

# A Study on Customer Satisfaction with Digital Banking Services in the Tirunelveli District

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## Abstract

*Banking industry is rapidly embracing internet banking as a successful strategy to raise customer satisfaction. Traditional banks provide this popular service to improve the reliability and speed of online transactions. It is now feasible to use Internet banking to encourage more individuals to transact with affiliated institutions because to the quick growth of computer technology as a commercial tool. The primary objectives of this study are to assess the quality of online banking services in the Tirunelveli District, customer satisfaction levels, and problems encountered by users of these services. Both primary and secondary data are employed in the study. To gather primary data, a survey was distributed to 130 respondents who use online banking services. The results of the study showed that most participants were happy with their online banking experience.*

**Keywords:** Digital banking services, satisfaction, quality, problems

## Introduction

With the help of information technology, India is becoming a new economic powerhouse. In India, banking has a long history. Due to advancements and innovations in technology, it has undergone several changes. The Indian banking sector has seen a significant transformation in recent years due to globalization. When it comes to implementing technology to enhance their offerings and operational effectiveness, banks have long been at the forefront. Debit cards, credit cards, smart cards, ATMs, internet banking, mobile/phone banking, electronic fund transfers, and more are all included in the concept of multi-channel banking that is currently used by all banks. The functions of banks have changed from being financial intermediaries to offering a range of monitoring services all under one roof. Modern banking today looks for fresh approaches to draw in and keep customers while also gaining an edge over rivals.

Our hectic lives make every day feel like a race against the clock, so we look for methods to save time whenever we can. Customers of retail or automated banks, credit unions, or other financial institutions can now make financial transactions on a secure platform thanks to a technological advancement called e-banking. It's easy and quick to access your bank 24/7 using e-banking on your

smartphone. In e-banking, financial transfers are distributed via the internet. Because to e-banking services, regular transactions no longer require bank transfers. Online banking is a very dependable platform and one of the most popular services offered by banks. Banks frequently utilize encryption technologies to safeguard all customer information and prevent data breaches. Finally, it guards against account manipulation and online fraud.

## **Challenges**

Consumers who use online banking services can face a number of challenges. Their experience may be negatively impacted by technical issues like device compatibility and internet connection. Data breaches and phishing scams are examples of security issues that can lead to financial loss and mistrust. Issues with the user experience, such unclear processes and limited features, could make internet banking less alluring. Additionally, customers may be discouraged from using internet banking due to concerns regarding trust and confidence in technology. In order to ensure customer happiness and encourage the widespread use of online banking services, banks must overcome these challenges.

## **Statement of the Problem**

The internet is having a significant impact on how financial services are designed and provided to customers. The advent of e-banking has completely changed the banking scene. Consumers can now access services via more creative means, such online banking, which reduces paperwork, time, and energy. By considering the importance of computer networking and information technology, their crucial role in the banking industry, and the preference of customers for online banking services provided by the banks, this study aims to highlight the satisfaction of customers with E-Banking services provided by both public and private sector banks in Tirunelveli District.

## **Objectives of the Study**

- ✓ To know the socio-economic profile of the respondents
- ✓ To analyse the challenges faced by customers adopting online banking services.
- ✓ Analyze the overall level of satisfaction among customers with the online banking services provided by the Tirunelveli District's banks.

## **Review of the Literature**

**Kundu, S., & Datta, S. K. (2015)** found a strong relationship between customer happiness, trust, and the quality of e-services. The level of quality of online banking services has a big influence on trust. They also found that the main aspects of service quality that influence confidence in online

banking are privacy and contentment. Additionally, banks should care more about the privacy of each individual customer's transaction.

The "Customer Satisfaction Towards E-Banking Services with Special Reference to Axis Bank In Tirunelveli Town" research paper by **M. Karthikeyan and V. Ganapathi Sankara Krishnan (2021)** focuses on e-banking in relation to customer satisfaction and what draws more customers to use the internet banking service offered by AXIS Bank Tirunelveli town. This article's study looked at the advantages of allowing consumers to easily access their accounts and finish transactions on their phones or computers. 60 primary and secondary samples were gathered using systematic random sampling as part of the methodology employed in this article. Researchers are unable to fully examine the customer service attitude regarding Axis Bank, which is the study gap or constraint.

The study "A Study on Customer Satisfaction towards Private Banks with Special Reference to Mysuru City" by **Ramya T. J. (2016)**. In India, the banking industry is growing at an incredible rate. The banking industry in India has seen substantial changes as a result of the introduction of contemporary technologies. For private banks to expand, customer satisfaction is crucial. Nowadays, all firms must satisfy their customers in order to thrive in the market. Nowadays, gaining customer satisfaction is essential for boosting confidence and expanding the market. The survey indicates that service and employee dedication have a significant impact on customer satisfaction.

## **Research Methodology**

A collection of steps that help researchers conduct their work is called a research technique. It can be seen of as a systematic strategy the researcher use to gather data on an issue.

## **Data Collection**

Both primary and secondary data are used in the investigation. In order to gather information for the relevant test that will be conducted for the analysis, residents of Tirunelveli city are given a questionnaire for primary data, and their responses are gathered. Customers of E-Banking services provided a wealth of information by participating in the survey, which was distributed online, through email, and on social media.

By gathering secondary sources from books, periodicals, and blogs, the researcher was able to learn more about the subject by looking at other writers' perspectives. We used a variety of techniques to gather secondary data, but reading the sources of relevant articles and taking into account the general ideas and context of those studies.

## Research Design

The nature of the study is descriptive. Descriptive research describes a particular phenomenon being studied. Methods from both qualitative and quantitative research were used.

