OF THE STUDY

- To study the factors which influence customer satisfaction towards online banking services.
- To understand the problems faced by the customers while using online services.

III. REVIEW OF LITERATURE

D.N.V.Krishna Reddy, Dr.M.Sudhir Reddy(2015) the analysis state that lack of awareness about internet usage had led to customers hesitant to use online banking services and therefore suggest that banks should come up with strong communication strategies so that they educate the customers and push them to use online services provided by the service provider.

S. Sameena, DR. R. T. Saroja(2018) The researchers have concluded in their study that the banks need to study the attitude of the customers well and deliver services accordingly deploy more money for advertising and to hire more marketing executives who can create more awareness among the bank customers on the usage of online banking.

Raghavendra and P. Sravan Kumar (2016) The researchers focused on public sector bank and concluded that the respondents are positive about using online banking services therefore banks need to really focus on educating its customers and the study also concludes by stating that gender age education and income levels directly influence customer satisfaction whereas prompt customer service, confidentiality, web design and ease of use are some of the factors that affect customer satisfaction.

Dr. M. Abdul Hakkeem and Y. Moydheen Sha (2015) In their analysis concludes that customer satisfaction is the major factor which contributes for the development of the service sectors. Banks have create awareness among its existing customer base to give them better services, and the same services can be improvised so that the bank can retain its existing customers and attract new customers.

Khian Sin Ong, Bang Nguyen, Sharifah Faridah Syed Alwi(2017) A study was conducted to examine the relation between consumer-based virtual brand personality with brand

loyalty and customer satisfaction and the study concludes stating that there is a positive relation between the CBVBP, customer satisfaction and brand loyalty.

Mohammad A Ahmad Al-Hawari (2014) In his analysis states that customer sociability level plays a major role and has a direct influence on E-Satisfaction, E- quality and E-loyalty and is stronger if the online banking user is an introvert (less social)rather than an extravert very social.

Luc Honore Petnji Yaya, Frederic Marimon, Marti Casadesus(2011) the study concludes that banks having an ISO9001 certification has no impact nor any kind of influence on customer perception of E- service quality and concludes that E-S-QUAL scale have a positive impact on customer satisfaction.

Diana L. Haytko, Christina S. Simmers (2009) The researchers conclude that the convenience of online banking has displaced the human interaction, customers prefer and are satisfied by the teller transaction rather visiting their bank branches.

Luis V. Casalo, Carlos Flavián, Miguel Guinaliú(2008)The researchers stated that website usability was found to have a positive effect on customer satisfaction and word of mouth also had a positive impact on customer loyalty and where interrelated.

Muslim Amin (2016) The study concludes that all the four dimensions that is personal needs, site organisation, user friendliness and efficiency of the website are distant construct and all these dimensions have a positive relationship with online banking service quality and states that the efficiency of the bank website is an important aspect which leads to customer satisfaction.

IV. RESEARCH DESIGN AND METHODOLOGY

This study mainly applies a Quantitative research design that is descriptive in nature. The descriptive design measures an association between two variables, the satisfaction of customers which is the dependent variable and the quality of online services provided by banks which is the independent variable. As the population covers the whole of Bangalore city, the sample size was based on online customers who use services of top banks in Bangalore city.

Sampling: snow-ball sampling was done where in the researcher requested contacts to fill in an online questionnaire and refer their friends and colleagues to do the same. A total of 100 samples were filled-in for the questionnaire.

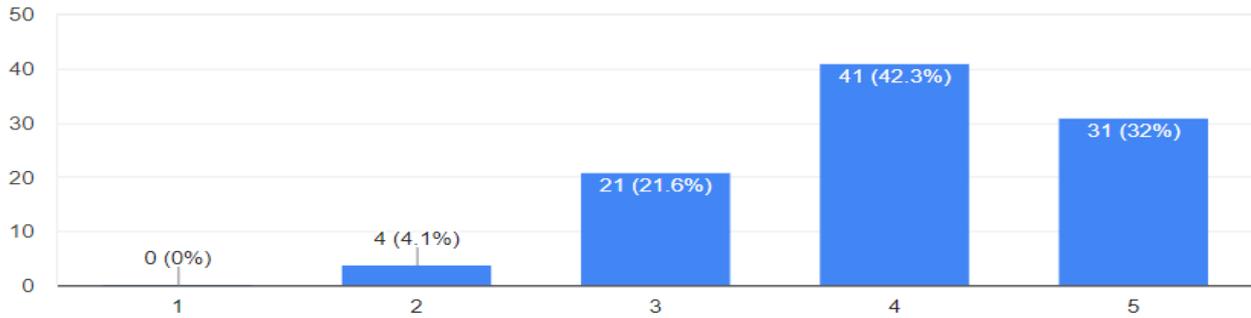
Also 12 interviews were conducted so as to support the study with qualitative findings as well.

