

**A STUDY ON TECHNICAL ADVANCEMENTS IN PRIVATE SECTOR
BANKS – WITH SPECIAL REFERENCE TO CUSTOMERS’
SATISFACTION ABOUT ONLINE BANKING IN CHENNAI**

T.S.R. Vijay Janani¹ & Ramesh²

¹Research Scholar, Bharathiar University Arts and Science College, Valparai, Tamil Nadu, India

²Research Supervisor, Bharathiar University Arts and Science College, Valparai, Tamil Nadu, India

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ABSTRACT

The Indian banking industry has come a long way from being a sleepy business institution to a highly proactive and dynamic entity. The liberalization and economic reforms have largely brought about this transformation. The entry of private banks has revamped the services and product portfolio of nationalized banks. To compete with the private banks, the public sector banks are now going in for major image changes and customer friendly schemes. Increasing competition and technology driven products are some of the trends, which the banking industry is currently experiencing. The technology oriented banking has become one of the latest success mantra. Competition requires less costly and more effective product and common person want quick services with comfort ability in using e-banking. Large queues could be observed for payment of utility bills or for cash withdrawals/deposits. The objectives are to study the factors influencing the customers in using online banking and to assess the level of awareness of the respondents on internet banking services in the study area and second objective is to study the customers’ satisfaction on online banking services provided by various private banks in Chennai. The private banks chosen for the study are ICICI Bank, HDFC Bank, AXIS Bank, Karur Vysya Bank and Yes Bank.

KEYWORDS: *Online Banking, Internet Banking, Customer Satisfaction*

INTRODUCTION

Tremendous progress in the field of information technology has reduced the world to a global village and it has caused unprecedented change in the banking industry. Huge developments in the technology of telecommunications and electronic data processing have further stimulated these changes, use of latest technology in business and finally one is shortage of time due to numerous engagements. The business, which will cope up the above three matters can only survive now. Competition requires less costly and more effective product and common person want quick services with comfort ability in using e-banking. Large queues could be observed for payment of utility bills or for cash withdrawals/deposits. The banks are succeeding to reduce this queue through the implementation of large sophisticated and highly competitive internet of latest technology. In this regard, banks are utilizing the delivery of online services.

ADVANTAGES

- Access is very easy, online banking can be made anywhere through Laptop or Computers
- Time required is very less
- Online banking is safe and secured.
- Transfer of money happens immediately and accurately.
- Its usage is very easy.

OBJECTIVES OF THE STUDY

- To assess the level of awareness of the respondents on internet banking services in the study area.
- The study the customers' satisfaction on online banking services provided by various private banks in Chennai.

SAMPLE SELECTION

The study is about customers' satisfaction on various aspects of online banking services in selected private sector banks in Chennai. For this purpose of investigation, only five commercial private banks in Chennai are considered, namely Karur Vysya Bank, ICICI Bank, HDFC Bank, Axis Bank and Yes bank. These banks were selected because they were rendering extensive services to customers in the study area and they are the largest banks among private sector banks.

SAMPLE SIZE

The study is done based on primary data from 100 respondents who are using online banking services in the study area

PROFILE OF THE RESPONDENTS

The profile of the respondents include Gender, Age, Marital Status, Qualification, Occupation and Family Income.

Table 1

Profile Variables	Particulars	No of Respondents	Percentage
GENDER	Female	58	58
	Male	42	42
	Total	100	100
Age	Below 30	57	57
	31 - 40	21	21
	41 - 50	15	15
	51 - 60	7	7
	Total	100	100
Marital Status	Married	48	48
	Unmarried	52	52
	Total	100	100
Qualification	Diploma and others	6	6
	PG	29	29
	Professional education	31	31
	UG	34	34

	Total	100	100
Occupation	Business	8	8
	Government employee	5	5
	Housewife	8	8
	Private employee	47	47
	Student	28	28
	Others	4	4
	Total	100	100
Family Income	Upto 20000 p.m	15	15
	Rs 20001 - 30000 p.m	15	15
	Rs 300001 - 40000 p.m	11	11
	Rs 40001 - 50000 p.m	7	7
	Above 50000 p.m	52	52
	Total	100	100

Source: Primary Data

INTERPRETATION

The following is the interpretation of the above table 1:

