

Customers' Attitude, Opinion and Level of Satisfaction About E-Banking – A Field Study

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Abstract

E-banking is vital for any banking industry for its survival in the technologically competitive world. This transformation is the result of liberalization, privatisation and Globalisation policy initiated since 1991, in economic terms, the rapid strides in which banks are allowed to explore new business opportunities in the ever changing and technological environment. It also refers to the transactions carried out through phones, personal computers and internet and there are three sets of variables that are shaping Electronic transactions that can be highlighted as convenience, confidence and complexity. The study aims at evaluating e- banking services and the result highlight that there is no relationship between Convenience, Privacy, Fee and charges, Speed, Accessibility aspects and opinion of customers relating to e-banking.

Key words: E-Banking, Convenience, Customer opinion.

1. Introduction

The digital system of banking and banking transactions make a revolution in the customer service worldwide and more particularly in India. Many consumers consider electronic banking as a means of 24 x 7 access of banking services. But electronic banking now involves different types of electronic channels, as a fastest means of discharging banking transaction. E-banking is vital for any banking industry for its survival in the technologically competitive business world. This transformation is the result of liberalization, privatisation and Globalisation policy initiated since 1991, in economic terms, the rapid strides in which banks are allowed to explore new business opportunities in the ever changing and technological environment is to satisfy the customers who are the end users of banking services. The rational for banks introducing ATM's, EFT, Credit card, Debit card, Smart card, Internet banking, Tele-banking and now the Mobile banking were to deliver their products at a lower price than traditional branch network in a cost effective manner. It enables the customers to access banking services electronically for paying bills; transfer of funds and for obtaining information with mobile devices. It also refers to the transactions carried out through phones, personal computers and internet and there are three sets of variables that are shaping Electronic transactions that can be highlighted as convenience, confidence and

complexity. Today e banking channels have passed a long way by which it is able to provide recent and quality services to the end users. It is an astounding fact that e-banking channels

Review of Literature

Krishna Murari¹ It is reflected from the survey that ATM banking remains the most popular banking service among customers after branch banking, mobile banking and internet banking respectively as they provide convenience, privacy, security, ease of use, real time accessibility, and accurate record of various transaction. Kruskal Wallis test applied to the data collected ensures that customer's usage of different banking services is same for all the banks. From these, it is clear that there is no significant difference between ATM banking, branch banking, mobile banking and internet banking services provided by different private banks to the customers. There is a relation between benefits of banking services and increasing banking technology adoption.

Manoranjan Dash,² the coming out of Internet is largely attention to have brought a most important change in the retail and financial sectors by enabling consumers to make purchases and carry out financial transactions over the Internet. The ever-increasing volatility in the global environment, competition, co-operation, change as well as changing consumer preferences have forced the retail bank to adopt new strategies to attract and retain customers. The internet provides a channel or platform linking consumers and banks. Now the banks are using electronic delivery channels such as internet, telephone and mobile. The emergence of the internet has had a significant on the diffusion of internet banking. Internet banking has gained increasing popularity in recent years. Because of increased competition, banks are adopting this new technologies and tools to remain competitive and meet the up-and coming requirements of consumers. This paper presents a bird's eye view on internet banking in the Indian banking context and the current trends. The objective of the study is to determine those factors that influence the formation of attitude towards internet banking and their relation to the use of internet banking services.

Statement of the problem

Electronic in banking plays a vital role in enhancing the service level of commercial banks. It has simplified the work of both the customer and the banker. Almost all the banks concentrate on providing competitive electronic services to their customers. The number of electronic banking services is increasing rapidly and these are really focused on a new dimension in banking. After liberalization, the Indian financial sector has rapidly moved to technology enabled services throughout the world. These transactions are allowing the banks to enhance effective customer services. Today customers have a choice to select the E-banking. The fast changing technological advancement leads to adoption of new technology for effective customer services. These changes have some challenges which create the base for the study.

Objectives

¹ Krishna Murari (2011) "customer adoption of banking technology in private banks of India" The International Journal of Banking and Finance, Volume 8, pp 73-88.

²Manoranjan Dash; (2012)"Consumers' Perception about Internet Banking: The Case of Odisha" European Journal of Social Sciences. Vol 30; No 1; p. 92-100.

To explore the role of e- banking services and to extract the opinion of customers relating to the factors of convenience, privacy, fees and charges, speed and accessibility of the e-banking services and to bring to light the challenges faced by the customers and to provide suitable suggestions.

Scope of the study

The present study concentrates on the technology enabled banking services. Hence the scope of the study is focused on customer attitude and opinion of the electronic banking services.

Methodology

The methodology is empirical in nature. It is primarily based on survey method technique with interview, discussion and observations. The primary data were collected from 220 respondents through interview schedule.

