



A STUDY ON FACTORS INFLUENCING THE CUSTOMER SATISFACTION ON INTERNET BANKING WITH SPECIAL REFERENCE TO THALAVADI TALUK, ERODE DISTRICT.

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ABSTRACT:

Electronic banking aids users to get access to their funds through an electronic medium, thereby, eliminating the requirement for the banks' customers to visit the bank to do financial transactions. Since a greater number of customers are now using the internet for a host of their daily activities, this digital medium of banking makes banking far accessible and convenient for users. Electronic banking is also known with the names, like, e-banking, virtual banking, online banking, or internet banking. In simple words, the electronic banking is the use of electronic and telecommunications network for delivering different sort of banking products and services. Moreover, a customer can easily access his bank account and carry transactions by using his computer or mobile phone with the help of e-banking. This study throws light on the factors influencing the customer satisfaction on E-Banking services.

Keywords: Internet Banking, Customer Satisfaction, E-Banking, Online Banking.

INTRODUCTION:

The online banking system will naturally connect to or be part of the core banking system operated by a bank and is in contrast to branch banking which was the traditional way customers right to use banking services. The types of financial transactions which a customer may transact in the course of online banking are resolute by the financial institutions, but usually include get account balances, a list of the recent transactions, electronic bill payment and funds transfer between one customer to another customers account. Various developments have taken place in Indian Banking. Among the various developments, technology has influenced the way customer interacts with the banks. Electronic channels and products such as ATM's, cards, internet banking and mobile banking are offer along with traditional bank channel. Difference in the practice of channels exists between developed countries and emergent countries.

REVIEW OF LITERATURE

CHERUKUR, M.R.B. and RUBY, M.S., 2020 in the title "Study on electronic banking towards customer satisfaction" The goal of the study is to comprehend client satisfaction with online banking. The research was analyzed using a sample of 205 people. They were doing Mean analysis based on 13 questionnaires and the analysis clearly shows that the aspects that impact are determined by the mean values of variables such as use, significance, time savings, accessibility, rating, educational role, security threats, effectiveness, security, costs, issue handling, and convenience. Therefore, it is clear from the data that the use and significance of electronic banking are the criteria that have the biggest impact on consumer satisfaction.

Renu, D.P. and Singh, K., 2019. The Impact of E-Banking on the use of Banking Services and Customers Satisfaction. Every task in the banking sector is automated, from account opening to money transfers through e-banking, eliminating the need for customers to visit banks and wait in long lines. Public sector banks have staff members who are over 50 and have very little experience with computerized banking or online banking. These are the expenses incurred by public sector banks must bear in order to train their employees to use computers while they are employed by the bank and can manage any transaction. Additionally, technology has been playing vital to the banking industry. E-banking is useful for banks as well as customers, in addition to both.

Sunith C K (2019) has made an empirical study of customer satisfaction in E-banking services. This study stated that Electronic banking incorporates systems that enable individual customers to access their accounts, transact with speed and obtain current and updated information on latest financial products and services through public or private networks. It accommodates a variety of platforms such as internet banking,

telephonic and television based banking, automated teller services, mobile phone banking as well as personal computer based and offline banking services. Customer is distinguished from a consumer in the sense that a customer pays for a product or service while a consumer is the end user who experiences a product or service.

OBJECTIVES OF THE STUDY:

1. To find out the demographic profile of the respondents.
2. To study the level of Satisfaction of the respondents towards Internet Banking.
3. To find out level of Satisfaction on various Internet Banking services.

RESEARCH METHODOLOGY

SOURCES OF DATA:

The study is mainly based on primary data. Secondary data also collected from Books, journals and company websites.

SAMPLING DESIGN

The study aims at analyzing the customers' Satisfaction towards Internet Banking, a total of 300 samples were taken for the study. Convenient sampling method has been used to collect the data.