Choice of data collection instrument: This paper applied the survey method and interview method for data collection. The survey questionnaires included closed-ended questions, that were prepared by the researcher based on the research objectives. The interviews with selected participants were open-ended questions where the participants were free to express themselves.

Analysis tool: Percentage analysis was conducted for each of the major responses based on the questions filled in by the respondents. As the research objective was to measure satisfaction of costumers directly based on different services, it was decided that there was no requirement of other tools. The analysis is represented through graphical representation which is interpreted by the researcher based on which suitable findings and suggestions are given in the subsequent sections.

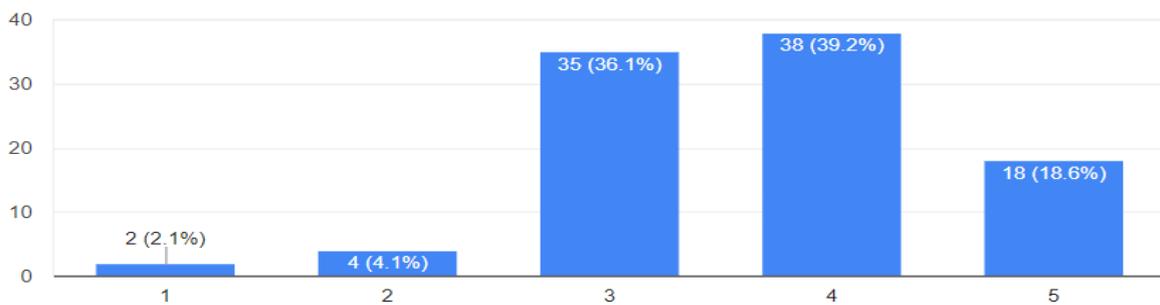
V. RESULT AND DISCUSSION

Figure 1: shows if the bank customers feel secure and trust their respective banks for not misusing their Information.



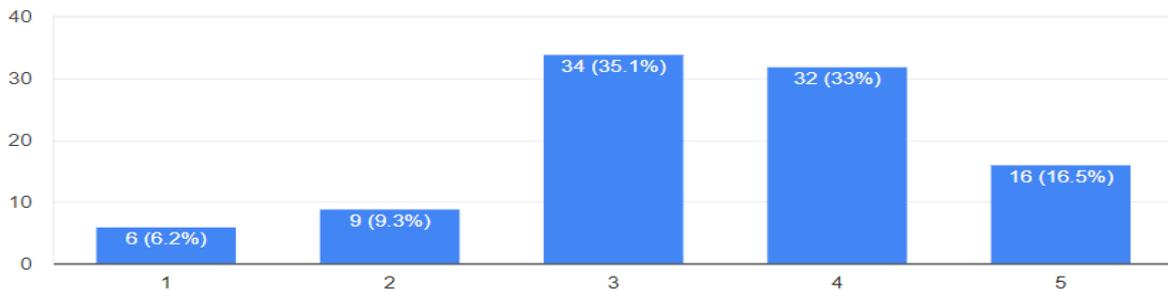
Interpret Result: From the above analysis it is that more that 70% of the respondents feel the banks would not misuse the information given by the customers . further analysis also shows that about 25% of the respondents are not sure and feel that banks might misuse the information.

