USAGE TRAITS AND SATISFACTION OF E-BANKING SERVICES AMONG CUSTOMERS

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ABSTRACT
The growing competition and growing expectations led to increased awareness amongst banks on the role and importance of technology in banking. E-Banking services are become essential to improve the service quality and customer attractiveness in the banking sector. The main objective of the research is to study the impact of information technology on the functioning of commercial banks with special reference to selected Customers. The researcher compares the functioning of those selected banks based on the views of the Customers of the Banks'. The present study has adopted both descriptive and analytical methodologies. The qualified sample size according to the scientific method was 462. The technology needs to be integrated in an organization, with the change management issues linked to people resisting new concepts and ideas. It also needs to support a clearly defined and well communicated business strategy.
Key words: Customer Satisfaction; Internet Communication; Information Technology; Services.
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1. INFORMATION TECHNOLOGY IN MODERNERA

Information technology refers to all forms of technology applied to processing, storing and transmitting information in electronic form. The physical equipments used for information processing include computers, communication and networking equipments, storage and security devices, imaging and fax machines, etc. Information is a processed data used for decision making during uncertainty. Information systems execute organized procedures that process and communicate information. Information technology extends far beyond the computational capabilities of computers.

2. INFORMATION TECHNOLOGY IN COMMERCIAL BANKING SECTOR

Recommendations of the Narasimhan Committee (1991) paved the way for the reform phase in the banking.Importantinitiativeswithregardtothereformofthebankingsystemweretakeninthisphase.

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Entry of new banks resulted in a paradigm shift in the ways of banking in India. The growing competition and growing expectations led to increased awareness amongst banks on the role and importance of technology in banking. The arrival of foreign and private banks with their superior state-of-the-art technology-based services pushed Indian Banks also to follow suit by going in for the latest technologies so as to meet the threat of competition and retain their customer base. Indian banking industry, today is in the midst of an IT revolution. Combinations of regulatory and competitive reasons have led to increasing importance of total banking automation in the Indian BankingIndustry.

3. STATEMENT OF THEPROBLEM

E-Banking services are become essential to improve the service quality and customer attractiveness in the banking sector. Deployment of e-Banking services in banking has lot of concerns. Most of the times banking is a business depends on trust factor. Technology deliverables should be in a position to meet the customer expectations and should create trust among them. Usage of technology requires awareness, availability and change management nature among the customers. The poor usage and impediments of the e-Banking services affecting the level of satisfaction in banking are because of lack of uniformity, integrity and hidden costs. Above all trust factor and the myth of safety on security among the customers. Hence, it is necessary to know the level of awareness, usage patterns and reasons for not adopting and problems in availing e-Banking services in banks can be of good interest and beneficial to the banks to take necessary action to improve the reach and delivery of e-Banking services to the customers and to the society at large. With this intention we stated review of literature and found that no comprehensive study is conducted in this area. In addition, some specific studies on service quality, technology adoption, change management in banks etc are done with employee or bank perspective. For a successful banking customer perspective study is more useful than any other. Hence, the present study is taken up for conducting research under the title "Customer Usage patterns and satisfaction of E-Banking services: A study among the customers of selected banks inChennai".

3.1. Objectives of theStudy

The following are the objectives of the study.

- To find out the level of awareness of e-Banking services among thesample.
- To find out the problems faced by the customers in availing e-Banking services inbanks.
- To find out the usage patterns and satisfaction of e-Banking services offered by thebanks.
- To analyze the factors influencing the selection of e-Banking services offered bybanks.

3.2. Need for theStudy

Automation is the basic thing that banks need to have in place. It involves a combination of centralized networks, operations, and a core banking application. Automation enables banks to offer 24x7x365 service using lesser manpower. But to be really competitive, banks need to think beyond just basic automation. In this context this study has become very vital to find out the service-satisfaction level of the customer. Therefore the researcher decided to study "Customer Usage patterns and satisfaction of E- Banking services: A study among the customers of selected banks inChennai".

3.3. ResearchMethodology

The present study has adopted both descriptive and analytical methodologies. The descriptive methodology has been focused on review in the literary evidences that are available through external and internal sources. Since the study is based on the services and their satisfaction thereon. This research has primarily been based on the primary data collected from the select respondent customers of the selected commercial banks in Chennai. The oral interview has also been conducted wherever necessary to add clarity to certain key issues.

