

A study on customer satisfaction towards E-banking services of ICICI bank in Chennai city

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Abstract

In banking industry, e-services are revolutionizing the way business is conducted. Electronic based business models are replacing conventional banking system and almost of banks are rethinking business process designs and customer relationship management strategies. It is also known as e-banking, online banking which provides various alternative e-channels to using banking services i.e. ATM, credit card, debit card, internet banking, mobile banking, electronic fund transfer, electronic clearing services etc. however, as per Indian e-banking scenario ATM is most acknowledged than other e-channels.

Introduction

Indian banking scenario had underwent dramatic changes after the implementation of the new economic policy which triggered out the economy in rapid speed as a result of that drastic changes have been taken place in money transactions hence the role of banking had expended incredibly, banks are also have equipped immensely with the help of IT development in unleashing the services in better way to its consumers in such context number of studies have been carried out to find out the consumer satisfaction of the bank customer in order to enhance the service, most of the studies have revealed the IT development has better impact on the service delivery but the propose study would like to encompass all the spheres of the banking services in assessing the service delivery and the satisfaction level of the customer, hence it is became very imperative to explore the consumer satisfaction at multi -dimensional level.

Objectives of the study

1. To Study the performance of ICICI bank from 2006 -11
2. To analyze the level of Customer Satisfaction towards Services provided by ICICI Bank Ltd.

REVIEW OF LITERATURE

1. Manoranjan Mobapatra, et al., (2010) About Forty percent of the population in India is un-banked. Since e-banking has evolved as a platform for future innovations that can have long ranging socio-economic benefits for India and hence also be able to capitalize on the Indian government's dream of, one bank Account Per Indian; established in the fact that e-banking is the need of the hour in India today. It is a win-win situation for all concerned, operators banks and specialist companies are gradually getting themselves organized to operate e-banking services banks are able to reach remote areas without incurring the heavy expenses that opening a branch entails also the ATM penetrating in rural areas is not that High with only forty ATM s per million people in India.

2. Bernadette D.Silva et al., (2010) conducted an Analysis for internet banking that the bank corporate to understand that there are certain Parameters in e-banking which are affected by the demographic status like Gender, Income level and Educational Qualification etc., for opening internet bank account. Bank operations through internet can attract longer customer and it will enhance the brand image of banks for usage of sophisticated technology.

3. KR. Kamath (2010) Banks may more towards universal banking driven by the forces of deregulation, liberalizations, and technological advancement. The pressures would emanate from super markets, utility service providers etc., Technology has played and is playing a critical and arguably the most important role in redefining the financial business. Banks are responding by offering alternative delivery channels like ATMs, Tele banking, internet banking, mobile banking etc., Most of the banks have already implemented core banking solution (CBS) across all offices to provide “anytime anywhere” banking in true sense.

Table No. 1: Assets of ICICI bank from 2006-07 to 2010-11

<i>Assets</i>									Rupees in Cr	
	2006-07	Percentage	2007-08	Percentage	2008-09	Percentage	2009-10	Percentage	2010-11	Percentage
Cash & Balances with RBI	18706.9	5.4	29377.5	7.3	17536.33	4.6	27514.29	7.6	20907	5.1
Balance with Banks, Money at Call	18414.5	5.3	8663.6	2.2	12430.23	3.3	11359.4	3.1	13183.1	3.2
Advances	195866	56.8	225616	56.4	218310.85	57.6	181205.6	49.9	216366	53.3
Investments	91257.8	26.5	111454	27.9	103058.31	27.2	120892.8	33.3	134686	33.2
Gross Block	6298.56	1.8	7036	1.8	7443.71	2.0	7114.12	2.0	9107.47	2.2
Accumulated Depreciation	2375.14	0.7	2927.11	0.7	3642.09	1.0	3901.43	1.1	4363.21	1.1
Net Block	3923.42	1.1	4108.89	1.0	3801.62	1.0	3212.69	0.9	4744.26	1.2
Other Assets	16489	4.8	20574.6	5.1	24163.62	6.4	19214.93	5.3	16347.5	4.0
Total Assets	344658	100	399795	100	379300.96	100	363399.7	100	406234	100