STATISTICAL TOOLS USED:

1. Percentage analysis.
2. Chi square test.
3. Multiple regression analysis
4. Weighted score analysis.

LIMITATIONS OF THE STUDY:

1. The sample size limited to 300 respondents only.
2. The study is confined to Talavadi taluk only hence it is not applicable to other areas,

DATA ANALYSIS AND INTERPRETATION:

TABLE 1
DEMOGRAPHIC VARIABLES OF THE RESPONDENTS:

DEMOGRAPHIC VARIABLES		FREQUENCY	PERCENT AGE
Gender	Male	176	58.67
	Female	124	41.33
Age group	Below 20	80	26.66
	20 - 30	48	16.00
	31 - 40	80	26.67
	41 - 50	32	10.67
	Above 50	60	20.00
Educational qualification	School Level	40	13.33
	Degree	96	32.00
	Master Degree	100	33.33
	Profession	64	21.33
Marital Status	Married	220	73.33
	Unmarried	80	26.67
Occupation	Employee	80	26.67
	Business	72	24.00
	Profession	48	16.00
	Students	48	16.00
	Others	52	17.33
Income level (Monthly)	Up to 10000	32	10.67
	10001-20000	112	37.33
	20001-30000	52	17.33

	30001-40000	80	26.67
	Above 40000	40	13.33
Number of family members	2 Members	48	16.00
	3 Members	80	26.67
	4 Members	80	26.67
	5 Members	52	17.33
	Above 5 Members	40	13.33
Place of residence	Rural area	92	30.67
	Urban area	208	69.33

Source: primary data.



CHI - SQUARE TEST

GENDER AND LEVEL OF SATISFACTION TOWARDS INTERNET BANKING:

with a view to find out the significant relationship between gender and level of Satisfaction, two- way table has been constructed and the result is given below.

TABLE 2

**GENDER AND LEVEL OF SATISFACTION TOWARDS INTERNET BANKING (TWO-
WAY TABLE)**

Gender	Level of Satisfaction						Total
	Low	%	Medium	%	High	%	
Male	64	36.4	48	27.3	64	36.4	176
Female	36	29	56	45.2	32	25.8	124
Total	100	33.3	104	34.7	96	32	300

Source: Primary Data

The above table shows that the percentage of high level Satisfaction towards the Internet Banking was high (36.4) among Male respondents and low (25.8) among Female respondents. On the other hand, that the percentage of low level Satisfaction towards the Internet Banking was high (36.4) among Male respondents and low (29) among female respondents.

CHI- SQUARE TEST:**Null Hypothesis (H₀)**

There is no significant relationship between gender of the respondents and level of Satisfaction towards Internet Banking services.

TABLE 3**GENDER AND LEVEL OF SATISFACTION TOWARDS INTERNET BANKING (CHI-SQUARE TEST)**

Factor	Calculated Value (χ^2)	Table value	Degree of Freedom	Significant Level
Gender	10.42	5.99	2	5%

Source: Authors calculation.

The above table shows that the calculated chi-square value (10.42) is greater than the table value (5.99). The null hypothesis is rejected. Hence there is there is significant relationship between gender of the respondents and level of Satisfaction towards Internet Banking.

AGE AND LEVEL OF SATISFACTION TOWARDS INTERNET BANKING:

with a view to find out the significant relationship between Age and level of Satisfaction, two- way table has been constructed and the result is given below.

TABLE 4**AGE AND LEVEL OF SATISFACTION TOWARDS INTERNET BANKING (TWO-WAY TABLE)**

Age	Level of Satisfaction						Total
	Low	%	Medium	%	High	%	
Below 20	32	40	16	20	32	40	80
20 - 30	0	0	0	0	48	100	48
31 - 40	32	40	32	40	16	20	80
41-50	16	50	16	50	0	0	32
Above 50	20	33.3	40	66.7	0	0	60
Total	100	33.3	104	34.7	96	32	300

Source: Primary Data

The above table shows that the percentage of high level Satisfaction towards the Internet Banking was high (100) among 20 – 30 years age group respondents and low (20) among 31 – 40 years age group respondents. On the other hand, that the percentage of low level Satisfaction towards the Internet Banking was high (50) among 41 to 50 years age group respondents and low (33,3) among above 50 years age group respondents.