3.4. SampleSize

The sample size is determined by using the scientific method, by using the pilot study standard deviation of the sample of 50 respondents, by allowing the standard error at 5% level. The qualified sample size according to the scientific method was 462. There are about 800 questionnaires were distributed to the customers at banks both in person and through enquiry desk of a bank. The number responses collected from the sample survey is 526. On primary screening it is found that some of the questionnaires are defective by way of double entries and no entries. The number of questionnaires

comes under the category is 27, and they were removed from the study. The half filled questionnaires and the partially double entered is found 37 and removed before preparation of master data sheet for the analysis. Finally with the determined sample size of 462, the analysis is carried out in the light of pre defined objectives and observations from the review ofliterature.
The questionnaire is prepared in five dimensions. Based on the above major reviews, we have designed the questionnaire by consulting the industry experts. Later the instrument is tested through pilot study and the reliability test results of the instrument is measured with Corn Bach's alpha of 0.875 and found suitable for the purpose of study.

4. DATA ANALYSIS AND FINDINGS OF THESTUDY

Descriptive statistics deals with exploring the profile of the banking services users and their perceptions towards technology services and usage levels and patterns. Inferential statistics tries to establish the relationship between the demographics and the various dimensions related to technology banking services usage among.

4.1. Descriptive statistics (Analysis of Data using FrequencyAnalysis)

Table 4.1.1 Distribution of sample on the basis of Gender

Gender	Frequency	Percentage
Male	281	60.8
Female	181	39.2
Total	462	100.0

Source: Primary data/Questionnaire.

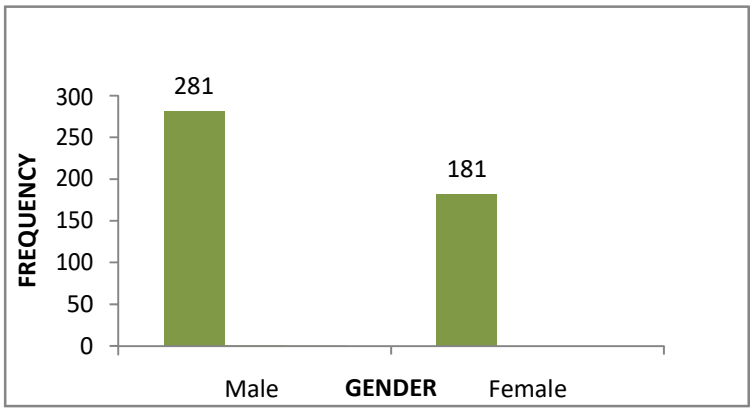

Figure 4.1.1 Distribution of sample on the basis of Gender

It is observed from the above table 4.1.1, that 60.8 percent of the sample respondents are male and the remaining 39.2 percent are female. It indicates that the majority of the customer using banking services and visiting banks are male when compared to women in the sample area. It indicates that the level of knowledge on banking services and technology banking services association is more among the male, when compared to female in the sample. This may be due to the higher percentage of men is workingwhen

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compared to women and those accounts may be salaried accounts. In general, the sample area is a culturally orthodox and male is predominantly taking care of the financial resources of afamily.

Table 4.1.2 Distribution of sample on the basis of Experience

Age Group in years	Frequency	Percentage
Below 20	59	12.8

21-30	198	42.9
31-40	150	32.5
Above 40	55	11.9
Total	462	100.0

Source: Primary data/Questionnaire.

