FACTORS INFLUENCING THE E-BANKING SERVICES AND SATISFACTION OF THE CUSTOMERS TOWARDS E-BANKING SERVICES IN PUBLIC SECTOR BANKS IN TIRUNELVELI DISTRICT

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ABSTRACT

The study aims to analyze the factors influencing the e-banking services and satisfaction of the customers towards e-banking services in public sector banks. The present study is exploratory and analytical in nature and has adopted survey method for the exploration of findings and suggestions. The study uses primary data collected from the customers from public sector banks. Efforts have also been made to collect data especially from Newspaper, Journals, Magazines and previous researches. The researcher has selected top five public sector banks which have a maximum level of branch automation and providing most of the e-banking services in the Tirunelveli District. The banks have also selected on the basis of performance of bank in terms of volume of transaction and operations five leading public sector banks were selected like Indian Overseas Bank, State Bank of India, Canara Bank, Indian Bank and Corporation Bank. For the selection of banks, the researcher has conducted a primary investigation to investigate the availability of the e-banking services. Based on this, Totally 150 customers were selected on the basis of judgement sampling for the study. It is concluded that there is a significant difference between age group of the sample customers and satisfaction level on e-banking regarding debit card services of public sector banks. It is identified that there is no significant difference between educational qualification of the sample customers and satisfaction level on e-banking regarding debit card services of public sector banks.

KEY WORDS: Factors, Satisfaction, Public Sector banks and e-banking services

INTRODUCTION

E-banking is about using the infrastructure of the digital age to create opportunities, both local and global. Advent and adoption of internet by the industries

has removed the constraint of time, distance and communication transforming our globe truly into a small village. Financial sector being no exception, numerous factors such as competitive cost, customer service, increase in education and income level of customers, etc. influence banks to evaluate their technology and assess their electronic commerce and internet banking strategies.

STATEMENT OF THE PROBLEM

Nowadays, public sector banks are providing more banking services to the customers with varying features in India. Indian banking industry has been developed through the technology and quality service to their customers. For quality of service the banking institution implies more banking services like e-banking services. The task of the bankers is to mould customer perception so as to occupy the desired position for their bank. The changes in technology and challenges are uncontrollable in day to day human life. In that way, the technology has been developed by human innovative thoughts in all industry include banking industry. The bank customers are familiarly using e-banking services for their banking transactions. There is more competition and changes occurred in customer perception and innovative technology has been used to satisfy the customers.

Although e-banking service may help to reduce costs, there are more important considerations, such as the extent to which retail banking customers use new forms of banking service, which are the factors that influence intention toward using another form of banking service. These considerations are very important to the practitioners who plan and using the new forms of banking service in the competitive industry. The online banking service is different from the traditional banking system and it fully based on customer-oriented banking services. It has more advantages as well as disadvantages in these online banking services like NEFT, RTGS and e-payments, etc. Hence, the researcher has taken effort to study together the factors influencing the e-banking services and satisfaction of the customers towards e-banking services in public sector banks in Tirunelveli district.

SCOPE OF THE STUDY

The present study entitled "Factors influencing the e-banking services and satisfaction of the customers towards e-banking services in public sector banks in Tirunelveli district" aims to analyze the factors influencing the e-banking services and satisfaction of the customers towards e-banking services in public sector banks. The

scope of the study also covers the key factor which influences the customers to use e-banking services and satisfaction of the customers towards e-banking services in public sector banks in Tirunelveli district.

OBJECTIVES OF THE STUDY

1) To identify the factors influencing the e-banking services in public sector banks in Tirunelveli District.

2) To examine the satisfaction of the customers towards e-banking services of public sector banks in Tirunelveli District.

METHODOLOGY

The present study is exploratory and analytical in nature and has adopted survey method for the exploration of findings and suggestions. The study uses primary data collected from the customers from public sector banks. Efforts have also been made to collect data especially from Newspaper, Journals, Magazines and previous researches.

