A Study on Factors Responsible for Selection of Bank and Customer Satisfaction in Present Digital Era

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Customers traditionally build trust based on the image and reputation of service providers. The more a customer trusts a service provider, the more likely they are to continue the relationship and decrease the perceived inherent risk; bankers are not exempt to this. Better banking service attracts more valuable and strong customer base. At present world wide the banking services are increasingly becoming part and parcel of the business environment. Technology based banking service leads to harvest the benefits like generation of additional revenue, improved customer service, extend marketing, and increase cost saving. Further, the development in technology based service, the ever changing consumer lifestyle and preferences, and liberalization of the financial sector have served to foster stiff competition among financial institutions. Banks should be able to appreciate all possible benefits that may derive from the introduction of new banking facilities to fully utilize the potential of banking services.

Consumer Behaviour towards digital Banking

Several converging reference domains and theories suggest numerous potential influences on consumer adoption of internet banking, including theories of consumer behaviour in mass media choice and use, gratification theories, innovation diffusion, technology acceptance, online consumer behaviour, online service adoption, service switching costs and the adoption of internet banking.

A bank must first attract banking consumer attention to the digital banking service before the consumer will consider digital banking. However, unless the consumer has a high level of internet accessibility at home or at work, he/she is unlikely to consider using internet banking. The consumer also assesses whether it is convenient to conduct his/her banking that way (convenience), how usable the application appears (usability), and his/her perceived competence at internet use and banking application use (self-efficacy). The consumer also considers whether the perceived relative advantages of internet banking compared with other banking forms outweigh perceived risks and costs. In addition, the availability of sufficient support and in depth knowledge from the bank and its employees contribute significantly to the adoption decision. Each component of the framework is discussed in detail from the top of the framework to the bottom hereunder.

Banking Technologies and Banking Service

Heavy usage of banking service was the most significant factor in the adoption of Internet banking among non-adopters, and prior Internet purchase behaviour was also a significant factor, but not as much as the usage of related banking technologies. Lee and Lee26 employed the use of banking service as a proxy variable indicating consumers' need for banking service, and they indicated that heavy users of banking services might adopt Internet banking as a convenient option that can save time and effort. However, if consumers have no experience of previous banking technologies, they might find it hard to adopt recent banking technology. They might not be comfortable and lack the confidence to use Internet banking, even though they think Internet banking is necessary. Therefore, in order to investigate the relationship between banking technologies, it is more appropriate to study the effect of the use of related banking technologies such as ATM, debit cards and direct payments instead the use of banking service.

Consumers who have more ability to use banking technologies and computer software for managing money than others might more easily adopt Internet banking. Their ability might improve their efficiency in the use of Internet banking. Specifically, they might invest less time and money to learn the use of Internet banking, so they might be able to save more time and cost than others and that would affect their attitude towards Internet banking. Although consumers who have no experience in the use of banking technologies and computer software also recognize the benefit of Internet banking, they might hesitate to adopt Internet banking because they need to invest more time and money to learn Internet banking.

Customer Perception and Satisfaction on E-Banking Services

Electronic banking (e-bank) is the newest supply channel for banking services. The definition of e-banking differs among researchers partly because electronic banking refers to several types of services that allow a bank's customers to request information and perform most of their banking

transactions using computers, televisions or mobile phones (Daniel, 1999). Electronic banking, also known as Electronic Fund Transfer (EFT), is defined as the use of computer and electronic technology as a substitute for checks and other paper transactions, according to the Federal Trade Commission (FTC), Reality for Consumers (2006) EFT is initiated through devices such as cards or codes that allow you to access your account or those you approve. Many financial institutions use ATMs or debit cards, and Personal Identification Numbers (PINs) for this purpose. Others use other types of debit cards such as those that include your signature, or at most a scan. In addition, the following networks can be referred to as electronic banking: internet banking (or online banking), telephone banking, television - based banking, mobile banking, and e - banking (or offline banking).

Moutinho and Smith (2000) stressed that human-and technology – based delivery channels were closely linked to customers ' perceptions of how these bank services were delivered to them. They pointed out that these perceptual results would affect the level of bank-customer satisfaction, retention and switching. However, the intended users must accept them in order to improve the productivity of e – banking technologies (Venkatesh et al., 2003).

Venkatesh et al. (2003) noted that research into understanding user acceptance of new technology has led to several theoretical models with origins in information systems, psychology and sociology. The current study proposes applying the Technology Acceptance Model (TAM) to identify factors that have a significant impact on customer understanding of e - banking adoption. TAM is one of the IT acceptability study models most commonly used (Al-Gahtani, 2001;

Nigeria's Elisha Menson Auta (2007) has examined the major factors affecting the perception of customers of Internet Banking. The survey included 25 Nigerian commercial banks and distributed 750 questionnaires to respondents to gather data for the study. The percentage analysis and the descriptive statistics were determined on the factors that influence the perception of the customer. The study result revealed that 84 per cent of customers perceive E - Banking as convenient, flexible and has transaction - related advantages.

Research Methodology

Innovation of technology in the Banking sector is shifting expectations of customers and increasing awareness about advanced technology is the outcome of the electronic age. The modern technology is saving time and providing fast services to customers. In this background, the paper made an attempt to analyse the customers satisfaction towards digital banking service in Cuddalore City. The selected respondents were asked to give their opinion on different aspects of services provided by the banks on a five-point scale ranging from 'Strongly agree' to 'strongly disagree'. The analysis were made with help of online statistical tools.