## Sampling Method

The sampling method used in the study was Convenient Random sampling method

## Sample Size

The sample size consists of 130 respondents using Online banking services

## Tools used for the Study

- ✓ Percentage analysis
- ✓ T-Test for single mean
- ✓ Chi Square Test

## Analysis and Interpretation

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

S.No	Demographic Profile	Category	No. Of Respondents	Percentage %
1.	Gender	Male	73	56%
		Female	57	44%
	<b>Total</b>		<b>130</b>	<b>100%</b>
2.	Age	Below 25	37	29%
		26-35	58	45%
		36-45	19	14%
		Above 46	16	12%
	<b>Total</b>		<b>130</b>	<b>100%</b>
3.	Educational qualification	Up to school	10	8%
		Graduate	105	81%
		Others	15	11%
	<b>Total</b>		<b>130</b>	<b>100%</b>

4.	Occupation	Students	25	19%
		Business	39	30%
		Government employee	15	12%
		Private employee	44	34%
		Others	7	5%
	<b>Total</b>		<b>130</b>	<b>100%</b>
5.	Monthly income	Less than 20000	19	15%
		20001 to 30000	36	29%
		30001 to 40000	49	37%
		40001 to 50000	15	11%
		Above 50001	11	8%
	<b>Total</b>		<b>130</b>	<b>100%</b>

Source: primary data

### Interpretation

Most of the respondents are male (73%), followed by those aged 26-35 years (45%). The educational qualifications of the respondents include graduates (81%), with a majority being private employees (34%). Many respondents report a family income of 30001 to 40000 (37%).

**Table: 2 Challenges customers face when utilizing online banking services**

**Null Hypothesis:** Opinion regarding Statements on Challenge faced by customers adopting online banking services are equal to Average level

Problems	Mean	Std. Deviation	T Value	P Value
Security issues pertaining to money and personal data	4.2569	.94937	19.825	<b>.001</b>
Technical problems including app failures and website outages	5.7567	1.17916	14.171	<b>.001</b>
Absence of face-to-face communication with bank employees.	4.0450	.77615	16.958	<b>.001</b>

Online banking interfaces might be difficult to navigate.	4.0367	.90855	13.750	<b>.001</b>
Increased vulnerability to user-targeting fraud and scams	3.8533	1.52116	10.283	<b>.001</b>
Restricted availability of some online banking services	4.0257	.96201	12.071	<b>.001</b>
Challenges due to varying levels of digital literacy	3.7339	.98080	11.355	<b>.001</b>
Inadequate customer support for online issues	3.9001	1.19141	8.252	<b>.001</b>
Transaction processing delays	3.9669	1.18388	10.005	<b>.001</b>
Privacy issues with sharing and using data	4.3701	.95306	17.734	<b>.001</b>

**Source: Derived data**

### Interpretation

From the above table technical problems including app failures and website outages (5.75) got the first rank. The second and third rank was secured by Privacy issues with sharing and using data (4.37), Security issues pertaining to money and personal data (4.25). Increased vulnerability to user-targeting fraud and scams has the mean value of (3.85) and Challenges due to varying levels of digital literacy has the mean value of (3.73) got the least rank.

### Table: 3 Consolidated Chi- square Test

H0: There is no association between Demographic profile and Customer satisfactions with internet banking service

Demographic	Chi square value	P value	Result
Gender	34.249	.001	Significant
Age	6.806	.446	Not Significant
Occupation	22.521	.001	Significant

**Source: Derived data**

### Interpretation

According to the following table, consumer satisfaction with online banking services is strongly correlated with gender (p-value = 0.001), suggesting that satisfaction levels are comparable for men and women. The customer's satisfaction with internet banking services does not significantly

correlate with age (p-value = 0.446), suggesting that age has no impact on satisfaction levels. Consumer satisfaction with online banking services is significantly correlated with occupation (p-value = 0.001), suggesting that occupation affects satisfaction levels.

Customer satisfaction with online banking services is unaffected by age. Customer satisfaction with online banking services is significantly influenced by gender and occupation.

### **Suggestion**

- ✓ Enhance customer service options, such as live chat and AI-powered support, to give users who are having problems prompt assistance.
- ✓ To provide a consistent experience across all devices, make sure the online banking platform is fully optimized for mobile devices.
- ✓ Offer webinars, seminars, and guidance on utilizing online banking features, especially the budgeting tools. Users' confidence and contentment with the services may rise as a result.
- ✓ Develop and implement more robust financial management and budgeting tools that are easy to use and intuitive. Individualized financial management advice and insights can be beneficial.
- ✓ Establish a mechanism to gather consumer opinions about their experience using internet banking. Frequent surveys can confirm that changes satisfy customer needs and assist pinpoint specific areas for improvement.

### **Conclusion**

Finally, the Tirunelveli district study on customer satisfaction with online banking services shows a more advanced comprehension of user expectations and experiences. Although a lot of consumers like the simplicity and accessibility of online banking, there are a few things that may be done better to boost customer happiness. Key findings indicate that while consumers value quick transaction times and user-friendly interfaces, they have reservations about the value of budgeting tools and the need for frequent updates. Banks should put more effort into making their online platforms more accessible, adding more robust financial management tools, and efficiently informing customers of updates in order to increase customer satisfaction. Additionally, providing consumers with individualized support and educational resources will help them make better use of online banking services. Lastly, by fixing these problems, banks may improve customer satisfaction and loyalty while making sure that their online banking services meet the evolving needs of clients in the Tirunelveli area. Maintaining a competitive edge in the digital banking ecosystem will need constant input and adjustment to customer preferences.

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