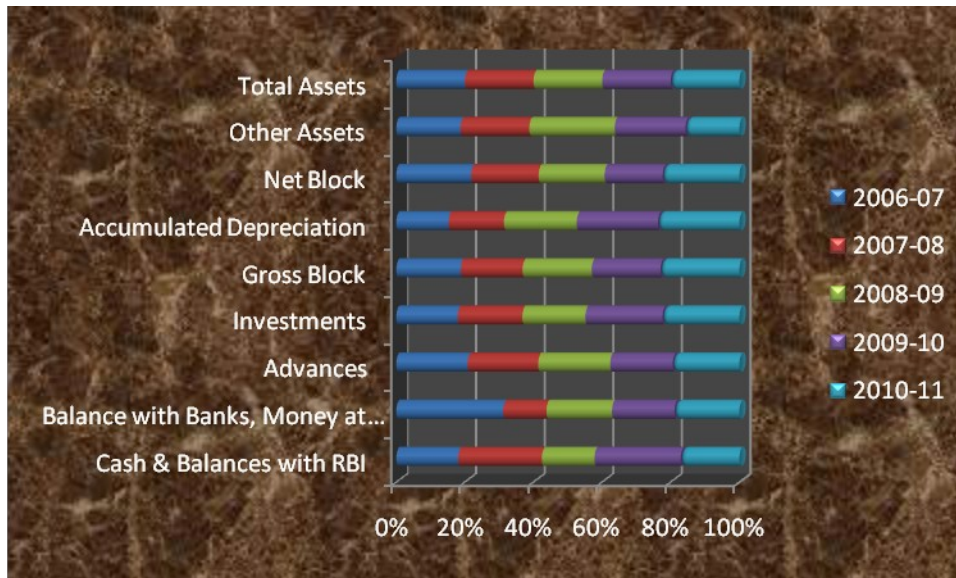


Table 1 exemplify the assets of componets of the ICICI bank for the last five years, with regards to cash&balance with RBI 18706.9 crores which 5.4 percent of the total assets of 2006-07, which is increased to 20,907 crores with the slight decline in the proportion of total assets with 5.1 percent of the total assets,whreaas the overall incarese of the amount is 11.8 percent, Blance with banks,Money at call was 18,414.5 crores in 2006 with the percent of 5.3 percent of the total assets, it has diminihed to 13,183.1 crores in 2010-11 with the 28.4 percent of ecrease over the period of time, with reagrd to the advances of the bank in 2006-07 the amonut was 1,95,866 crores which constitutes 56.8 percent of the total assets which has increased to 2,16,366 crores which constututes around 53.3 percent of the total assets for the year 2010-11 with the increase of 10.5 percent of the increase over the years, with respect to investments the amount was 91,257.8 crores constitutes 26.5 percent of the total assets on 2006-07, which is 1,34,686 crores in 2010-11 which constitutes 33.2 percent of the overall assets of that respective year with the increase of 47.6 percent over the years, The gross block for the year 2006-07 was 6298.56 crores which constitutes around 1.8 percent of the total assets, which is 9,107 crores in 2010-11 which constitutes 2.2 percent of the overall assets of that respective year with the increase of 44.6 percent over the years,The accumulated depecciation for the year 2006-07 was 2375.14 crores constututes 0.7 percent of the total assets which is 4,363.21 crores in 2010-11 which constitutes 1.1percent of the overall assets of that respective year with the increase of 83.7 percent over the years, other assets of the year 2006-07 was 16,489 crores constitutes around 4.8 percent of the total assets which is 16,347.5 crores in 2010-11 which constitutes 4 percent of the overall assets of that respective year with the decrease of 0.89 percent over the years,Thus the assets of the ICICI bank shows poitive developemnt over the period of time and there has not been very negative fluctautions have taken place during the last five years, it clearly indicates the financial stability of the bank.

