

# A Study on Customers Attitude towards the Problems of Internet Banking Services in Madurai City

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## Abstract

The banking industry has been developing by using Internet banking as a well-organized and practicable tool to create customer value. In the banking sector, different electronic delivery channels are increasingly used for delivering banking products and services that convenient for the customers at a low cost. Internet Banking (IB) is one among them in the banking sector. It is one of the smart services offered by traditional banks to offer speed and reliable services to online users. With the fast development of computer-based technology, the Internet Banking can draw more customers to perform banking dealings in related banks. However, the main issue of Internet banking faced by bankers is that a large number of banking customers are not ready to use the Internet banking services offered by banks. This happens due to the services offered through Internet banking is yet to encourage its customers. Customer satisfaction is an important factor that helps the banks to maintain competitive advantages. Therefore, this study is to observe the factors that influence the customers' satisfaction towards Internet banking. The study concentrates on the following factors that can influence customers' satisfaction toward Internet banking, which include services, web design, security, and convenience. The sample size taken for the study was 100 respondents who provided valuable feedback to pertain to the above factors that influence customers' decision to use Internet Banking.

**Keywords:** Internet banking, Banking industry, Customer Satisfaction, Security services, Banking services, Online banking.

## Introduction

The financial reforms that were initiated within the early 1990s and therefore the globalization and liberalization measures brought a completely new opening environment to the banks. The bankers are now offering modern and smart technology-based services and products like ‘Anywhere Anytime Banking’, ‘Tele-Banking’, ‘Internet Banking’, and ‘Web Banking’ etc., to their customers.

Internet Banking in India is currently at a growing stage. While there are many companies specializing in primary Internet banking software, security software, and internet sites; thus, in India, slowly but steadily, the Indian customer is moving in the direction of Internet banking. A variety of banks has either adopted. Internet banking is on the smart of adopting it. The banks started Internet banking initially with a simple task like getting information about interest rates, checking account balances and computing loan eligibility. Then, the services are extended to online bill payment, transfer of funds between accounts and cash managing services for corporate. Recently, banks need to make easy payments of e-commerce dealings by directly debiting bank accounts or through credit cards.

## Review of Literature

Sunith (2019) study has attempted to mark out the extent of satisfaction of E-Banking customers. Hypothesis tests expose that respondents are satisfied with the competency and efficiency of E-Banking services. Respondents are satisfied with the accuracy and consequence of information provided by the banks and the management of web portals for E-Banking services. Hypothesis tests helped identify some of the vulnerabilities that banks need to focus upon and improve to enhance customer satisfaction, build a customer base and strengthen their loyalty. Again, it is said that retaining existing customers is easier than finding new customers.

Pratima Merugu and Krishna Mohan Vaddadi (2018) study primarily focuses on exploring the factors that influence online customers' satisfaction with references to the overall service quality of their banks. The study not also helps in assessing the significance of these factors in the context of Online (Internet) banking but also to strengthen the bond between the banks and the customers, thereby serving them to retain and expand their overall customer base. First, the study identified website design, service reliability, customer service, communication and security are the major determinants of customer satisfaction concerning online / Internet banking.

Santhiya Ran and Saravanan (2018) study reveals to evaluate and examine the level of satisfaction towards internet banking services. This research will support bank organizational to ascertain a better understanding of customers' satisfaction towards internet banking offered by the general bank customers in Coimbatore city. Basic supposition only those customers who know how to use the Internet and have access to the Internet. The study considered only the situation wherein banks provide Internet banking services. By grouping, the variable less than one relevant question may result in proper implication for the bankers.

## Statement of the Problem

Advent and implementation of the internet by the industries have removed time, distance and communication, making the world truly a small village. The financial sector is no exception. Various features such as competitive cost, customer

service, increase in education and income level of customers, and the banks like to evaluate their technology and assess their e-commerce and internet banking strategies. Internet banking allows banking from anywhere, anytime and is used for dealing with banks over the internet. In Internet Banking, a client has one-to-one dealings with the bank's website, and in such a situation, it is important on the part of the bank to provide high-quality services over the internet. Customer satisfaction, customer maintenance and new customer acquisition are the key issues in the internet banking system. Internet banking now is more of a norm rather than exclusion in many developed countries due to the reality that it is the cheapest way of providing banking services. This paper examines the consequence of internet banking on banks' performance management in Madurai city. It also seeks to examine customer's perception of the services provided by the banks interrelated and revolutionized by the internet.

## Objectives of the Study

- To expose socio-economic profile of respondents.
- To measure the level of satisfaction of the respondents towards Internet Banking services.
- To reveal the issues faced by the respondents.

## Hypothesis

- There is no association between the gender and satisfaction level of the respondents.
- There is no association between the income and satisfaction level of the respondents.

## Methodology

**Source of Data:** This study is based on primary data. The data has been collected directly from the customers of banks by using a questionnaire prepared exclusively for this study.

**Sample Design:** The 120 samples were selected from the total population for this study. A convenient method of sampling technique is applied to get the questionnaire.

**Tools for Analysis:** The collected data were processed further with the help of the SPSS to analyze and interpret the data in the study. The Chi-square test is used to determine the significance of the relationship between the variables.

