



SERVICE QUALITY OF COMMERCIAL BANKS IN SIVAKASI WITH SPECIAL REFERENCE TO E-BANKING SERVICES

M.Rifaya Meera¹, P.Vishwanath², R.Padmaja³,

¹Assistant Professor, Department of Commerce, Ayya Nadar Janaki Ammal College, Sivakasi – 626 124, Tamil Nadu, India.

^{2&3} Research Scholar, Department of Commerce, Ayya Nadar Janaki Ammal College, Sivakasi –626124, Tamil Nadu, India.

Abstract The services industry has always been a vital component of all economics. The overall growth of the economy is now so much dependent on the service sector. Commercial banks are now following the benefits of customer oriented approach. At the same time, not all customers are aware of banking services that are available. E-Banking services provided by the banks are being adopted by the customers nowadays. This paper studies about the service quality of commercial banks regarding the E-Banking services in Sivakasi.

Keywords: E-banking, service quality, Commercial banks.

Introduction The last decade has witnessed a drastic change in the economic and banking environment all over the world. With the economic and financial sector reforms introduced in the country since early 1990s, the operating environment for banks in India has also undergone a rapid change. The process of deregulation and reforms in the Indian banking system resulted in the creation of an efficient and competitive banking system. Deregulation has opened up new vistas for banks to increase their revenues by diversifying into universal banking, investment banking, bank assurance, mortgage financing, depository services, securitization, personal banking and so on. An inevitable result of globalization is that it increases the soundness of financial system as a whole and facilitates global competition. At the same time, liberalization has opened the tough to new players and brought greater competition among banks. To survive in this competition, the information and communication technology significantly contributed to the exponential growth and profit of financial institutions worldwide. Technology is the key to move towards providing integrated banking services to customers.

Statement of the Problem

Providing a good service quality is a major issue for all business especially for banking industry. Customer satisfaction may determine the success or failure of a business. In order to be competitive in the marketplace, banks need to satisfy their customers. Best

service quality provided would ensure a high market share and substantial return. It is important for banks to provide electronic services to uncover what attributes consumers utilized in their assessment of overall service quality and satisfaction and which attributes are more important. The E-banking (Public) has been facing fierce competition due to the entry of foreign banks. The application or use of technology for the qualitative transformation in the process of E-banking service is necessary and quite natural, since the market is competitive and the customers are receptive. Consumerism has taken a new shape. The needs and requirements of the customers are developing and expanding very fast. In this complex and fast changing environment, the only sustainable competitive advantage for public sector banks is to give the customers an optimum blend of technology and traditional services. Therefore, the banks need to understand the satisfaction that customer use to enhance service quality. The research tries to investigate the service quality of E-banking in public sector banks.

Objectives of the Study

- To analyze the socio-economic conditions of the respondents.
- To measure the Satisfaction levels regarding various Services Quality Dimensions.
- To offer suitable suggestions for improving service quality in banks in regards to e-banking.

Hypothesis of the Study

- There is no significant relationship between the age of the respondents and their satisfaction level of E – Banking service quality.

Methodology

This study is both descriptive and analytical in nature. For undertaking this study primary and secondary data have been collected.

Sources of Data

The required data for the present study are collected from primary and secondary sources.

Primary Data

The study is mainly based on primary data. The primary data is derived from the views obtained from the customers with the help of the questionnaire.

Secondary Data

The Secondary data have been collected from the sources like books, Newspapers, magazines, websites and articles published in journals.

Sampling Design

The researcher is concerned with the study on the E-Banking service quality in public sector banks. It covers the customers of sivakasi town.

Since bank customers are large numbers, it is very difficult to adopt census method to collect data. Hence, the researcher has selected judgment sampling method. In total, 180 respondents have been selected among students, business people, government employees,

private employees, housewives and the sample size is determined with the help of www.samplesurvey.com.

Tools and Techniques

Researcher has adopted the following tools for this study.

- ❖ Percentage
- ❖ Kruskal Wallis test

Analysis and Interpretation of Data Gender

S.No	Gender	No. of Respondents	Percentage
1.	Male	96	53.30
2.	Female	84	46.70
	Total	180	100.00

Source: Primary Data

It is inferred that 53.30 per cent of the respondents are male in the study area.

Age

S. No	Age	No. of Respondents	Percentage
1.	Below 20 years	12	6.70
2.	21-30 years	71	39.40
3.	31-40 years	59	32.80
4.	Above 40 years	38	21.10
	Total	180	100.00

Source: Primary Data

It is clear that 39.40 per cent of the respondents are in the age group of 21 to 30 years.

Accounts in Banks

S.No	Accounts in Banks	No. of Respondent	Percentage
1.	State Bank of India	30	16.70
2.	Punjab National Bank of India	30	16.70
3.	Canara Bank	30	16.70
4.	Bank of India	30	16.70
5.	Union Bank of India	30	16.70
6.	Indian Bank	30	16.70
	Total	180	100.00

Source: Primary Data

It is clear that out of 180 respondents, 30 respondents have account in state bank of India, 30 respondents open account in Punjab national bank of India, 30 respondents are having account in canara bank, 30 respondents have account in bank of India, 30 respondents have account in union bank of India and the remaining 30 respondents have account in Indian bank.

