

Consumer Satisfaction regarding use of Electronic Banking Services of Varachha Co-Operative Bank Kamrej Taluka

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Abstract

Identification and measurement of customer’s expectations of the internet banking services provide a frame of reference and their related quality dimension. The basic aim of the study is customer satisfaction regarding e-banking facility provided by the Varachha co-operative Bank in Kamrej taluka, Dist. Surat. In this research study 100 respondents from these Banks were taken. For these study primary data have been used by means of questionnaire and the tool used for these research and analyze through SPSS. Bank today provides the facility of online banking but most of people use it on an average only once in a week. This reason is that in case of internet banking interpersonal interaction with customers is seldom possible. The main factors which persuade people to use online banking is because its provide 24 hours service and simplicity of use. People generally used internet banking and other related services just because of balance inquiry service, just because having fear of security problem. Majority of respondents says that visual appearance and convenience should be changed compare to other bank. The entire respondents are satisfied by all the services of bank.

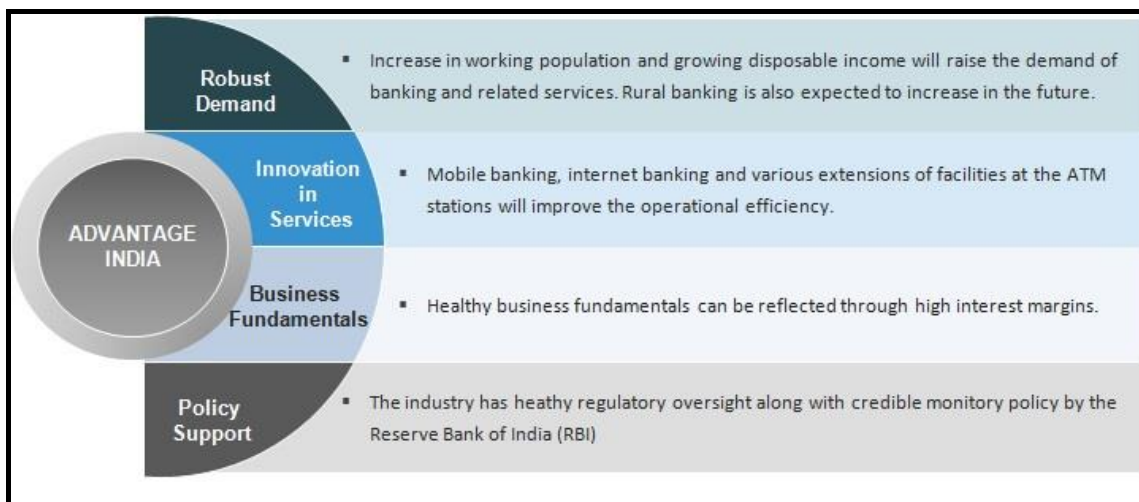
Keywords: e-banking, customer satisfaction, varachha bank, kamrej taluka, co-operative bank

Introduction

The Indian banking system consists of 27 public sector banks, 21 private sector banks, 49 foreign banks, 56 regional rural banks, 1,562 urban cooperative banks and 94,384 rural cooperative banks, in addition to cooperative credit institutions. In FY07-18, total lending increased at a CAGR of 10.94 per cent and total deposits increased at a CAGR of 11.66 per cent. India’s retail credit market is the fourth largest in the emerging countries. It increased to US\$

281 billion on December 2017 from US\$ 181 billion on December 2014.

The usage of e banking by the enterprises came into existence in mid-90. E-banking came into existence in greater numbers because of low operating costs and easy to make transaction without wasting the time at different point of services. First it is in the form of ATM’s and phone transactions.



Source: <https://www.ibef.org/industry/banking-india.aspx>

Fig 1

Recently it transformed to internet a new channel between customers and banks which benefits both. The main aim of e- banking services is to provide the customers a much faster services with low cost. Internet Banking refers to the banking services provided by

the banks over the internet. 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 site via the internet.

Banking is now no more limited in going and visiting the bank in person for various purposes like depositing and withdrawing money, requesting for account statement, stop a payment, etc. You can do all these tasks and many more using the online services offered by the banks. You can also keep a track of your account transactions and balance all the time. Now getting passbooks updated to know the total account balance is a matter of past.