Table No. 2: Liabilities of the ICICI bank from 2006-07 to 2010-11

	2006-07	Percentage	2007-08	Percentage	2008-09	Percentage	2009-10	Percentage	2010-11	Percentage
Share Capital	1249.34	0.5	1462.68	0.8	1113.29	0.9	1114.89	1.2	1151.82	1.6
Reserves & Surplus	23413.9	2.3	45357.53	4.4	48419.73	4.8	50503.48	5.1	53938.82	4.8
Shareholders' Funds	24663.3	2.8	46820.21	4.6	49533.02	4.9	51618.37	5.2	55090.64	4.9
Deposits	230510	25.8	244431.05	23.2	218347.82	21.7	202016.6	20.4	225602.1	20.2
Total Debt	281766	31.5	310079.48	30.3	285671.51	27.6	296280.2	28.8	335156.4	28.5
Borrowings	51256	5.7	65648.43	6.5	93155.45	9.2	94263.57	9.5	109554.3	9.8
Loan Funds	281766	31.5	310079.48	30.3	311503.28	30.9	296280.2	29.9	335156.4	30.0
Total Liabilities	894625	100.0	1023878.9	100.0	1007744.1	100.0	992077.3	100.0	1115650	100.0

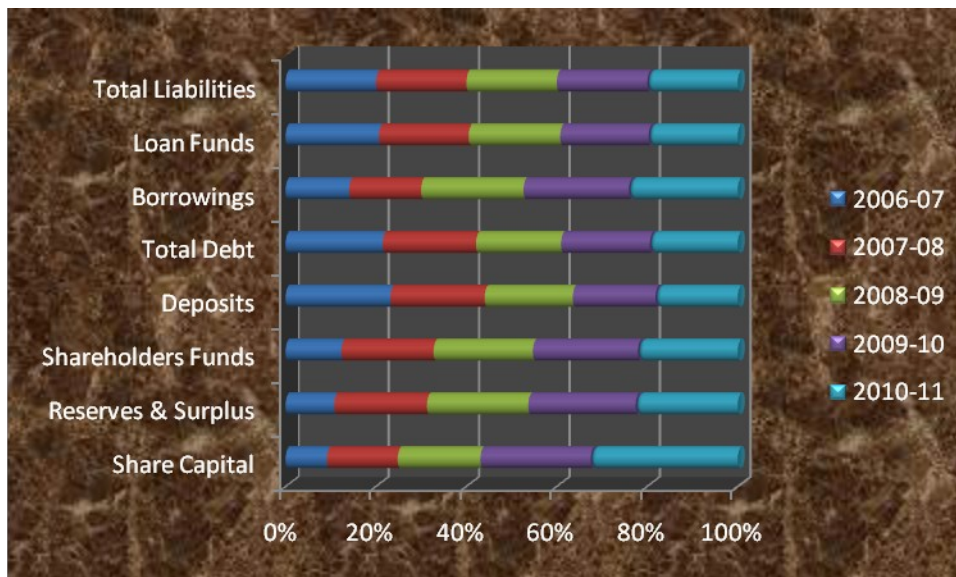


Table 2 exemplify the liability components of the ICICI bank for the last five years, with regards to share capital 1249.3 crores which 5.5 percent of the total liability of 2006-07, which is increased to 1151.2 crores with the proportion of total liability with 1.6 percent of the total liability, whereas the overall decrease of the amount is 7.8 percent, Reserves and surplus was 23413.9 crores in 2006 with the percent of 2.3 percent of the total assets, it has diminished to

