

Effects of E-Banking Services and Satisfaction: With Special Reference to Hassan City

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Abstract— *The objective of the research was to evaluate the significance of electronic system integrated in the banking sector for providing convenience services to their customers and the overall impact caused by electronic services on bank transaction. The research has applied analytical descriptive methodology to analyse the impact of electronic banking services on the bank transactions. The total sample size taken for the study was 100 and the questionnaire was distributed among the customers and bank officials to collect the data. The analysis revealed that electronic services have contributed to increase both the financial activity of the bank as well as number of its customers. In banking sector, professional training can be given to bank officials, so that they can effectively work on the electronic system. The satisfaction has covertly impact a customer inclination towards electronic banking and electronic banking has positively influenced the banking transaction.*

Index Terms- *Electronic System, Customers, Descriptive, Methodology, Impact, Questionnaire, Financial Activity, Professional Training.*

I. INTRODUCTION

Banking sector play an important role in economic development of a country. Banking activities are most essentials for each and every financial activities of each and every individuals. Due technological development and innovation in banking, e-banking activities came into exist. In the view of the customer-banking facility is very much essential and convenient. Moreover it is proved in many researches that the e-banking application is speedier and more reliable, less human intervention and transmission of data has quicker. When it compared to traditional banking methods it is less time consuming and cost saving in using e-banking and no need to visit bank premises. Because of e-banking less paper work and virtual access to bank accounts for quires are some other ways that the customer is benefitted in e-banking.

On the other side the bank employees is also enjoying an ample of advantages in the transformation of e-banking from the conventional banking channels. The traditional banking methods need a lot of space, a lot of employee intervention and it is not easy to reach each and every customer of the entire market, because of the cost factor. The implementation of e-banking is the most successful way of cost saving in the banking industry. As the bankers are having the opportunity of reaching the potential customers in a virtual market place, they have the competitive advantages of attracting new customers, cross selling, introducing more futuristic banking products and improving income and revenues through a cost saving, speedy, time saving e-banking channel. The traditional banking is related with a lot of paper work to protect the security and reliability of customers' transactions and to maintain correspondence with customers. But the innovation of e-banking has converted this lengthy paper based process in to a key board button click and has transformed the entire banking industry towards a green banking concept.

Apart from those favorable facts there are some unfavorable facts linked with e-banking and the bankers continuously put their efforts to minimize those drawbacks and to render a better service to their customers. The need of computer literacy and the complexity of web applications restrict the customer intention to adopt internet banking. The failures in the bankers' web sites and applications and the failures of the telecommunication service providers may cause the inability to engage in internet banking transactions. Despite the data security features introduced by the information technology experts there is a major threat of hacking and other malware usage and would discourage the customers to adapt to e-banking whereas the bankers have the threat of protecting the reliability and confidentiality of their data base.

II. CUSTOMER SATISFACTION

Customer satisfaction is defined based on the confirmation/disconfirmation theory that states satisfaction results from a process of comparison where consumers judge product satisfaction against their expectations about product performance. Kotler (2000) defines customer satisfaction as a person's feelings of pleasure or disappointment resulting from comparing a product's perceived performance or "outcome" in relation to his or her expectations. According to Hansemark&Albinsson (2004) satisfaction is an overall customer attitude towards a service provider, or an emotional reaction to the difference between what customers anticipate and what they receive, regarding the fulfilment of some need, goal or desire. Oliver (1997) addresses this definitional issue by paraphrasing the emotion literature, noting that everyone knows what is until asked to give a definition. Then it seems, nobody knows. Customer satisfaction is defined based on the confirmation/disconfirmation theory that states satisfaction results from a process of comparison where consumers judge product satisfaction against their expectations about product performance. The world famous Philip Kotler (2000) defines customer satisfaction as a person's feelings of pleasure or disappointment resulting from comparing a product's perceived performance or "outcome" in relation to his or her expectations. According to Hansemark and Albinsson (2004) satisfaction is an overall customer attitude towards a service provider, or an emotional reaction to the difference between what customers anticipate and what they receive, regarding the fulfilment of some need, goal or desire. When it is related to a service, customer satisfaction would depend on a set of determinants

III. REVIEW OF LITERATURE

D.N.V.Krishna Reddy (2015) this study is conducted on "A Study On Customer's Perception And Satisfaction Towards Electronic Banking In Khammam District" Today the sophisticated Information technology has taken important place in the future development of financial services, especially banking sector evolution are affected more than any other financial provider groups. Increased use of mobile services and use of internet as a new

distribution channel for banking transactions and international trading requires more attention towards e-banking security against fraudulent activities. The development and the increasing progress that is being experienced in the Information and Communication Technology (ICT) have brought about a lot of changes in almost all aspects of life. In the Banking Industry, it has been in the form of E-Banking or Online Banking or Internet Banking, which is now replacing the traditional banking mechanism. E-Banking has a lot of benefits which add value to enhance customers' satisfaction in terms of better quality of service offerings and simultaneously enable the banks gain more competitive advantage over other competitors. This paper contains consumer perception toward the convenience and willingness to use e-banking services are identified and measured. Customer satisfaction level towards the e- Banking has been identified.

