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A STUDY ON CUSTOMER SATISFACTION OF INTERNET BANKING SERVICE QUALITY

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Abstract
The banking industry has been rapidly developing the use of Internet banking as an efficient and viable tool to create customer value. It is one of the popular services offered by the traditional banks to provide speedier and reliable services to online users. With the rapid development of computer technology as a commercial too Internet banking can be used to attract more customers to perform banking transactions in related banks. However, the main problem of Internet banking faced by the providers is that a large number of the banks' customers are not willing to use the Internet banking services offered. This happened due to the services offered through Internet banking have yet to satisfy their customers. Customer satisfaction is an important factor to help banks to sustain competitive advantages. Therefore, the purpose of this research is to search and examine the customer satisfaction towards Internet banking.

***Keywords: Internet Banking, Service Quality, Customer Satisfaction, Security*.**

Introduction

Banking sector plays a significant role in the development of an economy. The advent of Information Technology (IT) and its convergence with communication technology have drastically changed the landscape of banking services across the globe. Over the past few decades, banks all over the world have been investing substantial amounts of money in IT with the avowed objectives of improving operational efficiency, competitive position and product innovation. The use of IT in the banking sector has contributed to the emergence of more flexible and user friendly Self Service Banking Technologies (SSBT) to address the rapid and changing needs of banking customers. It has changed the face of global banking sector radically altering the manner in which customers conduct their banking transactions. Indian banking sector too has followed the same path and the gap between Indian banks and their counterparties in the technology advanced countries is vanishing.

Statement of Problem

Customer satisfaction is a complicated mix of "hardware" (technology, product, price, quality etc.) and "software" (attitude, responsiveness, deliverance, communication etc.). Today's customers are not satisfied with care and courtesy alone, they expect concern and commitment. In this competition environment not the oldest, not the strongest and not the first can survive, but only the "best" can survive. The success of Internet Banking not only depends on the technology but also on the large extend the attitude, commitment and involvement of the operating at all levels and how far the customers reap the benefits from Internet banking services. The purpose of this study is to examine the customer satisfaction with various service quality dimensions.

Objectives

1. To identify the factors affecting customer satisfaction on Internet Banking service quality.
2. To evaluate the satisfaction level of Internet Banking users.
3. To examine the major problems faced by users while using Internet Banking services.
4. To identify the level of trust and awareness level on the security features of Internet Banking.

Significance of the Study

Internet has established its role as a powerful economic force multiplier with a new studyprojecting that its contribution to India's GDP will explode to $100 billion (Rs 5 lakh crore) .The increasing usage of internet in Kerala is evident from the fact in the previous years. People ofKerala are becoming e-literate through 'Akshaya' project undertaken byGovt. of Kerala in 2005, which imparts training to one person from one family to makepeople aware of the basics and scope of IT, hands-on-skill in operating a computer and use ofinternet. Both availability of access to internet and e-literacy are essential prerequisites for theadoption of internet banking. More access to computers and the internet, the greater is the possibility of the use of internet banking. Similarly, the more people are becoming e-literate,the more is the possibility of doing internet banking.

At present, public utility service providers are encouraging their customers to make payment of their utility bills online.. However, research studies indicate thatcustomers' security and risk are the major inhibitors to the adoption of IB. therefore, in order to ally the apprehensions of customers about the risk associated with the use of IB, the providers need to educate and enlighten customers regarding the safe use of IB by asking them to take the required precautions. However, a comprehensive research investigating the extent of IB use, precautions taken by IB users for safe banking over internet, awareness and trust

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of customers on the security features adopted by banks to guard them against the risk of fraud, the service quality dimensions and their effect on customer satisfaction, problems encountered by IB users during service delivery etc. Hence, the present study is quite relevant and timely from the point of view of both academic and banking industry.

Research Methodology

Research methodology refers to the theoretical analysis of the methods appropriate to a field of study or to the body of methods and principles particular to a branch of knowledge.

Data Sources

The study makes use of primary and secondary data. The primary data is collected from the IB users through a structured questionnaire. Secondary data collected from various sources like Articles, websites, Lecture books etc

Period of Study: The study is conducted for a period of 21 days from 2nd week of April 2018.

Research Instrument: A well-structured questionnaire was prepared with a view to collect information from Internet banking Users.

Population: Population comprises all the customers who were using Internet Banking Services in kasaragod.

Sample Size: Due to the limited period of study, only 100 customers selected as sample unit from the population.

Method of Sampling: Random Sampling Method is used for selecting the Sample Unit.