Source of data

This study has been done based on primary and secondary data only. Primary data were collected through an interview schedule containing questions which was administered to the prospective respondents directly to gather the relevant information for the study.

Sampling technique

The researcher has decided to apply the “Convenient sampling” method to collect the data from the 220 respondents. The respondents were selected based on the personal meeting at the bank branches with a short briefing. After their readiness to respond to the queries they were administered with a questionnaire for filling.

Tools of analysis

The researcher has used SPSS for analysis and more particularly it has employed the factors analysis for dimension reduction to arrive at a meaningful conclusion on customer opinion relating to e-banking service.

Limitations of the study

The study is conducted in Tiruchirappalli Corporation and is based on the reflections of the customers’ living in urban area. Most of the customers are identified based on their usage pattern and knowledge about e-Banking. This merit cannot be generalised and the study reflects the opinion of these customers only.

Analysis and interpretation**I. CONVENIENCE ASPECTS**

Six major components were considered for evaluating the use of electronic banking as a means of convenience to customers.

The six components are customers can access e-banking service at anytime and anywhere, there is no queue while using e-banking service, e-banking service save time as compared to conventional banking, e-banking transaction is easy to use, e-banking service are user friendly and e-banking spend a great deal

of time and money for developing e-banking functionality to allow customers an easy and convenient way to manage their money.

Rotated Component Matrix^a

S. No	FACTORS OF CONVENIENCE	Component	
		1	2
1.	Can access e-banking service at anytime and anywhere.	.154	.692
2.	There is no queue	.736	.482
3.	Saves time as compared to conventional banking	.575	.072
4.	Easy to use	.913	.226
5.	User friendly	.222	.864
6.	Easy and convenient way to manage their money.	.119	.030

Of the six factors evaluated, the principal factor identified is that E-banking service is easy to use with a score of 0.913 followed by that there is no queue with a score of 0.736.

With regard to the secondary factors, it is observed that it is user friendly with a score of 0.864 followed by accessibility at any time anywhere with the score of 0.692. The other factors are ignored.

Hypothesis:

There is no significant relationship between the convenience aspect and the opinion of customers relating to electronic banking.

KMO and Bartlett's Test

The Kaiser- Meyer- Oikin's measures of sampling adequacy result shows that the 'p' value is 193.861, the df is 15 and the level of significance is 0.000 which is less than 0.05 the level of significance. Hence, ***there is no significant relationship between the convenience aspect and the opinion of customers relating to electronic banking.***

II. PRIVACY ASPECT

Eight major components were considered for evaluating the use of electronic banking as a means of privacy to customers.

These eight components are confidential information is delivered safely from banks to customers, customers financial information may not be passed on to other organizations without consent of the customer, Third parties are not able to assess customers' financial details, E-banks keep customers information private and confidential, E-banks ensure protection of personal information risk of fraud and financial loss, Privacy is not significant obstacles to the adoption of e-banking in India, Customers trust that their banks are more concerned about privacy issues and will protect them, and Privacy factor in fluencies the adoption of e-banking services.

Rotated Component Matrix

S. No	FACTORS OF PARIVACY	Component	
		1	2
1.	Confidential information is delivered safely	.116	.960
2.	Financial information not passed on to other organizations without consent of the customer.	.345	.164
3.	E-banks keep customers information private and confidential.	.093	.963
4.	Customers have strong faith to use the service.	.098	.030
5.	Ensure protection of personal information risk of fraud and financial loss.	.936	.067
6.	Privacy is not significant obstacles to the adoption of e-banking	.488	.255
7.	Customers trust that their banks are more concerned about privacy issues and will protect them.	.425	.337
8.	Privacy factors in fluencies the adoption of e-banking services.	.933	.127

Of the eight factors evaluated, the principal factor identified is that e- banks ensure protection of personal information, risk of fraud and financial loss with a score of 0.936 followed by that privacy factor influences the adoption of e-banking service with a score of 0.933.

With regard to the secondary factors it is observed that is third parties are not able to assess customer's financial details with a score of 0.963 followed by confidential information is delivered safety from banks to customers with the score of 0.960. The other factors are ignored.

Hypothesis:

There is no significant relationship between the privacy aspect and the opinion of customers relating to electronic banking.

KMO and Bartlett's Test

Kaiser-Meyer-Olkin Measure of Sampling Adequacy.	.407
Bartlett's Test of Sphericity Approx. Chi-Square	657.103
df	28
Sig.	.000

The Kaiser- Meyer- Oikin's measures of sampling adequacy results that the 'p' value is 657.103, the df is 28 and the level of significance is 0.000 which s less than 0.05 the level of significance. Hence, ***there is no significant relationship between the privacy aspect and the opinion of customers relating to electronic banking.***

III. FEES AND CHARGES ASPECT

Nine major components were considered for evaluating the use of electronic banking as a means of fees and charges to the customers.

