

A STUDY ON THE CUSTOMERS' INTENSION TO USE AND THE LEVEL OF SATISFACTION WITH THE USE OF INTERNET BANKING

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Abstract:

Internet banking is generally an extension on traditional banking using the internet as an electric delivery channel for banking products and services. With the help of internet banking, a bank delivers its banking services to a customer at his/her home or work place. The main objective of this paper is to determine the customers' intension to use and their level of satisfaction with the use of internet banking. In order to meet the objectives, the researcher has conducted a sample survey consisting of 50 samples using the judgment sampling technique. The researcher has presented a well-framed questionnaire only to those customers who are availing the internet banking services. Through this study, the researcher has determined the reasons behind the intension to use and the satisfaction level of customers using the internet banking services.

Keywords: internet banking, customers, intension, level of satisfaction

Introduction:

The banking industry like many other financial service industries is facing a rapidly changing market, new technologies, fierce competition and more demanding customers and the changing climate has presented an unprecedented set of challenges. Internet banking is generally an extension on traditional banking using the internet as an electric delivery channel for banking products and services. With the help of internet banking, a bank delivers its banking services to a customer at his/her home or work place. In this paper, the researcher has tried to determine the customers' intension to use and their level of satisfaction with the use of internet banking.

Objectives of the study:

1. To understand the intensions of customers' behind the use of internet banking
2. To determine their satisfaction level with the use of internet banking

Conceptual framework:

For this study, descriptive research design is used where the data is collected through a well-framed questionnaire. The researcher has conducted a sample survey consisting of 50 samples using the judgment sampling technique. The researcher has presented a well-framed questionnaire only to those customers who are availing the internet banking services. The information is gathered from different customers of both private and public sector banks located in the Tezpur town. Fifty bank customers were contracted personally in order to seek fair and frank responses. 24 statements have been grouped under four dimensions. In order to ascertain the perception of the customers' and their satisfaction level, Likert's 5-point scale has been used for its suitability to estimate the range and variation in the perceptions. The scale 1-5 represents '5' as maximum and '1' as minimum. For the analysis of data, Indexing of figures has been done where weights were assigned to every response.

Rationality of the study:

The study is conducted in order to test the bank customer's perception with the intention to use and the level of satisfaction with the use of internet banking in the Tezpur town where the respondents are the customers of both private and public sector banks. The study will help to understand the intentions of customers' behind the use of internet banking and to determine their satisfaction level with the use of internet banking and to compare the perception of customers of both private and public sector banks.

Methods of data collection:

- **Methods of collecting primary data:** Primary data was collected using a questionnaire and personal contact approach. The researcher has presented a well-framed questionnaire only to those customers who are availing the internet banking services. The respondents were approach personally in order to seek fair and frank responses.
- **Secondary information:** Secondary information were collected from:
 - i. Research work done or thesis prepared by earlier researchers
 - ii. Published and unpublished journals
 - iii. Books and magazines in the relevant field
 - iv. Technical and trade journals
 - v. Reports prepared by research scholars and universities

Analysis:

1. General profile of the respondents:

Table (1)

Table showing general profile of the respondents

	Particulars	No. of respondent	Percentage
Age (in years)	Below 25	8	16
	26-35	24	48
	36-45	15	30
	46 and above	3	6
	Total	50	100
Education	Intermediate	07	14
	Graduate	28	56
	Post-Graduate	10	20
	Other	05	10
	Total	50	100
Gender	Male	27	54
	Female	23	46
	Total	50	100
Occupation	Self-employed/business	12	24
	Salaried	18	36
	Professional	14	28
	Other	06	12
	Total	50	100
Annual Income Range	Below 2lakhs	08	16
	2lakhs to 4 lakhs	11	22
	Above 4 lakhs upto 6 lakhs	17	34
	Above 6 lakhs	14	28
	Total	50	100

Bank type	Private	22	44
	Public	28	56
	Total	50	100
Type of Account	Savings	32	64
	Current	12	24
	Demat	06	12
	Total	50	100
Frequency of using Internet Banking	Upto 5 times	05	10
	6 to 10 times	18	36
	11 to 20 times	19	38
	More than 20 times	08	16
	Total	50	100

