



CUSTOMERS' AWARENESS AND SATISFACTION ON TECHNOLOGY ENABLED BANKING SERVICES

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Abstract

The present study attempted to know the customers' satisfaction and awareness towards technology enabled banking services. The present study is exploratory-cum-descriptive in nature. The sample size was 300 selected on the basis of simple random sampling from the Nagai district of Tamilnadu. Technological innovation and application of modern technology in the banking sector make a great revolution in Indian Banking operations through tech-savvy system. Through the introduction of information technology, the banks offer various services to the customers, like internet banking, electronic payments, security investments and information exchanges. Through the technology, the banks are offering 24X7 services to its customers.

Key Words: Satisfaction, Technology, Banking, Services, Security.

Introduction

Today banking is known as innovative banking. Information technology has given rise to new innovations in the product designing and their delivery in the banking. The commercial banks need a strategy that makes possible a fair blending of the interests of banks, customers and public at large. On the one hand, they are expected to serve social interests while on the other hand they also bear the responsibility of generating profits and maximizing the market share. The growing magnitude of social costs, no doubt, appears to be a major bottleneck while computing profit but this is not the only reason for a large-scale degeneration in the existing banking. In a true sense, multi-dimensional changes in the business environment are found which need a new vision, a new policy and a new strategy. A corollary to the major challenge of delivering quality services to the customers may be to initiate an overall improvement in the bankers' behavioural management. This simplifies the task of identifying the prospects and then enlisting habitual customers. The potential customers have the capacity and willingness to utilize the services but due to insensitive marketing the bankers fail to influence their customers. Marketing is considered to be a device to activate the transformation process in a right fashion if innovation is practiced in the right direction. The present study aimed to know the customers' satisfaction and awareness towards technology enabled banking services in Nagai district.

Materials and Methods

Dutta (2009) studied the banking sectors as a customer oriented services industry; therefore the customer is the focus and customer service is the differentiating factor. The purpose of one empirical study done by him is to investigate the expectations and perceptions of the customers across the banking sectors in India. It was found out that in the banking sector it is the foreign banks which are perceived to be offering better quality of services followed by the private and then public banks. These perceptions are reflected in the financial performance of the banks also. It is an eye opener for the banks to see the gap between customer expectation and perception regarding the quality of services rendered which should further act as a motivator to enhance the banks reputation and ensure customers, loyalty. Reeti Agarwal (2009) conducted a study on respondents taken from the northern part of India. The major findings depict that customers are influenced in their usage of e-banking services by the kind of account they hold, their age and profession, attach highest degree of usefulness to balance enquiry service among e-banking services, consider security & trust most important in affecting their satisfaction level and find slow transaction speed the most frequently faced problem while using e-banking. Samson Yusuf Dauda (2015) stated that the importance of service delivery technology and online service adoption and usage in the banking industry has received an increased discussion in the literature in recent years. Owing to the fact that Strong online banking services are important drivers for bank performance and customer service delivery; several studies have been carried out on online banking service adoption or acceptance where services are already deployed and on the factors that influence customers' adoption and use or intention to use those services. However, despite the increasing discussion in the literatures, no attempt has been made to look at consumers' preference in terms of future online banking service adoption. This study used conjoint analysis and stated preference methods with discrete choice model to analyze the technology adoption pattern regarding consumers' preference for potential future online banking services in the Nigerian banking industry. The result revealed that to increase efficiency and strengthen competitiveness, banks need to promote smart and practical branded services especially self-services at the same time promote a universal adoption of e-banking system services that add entertainment or extra convenience to customers such as ease of usage including digital wallet, real-time interaction (video banking), ATMs integrated with smart phones, website customization, biometric services, and digital currency. These services can contribute to an increasing adoption of online services.



It is an open network accessible from anywhere in the world by unknown parties, with routing of messages through unknown locations and via fast evolving wireless devices. To solve these issues, the researcher has made an attempt to ascertain the level of satisfaction perceived by the customers on technology enabled banks. For this purpose a field survey method was used to collect first hand information from six hundred sample respondents in Nagai district by means of questionnaire. The research design adopted for this study is descriptive research. Descriptive method was adopted because it deals with description of the state of affairs as it exists at present. If the population from which a sample is to be drawn does not constitute a homogenous group, then simple random sampling technique is applied so as to obtain a representative sample. Structural equation modeling was used for further analysis.