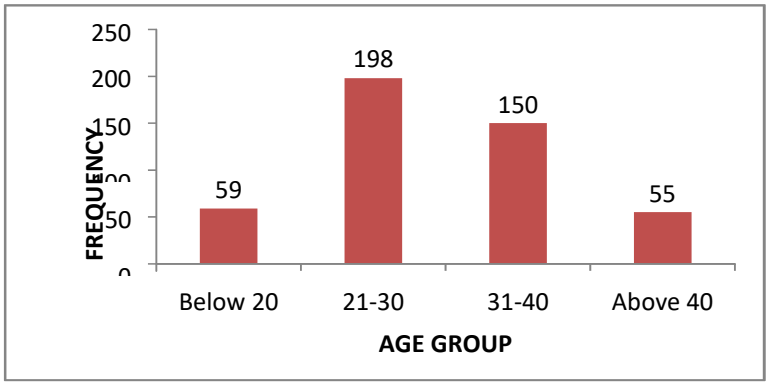

Figure 4.1.2 Distribution of sample on the basis of Experience

It is observed from the table 4.1.2 that the majority of the customers in the sample survey using e-Banking services offered by the banks are belongs to 21-30 years age, and it is followed by 31-40 years age group. It indicates the role of age in adopting and availing e-Banking services offered by the banks. One predominant reason for such relation may be lack of time and relocation of employees from one place to other and long working hours not permitting them to go to bank physically. In addition, the work place may be equipped with the online facilities and could have founds easy to complete the financial payments and other transactions through online via e-Banking services offered bybanks.

Table 4.1.3 Distribution of sample on the basis of level of income

Annual Income in Lakhs	Frequency	Percentage
Below 1	170	36.8
1-3	177	38.3
3-5	71	15.4
Above 5	44	9.5
Total	462	100.0

Source: Primary data/Questionnaire.

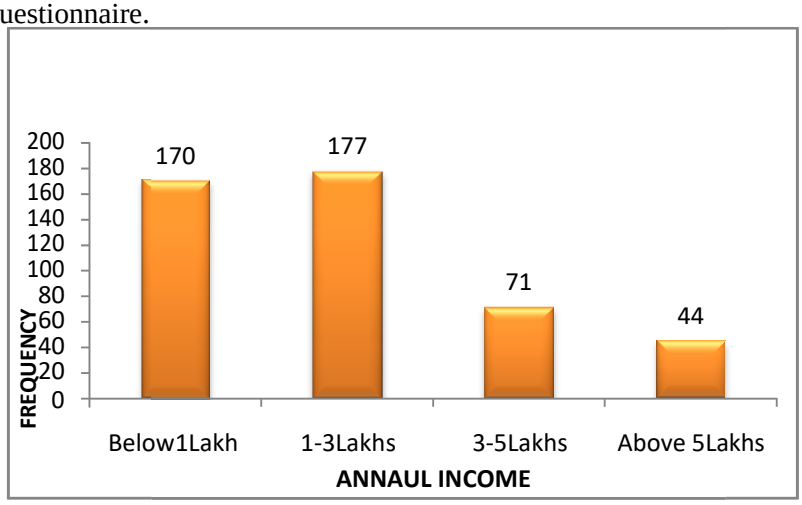

Figure 4.1.3 Distribution of sample on the basis of level of income

It is noted from the table 4.1.3, that the 38.3 percent of the sample respondents are belongs to the less than Rs.3 lakhs per year. It indicates the usage of banking services in increasing in the recent past by the middle income group. It indicates a positive sign in the organized sector growth and development in the country. The reported incomes are more means the transparency of the financial deals. In addition, this group is the potential income group for e-Banking services adoption in the years to come. The hidden threat is the cost of services to avail technology services needs to be kept under control to attract the lower income groups in to the orbit of technologyservices.

Table 4.1.4 Problems in availing technology services quoted by the customers on the basis of account holding period

Problems in availing technology services	**Period of holding bank account in years**			
	Below 5	**6-10**	**11-15**	**Above 15**
	Mean	**Mean**	**Mean**	**Mean**
Technology do not ensure privacy	4.09	3.88	3.75	3.31
Safety to the funds is at stake	3.74	3.80	3.70	3.61
Technology failures	4.05	4.01	3.77	3.44
Poor level of awareness on perations	3.80	3.70	3.55	3.67
Frequent change of technology	3.74	3.64	3.44	3.36
No uniformity in operations/service	3.80	3.71	3.49	3.42
E-banks charge more hidden cost	3.79	3.70	3.69	3.50
formalities in updating the changes	3.73	3.75	3.61	3.22
Network related issues	3.97	3.87	3.73	3.53
Lack of availability in many places	3.77	3.79	3.55	3.36

It is observed from the above table that, Problems in availing technology enables services in banks are highamongthecustomersmaintainingthebankaccountbelowfiveyears.Thekindofproblemsreported areprivacyoftheserviceswiththemeanscoreof4.09,technologyfailurewith4.05,poorlevelof awareness on services and modus operandi with the mean score of 3.80, frequent change of technology with the mean score of 3.74, no uniformity in operations and services with the mean value of 3.80, e- banking charges more hidden costs with the mean score of 3.79, and finally net work related issues with the mean score of 3.97 among thesample.