Types of Analysis

Bi-variable analysis was done for establishing relationship among the variables under study.
Tools used for analysis

1. Friedman Test.
2. Kruskal-Wallis Test.

Limitations of the Study

1. Selected Sample is limited to 100. Hence findings cannot be generalized.
2. Respondents may be biased. So the collected data may not be reliable.
3. Customers' preferences and opinions are supposed to change from time to time.

RahmathSafeena et al (2011) found that banks need to highlight the benefits of IB, make IB easy to use, and enhance IB security to improve consumers' trust. They also need to make the consumers aware about the system by providing them about the details of the benefits associated with it and also ensuring security of the system.

Dixit N. &Datta S.K., (2010) in their study, they found that country like India, there is need for providing better and customized services to the customers. Banks must be concerned the attitudes of adult customers with regard to acceptance of online banking. It is shows that adult customers are more reluctant to join new technologies or methods that might contain little risk.

Khan M.S. &Mahapatra S.S., (2009), explored the service quality of internet banking operative in India from customer's perspective. It is observed that customers are satisfied with the reliability of the services provided by the banks but are not very much satisfied with the dimension 'User friendliness'.

Srivastava, (2007), reveals that the perception of the consumers can be changed by awareness program, friendly usage, less charges, proper security, and the best response to the services offered. The study also provides the kind of correlation between different factors. As per our basic assumptions we consider only those consumers who know how to use Internet and have an access to Internet, and our study considered only the situation wherein banks provide Internet banking of their colleagues or friends who surround him using Internet banking then it may influence his decision to follow Internet banking option.

Sohail et al (2007), the results of the factor analysis in the present study produced three dimensions. While this result reveals that "efficiency and security" is the most influencing factor in users' evaluation of service quality, the factor group produces a combination of diverse measures which may be due to the highly correlated nature of service quality dimensions.

Analysis of Data

The analysis is presented in four parts

1. Demographic profile of respondents.
2. Reasons for using IB services.
3. Problems faced by IB users.
4. Level of trust on security features available in IB.

Friedman Test and Kruskal-Wallis Test are used for making these Analyses.

Table No.1: Demographic Profile of Respondents

	Category	**No .Of Respontents**	**Cumulative Frequency**
AGE	LESS THAN/=25	24	24
	26 TO 30	25	49
	31 TO 40	25	74
	GREATER THAN/=41	26	100
GENDER	MALE	64	64
	FEMALE	36	100
EDUCATION QUALIFICATION	UP TO PLUS TWO	13	13
	GRADUATE	10	23
	POST GRADUATE	70	93
	PROFESSION	7	100
OCCUPATION	UNEMPLOYED	16	16
	PUBLIC SECTOR	25	41
	PRIVATE SECTOR	32	73
	BUSINESS/PROFESSION	27	100
AVERAGE MONTHLY INCOME	LESS THAN/=10000	21	21
	10001TO 20000	33	54
	20001TO 30000	19	73
	GREATERTHAN/=30001	27	100
TYPES OF ACCOUNT	SAVINGS	77	77
	CURRENT	23	100
USAGE OF BANKING SERVICE	LESS THAN/=5	34	34
	6 TO 10	27	61
	11 TO 15	18	79
	GREATERTHAN/=16	21	100
USAGE OF IB SERVICE	LESS THAN/=2	31	31
	3TO 5	33	64
	6TO 8	26	90
	GREATERTHAN/=9	10	100
AVG MONTHLY USAGE OF IB	LESS THAN/=3	25	25
	4 TO 7	29	54
	8 TO 10	19	73
	GREATERTHAN/=11	27	100
ACCESSABILITY OF IB	VERY GOOD	21	21
	GOOD	67	88
	AVERAGE	10	98
	POOR	2	100
	VERY POOR	0	100
WEBSITE PRESENTATION	VERY GOOD	16	16
	GOOD	62	78
	AVERAGE	20	98
	POOR	2	100
	VERY POOR	0	100

Table 1.exhibit the profile of the sample respondents selected for the study. The majority of IB users belong to the age group greater than 40. Gender wise classification shows that out of the 100 respondents, majority (64percent) are male. As to education Qualification 70 percent are post graduate and only 7 percent are professionally qualified. From the table it can be seen that majority (32 percent) are belong to private sector followed by business and profession. The monthly income classification of the respondents reveals that majority of them falls under the income group 10001-20000 and almost 73 percent respondents were receiving less than 30000 as monthly income. The table shows that 77 percent respondents having Savings bank a/c. the classification of the sample based on the usage of IB services shows that majority of respondents are using IB for about 3 to 5 years and also, it may be seen that most of them (46 percent) using IB services for almost 8 and above times. From the table it can be seen that majority of respondents have better perception and opinion about the accessibility of IB services and Website presentation of Bank.