Results and Discussions

Structural Equation Model is used to test and eliminate causal relationship using a combination of statistical data and qualitative case assumptions. There is no difficulty in hypothesis testing in SEM because it takes the confirmatory approach rather than the exploratory approach. Many sub-criteria are considered under each criterion. This is a reason for the relative weightage arrived from SEM is consider more valued than through any other approach. This model also takes measurement error into account while analyzing the data statistically. SEM is capable of estimating or assessing measurement error. It can incorporate both observed and latent variables. When interpreting structural equation model, the values attached to one way arrows (or directional effect) are Regression coefficient, where as two way arrows (non directional relationship) are Correlation coefficient. Regression coefficient and correlation comprise the parameters of the model. The Regression coefficient and correlation measures the strength of the relationship between the variable. The regression coefficient of 0.70 or higher indicates a very strong relationship, 0.50-0.69 indicates a substantial relationship, 0.30-0.49 indicates a moderate relationship, 0.10 – 0.29 indicates a low relationship, 0.01-0.09 indicates a negligible relationship and the value of 0 indicates no relationship.

Table 1: Regression Weights

		Latent Variable	Estimate	S.E.	C.R.	Result
SMS Banking	←--	Awareness and satisfaction	1.000			
Book bus and flight tickets	←--	Awareness and satisfaction	.948	.089	10.652	1%
Shop online	←--	Awareness and satisfaction	1.060	.094	11.273	1%
DD requests	←--	Awareness and satisfaction	.851	.082	10.340	1%
Loan applications	←--	Awareness and satisfaction	.900	.085	10.551	1%
Recharging of prepaid cards	←--	Awareness and satisfaction	.744	.083	8.921	1%
Book bill payments (electricity and BSNL)	←--	Awareness and satisfaction	.772	.082	9.432	1%
Order cheque	←--	Awareness and satisfaction	.685	.078	8.815	1%
Transfer funds	←---	Awareness and satisfaction	.760	.083	9.114	1%
Cheque/cash deposit	←--	Awareness and satisfaction	.980	.088	11.090	1%
Balance enquiry	←--	Awareness and satisfaction	.596	.066	9.024	1%
Cash withdrawal	←--	Awareness and satisfaction	.313	.059	5.331	1%

Source: Primary Data

Table shows the regression coefficient of the exogenous variables. The critical ratio gives above the table value 2.962 and it is significant at 1 per cent level. From the analysis, it is concluded that the selected variables such as Cash withdrawal, Balance enquiry, Cheque/cash deposit, Transfer funds, Order cheque, Book bill payments (electricity and BSNL), Recharging of prepaid cards, Loan applications, DD requests, Shop online, book bus flight tickets and SMS banking are the most influencing factor in satisfying the customers.

Table 2: Model Fit Summary

S. No	Test Factor	Value	Result
1	Chi-square	274.197	Sig. at 5% level
2	GFI	0.931	Good fit
3	AGFI	0.900	Good fit
4	CFI	0.845	Good fit
5	NFI	0.816	Good fit
6	TLI	0.811	Good fit
7	RMSEA	0.08	Good fit