- It is very clear from the above table, 58 % of the respondents are female. And 42% of the respondents are male respondents
- 57% of the respondents are of the age group below 30 and 7% of the respondents are between 51 – 60.
- 52% of the respondents are unmarried and 48% respondents are married.
- Majority of the respondents are UG with 34% and only 6% of the respondents are Diploma and others.
- 47% of respondents are private employees, 8% of them are housewife and doing business, 5% of the respondents are government employees and 4% of the respondents are occupied with others.
- 52% of the respondents are earning above 50000 per month and 7% of the respondents are earning between 40001 – 50000

Table 2

Awareness Level of Usage of Online Banking	Mean	Std. Deviation
Log in to internet banking	4.40	0.9101
Way to change password	4.40	0.8762
Process to add payee	4.50	0.7317
Removal of payee	4.27	1.0333
Way to transfer fund	4.59	0.7035
Making bill payment	4.35	1.0851
To view detailed statement of transactions	4.48	0.7395
Usage of quick pay option	4.14	1.0841
To know transaction status	4.50	0.6300
To make investments	3.61	1.2926
Way to apply for loan	3.28	1.3819
Way to get e-statement	4.34	1.0744
Edit profile of customer	4.25	0.9733

Way to obtain CIBIL report	3.17	1.3892
Making applications for loan etc	3.28	1.3665
Usage of service requests	3.88	1.1169
Use of help desk	3.86	1.1664
Use of tax centre	3.01	1.3644
Block ATM/Credit card	3.89	1.1686
Generate PIN for ATM / Credit card	4.19	1.0984
Making cheque book request	4.26	0.8614
Use of reward points	3.79	1.3371
Use of virtual keyboard	4.34	0.9041

Source: Primary Data

INTERPRETATION

From the above table it is clear that, the highest mean is “way to transfer funds” with mean value of 4.59, next followed by “to know the transaction status and process to add payee” with mean value of 4.50.

The standard deviation is highest under “way to obtain CIBIL score” and the least is for “to know the transaction status” with the values of 1.3892 and 0.6300 respectively.

Table 3

Level of Satisfaction	Mean	Std. Deviation
Procedures to get customer ID and password for the first time	4.17	0.7792
Method of change of password is easy	4.33	0.7792
Using internet banking in your bank is highly safety and security	4.06	0.8946
The website designed for internet banking is user friendly	4.25	0.8333
Speed of transactions are good	4.37	0.7338
Method of change of profile information is convenient	4.28	0.7836
Language used in the website is understandable	4.55	0.6723
Links provided by the website are secure	4.01	0.9898
Usefulness of Help desk	3.80	1.0636
Design of the website is attractive	3.98	0.8406
Auto logout after a while when the website was not used was useful	4.27	0.8629
Speed of login is good	4.35	0.7017
Providing accurate information through internet banking	4.38	0.6159
More service options are available	4.18	0.7834
Easy to find all information regarding my account	4.28	0.7532
Quickness of response on complaints through internet banking	3.93	0.9129
Suitable for online shopping	4.31	0.8726
Trust on the website	4.08	0.8419
Convenience bill payment methods	4.24	0.9224
Provision of statements	4.31	0.9067
Uninterrupted service	4.10	0.9898
Speed of sending one time password (OTP)	4.38	0.7110
Away from fraudulent activities (internet hackers)	3.90	0.9946
Good feedback system	4.13	0.7870
Safety in logout	4.27	0.8391
Providing accurate information	4.27	0.7502

Table 3 Contd.,		
Compensation in case of errors from bank side	3.54	1.1842
Providing acknowledgement after a transaction is done	4.23	0.9625
Convenient bill payment options	4.36	0.7320
Investment options are useful	3.68	1.0138

Source: Primary Data

INTERPRETATION

From the above table it is clear that the mean value towards customer satisfaction is highest in the “Language used in the website is understandable”, next to it is “providing accurate information and speed of sending OTP” with mean values of 4.55 and 4.38 respectively.

The standard deviation is highest in “compensation in case of errors from bank side” and the next highest is the “usefulness of helpdesk” with score of 1.1842 and 0.0636 respectively

KEY FINDINGS

- The awareness level of online customers is more than neutral as the mean value are more than 3.
- The customers’ satisfaction towards online banking is also satisfied as the values obtained are more than 3.
- The customers are less aware of usage of tax centre
- The customers are less satisfied with convenient bill payments

CONCLUSIONS

This research is conducted to find out the customers satisfaction towards online banking with respect to five private banks in chennai. On the basis of the result we have come to a conclusion that the awareness and satisfaction level of the customers are much higher. There are few situations where the satisfaction levels of the customers are very high and in few the private banks are yet to pay more attention towards increasing the satisfaction level of the customers.