## Analysis and Interpretation

**Table 1: Demographic Profile of the Respondents**

S. No	Demographic		Frequency	%
1	Gender	Male	65	65
		Female	35	35
		<b>Total</b>	100	100
2	Age	Less than 25	27	27
		25-35	50	50
		35-45	18	18
		More than 45	5	5
		<b>Total</b>	100	100
3	Marital Status	Married	40	40
		Unmarried	60	60
		<b>Total</b>	100	100
4	Education Qualification	School level	11	11
		Graduation	30	30
		PG	59	59
		<b>Total</b>	100	100
5	Employment Status	Business	11	11
		Employed	36	36
		Professionals	26	26
		Students	21	21
		Others	6	6
		<b>Total</b>	100	100
6	Income	< 20000	8	8
		20000-30000	50	50
		30000-40000	35	35
		> 40000	7	7
		<b>Total</b>	100	100

Source: Primary Data

From Table 1, the sample customers are mostly 50 percent in the age group of 25-35. It is also evident from the table that 27 percent are youngsters was below 25 years, 18 percent are between 35 and 45 years, and 5 percent are above 45 years. In the gender category, 65 percent were male and 35 percent were female respondents. Furthermore, the maximum of respondents is unmarried of 60 percent and 40 percent married. The respondents' education levels are 59 percent of post-graduates, 30 percent of graduates and 11 percent of school level. About occupational status, 21 percent of the respondents' are students, 11 percent of Business men, 36 percent of the private employee, 26 percent of professionals, and 6 percent. From the table, the majority of respondents' are in employment level with 36 percentages. The income levels of the respondents are between Rs. 20,000 and Rs. 30,000 were 50 percent, income less than Rs. 20,000 were off 8 percent of and more than Rs. 40,000 income was 7 percent.

### Chi-Square Analysis

The chi-square test was used to test whether the personal independent variables of the respondents have significant influences over the satisfaction level. Considered the personal characteristics of the respondents considered were: Gender and Income.

Table 2 shows that the calculated value of chi-square is less than the table value. So the null hypothesis is accepted and concluded that there is no significant difference between gender and the level of satisfaction of respondents towards the services provided by Internet banking.

**Table 2: Relationship between Gender and Level of Satisfaction of the Respondents**

S. No	Gender	Level of Satisfaction			Total	Degrees of freedom	Level of significance	Calculated value	Table value
		Low	Medium	High					
1	Male	06	40	19	65	2	0.05	0.971	5.099
2	Female	04	25	06	35				
<b>Total</b>		10	65	25	100				

Source: Primary Data

Table 3 shows that the calculated value of chi-square is less than the table value. So the null hypothesis is accepted and concluded that there is no

significant difference between income and the level of satisfaction of respondents towards the services provided by Internet banking.

**Table 3: Relationship Between Income and Level of Satisfaction of the Respondents**

S. No	Income	Level of satisfaction			Total	Degrees of freedom	Level of significance	Calculated value	Table value
		Low	Medium	High					
1	Less than 20000	3	8	3	14	6	0.05	5.021	12.6
2	20000-30000	4	16	8	28				
3	30000-40000	5	27	9	41				
4	More than 40000	2	11	4	17				
Total		14	62	24	100				

Source: Primary Data

**Table 4: Ranking the Problems Faced by the Respondents**

Factors	Mean	Rank
Low speed	5.20	I
Connection lost while processing	5.32	II
Account temporarily locked by bank	4.37	VII
Transaction failed but amount is deducted	4.50	VI
Lengthy procedure	4.83	IV
Forget password due to frequent changes	5.00	III
My personal information leaked out	4.27	VIII
Poor response from bank on complaints	4.68	V

Source: Primary Data

The study reveals that most of the respondents face problems while using internet banking is connection lost while processing is ranked first. The low speed problem is ranked second. Forget password and Lengthy procedure are ranked as third and fourth place.

### Suggestions

- Most of the web-based difficulty such as low speed, connection lost while processing transactions, etc. may not be the reach of banks and they may not have much to solve these problems. However, for the problem of account temporarily locked by bank, the bank can make the customers aware that their account will be temporarily locked if they make multiple incorrect password entry, to ensure security. What the banks can do in this regard is to advise users to choose passwords that are easy to remember for them but difficult to be guessed by others.
- The quickness of the web site on bank's portal site loading. To increase the speed of the online

system, the management would need to increase the speed or bandwidth for effective browsing and opening of pages; especially pages with video and pictures require high bandwidth.

- Prompt responses to customer requests. This relates to customer relationships. This needs training of more able customer service staff that would be able to hold customer request promptly.
- Internet banking system's ability to guide customers to resolve problems. Customer may have many troubles in accessing and utilizing online banking portals; it is the liability of the management to make sure that all diverse customer struggle is attended to be technicians with expert knowledge to resolve customers' problems.

### Conclusion

This study emphasizes the research about customers' attitude towards Internet Banking services in Madurai city. The result of this research gave an outline of the attitude of customers and also they express their problems faced while using Internet banking. The study revealed a medium level of attitude towards Internet banking usage among bank customers. Most of the customers are facing low speed and connection loss while process problems while using internet banking. The banks should get feedbacks from the customers to rectify it. So every bank has to make a good perception of the Internet banking channel and encourage them to use Internet banking facilities. Banks have a vital role in promoting technology oriented banking channels to retain their valuable customers.

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