Source: questionnaire

Interpretation: Out of 50 respondents, it is seen that 27 were male and 23 were female out of whom most of the respondents belonged to the age group of 26 to 35 years of age and 56% were graduate. 36% of the respondents were salaried persons working in various Government and Non-Government organizations, 28% of the respondents were professionals that included 5 doctors, 3 advocates, 4 female beauticians and 2 Chartered Accountants while a few of them were farmers, etc. Out of the total respondents, the annual income of 34% of the respondents ranges between 4 lakhs to 6 lakhs, 56% have the bank accounts opened at public sector banks and 64% has got savings account. Frequency of using internet 11 to 20 times on monthly has been found to be the highest, which indicated that the customers are positively responding to the emerging trend on internet banking.

2. Analysis of the customers' intention to use internet banking:
 - i. Services availed by the customers:

Table (2)

Table showing services availed by the customers through internet banking

Services availed	Percentage of respondents	Total Percentage
Balance enquiry	74	100
Transfer funds between own account	60	100
Transfer funds to others	62	100
Order cheque and drafts	76	100
Perform Debit/Credit Card Transaction	86	100
Pay Utility bills	68	100
Make payment of purchases	78	100
Apply for loan	48	100
Trade in shares and investments	84	100
Others	52	100

Source: questionnaire

Interpretation: From the table it can be said that out of 50 respondents, 86% of the respondents performs debit/credit card transactions followed by 84% of respondents who trades in shares and investment through internet banking. 78% makes payment of purchases, 76% orders cheques and drafts while 74% avails the balance enquiry service provided by their respective banks through internet banking. From the table it can also be seen that only 48% of the respondents applies for loans through internet banking and 52% uses the internet banking services for other purposes like payment of competitive examination fees, etc. 68% pays utility bills, 60% transfers funds within own accounts and 62% transfers funds to others account through internet banking.

- ii. Factors considered to be important while deciding the use of Internet banking:

Table (3)

Table showing importance of factors

Statements	Index figure [$\sum w_i/M_i*100$]
Easy to access	76
Usefulness	66
Technological efficiency	79.33
Safety and security	81.33
Fee/financial cost	58

Source: questionnaire

Interpretation: The figures in Table(3) brings into light the different factors considered to be important while deciding the use of internet banking. From the table it is seen that safety and security is considered a very important factor followed by the technological efficiency required and easiness to access internet banking. Fees/financial cost to be borne by the users for using internet banking is considered to be the least important factor.

- iii. Factors influencing the customers intention to use internet banking:

Table (4)

Table showing the influencing factors

Statements	Index figures [$\sum w_i/M_i*100$]
Safety and security	72
Technological requirement	66
Financial cost (fee)	78
Facilities of transaction and other value	76.8
Easiness to access	83.6
Sufficient (enough) information	62.4

Source: questionnaire

Interpretation: The table depicts that easiness to access internet banking is an important factors that influences the customers intention to use internet banking followed by the least amount of financial cost to be borne by the users. Facilities for transaction, Safety and security are also influential factors because of which the customers use internet banking.

3. Analysis of level of satisfaction of customers with the use of internet banking:

Table (5)

Table showing Satisfaction level of customers regarding different factors

Statements	Index figures [$\sum w_i/M_i*100$]
Ease of use	79.33
Financial cost	78.8
Facilities of transactions and other value added services	78
Risk coverage ensured	68.4
Technical procedure	53.6

Source: questionnaire

Interpretation: From table (5) it can be said that the customers are highly satisfied with the easiness to use and the financial cost to be borne with the use of internet banking. While they are least satisfied with the risk coverage ensured and the technical procedure involved in internet banking.

Findings:

The study was conducted to understand the intensions of customers' behind the use of internet banking and to determine their satisfaction level with the use of internet banking. From the analysis it is found that, customers are now-a-days more inclined to internet banking for its easiness to use and its accessibility. Moreover, the minimum amount of financial cost to be borne by the customers is also a major reason behind the use of internet banking. Through internet banking, customers' avails services like balance enquiry, payment of purchases, payment of utility bills, card transactions, etc. as it helps them to save their valuable time for the services can be availed by merely sitting in front of the home computer rather than standing in long queues in case of traditional banking.