CHI- SQUARE TEST:**Null Hypothesis (H₀)**

There is no significant relationship between Age of the respondents and level of Satisfaction towards Internet Banking.

TABLE 5

AGE AND LEVEL OF SATISFACTION TOWARDS INTERNET BANKING (CHI-SQUARE TEST)

Factor	Calculated Value (χ^2)	Table value	Degree of Freedom	Significant Level
Age	83.477	15.5	8	5%

Source: Authors calculation.

The above table shows that the calculated chi-square value (83.477) is greater than the table value (15.5). The null hypothesis is rejected. Hence there is there is significant relationship between Age of the respondents and level of Satisfaction towards Internet Banking.

EDUCATIONAL QUALIFICATION AND LEVEL OF SATISFACTION TOWARDS INTERNET BANKING:

with a view to find out the significant relationship between Educational qualification and level of Satisfaction, two- way table has been constructed and the result is given below.

TABLE 6

**EDUCATIONAL QUALIFICATION AND LEVEL OF SATISFACTION TOWARDS
INTERNET BANKING (TWO-WAY TABLE)**

Educational Qualification	Level of Satisfaction						
	Low	%	Medium	%	High	%	Total
School Level	16	25	32	50	16	25	40
Degree	32	33.3	16	16.7	48	50	96
Master Degree	32	32	36	36	32	32	100
Profession	20	50	20	50	0	0	64
Total	100	33.3	104	34.7	96	32	300

Source: Primary Data

The above table shows that the percentage of high level Satisfaction towards the Internet Banking was high (50) among those who had Degree level education and low (32) among those who had school level education. On the other hand, that the percentage of low level Satisfaction towards the Internet Banking was high (50) among those who had professional education and low (25) among those who had school level education.

CHI- SQUARE TEST:**Null Hypothesis (H₀)**

There is no significant relationship between Educational qualification of the respondents and level of Satisfaction towards Internet Banking.

TABLE 7**EDUCATIONAL QUALIFICATION AND LEVEL OF SATISFACTION TOWARDS INTERNET BANKING (CHI- SQUARE TEST)**

Factor	Calculated Value (χ^2)	Table value	Degree of Freedom	Significant Level
Educational qualification	44.297	12.6	6	5%

Source: Authors calculation.

The above table shows that the calculated chi-square value (44.297) is greater than the table value (12.6). So the null hypothesis is rejected. Hence there is there is significant relationship between Educational qualification of the respondents and level of Satisfaction towards Internet Banking services.

MARITAL STATUS AND LEVEL OF SATISFACTION TOWARDS INTERNET BANKING:

with a view to find out the significant relationship between Marital status and level of Satisfaction, two- way table has been constructed and the result is given below.

TABLE 8

**MARITAL STATUS AND LEVEL OF SATISFACTION TOWARDS INTERNET BANKING
(TWO-WAY TABLE)**

Marital Status	Level of Satisfaction						Total
	Low	%	Medium	%	High	%	
Married	68	30.9	72	32.7	80	36.4	220
Unmarried	32	40	32	40	16	20	80
Total	200	33.3	104	34.7	96	32	300

Source: Primary Data

The above table shows that the percentage of high level Satisfaction towards the Internet Banking was high (36.4) among Married respondents and low (20) among Unmarried respondents. On the other hand, that the percentage of low level Satisfaction towards the Internet Banking was high (40) among Unmarried respondents and low (30.9) among Married respondents.

CHI- SQUARE TEST:**Null Hypothesis (H₀)**

There is no significant relationship between Marital status of the respondents and level of Satisfaction towards Internet Banking.