Figure2: Shows if the customers feel the banks website is attractive or not



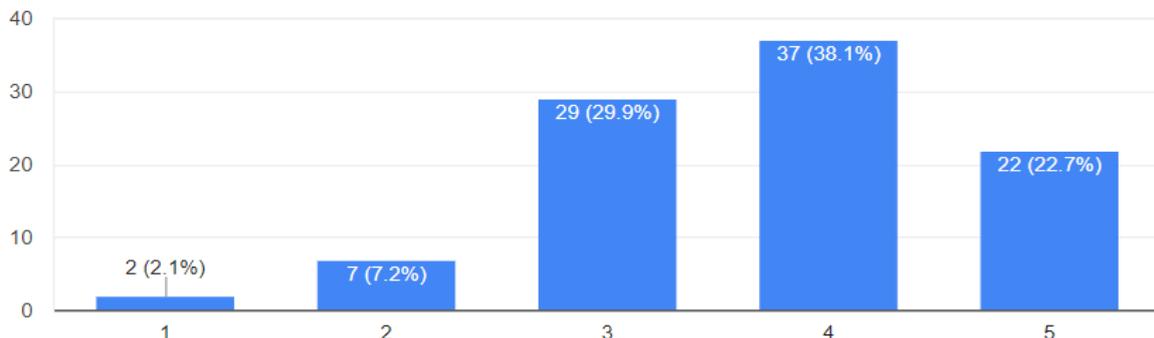
Interpret Result: More than 56% of the respondents felt that the bank’s website is attractive. And remaining 43% respondents feel that the bank’s website can be improvised.

Figure 3: showing the response from the bank regarding complaints and queries.



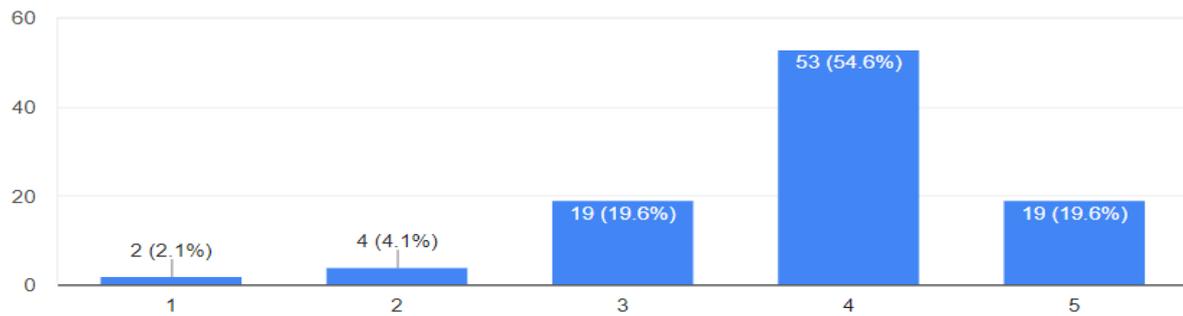
Interpret Result: It can be analysed that only 50% of the customers feel that they get quick response from the banks regarding complaints and queries

Figure 4 : shows if the banks give clear Information about its products and services online.



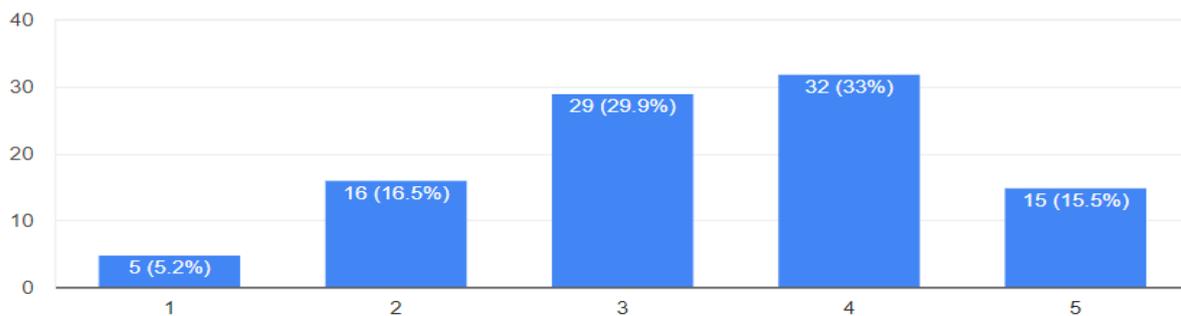
Interpret Result: 60% customers respondent stated that the information regarding the products and services offered by them are clear.

Figure 5: Showing about banks website is updated or not.