53938.82crores in 2010-11 with the proportion of 4.8 percent with respect to the liability of the respective year, with the increase of 130.4 percent over the period of time, with regard to the shareholders fund of the bank in 2006-07 the amount was 24663.3crores which constitutes 2.8 percent of the total liability which has increased to 55090.64crores which constitutes around 4.9 percent of the total liability for the year 2010-11 with the increase of 123.4 percent of the increase over the years, with respect to the deposits of the amount was 230510crores constitutes 25.8 percent of the total liability on 2006-07, which is 225602.1crores in 2010-11 which constitutes 20.2 percent of the overall liability of that respective year with the decrease of 2.1 percent over the years, The total debt for the year 2006-07 was 281766 crores which constitutes around 31.5 percent of the total liability, which is 335156.4crores in 2010-11 which constitutes 18.9 percent of the overall liability of that respective year with the increase of 18.9 percent over the years, The borrowings for the year 2006-07 was 51256crores constitutes 5.7 percent of the total assets which is 109554.3crores in 2010-11 which constitutes 9.8 percent of the overall assets of that respective year with the increase of 113.7 percent over the years, Loan funds of the year 2006-07 was 281766 crores constitutes around 31.5 percent of the total assets which is 335156.4 crores in 2010-11 which constitutes 30 percent of the overall liability of that respective year with the increase of 18.9 percent over the years, Thus the liability of the ICICI bank has shown positive development over the period of time and there has been very substantial reductions in total debt, and the loan funds which implies that the financial performance is more positive in the same in the increase in the shareholders fund is the positive sign even though it is increase liability of the bank. negative fluctuations have not taken place during the last five years, it clearly indicates the financial stability of the bank.

The parameters of service quality such as banking habits, speed and efficiency of transactions, behavioural aspects of employees. customer amenities, credit related services, technical aspects, service charges and pricing were considered as major items of observation.

In order to have an objective and scientific assessment of customer satisfaction, the customer Satisfaction at the various dimension comprehensively analyzed from the data collected.

Table No. 3: Age-wise classification

	Nos	Percentage
Male	241	68.9
Female	109	31.1
Total	350	100

Source: Primary data

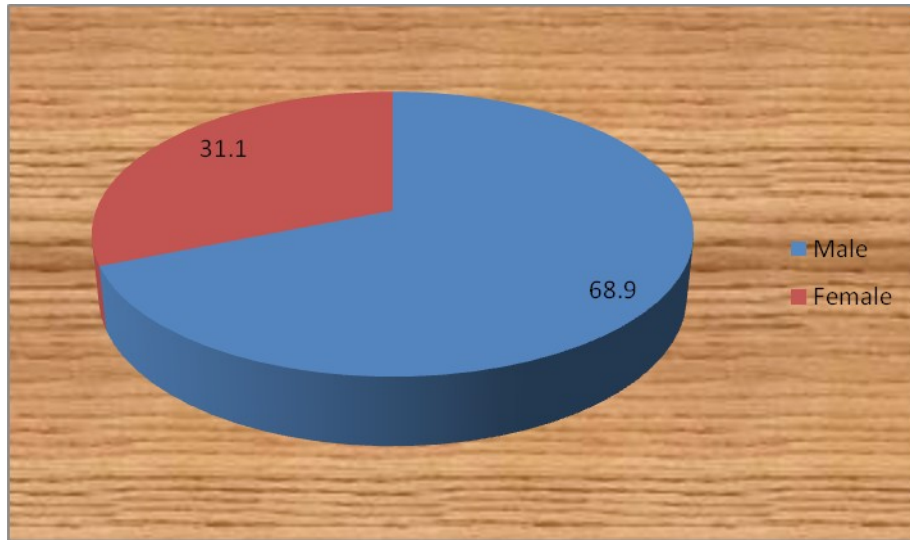


Table 3 revealed the gender wise distribution of the respondents. In the total respondents 68.9 percent of the respondents were male and 31.1 percent were female. In short, majority of the respondents were male in the study area.

