

CUSTOMER PERCEPTION TOWARDS MODERN BANKING – A STUDY



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ABSTRACT

Modern banking is to use the internet as connection between customer and banks for managing, preparing and controlling financial transactions. The importance of customer satisfaction in mind there is a need of banks to maintain close and stable relationship with their customers by providing the high quality of product and services. Therefore a satisfied customer is an Asset for the Bank. And the purpose of current study is to understand as to what all factors make a customer a satisfied customer. Both private and public banks have been considered separately in order to get better and clear understanding.

Keywords: *Customer Perception, Modern Banking, Online Banking, Customer Satisfaction*

INTRODUCTION

Modern banking covers all the aspects as like mobile banking, online banking, ATMs. In all over the world, banks are using internet technology in banking sector to manage it successfully. Modern banking is to use the internet as connection between customer and banks for managing, preparing and controlling financial transactions. In the era of globalization and with the increasing competition in all the fields around the world

many companies have modified their strategies so they can reach their customers around the world easier and cheaper. However, the rapid growth of economy is based on modern banking that is especially based on internet, computer systems and cell phones. Customer satisfaction is the important factor for the long term success of the organization. By keeping the importance of customer satisfaction in mind there is a need of banks to maintain close and stable relationship with their customers by providing the high quality of product and services. So there is a need to judge the level of customer satisfaction. The satisfaction of customer cannot be measured unless the factors which affect the satisfaction level of customers are not determined. As the banking industry is the high involvement industry. Banks are being aware of the importance of this fact that the provision of high quality service to customers is necessary for their survival and the success in today's global and competitive environment (Wang, Han, & Wen, 2003). There is a rapid change in the needs, wants and the expectations of the customers. Hence, what would have pleased and amazed them a short while back, might not satisfy them now at present (Richards & Jones, 2008). In today's environment the customers becomes more demanding they wants the new technology and more quick response of services. Customer satisfaction has a measure able impact on the customer retention, their purchase intention and the financial performance of the firm. So in this dynamic and competitive environment many banks are seeking the new strategies that facilitate the online transactions and sharing of information. One of these competitive strategies is the linking of the business of banks with the customers by the use of mobile phones and PDAs. Mobile banking is the using of mobile devices to deliver communication, financial information, and customer's transactions such as checking of account balances, accessing the other banking services and products transferring funds at any time, from anywhere (Ensor, et al., 2012; ITU, 2012).

LITERATURE REVIEW

Khattak and Rehman (2010) indicate the one of essential factor of the strategy of any organization is the customer's satisfactions because customers are the ultimate source of company's revenue. From the last one and half decade, the banking industry is paying the attention towards the satisfaction of customers. It is because of the high competition among the banking sectors and mostly the marketing strategies of most of banks is the providing the satisfaction to customers. Kadir, Rahmani, & Masina, (2011) pointed out the customer satisfaction is much vital in internet based companies. Good quality products and services are demanded by customers and if they don't get the desired services they can easily move away towards another option. All the online businesses are compelled to isolate and focus customer's need for their satisfaction. Premalatha & Sundaram (2012) describe that this study will provide the basic concepts related modern banking services and prove that modern banking services is useful for banks in term of customer satisfaction. Banking also improved Due to the adaptation of

modern banking elements. So, modern banking is the only cause of customer motivation and satisfaction due to quick response, security, reliability and speedy transactions of modern banking services. Sabita Paul (2013) in his work The Adoption of Electronic Banking (E-Banking) in Odisha, India described the current and prompt technological revolution altering the whole world which has crucial impact on the banking sector based on data, collected from customers of different commercial banks of Odisha. Prema C (2013) in her research article “Factors Influencing Consumer Adoption of Internet Banking in India”, examined the process of internet banking services and stresses that marketing experts should emphasize these benefits and its adoption provides and awareness can also be improved to attract consumers’ attention to internet banking services.