These nine complements; the main attributes that determines customer's decision on using e-banking system is fees and charges, E-banking customers convenience and flexibility and can be provided at a lower cost than traditional branch banking, Price of service fees is acceptable, E- banking charge with the negligible annual fee, If customers are to use new technologies the technologies reasonably priced relative to alternative, Efficient and speedy e-banking transaction cost, Compared to other banks your bank offers attractive service costs, Compared to other banks your bank charges fairly for similar services, and Compared to other banks your bank provides more free service.

Rotated Component Matrix^a

S. No	FACTORS OF FEES AND CHARGES	Component	
		1	2
1.	The main attributes that determines customer's decision on using e-banking system is fees and charges.	.125	.465
2.	Convenient and flexible and lower cost than traditional branch banking.	.088	.000
3.	Price of service fees is acceptable.	.839	.442
4.	E- Banking charge with the negligible annual fee.	.934	.234
5.	If customers are to use new technologies the technologies reasonably priced relative to alternative.	.886	.090
6.	Efficient and speedy e-banking transaction cost.	.363	.895
7.	Compared to other banks your bank offers attractive service costs.	.280	.888
8.	Compared to other banks your bank charges fairly for similar services.	.064	.513
9.	Compared to other banks your bank provides more free service.	.311	.178

Of the nine factors evaluated, the principal factor identified is that E-banks charges with the negligible annual fee with a score of 0.934 followed by that if customers are to use new technologies the technologies reasonably priced relative to alternatives with a score of 0.886.

With regard to the secondary factors it is observed that it is efficient and speedy e-banking transaction with lower transaction cost with a score of 0.895 followed by compared to other banks your bank offers attractive service costs with the score of 0.888. The other factors are ignored.

Hypothesis:

There is no significant relationship between the fees and charges aspect and the opinion of customers relating to electronic banking

KMO and Bartlett's Test

Kaiser-Meyer-Olkin Measure of Sampling Adequacy.	.486
Bartlett's Test of Sphericity Approx. Chi-Square	965.860
Df	36
Sig.	.000

The Kaiser- Meyer- Oikin's measures of sampling adequacy results that the 'p' value is 965.860, the df is 36 and the level of significance is 0.000 which is less than 0.05 the level of significance. Hence, ***there is no significant relationship between the fees and charges aspect and the opinion of customers relating to electronic banking.***

IV. SPEED OF ELECTRONIC BANKING SERVICE

There were five components considered for evaluating the use of electronic banking as a means of speed to the customers.

The five complements are Speed of e-transactions flow is critical to user satisfaction of using e-banking service, e-banking service medium is not frequent connection breakdown, Easy to navigate the medium due to smooth speed, transition is efficient no waiting time, and Speed of e- transactions flow is faster than traditional banking channels.

Rotated Component Matrix^a

S. No	FACTORS OF SPEED	Component	
		1	2
1.	Speed of e-transactions flow is critical to user satisfaction of using e-banking service.	.143	.952
2.	E-banking service medium is not frequent connection breakdown.	.050	.875
3.	Easy to navigate the medium due to smooth speed	.836	.346
4.	Transaction is efficient no waiting time	.898	.075
5.	Speed of e- transactions flow is faster than traditional banking channels.	.761	.381

Of the five factors evaluated, the principal factor identified is that the Transaction is efficient no waiting time with a score of 0.898 followed by that Easy to navigate the medium due to smooth speed with score of 0.836.

With regard to the secondary factors, it is observed that it is Speed of e-transactions flow is critical to user satisfaction of using e-banking service with a score of 0.952 followed by E-banking service medium is not frequent connection breakdown with the score of 0.875. The other factors are ignored.

Hypothesis:

There is no significant relationship between the speed aspect and the opinion of customers relating to electronic banking.

KMO and Bartlett's Test

Kaiser-Meyer-Olkin Measure of Sampling Adequacy.		.451
Bartlett's Test of Sphericity	Approx. Chi-Square	287.029
	df	10
	Sig.	.000

The Kaiser- Meyer- Oikin's measures of sampling adequacy results that the 'p' value is 287.029, the df is 10 and the level of significance is 0.000 which is less than 0.05 the level of significance. Hence, **there is no significant relationship between the speed aspect and the opinion of customers relating to electronic banking.**

V. ACCESSIBILITY ASPECTS

Ten major components were considered for evaluating the use of electronic banking as a means of accessibility to customer.