Age as an important demographic variable not only determines an individual’s physical and mental maturity but also depicts his or her life experiences

Table No.4: Opinion of the respondents about the working Hours of the bank

	Satisfied with present working hrs		Want Sunday banking		Favour to 24*7 banking	
Yes	343	98	298	85.1	304	86.9
No	7	2	52	14.9	46	13.1
Total	350	100	350	100	350	100

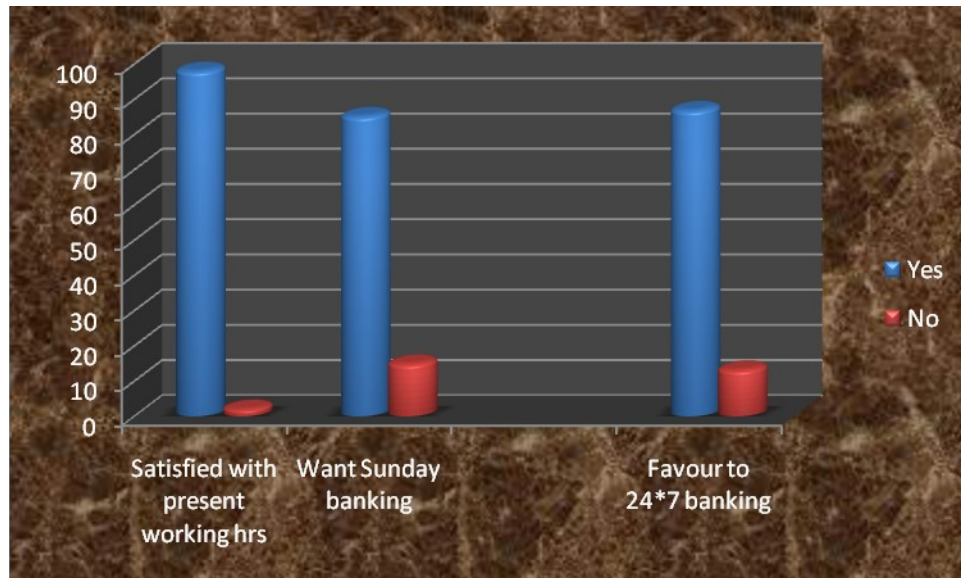


Table 4 illustrates the opinion of the working hours of the bank, 98 percent of the people have satisfied with the current working hours of the bank, merely 2 percent of the respondents have not felt satisfied with the working hours, 85.1 percent of the respondents needs Sunday banking, 14.9 percent felt that there is no need for Sunday banking, 86.9 percent of the respondents opined that they are favour to 24* 7 banking, and 13, 1 percent are not favour to 24* 7 banking. It could be inferred from the above empirical evidence that respondents have very much satisfied with the working hours of the bank and the aspiration to expect more from the bankers.

Table No.5: Opinion on various Service charges of the ICICI bank

	New Cheque book	%	DD commission	%	Telegraphic transfer	%	Mail transfer	%	Bill discounting	%	Cheque /bill collection charge	%
Very high	64	18.3	65	18.6	78	22.3	80	22.9	92	26.3	80	22.9
High	71	20.3	60	17.1	66	18.9	70	20.0	52	14.9	74	21.1
Moderate	68	19.4	91	26.0	75	21.4	69	19.7	97	27.7	87	24.9
Low	85	24.3	92	26.3	98	28.0	97	27.7	81	23.1	89	25.4
Very low	62	17.7	42	12.0	33	9.4	33	9.4	11	3.1	20	5.7
Total	350	100	350	100	350	100	349	99.71	333	95.143	350	100

	ATM charges %	safety locker charges %	demat charges %	travelers cheque charges %	Minimum balance in A/C %	other transaction charges %						
Very high	70	20	99	28.3	98	28	48	13.7	51	14.6	95	27.1
High	95	27.1	61	17.4	69	19.7	116	33.1	97	27.7	73	20.9
Moderate	99	28.3	83	23.7	99	28.3	98	28.0	76	21.7	81	23.1
Low	59	16.9	71	20.3	51	14.6	55	15.7	75	21.4	71	20.3
Very low	27	7.7	36	10.3	33	9.4	33	9.4	51	14.6	30	8.6
Total	350	100	350	100	350	100	350	100	350	100	350	100