SAMPLING DESIGN

The researcher has selected top five public sector banks which have a maximum level of branch automation and providing most of the e-banking services in the Tirunelveli District. The banks have also selected on the basis of performance of bank in terms of volume of transaction and operations five leading public sector banks were selected like Indian Overseas Bank, State Bank of India, Canara Bank, Indian Bank and Corporation Bank. For the selection of banks, the researcher has conducted a primary investigation to investigate the availability of the e-banking services. Based on this, Totally 150 customers were selected on the basis of judgement sampling for the study.

ANALYSIS AND INTERPRETATION

Factors influencing at most for use of e-banking services among different age group of customers

To study the effect of the variable age group of customers on factors influence the maximum usage of e-banking services, 'ANOVA' test is applied with following null hypothesis,

Null Hypothesis: There is no significant difference between the mean scores regarding factors influence the maximum usage of E-banking services with respect to the age group of customers of public sector banks in Tirunelveli district.

To test the significant difference between the mean score among the sample customers with respects to age group and factors influencing at most usage of E-banking services, the ANOVA test is used and the result is also shown in Table 1.

Table 1
Factors influence the most for using E-banking services among different age group of customers

Factors	Age Group (Mean Score)						F Statistics
	Below 20 years	21-30 years	31-40 years	41-50 years	51-60 years	Above 60 years	
24*7 or Anywhere banking	4.8619	4.8223	4.8583	4.7955	4.9268	4.7826	3.726*
More number of branches and services	4.7222	4.6446	4.7167	4.5909	4.7537	4.5652	3.624*
Low/reasonable service charges	4.5389	4.4711	4.4571	4.3864	4.6341	4.3039	2.185
Secured transaction	4.2056	4.2727	3.7000	3.8909	4.2683	3.9565	6.149*
Efficient and timely services	4.2167	4.0248	4.1571	3.7727	4.2927	3.8696	3.841*
Friends/ Relatives	4.4278	4.2603	4.4571	4.3864	4.4634	4.2174	4.313*
Latest technology based services	4.8511	4.6198	4.7571	4.7955	4.8293	4.6957	7.243*
Provide innovative and efficient services	3.7889	3.7645	3.7000	3.3864	3.8293	3.6522	7.241*
Safe is an application enhances security	4.0778	3.9752	4.4571	3.9773	4.3902	3.7826	4.217*
Easy accessibility	4.3722	4.5537	4.7000	4.3864	4.5366	4.3913	6.100*
Decreased number of visits to banks	4.5111	4.2066	4.4571	3.9773	4.3902	3.7826	3.768*
Attractive interest rate	4.6500	4.3843	4.4571	4.1818	4.6585	4.3478	5.061*
Easy to avail all the services	4.4222	4.5207	4.5429	4.4091	4.4878	4.2953	1.770
Easy to understand the procedure of e-service	4.4278	4.4475	4.7000	4.3864	4.5610	4.3043	4.362*
Bank image	4.6111	4.5289	4.7571	4.7833	4.7317	4.4348	5.152*

Source: Primary data
*-Significant at five per cent level

Table 1 demonstrates that 24*7 or anywhere banking and latest technology based services are the important factors that influence the most use of E-banking services among the customers who belong to the age group of below 20 years as their mean scores are 4.8619 and 4.8511 respectively. Table further indicates that 24*7 or anywhere banking and more number of branches and services are the important factors that influence the most use E-banking services among the customers who belong to the age group between 21-30 years as their mean scores are 4.8223 and

4.6446 respectively. Table further shows that 24*7 or anywhere banking and bank image are the important factors that influence the use of E-banking services among the customers who belong to the age group between 31-40 years as their mean scores are 4.8583 and 4.7571 respectively. Table further reveals that 24*7 or anywhere banking and bank image are the important factors that influence the most use of E-banking services among the customers who belong to the age group between 41-50 years as their mean scores are 4.7955 and 4.7833 respectively. Table further elucidates that 24*7 or anywhere banking and latest technology based services are the important factors that influence the use of E-banking services among the customers who belong to the age group between 51-60 years as their mean scores are 4.9268 and 4.8293 respectively. Table further highlights that 24*7 or anywhere banking and latest technology based services are the important factors that influence the use of E-banking services among the customers who belong to the age group of above 60 years as their mean scores are 4.7826 and 4.6957 respectively.