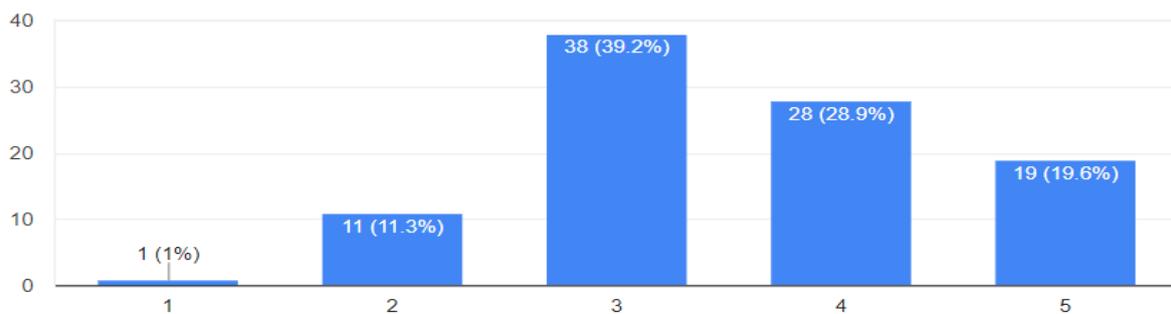
Interpret Result: 73% of the customers feel that the banks websites are updated on timely basis, and do not feel any kind of hurdle in getting updated information.

Figure 6: Showing about availability of Customer Service Representatives online.



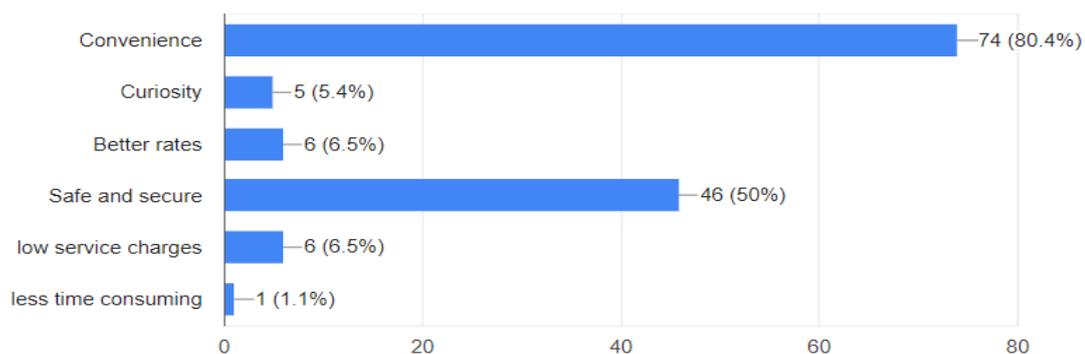
Interpret Result: 47% customers feel that customer service representatives are available online and 53% customers feel they are not available to some any kind of query.

Figure 7: shows if the banks keep up the promise made to the customers on time.



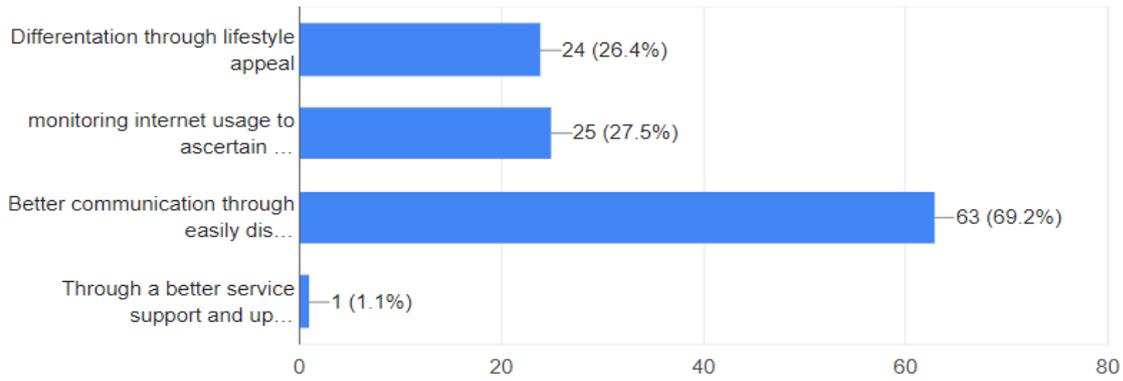
Interpret Result: The result from the graph shows that 47% of the customers are happy and feel that the bank fulfils the promise t makes where as 38% respondents feel the bank does not fulfil its promise all the time whereas 12% of the customers experiences state that they aren't happy.

Figure 8: Shows the reasons behind choosing online banking.