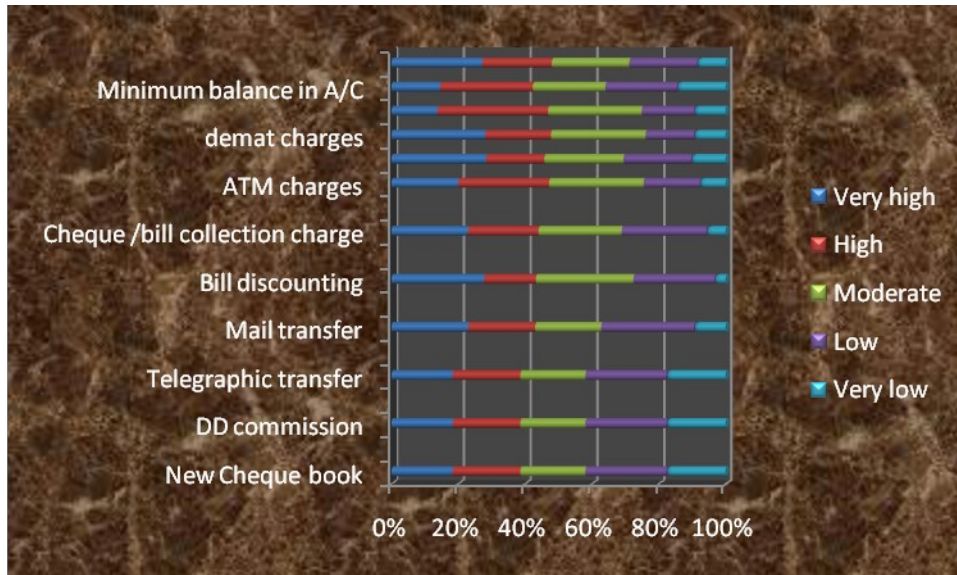


Table 5 exemplifies the respondents opinion on the service charges levied by the bank for the new cheque book 24.3 percent of the respondents considered as low, 17.7 percent opined it was very low, 20.3 percent of the respondents opined it was high and 18.3 percent felt it was very high and 19.6 percent of the people considered it was moderate, regarding DD 26.3 percent and 12 percent felt it was low and very low respectively, 17.1 percent and 18.6 percent opined high and very high respectively, 26 percent felt it was moderate charge, regarding telegraphic transfer 28.0 percent and 9.4 percent felt it was low and very low respectively, 18.9 percent and 22.3 percent opined high and very high respectively, 21.4 percent felt it was moderate charge, for mail transfer 27.7 percent and 9.4 percent felt it was low and very low respectively, 22.9 percent and 20.0 percent opined high and very high respectively, 19.7 percent felt it was moderate charge, the opinion of the respondents on the service charge levied by the ICICI bank on bill discounting revealed that 23.1 percent and 3.1 percent felt it was low and very low respectively, 14.9 percent and 26.3 percent opined high and very high respectively, 27.7 percent felt it was moderate charge,