Worku, Tilahun and Tafa (2016) this study is conducted on "The Impact of Electronic Banking on Customers' Satisfaction in Ethiopian Banking Industry (The Case of Customers of Dashen and Wogagen Banks in Gondar City)" mortar banking service, its relationship with that of age, occupation and education, its impact on branch visits, the level of customer understanding about e-banking and the opportunities and challenges of e-banking. The paper tried to see all the above among 402 properly filled and returned questionnaires of e-banking customers and interview with four branches of the two commercial banks which have started e-banking service in Gondar city when this study was conducted. The study used tables, percentages, chi-square independency test to see the relationship between demographic characteristics and e-banking, independency t-test to see the visits of branches before and after e-banking by customers is significant or not and regression analysis test has been conducted to explain the variables which determine customers' satisfaction in e-banking.

Najah Hassan Salamah. (2017) this study is conducted on "Impact of Electronic Banking Services on Bank Transactions". It investigates whether the attitude varies among e- banking users on the factors such as perceived ease of use, perceived usefulness, perceived security & privacy and perceived risk due to difference in their degree of awareness on these factors. The research constructs were developed based on the

Technology Acceptance Model (TAM) and incorporated two additional elements of perceived security & privacy and perceived risk.

Ayuketang (2018) this study is conducted on “Impact of Technology on E-Banking; Cameroon Perspectives” The financial services industry is experiencing rapid changes in services delivery and channels usage, and financial companies and users of financial services are looking at new technologies as they emerge and deciding whether or not to embrace them and the new opportunities to save and manage enormous time, cost and stress. There is no doubt about the favorable and manifold impact of technology on e-banking as pictured in this review paper, almost all banks are with the least and most access e-banking Technological equipment’s like ATMs and Cards.

Objectives of the Study

The following are the objectives of the study:

1. To study the e-banking activities significance and development in general, Hassan city in particular.
2. To measure the satisfaction level of customers towards e-banking services.
3. To offer summery of findings suggestions and conclusion in the light avail of e-banking services in Hassan city.

IV. RESEARCH METHODOLOGY

This study is based on both primary and secondary data. Primary data were collected through a questionnaire consisting of both close ended questions, while more focus on close ended questions. Secondary data collection was done through relevant publications of the banks and websites. The population of the study was the banking customers who were already engaged in e-banking facilities. For the convenience of conducting the research it was restricted to the personal customers’ category as the customer expectations would be different in corporate category and personal category. 100 residents in Hassan city who were engaged in the e- banking services and belonging to the personal banking customer category were selected as the sample by using convenient sampling method. The statistical

tools used for analysis and interpretation of data were chi-square and t-test Analysis and Interpretation

Table No:1 represents the demographic profile of respondent. Moderate number of 71 are male respondents and 29 are females respondent are using e-banking,from the above study it is clear that highest number of male respondent were using e-banking service when compared to female respondents. Based on age pattern majority of 42 respondents are belong to age group of Less than 30 years and followed by 25 respondents were the age group between 30 to 40 and the age group between 40 to 50 constitute 23 respondents lastly 10 respondents fall under the age pattern of above 50. Educational qualification of the respondents 48 respondents belongs to Graduates and 29 respondents are belongs to post graduates. Income level of between 100000 to 200000 this group of customers they access more E-banking services.

Table:1
Demographic Profile

Particulars	Frequenc y	Chi- Square	Sig.	othesis (H0)
Age Pattern:				
Less than 30 years	42	22.000	0.000	Rejected
Between 30-40 years	25			
Between 40-50	23			
Above 50 years	10			
Gender				
Male	71	17.640	0.000	Rejected
Female	29			
Qualification:				
PUC	23	10.220	0.006	Rejected
Graduates	48			
Post Graduates	29			
Marital Status				
Married	45	1.000	0.317	Accepted
Unmarried	55			
Income:				
a) Below -100000	22	6.020	0.049	Rejected
b) 100000-200000	40			
c) Above 200000	38			

Source: Survey

Table No 2 shows Satisfaction level of people towards Electronic Banking. E-Banking is Easy to access saves time, Provides Up-to-date and accurate information and most importantly e-banking is 24 hours available. The highest mean value was assigned to Provides Up-to-date and accurate Information and their respective value is 2.31. This was followed by E-Banking is Easy to use and E-Banking is saves time and their mean value is 1.82 and 1.68 respectively. The lowest mean value assigned to E-Banking is 24 hours available and the mean value stood at 1.50. There was significance difference between the variables of Valuable and Satisfaction level of people towards Electronic Banking to conclude the majority of respondent were given more weight age for Electronic is more useful.

Table No. 2: Satisfaction level of people towards Electronic Banking

Particular	Mean	SD	't' value	Sig.	Result
E-Banking is Easy to use	1.82	0.892	20.405	0.000	Rejected
E-Banking is saves time	1.68	0.839	20.014	0.000	Rejected
Provides Up-to-date and accurate Information	2.31	1.277	18.092	0.000	Rejected
E-Banking is 24 hours available	1.50	0.732	20.201	0.000	Rejected

Source: Survey.