4.2. Findings

- The majority of the customers in the sample survey using e-Banking services offered by the banks are belongs to 21-30 years age, and it is followed by 31-40 years age group. It indicates the role of age in adopting and availing e-Banking services offered by thebanks.
- 38.3 percent of the sample respondents are belongs to the less than Rs.3 lakhs per year. It indicates the usage of banking services in increasing in the recent past by the middle income group. It indicates a positive sign in the organized sector growth and development in thecountry.
- Majority of the sample respondents using technology services in banks are started bank account and maintaining from the last five years and below and another set of customers are comes between the range of 6-10 years. It indicates that, the period of holding account and adoption and accessing the e-Banking services has no relation. It is purely need basedones.
- The reasons quoted for not using e-Banking services by the customers are high among the customers having bank account below five years are poor availability and accessibility with the mean score of 4.09, lack of awareness on operating mechanism with the mean score of 3.74, fear of mistakes in operation and charges with 3.72, no uniformity among the services offered with 3.72, complex process and infrastructure availability with 3.70, no linkage with all banks with 3.64, frequent changes in modus operandi with 3.61 and delivery failures and implications with 3.73 among the samplesurvey.
- The reasons for not using e-Banking services in banks quoted by the customers from different banks

are observed in two angles. Customers from public sector banks quoted that, Poor availability and accessibility with the mean score of 4.00, Myths on privacy of information and safety issues 3.72, Lack of awareness on operating mechanism with the mean score of 3.68, Fear of mistakes in operation and charges with the mean score of 3.65, No uniformity among the services offered with the mean score of 3.75 in the samplesurvey.

- E-Banking services are broadly grouped in to three types, namely utility services, fund transfer services and investment services. The utility services enable the customer to operate his transactions from a remote place without any time horizon. These enable the customer to deal with his personal payments and receipts in 24X7mechanisms.
- Fund transfer services are those requires to select a particular mechanism to link with the other customer either individual or institution, to transfer funds. The bank should have connectivity with the other side customer bank to avail these services. In addition these services are chargeable based on the quantum of the transaction.

4.3. Suggestions

- **Technology infrastructure** is no longer a luxury for developing countries and they are already creating new ways of communicating, doing business, and delivering services. Through extending access and use of technologies, the World Bank aims to stimulate sustainable economic growth, improve service delivery, and promote good governance and social accountability.
- **Connect:** financing broadband infrastructure: the world bank recently stepped up its financing of innovative public-private partnerships (PPPs) as catalytic vehicles to attract additional private sector investment in broadband infrastructure. This includes regional communications infrastructure programs to accelerate the rollout of terrestrial backbone networks and submarine cable systems. Uniformity is the feature can be enhanced without additionalcost.
- **Innovate**: supporting the growth of the ITES industry: such support helps develop and align people skills relevant to the ITES industries and knowledge economy. It includes a small but growing portfolio of it industry development projects required by abank.
- **Transform:** using technology to improve the delivery of public services: the World Bank is supporting us$7.3 billion of technology components in projects across other sectors, such as education, health and public sector management, as determined by a study in 2006. Components include integratedfinancial management information systems, computers in schools and universities, digitization of high court proceedings, and electronic land titling.
- **The key to survival is customer service**. Customer loyalty will be determined by convenient and innovative delivery of products and personalized services. In the '70's and '80's, banks were marketing to a generation raised on old style banking: personal interaction at a banking office. Today, it is expected that, fast, efficient, and accurate service and the only way to cost effectively provide the instant, quality service that customers demand, and that the competition provides, is through intensive use of the most advanced information technologies and through good people trained in the use of thesetechnologies.

5. CONCLUSION

Banks face a serious challenge. The basic structure of the bank is increasingly in conflict Technology with the changing product, delivery, and service needs of the customers the future belongs to financial service provider’s not traditional banks. The vast majority of large banks will create value networks. They must determine whether to deploy new technologies themselves or with other service providers. Nevertheless, technology alone will not solve issues or create advantages. This technology needs to be integrated in an organization, with the change management issues linked to people resisting new concepts and ideas. It also needs to support a clearly defined and well communicated business strategy.

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