TABLE 9

**MARITAL STATUS AND LEVEL OF SATISFACTION TOWARDS INTERNET BANKING
(CHI- SQUARE TEST)**

Factor	Calculated Value (χ^2)	Table value	Degree of Freedom	Significant Level
Marital status	7.258	5.99	2	5%

Source: Authors calculation.

The above table shows that the calculated chi-square value (7.258) is greater than the table value (5.99). The null hypothesis is rejected. Hence there is there is significant relationship between Marital status of the respondents and level of Satisfaction towards Internet Banking services.

OCCUPATION AND LEVEL OF SATISFACTION TOWARDS INTERNET BANKING:

with a view to find out the significant relationship between Occupation and level of Satisfaction, two-way table has been constructed and the result is given below.

TABLE 10

OCCUPATION AND LEVEL OF SATISFACTION TOWARDS INTERNET BANKING (TWO-WAY TABLE)

Occupation	Level of Satisfaction						Total
	Low	%	Medium	%	High	%	
Employee	32	40	32	40	32	20	80
Business	0	0	40	55.6	64	44.43	72
Profession	16	33.3	16	33.3	32	33.3	48
Students	32	66.7	0	0	32	33.3	48
Others	20	38.5	16	30.8	32	30.8	52
Total	100	33.3	104	34.7	96	32	300

Source: Primary Data

The above table shows that the percentage of high level Satisfaction towards the Internet Banking was high (44.3) among businessmen and low (20) among employees. On the other hand, that the percentage of low level Satisfaction towards the Internet Banking was high (66.7) among students and low (33.3) among professions.

CHI- SQUARE TEST:**Null Hypothesis (H₀)**

There is no significant relationship between Occupation of the respondents and level of Satisfaction towards Internet Banking.

TABLE 11

**OCCUPATION AND LEVEL OF SATISFACTION TOWARDS INTERNET BANKING
(CHI- SQUARE TEST)**

Factor	Calculated Value (χ^2)	Table value	Degree of Freedom	Significant Level
Occupation	75.251	15.5	8	5%

Source: Authors calculation.

The above table shows that the calculated chi-square value (75.251) is greater than the table value (15.5). The null hypothesis is rejected. Hence there is there is significant relationship between Occupation of the respondents and level of Satisfaction towards Internet Banking services.

MONTHLY INCOME AND LEVEL OF SATISFACTION TOWARDS INTERNET BANKING SERVICES:

with a view to find out the significant relationship between Monthly income and level of Satisfaction, two- way table has been constructed and the result is given below.

TABLE 12

**MONTHLY INCOME AND LEVEL OF SATISFACTION TOWARDS INTERNET
BANKING SERVICES (TWO-WAY TABLE)**

Monthly Income	Level of Satisfaction						
	Low	%	Medium	%	High	%	Total
Up to 10000	0	0	0	0	32	100	32
10001-20000	32	28.6	32	28.6	48	42.9	112
20001-30000	0	0	36	69.2	16	30.08	52
30001-40000	48	60	16	20	16	20	80
Above 40000	20	50	20	50	0	0	40
Total	100	33.3	104	34.7	96	32	300

Source: Primary Data

The above table shows that the percentage of high level Satisfaction towards the Internet Banking was high (100) among the respondents who earned up to Rs.10000 and low (20) among who earned from Rs.30001 to 40000. On the other hand, that the percentage of low level Satisfaction towards the Internet Banking was high (60) among the respondents who earned Rs.30001 to 40000 and low (28.6) among the respondents who earned Rs.10001 to 20000.

CHI- SQUARE TEST:

Null Hypothesis (H₀)

There is no significant relationship between Monthly income of the respondents and level of Satisfaction towards Internet Banking.