The ten complements are e- banking service provided by the banks allows easy access to transaction data both recent and historical, e-banking service practices involves consistency of performance and dependability, employees of e-banking service providers possess the requires skills and knowledge to perform the service, e- banking service providers making the effort to understand the customer's needs, quick response and the ability to get help in there is a problem or questions, provision of caring and individualized attention to customers provided by call centres or web administrations, e-banking provide sufficient notices to the users and suggest alternatives for them to complete their transactions within the closure hours in case of urgent needs, banks provide 24 hours e-based monitoring and assistance for e-banking services that need immediate assistance, e-banks have more sinter personal interaction with customers throughout the service delivery process which may avoid miscommunications between the service providers, and e-banks provides customer feedback service.

Rotated Component Matrix			
S. No	ACCESSIBILITY ASPECTS	Component	
		1	2
1.	E- Banking service provided by the banks allows easy access to transaction data both recent and historical.	.039	.550
2.	E-banking service practices involve consistency of performance and dependability.	.317	.284
3.	Employees of e-banking service providers possess the requires skills and knowledge to perform the service.	.541	.033
4.	E- Banking service providers making the effort to understand the customer's needs.	.660	.043
5.	Quick response and the ability to get help in there is a problem or questions.	.926	.220
6.	Provision of caring and individualized attention to customers provided by call centres or web administrations.	.837	.446
7.	E-banking provides sufficient notices to the users and suggests alternatives for them to complete their transactions within the closure hours in case of urgent needs.	.479	.733
8.	Banks provide 24 hours e-based monitoring and assistance for e-banking services that need immediate assistance.	.363	.851
9.	E-banks have more sinter personal interaction with customers throughout the service delivery process which may avoid miscommunications between the service providers.	.008	.963
10.	E-banks provides customer feedback service.	.395	.059

Of the ten factors evaluated, the principal factor identified is that Quick response and the ability to get help in there is a problem or questions, with the score of 0.926 followed by that Provision of caring and individualized attention to customers provided by call centres or web administrations with the score of 0.837.

With reared to the secondary factors, it is observed E-banks have more interpersonal interaction with customers throughout the service delivery process which may avoid miscommunications between the service providers with the score of 0.963 followed by Banks provide 24 hours e-based monitoring and assistance for e-banking services that need immediate assistance with the score of 0.851. The other factors are ignored.

Hypothesis:

There is no significant relationship between the speed aspect and the opinion of customers relating to electronic banking.

KMO and Bartlett's Test

Kaiser-Meyer-Olkin Measure of Sampling Adequacy.	.602
Bartlett's Test of Sphericity Approx. Chi-Square	1.269E3
df	45
Sig.	.000

The Kaiser- Meyer- Oikin's measures of sampling adequacy results that the 'p' value is 1.269E3, the df is 45 and the level of significance is 0.000 which is less than 0.05 the level of significance. Hence, ***there is no significant relationship between the accessibility aspect and the opinion of customers relating to electronic banking.***

Conclusion

The study aims at analysing the customer opinion about digital / or modern banking services with particular reference to Electronic banking services. There were five factors identified to study the customer opinion relating to E-banking services. These factors are;

1. Convenience.
2. Privacy.
3. Fee and charges.
4. Speed.
5. Accessibility.

The study aims at evaluating e- banking services and the result highlights that there is no relationship between Convenience, Privacy, Fee and charges, Speed, Accessibility aspects and opinion of customers relating to e-banking.

The study states that of the six factors evaluated, the principal factor identified is that E-banking service is easy to use with a score of 0.913 followed by that there is no queue with a score of 0.736. Of the eight factors evaluated, the principal factor identified is that e- banks ensure protection of personal information, risk of fraud and financial loss with a score of 0.936 followed by that privacy factor influences the adoption of e-banking service with a score of 0.933, of the nine factors evaluated, the principal factor identified is that e-banks charges with the negligible annual fee with a score of 0.934 followed by that if customers are to use new technologies the technologies reasonably priced relative to alternatives with a score of 0.886, of the five factors evaluated, the principal factor identified is that Transaction is efficient no waiting time with a score of 0.898. followed by that Easy to navigate the medium due to smooth speed with score of 0.836, of the ten factors evaluated, the principal factor identified is that quick response and the ability to get help in there is a problem or questions, with the score of 0.926 followed by that provision of caring and individualized attention to customers provided by call centres or web administrations with the score of 0.837. Hence it is concluded that the factors of e-banking services are very important for customer satisfaction as these satisfaction levels will help the banking sectors to rebuild their business focussing on increasing the customer satisfaction and to remain well in the minds of customers with a long lasting impression of positive opinion about the performance of banking sectors.

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