Reason for Using IB Services

Using of IB services is influenced by many factors. It might be because of speed, convenience, transaction efficiency, user friendly characteristics etc…Friedman test is used to test the following hypothesis.

H0: there is no significant difference in the reason for using IB services of users.

H1: there is significant difference in the reason for using IB services of users.

The test results are presented in the following table.

Table No.2: Mean Ranks Obtained For the Reason behind In Using IB Services

Ranks		
	Mean Rank	**Rank**
Speed	2.25	2
Convenience	2.01	1
Transaction Efficiency	2.49	3
User Friendly	3.25	4

The mean ranks obtained for the reason behind the using of IB services are stated above. The lower the ranks, the higher will be the preference or preferable reason. As per table given that the highest preference is given to convenience (mean rank 2.01), followed by speed (mean rank 2.25) and transaction efficiency (mean rank 2.49).

Table No.3: Friedman Test

Test Statistics	
N	100
Chi-Square	51.912
Df	3
Asymp. Sig.	0.000
a. Friedman Test	

The chi-square static provides a value of 51.912, which is significant at 5 percent level of significance (0.000<0.05). Therefore, the null hypothesis of "no difference in the reason for using IB services among selected users" is rejected. This indicates the variation in the preference of users in the selection of IB service.

Problems Faced by Users while Using Internet Banking Services

Friedman test is used to find out the major problems faced by the users among the selected sample based on their perception and experience and test the following hypothesis too.

H0: there is no difference in the perception on the problems faced by the IB users while using IB service

H1: there is difference in the perception on the problems faced by the IB users while using IB service

Table No.4: Mean Ranks Obtained For the Problems Faced By the IB Service Users

Ranks		
	Mean Rank	**Rank**
Inability to login of a/c	6.38	6
Account temporarily locked	7.05	8
Transaction failed and amount	7.12	9
Money lost without	8.39	12
Low speed	4.61	1
Connection problems	4.64	2
Personal information leaked	8.02	11
Inadequate customer support	6.66	7
Transaction details missing	7.14	10
Lengthy procedure	6.29	5
Inability to get one time	5.72	3
Delay in getting new	6.02	4

The mean ranks obtained for the problems faced by the users while using of IB services are stated above. The lower the ranks, the higher will be the major problem. As per table given that the highest or major problem faced by the users is Low Speed (mean rank 4.61), followed by Connection Problems (mean rank 4.64) and Inability to get One Time Password (mean rank 5.72).

Table No.5: Friedman Test

Test Statistics	
N	100
Chi-Square	135.868
Df	11
Asymp. Sig.	0.000
a. Friedman Test	

The chi-square static provides a value of 135.88, which is significant at 5 percent level of significance ($p = 0.000<0.05$). Therefore, the null hypothesis of "no difference in the perception on the problems faced by users while using IB services" is rejected. This indicates the variation in the preference or perception on the problems faced by the IB users.

Level of Trust towards the Security Features of IB

Kruskal Wallis test is used to find the level of trust and to test the following hypothesis

H0: There is difference in the perception on the security features of IB among users having different Education Qualification

H1: There is no difference in the perception on the security features of IB among users having different Education Qualification.

Table No.6: Education Qualification-wise means ranks on Security Features of IB services

Ranks			
	Qualification	**N**	**Mean Rank**
VeriSign	Up to plus two	13	46.85
	Graduate	10	52.00
	Post graduate	70	50.61
	Profession	7	54.07
Padlock symbol	Up to plus two	13	51.96
	Graduate	10	47.75
	Post graduate	70	50.61
	Profession	7	50.64
THE LETTER 's' IN THE URL	Up to plus two	13	49.92
	Graduate	10	48.00
	Post graduate	70	49.49
	Profession	7	65.29
Virtual keyboard	Up to plus two	13	59.38
	Graduate	10	32.40