Since the calculated 'F' value of factors influence the most for using E-banking services namely 24*7 or anywhere banking, more number of branches and services, secured transaction, efficient and timely services, friends and relatives, latest based technology services, provide innovative and efficient services, safety is an application that enhances security, easy accessibility, decreased number of visits to banks, attractive interest rate, easy to understand the procedure of e-service and bank image are significant at 5 per cent.

Factors influence the most for using E-banking services among different Gender group of customers

To study the outcome of the variable gender group of customers on factors influence the most for using E-banking services , 't' test is applied with following null hypothesis,

Null Hypothesis: There is no significant difference between the mean scores regarding factors influence the most for using E-banking services with respect to the gender group of customers of public sector banks in Tirunelveli district.

To test the significant difference between the mean score among the sample customers with respects to gender group and factors influence the most for using E-banking services, the 't' test is used and the result is also depicted in Table 2.

Table 2
Factors influencing the most for using E-banking services among different
Gender group of customers

Factors	Gender group [Mean Score]		t Statistics
	Male	**Female**	
24*7 or Anywhere banking	4.8000	4.9667	4.726*
More number of branches and services	4.6000	4.9333	4.969*
Low/reasonable service charges	4.6205	4.2429	6.447*
Secured transaction	4.1897	4.0000	3.777*
Efficient and timely services	4.1487	3.9857	2.447*
Friends/ Relatives	4.4385	4.2000	5.984*
Latest technology based services	4.7205	4.7714	1.353
Provide innovative and efficient services	3.7103	3.7857	1.005
Safe is an application enhances security	4.0538	4.1381	1.022
Easy accessibility	4.6026	4.3000	5.372*
Decreased number of visits to banks	4.2308	4.5238	3.331*
Attractive interest rate	4.4308	4.5571	2.026*
Easy to avail all the services	4.4333	4.5524	2.799*
Easy to understand the procedure of e-service	4.5179	4.3952	2.886*
Bank image	4.7103	4.4238	5.136*

Source: Primary data
*-Significant at five per cent level

Table 2 indicates that 24*7 or anywhere banking and latest based technology services are the important factors that influence the most for using E-banking services among the customers who are male as their mean scores are 4.8000 and 4.7205 respectively. Table further indicates that 24*7 or anywhere banking and more number of branches and services are the important factors that influence the most for using E-banking services among the customers who are female as their mean scores are 4.9667 and 4.9333 respectively.

Since the 't' value of factors influence the most for using E-banking services among different gender group of customers of public sector banks namely 24*7 or anywhere banking, more number of branches and services, low/reasonable service charges, secured transaction, efficient and timely services, friends and relatives, easy accessibility, decreased number of visits to banks, attractive interest rate, easy to avail all the services, easy to understand the procedure of e-service and bank image are significant at 5 per cent.

Table 3
Demographic Profile Variables of Customers and Satisfaction
level on e-banking regarding Debit Card services of public sector
banks

Demographic Variables	Mean	S.D.	d.f	F Value	p Value	H₀
Age group						
Below 20 years	12.19	2.01	5	3.878	0.016	Rejected
21-30 years	12.68	1.99				
31-40 years	12.98	1.86				
41-50 years	11.90	2.14				
51-60 years	11.28	2.32				
Above 60 years	11.92	1.75				
Educational Qualification						
Up to Higher secondary	12.15	1.78	5	0.822	0.534	Retained
Diploma	12.17	2.03				
Degree	12.22	2.02				
Master Degree	12.23	1.95				
Professional	11.92	2.20				
Others	12.95	1.71				
Occupation						
Government Employees	12.46	1.88	5	1.648	0.145	Retained
Private Employees	12.34	1.93				
Businessmen	12.00	1.99				
Self employee	11.80	2.14				
Student	12.06	2.09				
Housewife	11.82	2.39				

Source: Computed data

It is noted from Table 3 that for the demographic variable age group of customers, the computed 'F' value is 3.878 and the 'p' value at 5% level of significance is 0.016. Since the 'p' value is less than 0.05, the null hypothesis is rejected. As such, it is concluded that there is a significant difference between age group of the sample customers and satisfaction level on e-banking regarding debit card services of public sector banks.

