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# A Study on the Nationalised Banks' E-Banking Service Quality With Reference To Chennai City

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**ABSTRACT:** This study examines the underlying forces of service quality influences on customers' satisfaction in E-Banking services. The study examines which dimensions have a positive influence on service quality and which dimensions have the most and least provided by the nationalized banks, as perceived by E-Banking users. The findings of this study are based on the analysis of a sample of 270 respondents. The dimensionality of perceived service quality in E-banking services was explored and three dimensions were identified. These dimensions include product, services, and benefits. The findings reveal that these three dimensions are positively related to perceive service quality in E-banking and these dimensions.

**KEYWORDS:** Service Quality, Customers Satisfaction, Product, Services, Benefits, E-Banking.

### I. INTRODUCTION

Banking in India has passed through several phases since the commencement of formal banking activity. Of all, the current phase is the most interesting one where technology is playing a vital role in deciding the acceptability or otherwise of a particular bank to the customer. A larger section of the banks' future customer base will be made up of computer literate customers. Hence, the banks must equip themselves to provide their products and services to these customers by electronic means. If they fail to do so, they will not survive. The bank's competitive position in the banking industry will be decided by the quality, range and price of these electronic services. These services will reduce the transaction cost, add value to the banking relationship and empower the customers.

E-banking is the term that signifies and encompasses the entire sphere of technology initiatives that have taken place in the banking industry. E-banking is a generic term making use of electronic channels through telephone, mobile phones, internet etc. for delivery of banking services and products. The concept and scope of e-banking is still in the transitional stage. It increases efficiency in the sphere of effective payment and accounting system thereby enhancing the pace of delivery of banking services considerably. It allows customers to access banking services electronically such as to pay bills, transfer funds, view accounts or to obtain any banking information and advice. E-banking also facilitates new relationships with customers, regulatory authorities, suppliers and banking partners with digital-age tools. For example, customers and bank relationships will become more personalized, resulting in new modes of transaction processing and service delivery. Now, banks are faced with a number of important issues, for example how to take full advantage of new technology, how e-banking change the ways customers relate with the service provider, etc. The banking industry has been considerably influenced by expansion of technology.

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## II. OBJECTIVES OF THE STUDY

This study is conducted with three objectives:

These are:

- The main objective of this study is to examine the satisfaction of customers on service quality of nationalized banks in Chennai city.
- To explore the level of customers satisfaction with the service quality of nationalized banks in terms of three dimensions of service quality instruments i.e., product, services and benefits.
- To examine the demographic profile of the respondents and their satisfaction on the services rendered by the E-Banking services.

## III. METHODOLOGY

This study covers a sample of 270 respondents and the survey was conducted in Chennai city. Sampling is done by interviewing randomly selected persons who users in E-Banking. A structured questionnaire was used for data collection. The questionnaire was divided into four sections, the first section reveals the demographic profile of respondents and second, third and fourth sections are designed to evaluate their overall experience they received from the E-Banking services. The questions were phrased in the form of statements scored on a five point Likert type scale, ranking from 1 “highly dissatisfied” to 5 “highly satisfied”. Exploratory Factor Analysis issued for measuring E-Banking service quality to determine the dimension of E-Banking service quality. Factor analysis is a general name denoting a class of procedures primarily used for data reduction and summarization. Average score analysis is conducted to evaluate the different nationalized banks services. Service quality satisfaction has been analysed on the basis of score assigned in the questionnaire, 5 marks is assigned to highly satisfied, 4 mark for satisfied, 3 marks for moderate, 2 marks for dissatisfied and 1 mark for highly dissatisfied.

**Table 1 – Profile of Respondents**

Attributes	Distribution	Sample Respondents	Frequency (%)
Gender	Male	194	71.9
	Female	76	28.1
Age	18 – 25	13	4.8
	26 – 35	114	42.2
	36 – 45	105	138.9
	46 – 60	34	12.6
	Above 60	4	1.5
Income Level	Less than 30000	61	22.6
	30001 – 60000	146	54.0
	60001 – 90000	50	18.6
	More than 90000	13	4.8
Occupation	Business	63	23.3
	Government Employees	54	20.0
	Private Employees	124	45.92
	Students	12	4.44
	House Wives	17	6.34
Education	Upto School	10	3.7
	Under Graduation	124	45.8
	Post Graduation	128	47.4
	Diploma	4	1.5
	Doctorate	4	1.5

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A detailed demographic analysis of respondents is presented in Table 1. Questionnaires were distributed to the customers who had undertaken at least one transaction via E-Banking in the past two months. 270 completed questionnaires were collected from the respondents. Among the sample data, nearly three fourth (71.9%) respondents were male, 42.2 per cent are in the 26 – 35 age groups, 54 per cent respondents are falling under the income level of ₹ 30001 – ₹60000, 45.92 per cent are working in private concerns and 47.4 per cent are post graduate holders.