	Post graduate	70	52.81
	Profession	7	36.71
Sms/email alert	Up to plus two	13	59.27
	Graduate	10	51.40
	Post graduate	70	50.11
	Profession	7	36.79
Sign on password expiry	Up to plus two	13	49.81
	Graduate	10	52.65
	Post graduate	70	48.59
	Profession	7	67.79
Automatic lockout on multiple password incorrect	Up to plus two	13	42.04
	Graduate	10	65.10
	Post graduate	70	48.29
	Profession	7	67.50
Automatic timeout	Up to plus two	13	48.08
	Graduate	10	55.80
	Post graduate	70	49.36
	Profession	7	58.79
Mandatory use of special characters in password	Up to plus two	13	41.69
	Graduate	10	51.95
	Post graduate	70	51.09
	Profession	7	58.86
Address bar turning green	Up to plus two	13	56.62
	Graduate	10	54.10
	Post graduate	70	49.05
	Profession	7	41.21

Table No.7: Kruskal Wallis Test

Chi-Square										
	Verisign	P S	Letter 'S' In The Url	V K	Sms/Email Alert	S P E	Almip	Atianost	Muscp	Abtg
ChiSquare	.409	.141	2.155	8.423	3.749	7.918				
Df	3	3	3	3	3	3	3	3	3	3
Asymp. Sig.										
a. Kruskal Wallis Test										
b. Grouping Variable: QUALIFIACTION										

The Education Qualification wise mean rank table shows that users with professional Education Qualification have the better perception and high level of trust on all the security features available in IB except Virtual Keyboard, SMS alert, Automatic Lockout on Multiple Incorrect Password. All hypothesis except related to Virtual keyboard, Automatic Lockout on Multiple Incorrect Password (ALMIP) are not rejected as the P values are 0.038 and 0.048. As related to hypothesis, other security features are rejected as the P values are 0.938, 0.986, 0.541, 0.290, 0.331, 0.737, 0.499 and 0.611 (P>0.05) Therefore it can be concluded that based on Education Qualification wise, there is significant difference among IB users in relation to level of trust on security features – Virtual Keyboard and Automatic Lockout on Multiple Incorrect Password

Findings

1. Demographic profile of the Selected IB Users : Majority of respondents have better perception and opinion about the accessibility of IB services and Website presentation of Bank.
2. Reason for Using IB Service: Out of the different factors that motivate the customer to use the IB service, Convenience factor is most considered. The mean rank variation of all the motivating factors or reasons is statistically significant in the output of Friedman test (P=0<0.05). Lowest mean rank is highly preferred. Here convenience factor has the lowest mean rank (2.01), followed by speed (2.25).

3. Problems Faced by the IB Users: The mean ranks obtained for the problems faced by the users while using of IB services shows that the highest or major problem faced by the users is Low Speed and Connection Problems due to Server Error. Friedman test is used for this purpose. The lower the ranks, the higher will be the major problem where mean rank of Low Speed is 4.61, followed by Connection Problems (mean rank 4.64) and Inability to get One Time Password (mean rank 5.72).
4. Level of trust of customers on Security Features available in IB : Majority of respondents are not aware of VeriSign security and Padlock Symbol security. The Education Qualification wise mean rank table shows that users with professional Education Qualification have the better perception and high level of trust on all the security features available in IB except Virtual Keyboard, SMS alert, Address bar turning to green. Kruskal-Wallis used for this purpose. As a result, it is observed that based on Education Qualification wise, there is significant difference among IB users in relation to level of trust on security features – Virtual Keyboard and Automatic Lockout on Multiple Incorrect Password.

Suggestions

1. Respondents are dissatisfied with online customer service representative. So there is a need to rectify the online connectivity of the customer service representative.
2. People are so much conscious about the security measures whether it might provide privacy andsecurity for the information that entered.
3. Out of the mentioned problems, it is founded that Low Speed and Connection problem due to server errors are the major problems faced by Users. Therefore banks need to take corrective measures to improve their server efficiency.
4. Banks has to conduct various awareness programs in order to improve the level of awareness and knowledge of customers about the functioning of IB and its attributes.

Conclusion

The results of this research indicated that transaction efficiency, ease of use, service content are important determinants of customers' satisfaction with internet banking. However, privacy and security problems, low speed and connection problems due to server errors are the main/major problems faced by the IB users. It indicates that as cost and time customers spent on internet banking increases, customers' satisfaction will decrease. Therefore, this paper suggests certain policy implications for the banking industry. Thus, the proposed model can be of help in planning efforts towards increasing consumers' satisfaction. By improving these factors, bank management may increase adoption and satisfaction among internet bank users. These also imply initiating appropriate actions to enhance basic facilities and improve privacy and security on internet banking. This in essence will improve business transaction and thus increase overall customer satisfaction.

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