NEED FOR THE STUDY

Customer satisfaction represents a modern approach for quality in enterprises and organizations and serves the development of a truly customer-focused management and culture. Measuring customer satisfaction offers an immediate, meaningful and objective feedback about clients, preferences and expectations. In this way, the performance of banking may be evaluated in relation to a set of satisfaction dimensions that indicate the strong and the weak points of banking sector. This study presents an original customer satisfaction survey in the banking sector. The concept of customer satisfaction was only limited to books and journals. Since economic reform banking has undergone drastic changes, facing intense competition in the market. With the entry of new generation tech-savvy private banks and the expansion of operations of foreign banks, the banking sector has become too competitive to ignore customer satisfaction. Today's customer is not going to settle on anything less than his/her expectations. Therefore, it is evident that banks must aware themselves about what customer wants and what not. In this era of mature and intense competitive pressure, it is imperative that banks maintain a loyal customer base.

OBJECTIVES OF STUDY

- To know the customer satisfaction in the usage of modern systems
- To determine which modern system is most used by the customers
- To reveal the advantages of modern systems to the customers

METHODOLOGY

The study has done through the help of primary and secondary data. The researcher has been selected the respondents who have been maintaining account in SBI branch Melachinthamani of Tiruchirappalli district. The

primary data is collected through direct interview method by using well prepared questionnaire. The researcher has been collected 50 samples from the respondents by using random sampling method. The data is collected during the month of March 2018. The secondary data is also collected from internet, Journals, books, magazines etc. The collected data have been classified and analysed with the help of tables and diagrams, etc.

DATA ANALYSIS AND INTERPRETATION

Table No – 1: Socio-economic profile of the respondents

Variables	No.of respondents (n=50)	Percentage (100%)
Gender		
Male	31	62
Female	19	38
Marital status		
Married	08	16
Unmarried	42	84
Age		
Below 25yrs	36	72
Above 25yrs	14	28
Duration of customer		
Below 5yrs	13	26
6 to 10yrs	27	54
11yrs & above	10	20

The above percentage analysis table reveals that majority (62 per cent) of the respondents were male and remaining 38 per cent were female. Vast majority (84 per cent) of the respondents were unmarried and remaining 16 per cent were married. Vast majority (72 per cent) of the respondents were below 25yrs of age group and remaining 28 per cent were above 25yrs. More than half (54 per cent) of the respondents were 6 to 10yrs of customers, 26 per cent were below 5yrs of customers and remaining 20 per cent were 11yrs & above.

Research Hypothesis: There is no significant difference between customer account operation duration and their overall satisfaction

Table No – 2: One-way ANOVA difference between customer account operation duration and their overall satisfaction

Overall customer satisfaction	Mean	S.D	Statistical inference
Below 5yrs	18.22	0.876	F=4.237
6 to 10yrs	18.01	0.917	0.121>0.05
11yrs & above	17.55	0.881	Not Significant

The above one-way ANOVA ' f ' test table indicates that mean and S.D values of below 5yrs 18.22 ± 0.876 , 6 to 10yrs 18.01 ± 0.917 and remaining 11yrs & above 17.55 ± 0.881 . Therefore, there is no significant difference between customer preferable goods and their overall satisfaction. The calculated value is greater than table value ($0.121 > 0.05$). The research hypothesis is accepted.

SUGGESTIONS AND CONCLUSION

Customer satisfaction is related with proper adoption and usage of modern banking services. Hence it is recommended for banks to improve the information channel by making motivational strategies regarding methods of using services and their benefits. Security, trust and reliability should also be focused by banks by enhancing security of transactions, ensuring proper network system and timely service providing. Further research can also explore more factors like information delivery and information quality about use and security of modern banking services. The overall study shows that the customers are willing to use the modern services like the online banking, ATM etc. they prefer the facility provided by the modern banking but some factors like Responsiveness and reliability have effect their level of satisfaction. The satisfaction level of customer increase towards the use of modern banking services if the bank provide more reliable services with quality they promised and on time. SBI have been successful in implementing tangible factors like modern equipment, infrastructural facilities, quality of materials used etc. They have been successful in achieving a satisfying relationship with customers.

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