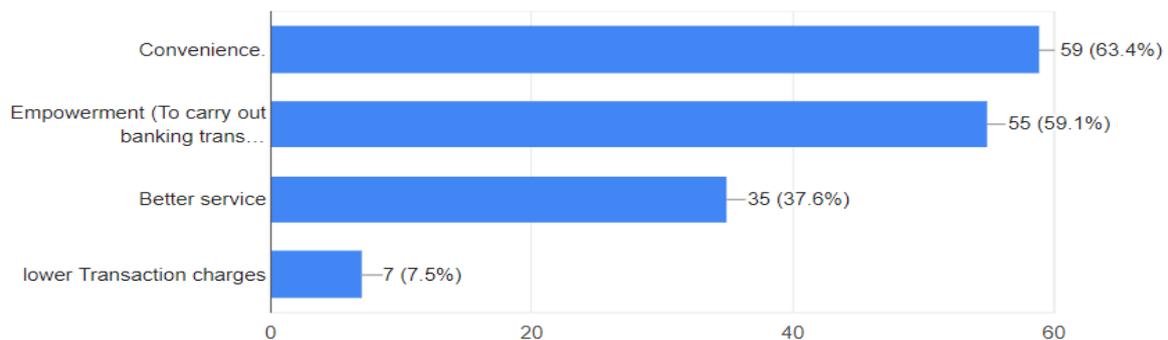
Interpret Result: The analyses from the above graph states that 80% of the customers mainly choose online banking services for convenience purpose and as multiple options were given to choose the other top ranked reason for choosing online banking is the customers feel safe and secure.

Figure 9: Shows what the customers feel banks should do to improve and have better relationship with their customers



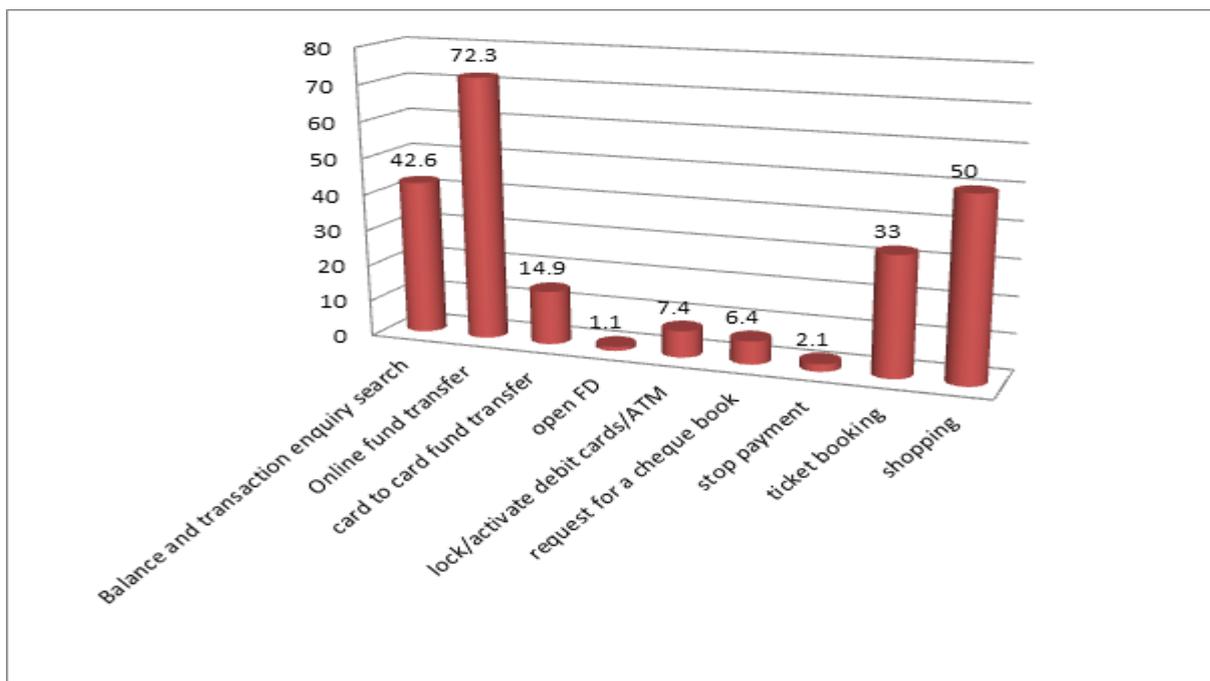
Interpret Result: The result from the above analyses shows that differentiation through lifestyle appeal, better communication through easily dispersed and answered e-mail and monitoring internet usage to ascertain which features are popular and liked are the three top ranked reasons.