Source: Primary Data



GFI

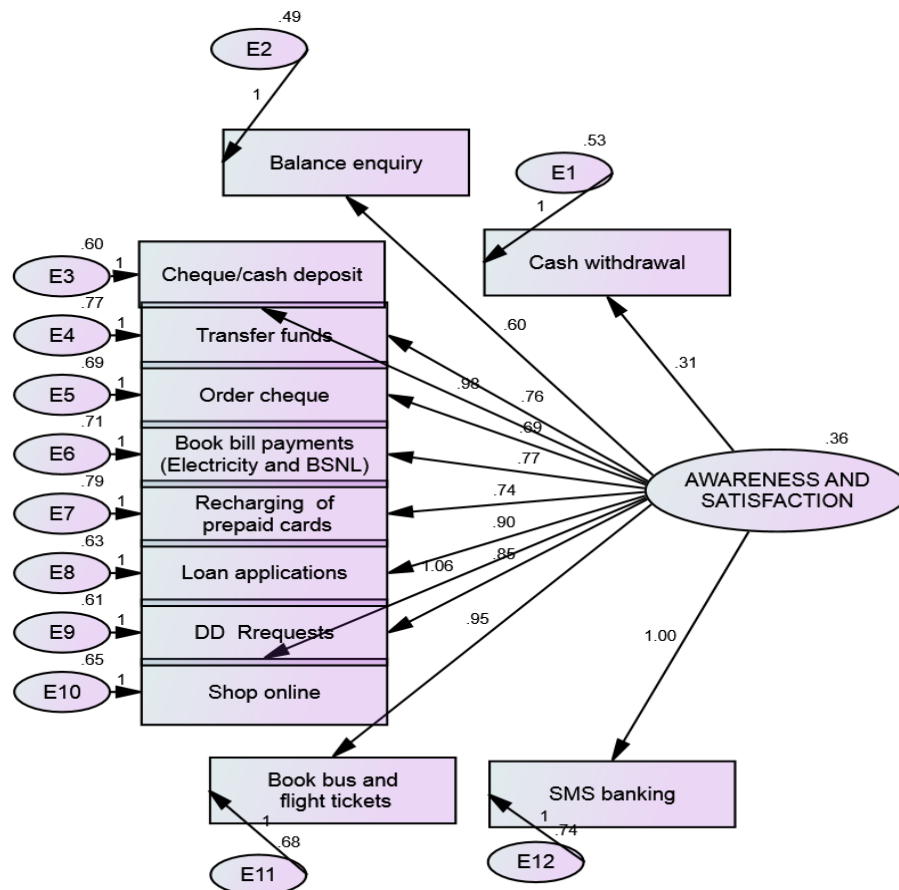
The GFI is goodness of fit index and is equal to 1 for the default model/ Chi-square for the null model.

Baseline Comparison

The NFI, normed fit index, also known as (Δ) was developed as an alternative to CFI, comparative fit index, is also known as the Bentler comparative fit index, compares the existing model fit with the null model which assumes the latent variables correlates with the independent variables. The above table indicates that model fit indices are good fit with the evidence of NFI (0.816) and CFI (0.845) which is closer with 0.9.

RMSEA

Root Mean Square Error of approximation is the popular measure of fit, because it does not require comparison with the null model. It is one of the fit indexes less affected by sample size. There is good model fit is RMSEA less than or equal to 0.08. It could be seen from the above table that RMSEA value is 0.08 which is the same as per standard of 0.08. Hence, the model result is well fit. The following path analysis is used to prove the selected hypothesis.



From the path diagram, measured variables with latent variable of purpose for using banking services is having positive relationship and also significant at 1 per cent level. The analysis of the model, from the view of the customer’s awareness and satisfaction, suggests that all the measured variables significantly influence at 1% level and 5% level.

Suggestions and Conclusion

Banks use Technology Enabled Banking facilities to offer a wide range of product and services. Financial Institution which does not offers technology enabled banking service, cause risk to their business and loss of customers. Along with opportunities, technology enabled banking generates extended risks for financial institution. The mode of complaints was studied and found that complaints registered on online and land line should be settled immediately. The problems of using



credit cards was studied and bank should be take special care while, posting the money in others account as well as the fault in the machine. Similarly, while using their ATM services, cash withdrawal problems, machine out of cash problem and network failure should be carefully studied and rectify immediately, both agents oriented BPOs (TATA) and concerned banks. Technology Enabled Banking increases bank's dependence on information technology, thereby increasing the technical complexity of many operational and security issues. This development has been leading to the creation of new business models involving banks and non-bank entities, such as Internet service providers, telecommunication companies and other technology firms. The Internet is ubiquitous and global by nature. It is an open network accessible from anywhere in the world by unknown parties, with routing of messages through unknown locations and via fast evolving wireless devices. The core banking concept should help the customers to offer banking transaction within the premises and do business and other transaction throughout the globe.

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