It was found that the customers are highly satisfied with the easiness to use internet banking and the financial cost that are to be borne but they are not much satisfied with the risk coverage ensured by their respective banks. The customers of public sectors banks feels more secured regarding their personal details they had provided to their banks while the customers of private sector banks are more satisfied with the technical procedure involved in availing internet

banking services and the facilities of transactions and other value added they get with the use of internet banking. Some of the value added availed by the customers of the private sector banks includes discount and gift vouchers provided at the time of online shopping, facilities on online booking of tickets, discounts and offers availed while using debit/credit card services, etc. Moreover, the customers of private sector banks are more satisfied with the service quality they receive from their bank as compared to that of the public sector banks.

Suggestion:

- The banks should invest more on computer based banking or internet banking as it helps in delivering quick and accurate services to the customers as well as reducing the workload of the frontline staff and thereby providing ways to employees to response to the customer request.
- The public sector banks should focus in introducing new and enhanced internet banking services as at present the customers are more inclined towards the facilities provided by the private sector banks.
- The private sector banks on the other hand should ensure more safety and security to their customers as the customers feels more secured to provide personal details to the public sector banks as compared to the private sector banks.
- Banks must pay attention to the potential failure points in internet banking and should take immediate steps to reduce such discrepancies like non-availability of cash in the ATM counters, failures to connect to the servers, delay in transactions due to network problem, etc.
- The technical procedures involved and the technological efficiency required to use internet banking should be reduced in order to encourage all sections of the society including the lower classes and the less educated to use and avail the services of internet banking.
- Lastly, banks should continuously assess and reassess how customers perceive bank's internet banking services so as to know whether the banks meets or exceeds or is below the expectations of their customers. Such an appraisal will through light on the rectification required helping the banks to improve their internet banking services.

Conclusion:

As for conclusion, it can be said that the banking sector in India is undergoing major changes due to competition and the advent of technology. Internet banking is an emerging trend and this study sought to determine the customers' intention and satisfaction of using internet banking. It is seen that the young generation customers are more inclined towards internet banking as compared to the traditional or primitive form of banking and as such, the banks should now go for more technological upgradation. As more and more customers are adopting internet banking transactions, it is becoming more and more important for the management of banks to be innovative in their approach in meeting customer requirements.

Scope for future study:

The present study is restricted to the period from April to May 2016 in the Tezpur town where the perceptions of only 50 respondents were studied. These respondents are the customers of different banks both private and public availing the net banking services. Since the period and area is limited, there is a scope for future study where the researcher can consider a larger area and a longer period. The researcher in case of further study can also consider taking two specific banks one being a representative unit of private banks and another being a representative unit of public banks. This will help to compare the perception of customers regarding public and private sector banks.

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QUESTIONNAIRE

Dear respondent,

This study is conducted to test the customers' perception with the intention to use and their level of satisfaction with the use of internet banking. Your participation in this study as user customer of internet banking will help the researcher in accomplishing the objectives. Your response will be used strictly for the research purpose and will be treated with confidentiality.

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Please provide the required information below. Put tick mark wherever applicable.

- 1) Name: _____
- 2) Age: below 25 26-35 36-45 46&above
- 3) Occupation: i. self-employed ii. Salaried iii. Professional iv. Others
4. Gender: male female
5. Education: intermediate Graduate
Postgraduate Others
6. Annual income range: below 2lakhs 2lakhs to 4 lakhs
Above 4lakhs upto 6lakhs above 6lakhs
7. Bank type: private public
8. Type of account: savings current demat
9. Frequency of using internet banking: upto 5 times 6 to 10 times
11 to 20 times More than 20 times
10. Which of the following services you use through internet banking? Please choose all that apply
 - a) To check balance
 - b) To transfer funds between own accounts
 - c) To transfer funds to others
 - d) To order drafts and cheques
 - e) To perform debit or credit card transaction
 - f) To pay utility bills
 - g) To make payment of purchases
 - h) To apply for loan
 - i) To trade in shares or invest money
 - j) Others (specify).....