TABLE 13

MONTHLY INCOME AND LEVEL OF SATISFACTION TOWARDS INTERNET BANKING (CHI- SQUARE TEST)

Factor	Calculated Value (χ^2)	Table value	Degree of Freedom	Significant Level
Monthly income	119.841	15.5	8	5%

Source: Authors calculation.

The above table shows that the calculated chi-square value (119.841) is greater than the table value (15.5). The null hypothesis is rejected. Hence there is there is significant relationship between Monthly income of the respondents and level of Satisfaction towards Internet Banking.

NUMBER OF FAMILY MEMBERS AND LEVEL OF SATISFACTION TOWARDS INTERNET BANKING:

with a view to find out the significant relationship between Number of family members and level of Satisfaction, two- way table has been constructed and the result is given below.

TABLE 14

NUMBER OF FAMILY MEMBERS AND LEVEL OF SATISFACTION TOWARDS INTERNET BANKING (TWO-WAY TABLE)

Number of family members	Level of Satisfaction						Total
	Low	%	Medium	%	High	%	
2 Members	0	0	16	33.3	32	66.7	48
3 Members	32	40	16	20	32	40	80
4 Members	32	40	16	20	32	40	80
5 Members	16	30.8	36	69.2	0	0	52
Above 5 Members	20	50	42	50	0	0	40
Total	100	33.3	104	34.7	96	32	300

Source: Primary Data

The above table shows that the percentage of high level Satisfaction towards the Internet Banking was high (66.7) among the respondents who had 2 members in their family and low (40) among the respondents who had 3 and 4 members in their family. On the other hand, that the percentage of low level Satisfaction towards the Internet Banking was high (50) among the respondents who had above 5 members in their family and low (30.8) among the respondents who had 5 members in their family

CHI- SQUARE TEST:**Null Hypothesis (H₀)**

There is no significant relationship between Number of family members of the respondents and level of Satisfaction towards Internet Banking.

TABLE 15

**NUMBER OF FAMILY MEMBERS AND LEVEL OF SATISFACTION TOWARDS
INTERNET BANKING (CHI- SQUARE TEST)**

Factor	Calculated Value (χ^2)	Table value	Degree of Freedom	Significant Level
Number of family members	102.82	15.5	8	5%

Source: Authors calculation.

The above table shows that the calculated chi-square value (102.82) is greater than the table value (15.5). The null hypothesis is rejected. Hence there is significant relationship between Number of family members of the respondents and level of Satisfaction towards Internet Banking.

PLACE OF RESIDENCE AND LEVEL OF SATISFACTION TOWARDS INTERNET BANKING:

with a view to find out the significant relationship between place of residence and level of Satisfaction, two- way table has been constructed and the result is given below.

TABLE 16

**PLACE OF RESIDENCE AND LEVEL OF SATISFACTION TOWARDS INTERNET
BANKING (TWO-WAY TABLE)**

Place of Residence	Level of Satisfaction						
	Low	%	Medium	%	High	%	Total
Rural	20	21.7	56	60.9	16	17.4	92
Urban	80	38.5	48	23.1	80	38.5	208
Total	100	33.3	104	34.7	96	32	300

Source: Primary Data

The above table shows that the percentage of high level Satisfaction towards the Internet Banking was high (38.5) among Urban area respondents and low (17.4) among Rural area respondents. On the other hand, that the percentage of low level Satisfaction towards the Internet Banking was high (38.5) among Urban area respondents and low (21.7) among Rural area respondents.

CHI- SQUARE TEST:**Null Hypothesis (H₀)**

There is no significant relationship between place of residence of the respondents and level of Satisfaction towards Internet Banking.

TABLE 17

PLACE OF RESIDENCE AND LEVEL OF SATISFACTION TOWARDS INTERNET BANKING

(CHI SQUARE TEST)

Factor	Calculated Value (χ^2)	Table value	Degree of Freedom	Significant Level
Place of residence	40.481	5.99	2	5%

Source: Authors calculation.