Reason for Opening Account

S.No	Reason for Opening Account	No. of Respondents	Percentage
1.	Saving Purpose	90	50.00
2.	Safety and Security Purpose	45	25.00
3.	Loan facilities	23	12.80
4.	Business Purpose	20	11.10
5.	Salary purpose	2	1.10
	Total	180	100.00

Source: Primary Data

It is understood that 50.00 per cent of the respondents are having accounts with the bank for saving purpose.

Duration of Account in the Banks

S.No	Duration of account in the Bank	No. of Respondents	Percentage
1.	Less than 1 year	8	4.40
2.	1 years to 3 years	31	17.20
3.	3 Years to 6 Years	100	55.60
4.	Above 6 years	41	22.80
	Total	180	100.00

Source: Primary Data

It is clear that 55.60 of the respondents are having account in the bank for 3-6 years.

Nature of Accounts

S.No	Nature of Accounts	No. of Respondents	Percentage
1.	Current A/c	35	19.44
2.	Savings A/c	145	80.56
	Total	180	100.00

Source: Primary Data

It is understood that most of the respondents (80.56per cent) are having saving bank accounts with the banks.

Attribute Value of the Bank

S.No	Attribute of the Bank	No. of Respondents	Percentage
1.	Quality of Service	28	15.60
2.	Technology Used	92	51.00
3.	Trust	19	10.60
4.	Location	37	20.60
5.	Type of the bank	4	2.20
	Total	180	100.00

Source: Primary Data

It is evident that 51.00 per cent of the respondents prefer new technology used by a particular bank.

Factors Promoting New Techniques in Banking

S.No	Factors Promote Use In New Techniques In Banking	No. of Respondents	Percentage
1.	Reduced time of Transactions	54	30.00
2.	Cost effectiveness	32	17.80
3.	Ease of use	72	40.00
4.	Technology	22	12.20
	Total	180	100.00

Source: Primary Data

It is clear that most of the respondents 40.00 per cent are factors promote in new techniques in ease of use of banks.

Hypothesis – II

“There is no significant relationship between the age of the respondents and their satisfaction level of service quality”

To test the above hypothesis, Kruskal-Wallis test has been applied by using SPSS and the result is presented in Table 4.29.

Mean Rank of age of the respondent and their satisfaction level of service quality

Particulars	Number of Years	N	Mean Rank
Satisfaction level of service quality	Below 20 Years	12	79.96
	21 to 30 Years	71	85.15
	31 to 40 Years	59	99.08
	Above 40 Years	38	90.50
	Total	180	

Source: Computed Primary Data

It is found that the mean rank of below 20 years is 79.96, 21 to 30 years is 85.15, 31 to 40 years is 199.08 and for above 40 years is 90.50. The result of Kruskal- Wallis Test is presented in Table 4.29.1

**Number of years deal with bank and Satisfaction Level of service quality:
Kruskal-Wallis Test**

Particulars	Satisfaction Level of Service Quality
Chi-Square	3.546
Df	3
Asymp. Sig.	.315

Source: Computed Primary Data

From the above results, it is found that the significant value for Kruskal-Wallis test is 0.315 which is more than the acceptable level of 0.05.

Hence, the **null hypothesis is accepted** and it is concluded that there is no significant difference between the age of the respondents and their satisfaction level of service quality. It is inferred that the opinion of customers do not differ on the satisfaction level of E-Banking service quality.

Findings

- ✚ It is inferred that 53.30 per cent of the respondents are male in the study area.
- ✚ It is clear that 39.40 per cent of the respondents are in the age group of 21 to 30 years.
- ✚ It is understood that most of the respondents (80.56per cent) are having saving bank accounts with the banks.
- ✚ It is evident that 51.10 per cent of the respondents prefer new technology used by a particular bank.
- ✚ The null hypothesis is accepted and it is concluded that there is no significant difference between the age of the respondents and their satisfaction level of service quality. It is inferred that the opinion of customers do not differ on the satisfaction level of E-Banking service quality.

Suggestions

- ✚ As the number of respondents having current account were less, the banks should make necessary steps to increase the number of current account holders.
- ✚ Some of the respondents are using advanced technologies in banking, hence the banker may insists the customers and help them to utilize it.
- ✚ There may be more concentrate on the factors regarding Satisfaction of the Internet banking, Tele-banking and Mobile banking.
- ✚ Most of the customers prefer e-banking for quickness. So banks should try in all the ways that e-banking is working 24 hour round the clock and service is available to customers without any hassles.

Conclusion

This study has analyzed the satisfaction of E-banking services quality by the customers from public sector banks. Service quality is a powerful weapon in financial market such as banks. In technologically developed environment, financial institutions are forced to modify their marketing strategy especially in the service point of view of customer to distinct the importance and satisfaction towards services quality. This study indicates that service quality satisfaction is according to their banks efforts and inputs for improvement. To render service with healthy competition, the banks should follow the recommendation made in this study.

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