for cheque bill collection charge 25.4 percent and 5.7 percent felt it was low and very low respectively, 21.1 percent and 22.9 percent opined high and very high respectively, 24.9 percent felt it was moderate charge ,regarding ATM charges 16.9 percent and 7.7 percent felt it was low and very low respectively, 27.1 percent and 20.0 percent opined high and very high respectively, 28.3 percent felt it was moderate charge, for safety locker usage service charge 20.3 percent and 10.3 percent felt it was low and very low respectively, 17.4 percent and 28.3 percent opined high and very high respectively, 23.7 percent felt it was moderate charge, for demate charges 14.6 percent and 9.4 percent felt it was low and very low respectively, 19.7 percent and 28 percent opined high and very high respectively, 28.3 percent felt it was moderate charge regarding the service charge to travelers cheque 15.7 percent and 9.4 percent felt it was low and very low respectively, 33.1 percent and 13.7 percent opined high and very high respectively, 28 percent felt it was moderate charge and the opinion of the respondents on condition of maintaining minimum balance is revealed that 21 percent and 14.6 percent felt it was low and very low respectively, 27.7 percent and 14.6 percent opined high and very high respectively, 21.7 percent felt it was moderate charge. The overall opinion of the people regarding service charges levied by ICICI bank for various transactions are relatively higher still people felt comfortable with the charge structure as long as the quality of service is very high.

Table No.6: Opinion on the process to resolve the problem in ICICI bank

	Faced any problem in ICICI bank	%	was it represented	%	The authority instantly available to receive the complaint	%	Was the problem developed	%	was you found the remedy	%	whether the problem solved within the expected time	%
YES	150	42.9	298	85.1	323	92.3	21	6	341	97.4	305	87.1
NO	200	57.1	52	14.9	27	7.7	329	94	9	2.6	45	12.9
Total	350	100	350	100	350	100	350	100	350	100	350	100

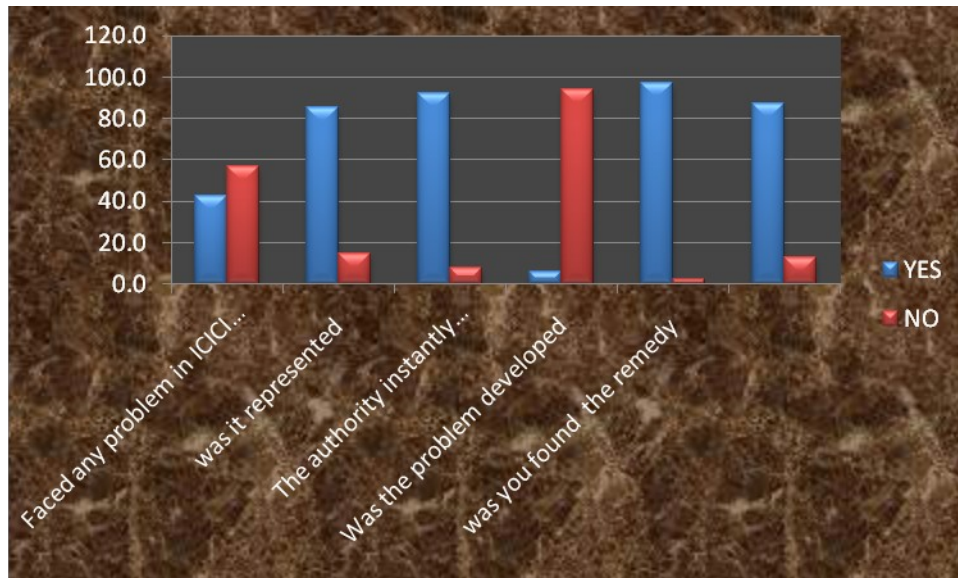


Table 6 exemplifies the opinion of the respondents about the problem encountered in the bank and the process to resolve the problem, 42.9 percent of the respondents have faced the problem in the bank transaction while 57.1 percent of the respondents didn't face any problem during transaction, regarding the scope to launch complaint 92.3 percent people said that the authority instantly available to receive the complaint from the customer, only 7.7 percent of the respondents stated the non-availability of the authorities to receive the complaint quickly, 6 percent of the people accepted that the problem was magnified while 94 percent of the respondents denied the statement that the problem was magnified, 97.4 percent of the respondents stated that they got the remedy for the problem addressed, only 2.6 percent of the people didn't get the remedy, 87.1 percent of the respondents stated that they got the remedy within the expected time while 12.1 percent of the people revealed that they didn't get the remedy within the expected time. The overall picture of the problem and the process of finding the solution are in very cordial and favourable to the customer at large extent. Thus it can be inferred that the majority of customer complaints can be settled at branch manager and accountant's level. Here the diplomacy, patience and approach of the senior officials of the branch are important factors in making a dissatisfied customer a satisfied one. It is also found that a perceptible change in the attitude of customers in launching complaints as result of awareness and also the bankers ability to reciprocate to the complaints are also sounds good. As far as possible a bank should find solution to the complaint in a short period and in the most satisfactory manner to the customer or else it will affect the image of the bank.