Table No 3 shows Time Reduction in Internet Banking. The electronics services contributed to the reduction of the percentage of the transactions that are undertaken by the official daily (or during any work day), The electronic services contributed to the reduction of the reception of the financial transactions that pertain to the payment of bills such as bills of electricity, water supply or mobile etc, which were paid in the past by cashiers, The electronic services contributed to the reduction of the cash deposits and withdrawals transactions performed daily by clients, The electronic services contributed to alleviating the burden of work for officials of the banks as work discharge is undertaken electronically at the end of each work day. The highest mean value was assigned to The electronic services contributed to alleviating the

burden of work for officials of the banks as work discharge is undertaken electronically at the end of each work day and their respective value is 2.17. This was followed by The electronic services contributed to the reduction of the cash deposits and withdrawals transactions performed daily by clients and The electronics services contributed to the reduction of the percentage of the transactions that are undertaken by the official daily (or during any work day)and their mean value is

2.12 and 2.04 respectively. The lowest mean value assigned The electronic services contributed to the reduction of the reception of the financial transactions that pertain to the payment of bills such as bills of electricity, water supply or mobile etc, which were paid in the past by cashiers and the mean value stood at 2.02. There was significance difference between the variables of Valuable and time reduction in internet banking to conclude the majority of respondent says the internet banking is helps reduce the time

Table No. 3: Time Reduction in Internet Banking

Particular	Mean	SD	't' value	Sig.	Result
The electronics services contributed to the reduction of the percentage of the transactions that are undertaken by the official daily (or during any work day)	2.04	0.994	20.521	0.000	Rejected
The electronic services contributed to the reduction of the reception of the financial transactions that pertain to the payment of e- bills, transfer of money from one bank to another bank and other related services etc. Earlier perform by cashiers.	2.02	0.964	20.959	0.000	Rejected

The electronic services contributed to the reduction of the cash deposits and withdrawals transactions performed daily by Customers.	2.12	0.946	22.415	0.000	Rejected
The electronic services contributed to alleviating the burden of work for officials of the banks as work discharge is undertaken electronically at the end of each work day	2.17	1.025	21.161	0.000	Rejected

Source: Survey.

V. FINDINGS OF THE STUDY

1. Out of 100 respondents, 71 male and 29 female respondents were using for the study. When compared to female respondents, highest numbers of male respondents were using e-banking services.
2. In case of age pattern 67 respondents were below 40 years of age and remaining 33 respondents are adults. This data shows that young generation were utilizing e-banking services more compare to adults, it indicates that adult generation has using the traditional banking practice.
3. In the context of income level of the respondents, majority of 62 respondents their income level is below 200000 and 38 respondents are income level is above 200000.
4. Around 52 respondents and 30 respondents are strongly agreed and agreed that thee- Banking is time saving process.
5. Around 61 respondents and 30 respondents are strongly agreed and agreed that thee- Banking is 24 hours available.
6. Around 39 respondents and 25 respondents are strongly agree and agreed that the electronic services contributed to the reduction of the reception of the financial transactions that pertain to the payment of e-bills and transfer of money from one bank to another bank and other related services.

7. Around 29 respondents and 36 respondents are strongly agree and agreed that the electronic services contributed to alleviating the burden of work for officials of the banks as work discharge is undertaken electronically at the end of each work day.

VI. SUGGESTIONS FOR THE STUDY

- The bank should give more information regarding online payment of bills such as electricity, water, telephone, insurance etc., transfer of money from one bank to other banks.
- The bank should educate both urban and rural customers in order to use the e-banking services/technology.
- The bank should maintain the privacy and security protection for each customer’s safety and individual transactions.
- Till the banks are not providing 24 hours of e-banking facilities, because of lack of advance technology, lack of security etc., the bank has to take the necessary measures.
- Banks should develop appropriate incident response plans to manage, contain and minimize problems arising from unexpected events, including internal and external issues that may hamper the provision of e-banking systems and services.

CONCLUSION

Today e-banking play a remarkable role in the development of banking operations and also facilitate customers. It can be concluded that majority of the customers have positive perception and satisfaction with e-banking services. Till today majority of the banking customers are unable to utilize all the e-banking services, because of less knowledge about computer and internet services is also one of the important aspect of understanding e-banking services. Therefore, the banks should educate customers and improve their promotional activities and communication strategies regarding banking IT services and user friendly. It leads to high level of satisfaction. The research has attained some important recommendations that entails considering to disseminate the culture of electronic dealing through

banking services among customers. It is suggested that proper training should be given to the bank officials on detecting and addressing electronic issues as well as giving suitable solutions and remedies for such problems. Moreover, to urge those concerned to participate in symposiums and workshops that seek to achieve competency in modern technologies that focus on electronic bank services. It is also recommended that number of field studies and researches should be conducted to know the opinions of clients on electronic services needed by the Hassan city banks.

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