Figure 10 : Showing the benefits customers feel they get while using online banking services



Interpret Result: The graph clearly shows that maximum number of customers feel convenience, empowerment and better services are one of the preferred benefits customers feel banks deliver.

Figure 11: Showing frequently used online banking services



Interpret Result: The above analysis clearly depicts that balance enquiry, online fund transfer ticket booking and shopping are the main reason and ranked topped when it comes to using of online banking services compared to the other online services delivered by the banks. The customers were given the option of choosing more than 1 option. Further it can be analysed that services like opening a FD using internet banking or few other services from the above graph are not so popular among the online banking customers.

VI. FINDINGS

- The respondents were grouped in 4 age groups and approx 72% respondents are in the age group of 20 to 29 years The researcher found that the age groups of 20-29 and 30- 39 were more aware about e-banking.
- Out of 100 respondents 50% respondents are male and 50% are female which shows that both genders use online banking services.
- By profession maximum number of respondents are private employees and students
- The monthly income of the respondents is in between 20000 to 60000
- Majority of the customers tend to have better access to the internet and have moderate experience towards E-banking services provided by the bank.
- Majority of the customers feel the bank would not misuse the information in any way.
- 56% of the respondents felt that the bank’s website is attractive and user friendly.
- Majority of the respondent get proper information on product and services.
- 73% of the customers feel that the banks websites are updated on timely basis.
- Half of the respondents feel they can get in touch with the customer service representatives for any queries where as the remaining half of the respondents feel that it is difficult to get in touch with the customer service when required.
- More that 50% of the respondents feel the banks do not keep up the promise they make.
- 80% of the customers mainly choose online banking services for convenience.
- Majority of the customers feel to have a better relationship between the bank and the customers the bank should focus on having a better communication through answering to complaints and queries through emails on a timely manner.
- Majority maximum number of customers feel convenience, empowerment and better services are one of the preferred benefits.
- Most customers’ use online banking services for balance enquiry, online fund transfer ticket booking and shopping.

VI. SUGGESTIONS

- The banks can focus and improve online customer service assistance as majority of the customers feel that they would feel safe and secure transacting online if they know that the customer service assistance is provided 24/7.
- The banks can simplify the process of online transactions to meet the competition from the international banks.
- It is suggested that the banks can advertise more about the online services, uses and benefits provided to their customers so that an awareness is created to the non users and banks therefore can increase their customer base.
- The study shows maximum number of customers are from private sector and students. A majority of the population is untapped which includes public sector employees and business people there fore banks can use different marketing strategies and pull out the crowd towards them..
- Banks can come up with some reward systems and affiliate with different business partners for online banking customers to increase the customer satisfaction level there by attracting new customers.
- Banks can improve their services like transfer of funds which can be quicker.
Banks can focus and improve the bank apps and focus on services like improvising mobile banking apps.
- The transaction fees charged by the bank can be made nil for the new online banking users and minimized for the regular users so that the bank focuses on making their customer feel free to use the services rather bothering about online transaction charges.

VIII. CONCLUSION

All the service sectors depend on customer and their satisfaction and the banks are no exception. The above study has been done taking into consideration different aspects and understanding the factors which leads to customer satisfaction ,apart from using questionnaire for the study the researcher has a personal interview session with the regular online banking users where the respondents were open to share their opinion and it is observed that most of these customers feel the website content and customer service of the foreign banks are user friendly and prompt respectively when compared to the nationalized banks. Therefore banks focus should be on retaining the existing customers and focus on the untapped market. The customers who are unaware about the benefits of online banking is due to lack of knowledge, therefore banks should focus bringing in attracting schemes for these non users, educating them, And having clear communicating strategies on time so that the banks do not lose its customers to its competitors. Though this study it is also understood that both men and women have equal interest and use online banking services and almost all the benefits provided online to these customers rather visiting their bank branches. It can be concluded that the online banking users mainly use e-banking as they feel it’s more convenient, and feel Empowered (To carry out banking transactions without asking any help of bank staff and visiting branch) and main factors which affect the level of customer satisfaction among the online banking customers are accessibility, confidentiality, ease of use, convenience , and customer service. Therefore banks should focus on providing the best customer service to its existing customer base and attract new customers.

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