The above table shows that the calculated chi-square value (40.481) is greater than the table value (5.99). The null hypothesis is rejected. Hence there is there is significant relationship between place of residence of the respondents and level of Satisfaction towards Internet Banking.

TABLE 18

MULTIPLE REGRESSION ANALYSIS

LEVEL OF SATISFACTION TOWARDS INTERNET BANKING

S.no.	Variables	Standardized co- efficient(β)	t- Value	P= Value	S/NS
	(Constant)		3.164	.002	S
1	Gender	.016	.823	.411	S
2	Place of Residence	.177	5.913	.000	S
3	Age	-.219	-7.351	.000	S
4	Education Level	.283	11.407	.000	S

5	Occupational Status	.251	11.042	.000	NS
6	Monthly Income	-.171	-8.280	.000	S
7	Marital Status	.103	4.943	.000	S
8	Type of Family	-.166	-8.163	.000	S
9	Number of members in the Family	-.127	-5.375	.000	S
	R²	0.243			
	F Change	30.97			
	Sig in F Change	0.000			

Source: Author's calculation.

TABLE 19

ANOVA

ANOVA						
	Model	Sum of the squares	DF	Mean square	F	Significance
I	Regression	38.08	9	10.578	30.97	.000
	Residual	100.741	590	.171		
	Total	195.94	599			

Source: Author's calculation.

It is clear from the above table the Standardized Beta Co-efficient give a measure of contribution of each variable to the model, a large value indicates that a unit change in this predictor variable has large effect on criterion variable. It is found the variables such as Gender, Place of residence, Age, Educational level, Monthly income, Marital status, Type of the family and Number of members in the family has a large impact on criterion variable. Hence, overall ANOVA result assesses of this model (F-30.97, $p < 0.05$). This model is statistically significant.

TABLE 20

SATISFACTION ON INTERNET BANKING (WEIGHTED SCORE ANALYSIS)

S. No	FACTORS	WEIGHTED SCORE	RANK
1	Balance enquiry in Online.	1977	I
2	Last five transactions	1766	III
3	Request for cheque book.	1711	IV
4	Request for a statement of account	1658	V
5	QR Payments	1885	II
6	Prepaid Card Information	1545	VI
7	Free from cash carry	1125	X
8	Reduce Transaction Cost	1234	IX
9	Privacy & Security	1433	VII
10	Anytime anywhere use	1245	VIII

Source: Primary Data

The Satisfaction of the respondents seems high in Balance enquiry in online as it is ranked first with a score of 1977 points.

TABLE 21

PROBLEMS FACED BY THE RESPONDENTS

S. No	INTERNET BANKING SITES	WEIGHTED SCORE	RANK
1	Frequent password changes request by bank	1556	IV
2	Security	1789	II
3	Technical issues	1665	III
4	Lack of personal relationship	1877	I
5	Limited services	1446	V
6	Handling Technology	1347	VI
7	Low broadband Internet Penetration	1235	VII
8	Security Fraud	1134	VIII

9	Privacy risk	1024	IX
10	The Trust Factor – Fear of online threats/scam	916	X

Source: Primary Data

The main problem faced by the respondent is lack of personal relationship.

FINDINGS:

Majority of the respondents were male.

Majority of the respondents were coming under the age group of 31 – 40 years.

Majority of the respondents had Master degree.

Majority of the respondents were married.

Majority of the respondents were Employees.

Majority of the respondents had Monthly income 10001 - 20000.

Majority of the respondents had 3 and 4 members in their family.

The Satisfaction of the respondents seems high in Balance enquiry in online as it is ranked first with a score of 1977 points.

The main problem faced by the respondent is lack of personal relationship.

CONCLUSION:

At present banking sectors provide different services through E-banking systems. The customer is looking for quality services which can provides satisfaction. From the study it is understood that the customers are highly satisfied with the E-banking services. The suitable services available may be improved to give better customer satisfaction leading to retention of existing customers and attracting new customers. 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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