The common online services offered by banks are:

- Transactional activities like funds transfer, bill pay, loan applications and transactions.
- Non-transactional activities like request for cheque book, stop payment, online statements, updating your contact information.

Literature Review

Doing the literature review for a topic often reveals areas requiring further research. In this way, writing the literature review helps to formulate the research question.

Neetu Jain & DR. Pooja Malhotra (2012) ^[1] studied "Demographic Factors Affecting the Adoption of Internet Banking in India". The goal was to study the demographic factors affecting adoption of electronic banking in general and Internet banking in particular in India. The data for study was based upon a survey of bank customers using a convenience sampling technique with the aid of a structured self-administered questionnaire. The survey was conducted during the period of April 2012. The results of this study indicate that age, education, income, and profession were most influential demographic variables affecting Internet banking usage. Using a mailed questionnaire with a response rate of 38.9 per cent, it was found that 40 per cent of the Indian consumers who responded to this survey were already using Internet banking services. The results of this study provide interesting additions to knowledge of electronic banking and contribute to our understanding of Internet banking users as well as nonusers.

Rajesh Kumar Srivastava (2007) ^[2] studied customer's perception on usage of internet banking. Many studies focused on usage of internet banking but many factors on non-usage were overlooked. This research was carried out to validate the conceptual model of internet banking. The causes were identified and researched through correcting the causative factors so that internet banking can be used by more people. The research was focused on what were the customer's perceptions about internet banking and what were the drivers that drive consumers. How consumers have accepted internet banking and how to improve the usage rate were the focus of research area in this study. Qualitative exploratory research using questionnaire was applied. 500 respondents were selected for study after initial screening. They were all bank customers. The study revealed that education, gender, income plays an important role in usage of internet banking. Not much researches been done on these areas as they were focused more on the acceptance of technology rather than on people. Inhibitory factors like trust, gender, education, culture, religion, security, and price can have minimal effect on consumer mindset towards internet banking.

Hernan E. Riquelme & Khalid A. Mekkaoui (2009) ^[3] worked on Internet Banking Customer Satisfaction and Online Service Attributes. The purpose of the study was to (a) identify which customer service and online attributes

predict overall satisfaction, (b) to determine if satisfied customers use more online banking features than less satisfied customers and (c) to identify characteristics of less satisfied customers. The sample was drawn from one of the main banks in Kuwait, the Middle East. Multiple regression and discriminate analyses were used to analyse the data. The findings suggest that satisfaction can be generated through improving courtesy, content, timeliness and product and services offered. The latter being the most important factor in driving internet banking satisfaction. The findings suggest that the majority of the customers in the sample were satisfied or very satisfied with the service and online systems attributes. The investigation does not support previous findings that more satisfied customers tend to use more product and services or that using internet banking for a longer period is associated with higher levels of satisfaction. It appears that companies that offer a wide product portfolio and relevant website content accompanied by prompt and courteous response create satisfaction online. Gan *et al.* (2006) ^[4] he conducted a research to examine consumers' choices between electronic banking and non-electronic banking in New Zealand. The decision to use electronic banking was hypothesized as function of service quality dimensions, perceived risk factors, user input factors, price factors, service product characteristics, individual factors and demographic variables such as age, gender, marital status, income, etc. The findings in the paper showed that the output from the logistic regression indicated that the service quality, perceived risk factors, user input factors, employment, and education were the dominant variables that influence consumers' choice of electronic banking and non-electronic banking channel.

Shaza W. Ezzi (2014) ^[5] in his studied a Theoretical Model for Internet Banking: Beyond Perceived Usefulness and Ease of Use" tried to inquire different types of electronic banking like ATM's, telephone banking, and electronic funds transfer, Internet banking like has evolved from consumers' needs to have superior access to banking services clear of most banks teller-staffed, normal operating hours. Additionally, Internet banking has grown swiftly from the recent and the span increases in e-commerce. Internet banking continues to govern the landscape of electronic banking as consumers continue to use Internet banking to complete schedule banking transactions in addition to conducting on-line sales and purchasing. This study presents a theoretical model considered to help researchers and practitioners better understand the acceptance and adoption of Internet Banking. However, a review of several studies that have investigated consumers' acceptance of Internet banking services from a multiplicity of perspectives have not reached a clear consensus of the factors that contribute to overall consumer acceptance and adoption.