For the demographic variable educational qualification, the computed 'F' value is 0.822 and the 'p' value at 5% level of significance is 0.534. Since the 'p' value is greater than 0.05, the null hypothesis is accepted. As such, it is concluded that there is no significant difference between educational qualification of the sample customers and satisfaction level on e-banking regarding debit card services of public sector banks.

For the demographic variable occupation, the computed 'F' value is 1.648 and the 'p' value at 5% level of significance is 0.145. Since the 'p' value is higher than 0.05, the null hypothesis is accepted. As such, it is concluded that there is no significant difference between occupation of the sample customers and satisfaction level on e-banking regarding debit card services of public sector banks.

Table 4
Demographic Profile Variables of Customers and Satisfaction level on e-banking regarding Credit Card services of public sector banks

Demographic Variables	Mean	S.D.	d.f	F Value	p Value	H$_o$
Area of living						
Rural	12.34	1.93	2	1.144	0.319	Retained
Urban	12.08	1.98				
Semi-urban	12.18	1.95				
Marital Status						
Married	12.22	2.00	4	0.988	0.414	Retained
Unmarried	12.28	1.84				
Widowed	12.52	0.87				
Divorced	11.50	3.00				
Separated	12.47	1.73				
Monthly Income						
Less than Rs.10,000	12.17	2.17	5	1.357	0.239	Retained
Rs.10,001 – 20,000	12.32	1.69				
Rs. 20,001 – 30,000	11.52	2.82				
Rs.30,001 – 40,000	12.29	1.57				
Rs.40,001 – 50,000	12.52	2.27				
Above Rs.50,000	12.65	0.93				

Source: Computed data

For the demographic variable area of living, the computed 'F' value is 1.144 and the 'p' value at 5% level of significance is 0.319. Since the 'p' value is greater than 0.05, the null hypothesis is accepted. As such, it is concluded that there is no significant difference between area of living of the sample customers and satisfaction level on e-banking regarding credit card services of public sector banks.

For the demographic variable marital status, the computed 'F' value is 0.988 and the 'p' value at 5% level of significance is 0.414. Since the 'p' value is greater than 0.05, the null hypothesis is accepted. As such, it is concluded that there is no significant difference between marital status of the sample customers and satisfaction level on e-banking regarding credit card services of public sector banks.

For the demographic variable monthly income, the computed 'F' value is 1.357 and the 'p' value at 5% level of significance is 0.239. Since the 'p' value is higher than 0.05, the null hypothesis is accepted. As such, it is concluded that there is no significant difference between monthly income of the sample customers and satisfaction level on e-banking regarding credit card services of public sector banks.

SUGGESTIONS

✓ Public sector banks must ensure to their customers that their service is competitive. Thus the banks are suggested that though internet banking is useful it will improve only if security concept is concerned more. Thus banks must concentrate further on security and withhold their customers and improve them more.

✓ The public sector banks should build customer awareness and informing the customer on uses of technology based banking services. The Reserve Bank of India and banks should plan a coordinated campaign in partnership with the trainers and professional to educate customers for operating technology based banking services.

✓ The public sector banks should introduce Mobile ATM services, for which a vehicle carrying ATM with sufficient manpower should be stand and move prominent places such as bazaar, shopping complex and people crowed important public place.

CONCLUSION

It is concluded that 24*7 or anywhere banking and latest technology based services are the important factors that influence the most use of E-banking services among the customers who belong to the age group of below 20 years. It is observed that there is a significant difference between age group of the sample customers and satisfaction level on e-banking regarding debit card services of public sector banks. It is identified that there is no significant difference between educational qualification of the sample customers and satisfaction level on e-banking regarding debit card services of public sector banks.

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