Hypothesis

Ho: There is no significant influence of determinants on customer satisfaction of ICICI bank.

Model Summary

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate	Durbin-Watson
1	.991(a)	.982	.968	10283.786	2.081

a Predictors: (Constant), Physical facilities, Interest rate, working Hours, service charges, Redressal of Complaints, Bank staff Attitude, on-financial services,

B Dependent Variable: Customer satisfaction

ANOVA (b)

Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	58020786 975.632	8	7252598371.95 4	68.578	.000(a)
	Residual	10575625 48.895	10	105756254.889		
	Total	59078349 524.526	18			

a Predictors: (Constant), Physical facilities, Interest rate, working Hours, service charges, Redressal of Complaints, Bank staff Attitude, Non-financial services,

b Dependent Variable: Customer satisfaction

Coefficients(a)

	Unstandardized Coefficients		Standardized Coefficients	t	Sig.
	B	Std. Error	Beta	B	Std. Error
Customer satisfaction	1209.9	2475		1.578	0.073
Physical facilities	0.057	0.032	-1.565	0.87	0.015
Interest rate	-647.111	336.461	-1.121	0.118	0.014
working Hours	1.836	0.682	0.873	-0.172	0.023
service charges	-63.058	458.26	-0.094	0.02	0.071
Redressal of Complaints	-70.707	60.02	-0.176	-1.38	0.026
Bank staff Attitude	-0.091	0.184	-0.271	-0.234	0.034
Non-financial services	5173.29	2505.9	0.073	-0.123	0.045

$$Y = \alpha + \beta_1 x_1 + \beta_2 x_2 + \dots + \beta_n x_n$$

$$\text{Customer satisfaction} = 1209 + (-1.565 \text{ Physical facilities}) + (-1.121 \text{ Interest rate}) + (-0.172 \text{ working hours}) + (0.02 \text{ service charges}) + (-1.38 \text{ Redressal of Complaints}) + (-0.234 \text{ Bank staff Attitude}) + (-0.123 \text{ Non-financial services})$$

$$(0.073) \quad (0.015) \quad (0.014) \quad (0.023) \quad (0.071) \quad (0.026) \quad (0.034)$$

$$+ (-0.123 \text{ Non-financial services})$$

$$(0.45)$$

The Multivariate Regression was applied to find how the institutional factors attributed to customer satisfaction level of the clients of ICICI bank, The Regression result shows that the calculated F value is 1.209 which is greater than the table value of 1.578 at 1 % level of significance. Since the calculated value is greater than the table value, it is inferred that the independent variables have strong influence on determining the customer satisfaction level of the clients in the study area, hence the null hypotheses rejected.

Summary of findings

Majority of the respondents preferred their branch because of Quality of service. Convenience and popularity of branch were given subsequent preference. While 52 percent customers ranked proximity, 71 percent respondents opined in favour of proximity.

There has been quite positive opinion registered with regard to the common problem encountered by the customers in the banks, 13 percent of the respondents were opined that there is delay in service in the branches, 12.8 percent of the respondents were dissatisfied with the service rendered by the staffs, 4 percent were dissatisfied with the delay in loan sanctions, at the outset proportion of the problems are relatively meager, hence it was illustrated that there has been very meager problems in the transactions.

Conclusion

The above analysis empirically verified the various dimensions of the services rendered by the ICICI bank and customer perceptions on the services have been exhibited in the above analysis.

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