Suresh (2008) he highlighted that recently developed e-banking technology had created unpredicted opportunities for the banks to organize their financial products, profits, service delivery and marketing. The objectives of the study were to evaluate the difference between traditional and e-banking, and to identify the core capabilities for the best use of e-banking. The author analyzed that e-banking will be an innovation if it preserved both business model and technology knowledge, and disruptive if it destroys both the model and knowledge. He also differentiated e-banking from traditional banking in five ways, namely, value

proportion, market scope, cost structure, profit potential and value network. However, in order to exploit technical and business capabilities of e-banking, banks should generate more customers inside and outside India so that more revenues could be generated that lead to better future of Indian economy.

Malhotra, Pooja and Singh (2010) [6] studied ‘Factors affecting the banking services in India’. The purpose of the study was to help in filling the gap in knowledge about Banking Landscape in India. The study utilized sample of 82 banks of India using the technique of Multiple Regression to explore the determinants. The study revealed that bankers as well as society perceive that banking services lag in terms of providing different products and services.

Research Methodology

A total 100 respondent’s involved in survey of Varachha

Co-operative Bank in Kamrej Branch for the e-banking facilities provided to the customer. 100 out of 92 people used e-banking services. The objective is to study customer satisfaction regarding E-Banking services of Varachha Co-operative Bank in Kamrej taluka. Researcher has used descriptive study to describe the customer’s satisfaction level of various services provided by bank through the convenience sampling. Researcher has used structured questionnaire, open ended questionnaire and close ended questionnaire.

Data Analysis and Interpretation

The data were collected from the Varachha Bank Customer from Kamrej Taluka using e-banking satisfaction questionnaire. The samples of 100 customers through conveniences sampling were selected. Frequency and t-test were used for analysing result.

Table 1: Respondent Profile

Category	Response	Category	Response
Gender		Income (per Month)	
Male	80	0-10000	11
Female	20	10001-15000	23
Total	100	15001-20000	34
Age		20001-25000	10
18-25 Years	32	25001-30000	10
26-30 Years	27	30001-Above	12
31-40 Years	26	Types of Account	
41 Above	15	Current	32
Education		Saving	67
High School	37	Recurring Deposit	1
Graduate	57		
Post Graduate	6		

From the above table it suggested that majority respondent from middle income group and graduate as well as early start their professional life.

As we wants to know the satisfaction level of customer of Varachha Co-Operative Bank, further it can be analysis that how long people associated with bank.

Table 2: Since how long associated with Bank

	Frequency	Percent	Valid Percent	Cumulative Percent
Less than One Year	30	30	32.6	32.6
1-3 Years	46	46	50	82.6
More Than 33 Years	16	16	17.4	100
Total	92	92	100	

From above table it shows that 32.6% of respondent were using the E-BANKING facility from less than one year and followed by 50% were using E-BANKING facility from 1-3

years and followed by 17.4% were using the E-BANKING facility from more than 3 years. So we can conclude that 82.6% of users were using the service from last 3 years.

Table 3: Main Reasons for Using E-Banking

	Frequency	Percentage	Percent of Cases
Better Information	13	13.5%	14.1%
Simple process	26	27.1%	28.3%
24 Hr Service	34	35.4%	37.0%
Limited time	23	24.0%	25.0%
	96	100%	104.3%

From the above table it shows that 14% respondent are using e-banking services for getting better information followed by 28% respondent are using e-banking because the process is simple and easy to use followed by 37%

respondent says that they use e-banking because it provides 24 hrs service. 25% respondent says that they use e-banking services because it provides limited time to access at anywhere.

Table 4: Types of Services used by Customer

	Frequency	Percentage	Percent of Cases
Balance inquiry	44	37.3%	47.8%
Online Transfer	36	30.5%	39.1%
Card to card transfer	5	4.2%	5.4%
Open Fixed Deposit	3	2.5%	3.3%
Use of ATM	6	5.1%	6.5%
Cheque book order	10	8.5%	10.9%
Transfer payment	14	11.9%	15.2%
	118	100.0%	128.3%

From the above table it shows that mostly the entire respondent use balance and transaction history more 47%. followed by 39% respondent use online fund transfer.