**Table 2 – Results of Factor Analysis**

Factor No	Name of Dimension	Variables	Factor Loading	Eigen Value
F1	Product	ATMs provided	8.846	11.262
		Tele Banking	0.823	
		Electronic Funds Transfer (EFT)	0.812	
		Personal Computer Banking	0.838	
		Internet Banking	0.797	
		Anywhere Banking	0.784	
		Electronic Data Capture (EDC)	0.663	
		Smart Card	0.618	
		Remote Banking	0.569	
		Electronic Clearing	0.545	
F2	Benefits	Anytime and Anywhere Banking	0.586	6.398
		Cash free Banking	0.629	
		Reduction in Cost Transaction	0.716	
		On-line Purchase	0.486	
F3	Services	Cash Transactions	0.592	7.832
		Extended Hours Services	0.756	
		Across the Bank Payments	0.534	
		Utility Payments	0.678	
		Mobile Banking	0.935	
		Printing of Statements of Account	0.851	
		Cheque Deposit	0.523	
		Request for Cheque book	0.816	
		Standing Instructions	0.674	
		Point of Sale Facilities	0.753	
		Unlimited Network	0.722	
		Balance Enquiry	0.531	

Factor analysis was employed to measure the E-Banking overall services quality on the service provided to satisfy the customers. The principal factor component analysis with variable rotation was carried out. The overall pattern of rotated factor loadings suggested a three dimensional solution and the factors are re-titled as E-Banking Product, E-Banking Benefits and E-Banking Services. While checking E-Banking Product ATMs provided is largest factor. Reduction in Cost Transaction is vital factor in E-banking benefits dimension. Mobile Banking facilities are highest influencing factor in satisfaction of the customers. The overall cumulative percentage of variance is 53.686 to E-Banking Product, 62.239 to E-Banking Benefits and 72.793 to E-Banking Services.

It is evident from the analysis, average score analysis have been conducted to test the customers satisfaction on E-Banking Product. According to Likert 5 point scale, 5 point awarded for highly satisfied products, 4 point awarded for satisfied product, 3 point for moderate products, 2 point for dissatisfied products and 1 point has been given to highly dissatisfied product. The overall performance is very high in State Bank of India, all parameters in E-

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Banking Product service quality stood in more than 4 point mark. Followed that Bank of India, Canara Bank, Punjab National Bank, Corporation Bank and Syndicate crossed 4 point mark and placed as 2, 3, 4, 5 and 6 rank respectively. From all Indian nationalized banks E-Banking product quality is not touched satisfied mark and many of this service are moderate.

Subsequently the analyses reveals; customers' satisfaction of E-Banking benefits is examined with the same average score testing. Again State Bank of India placed first in all parameters, followed that Bank of India, Corporation Bank, Syndicate Bank ranked in 2, 3, 4 and 5 places respectively. The performance E-Banking benefit is marked as satisfied level to the customers. Anytime and anywhere banking are in satisfactory level to the Canara Bank customers and the remaining benefits are moderate. Similarly, Bank of Baroda, Central Bank is offering moderate E-Banking benefits.

E-Banking Services performance of sample banks engaged in the banking services. Here the first preference is given to Canara Bank in terms of request for cheque book and unlimited network are marked highly satisfied level, then all other factors are marked as satisfied category. Syndicate Bank, State Bank of India, Central Bank, Punjab National Bank and Corporation Bank are offering satisfied E-banking services to its customers. Rest of sample banks' E-banking services is moderate.

## IV. CONCLUSION

The purpose of this study is to investigate the impact of the E-Banking product quality on customers' satisfaction. Banking service dimensions were found to have significant and positive influences on banks image and customers satisfaction intentions. In this study, customers are satisfied to the service provided and overall facilities delivered by the banks. The customers are satisfied with the services quality delivered in E-Banking product, E-Banking benefits and E-Banking services. While analyzing demographic profile of the customers, educated and high income customers are using E-Banking more frequently. Failure to provide quality services to customers may damage the formation of banks image and cause negative impact on customers' behavioural intentions. The increased competition and pressures to cut expenses, banks need to attract and retain their customers by creating, maintaining and highlighting such attractive features of e-Banking. Moreover, the banks which are not providing e-banking till date can also gain valuable insights from the same. The willingness to use the e-Banking is directly related to the frequency of usage. There should be seminars/workshops/talks on the healthy usage of e-Banking, especially for those who are ATM or computer illiterates.

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