Around 11% customer use embanking to order cheque book and 15% people make online payment for various services.

Table 5: What is the frequency of uses of e-banking?

	Frequency	Percent	Valid Percent	Cumulative Percent
2-3 Time Per Week	28	28	30.4	30.4
Daily	25	25	27.2	57.6
Once Per Month	28	28	30.4	88
Once Per Week	11	11	12	100
Total	92	92	100	

From the above table it shows that 30% of respondent use the services 2-3 times per week followed by 27% of respondent use the services daily followed by 30%

respondent use the service only once per month. It suggested that people majority people use regularly e-banking services.

Table 6: Problem Face while using Internet Banking

	Frequency	Percent	Valid Percent	Cumulative Percent
Security Problem	53	53	57.6	57.6
Failure of Transaction	29	29	31.5	89.1
Other	10	10	10.9	100
Total	92	92	100	

From the above table it shows that 58% respondent are facing security problem followed by 32% respondent are facing failure of transaction followed by only 10% respondent says they face other problem like slow in connectivity, etc.

literacy in the areas.

Sometimes it is very common that people not prefer internet banking because of transaction failure as not proper infrastructure related to internet banking in other areas. Another observation also find that while collecting data that people don't have internet baking awareness as level of

Researcher has also; try to study the customer view of bank website because bank website is also play important role towards uses and satisfaction level of services. For that researcher has used one sample t-test. For the present research researcher has take test value 2 as all variables mean value in near to 2.

H₀: Customer's view about Bank website is positive.

H₁: Customer's view about Bank website is not positive.

Table 7: t-test analysis for bank's website related variables

	t	df	Sig. (2-tailed)	Mean Difference	95% Confidence Interval of the Difference	
					Lower	Upper
Visual Appearance	-2.034	91	0.045	-0.174	-0.34	0
Organization layout	-0.382	91	0.703	-0.033	-0.2	0.14
Ease information	0.129	91	0.897	0.011	-0.16	0.18
Simplicity	-0.773	91	0.442	-0.065	-0.23	0.1
Download speed	1.196	91	0.235	0.12	-0.08	0.32
Convenience	-2.196	91	0.031	-0.196	-0.37	-0.02

From the above table, it can be suggested that null hypothesis is rejected in case of 'visual appearance' and 'convenience' while in other variables like 'organization layout', 'ease information', 'simplicity' and 'download speed' null hypothesis is accepted.

Findings

It means that people are not satisfied with website visual appearance and connivance for doing transaction. But on other side it is very easy to get information related activity people have positive view.

Internet banking is performed through a computer system or similar devices that can connect to the banking site via the internet. From the research conducted there were 80 males and 20 females. Banks are providing free internet banking services also so that the customers can be attracted. By asking the bank employs I came to know that maximum numbers of internet bank account holders are youth and business man. The maximum respondents were up to 18-25

years of age. Majority of the respondents were graduate. Majority of the respondent were having monthly income between Rs. 15000-20000 and they hold savings account with bank. 92% respondents are using internet banking facility because they feel that it provide 24hrs service.

People generally used internet banking and other related services just because of balance inquiry service, just because having fear of security problem. Majority of respondents says that visual appearance and convenience should be changed compare to other bank. The entire respondents are satisfied by all the services of bank. There is still a lot needed for the banking system to make reforms and train their customers for using internet for their banking account.

Conclusion

E-Banking is an innovative tool that is fast becoming a necessity. It is a successful strategic we upon for banks to remain profitable in a volatile and competitive marketplace of today. This study attempted to identify key quality attributes of internet banking services by analyzing internet banking customers and their comments on banking experience. The findings of this study show that despite of many advantages of online banking. Bank today provides the facility of online banking but most of people use it on an average only once in a week. This reason is that in case of internet banking interpersonal interaction with customers is seldom possible. The main factors which persuade people to use online banking is because its provide 24 hours service and simplicity of use. Going through the survey the main problem lies that still customer have security and transaction failure issues over internet banking. In future, the availability of technology to ensure safety and privacy of e-transactions and the RBI guide lines on various aspects of internet banking will definitely help in rapid growth of internet banking in India.

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