OBJECTIVES OF THE STUDY

- To study the different types of services provided by the banks in the city of Cuddalore.
- To know the factor that attracts the customers to select the banks in Cuddalore City.
- To analyze the level of Customer Satisfaction towards the selected indicators of good customer satisfaction.

Scope of the Study

The Process of Liberalization made many transformations in the field of banking and Insurance. This resulted in greater playing field for the banks and created competitive environment in retaining and attracting customers. The study area is restricted to banks located in Cuddalore City. Scheduled Commercial banks in Cuddalore have been selected as the Universe of the study for preparing this paper. Further, the study looks to customers' satisfaction regarding various digital and banking related service provided by the banks in the city of Cuddalore, and the study is specifically looked in to the respondents' profile, the level of satisfaction and suggestion to improve the service

Limitations of the Study

The study is confined to the city of Cuddalore and Selected Scheduled bank customers. At the time of survey few customers not willing to give their opinion about the services available in the bank so the accuracy may subject to differ and only 160 respondents are used to carry the study and therefore the findings of the study may also be influenced by some personal bias of the samples used.

Sample size and area of study:

As stated in the scope of the study the scheduled commercial bank customers are taken as universe of sampling out which only 160 persons were selected on convenient sampling technique basis. Cuddalore City is taken as study area since it is home town of the researcher.

Data Collection Method:

The study consists of both primary and secondary data and informations. The secondary data collected from various Journals, books and websites, but the primary data used for the study are collected by circulating well designed questionnaire and the assistance of bank personal to influence the customers to get back the field in questionnaire is also used.

Analysis of data and interpretations:

The collected primary data were orderly arranged and used for analysis and suitable inferences are also drawn. Based on inferences suitable conclusions were drawn. As a first part the profile of sample Respondents are depicted in table 1.

Table 1

Profile of the Sample Respondents

Profile	**No of Respondents**	**Percentage**
Gender:		
Male	99	62
Female	61	38
	160	100
Age:		
less than 25 yrs	115	72
26-30 yrs	25	16
31-35 yrs	13	8
above 35	7	4
	160	100
Marital Status:		
Married	110	69
single	50	31
	160	100
Educational Level:		
Secondary	16	10
Degree	50	31
Post Graduation	94	59
	160	100
Occupation:		
Government	6	4
Private	38	24
Self employed	48	30
Business	63	39
Others – House wife	5	3
	160	100
Monthly Income (Rs):		
Below 30,000	33	21
30,001- 40,000	83	52
Above 40,000	44	28
	160	100

From the table 1 it is understandable that out of total 160 numbers of respondents were 62 per cent were males and the reaming 38 per cent were females, this shows that male members frequently visiting banks to carry out their financial transactions.

According to the age of respondents 72 per cent were fall under the category of less than 25 i.e young people with enough knowledge about digital banking, 16 per cent of the sample comes under between 26 and 30 years, eight per cent were in the age group of 31 to 35 years and reaming

four per cent were in the age group of above 36 years. At the time of data collection it is found that it is too difficult to get their satisfaction level, since they are busy with their personal work and not interested in respond for the questionnaire.

Marital status: While classifying the samples used in the study on the basis of marital status wise 69 per cent are comes under married category and 31 per cent were unmarried.

Education Level: Most of the samples used were degree holders i.e 59 per cent respondents are post graduates and 31 per cent are graduates. 10 per cent respondents' has less than graduation i.e secondary level of education.

Occupation: Based on this 48 respondents engaged in the business, 38 persons working with private sector, 6 persons out of 160 samples are working in Government sector and 5 of them are household savings.

Monthly Income: When categorizing the sample on the basis of Monthly income 83 persons monthly income comes under Rs.30,000 to Rs.40,000, out of the total 160 sample 44 persons income only comes under more the Rs.40,000 per month and rest of them respondents earnings are less than 30,000 per month.

The present digital era all the banks providing same method of services with the help of updated technology created completion among banks, so it is essential to analyze various influencing factors responsible for the selection of banks. At this situation the bankers should take steps to identify the factors that are essential for attracting the customers and retain them for long run. Therefore, the main aim of this paper is to examine the determinants of customer's bank selection decision. the following factors were enlisted as influencing the customers. (a) Minimum Balance. (b) Online Banking features (c) ATM Outlets (d) Branch availability (e) approach of the staff and (f) Other Customers Service.

Table – 2

Selection of banks and factors associated

Rank		1st	2nd	3rd	4th	5th	6th	Total
Minimum Balance	n	58	22	24	24	21	11	160
	%	36	14	15	15	13	7	100
Online banking Features	n	35	23	27	35	25	15	160
	%	22	15	17	22	15	9	100
ATM Outlets	n	62	22	20	28	14	14	160
	%	39	14	13	17	9	9	100
Branch availability	n	40	23	27	35	22	13	160
	%	25	15	17	22	14	8	100
Approach of the Staff	n	38	26	23	27	31	15	160
	%	24	16	15	17	19	9	100
Other Customer services	n	30	26	26	23	27	28	160
	%	19	16	16	15	17	17	100

The table 2 discloses that 36 per cent of the respondents were ranked minimum balance as a first factor. 22 per cent of the respondents were ranked online Banking as a first factor attracted them. 39 per cent of the respondents were ranked availability of ATM outlet as a first factor, which is selected on the basis of convenience banking. 25 per cent were ranked Branch availability as first factor, 24 per cent of respondents were ranked approach of the staffs of the banks as a first factor and 19 per cent of the respondents were ranked others customer services available in the bank as first factor responsible for selection bank.

Banks provide a variety of products and services to the customers. The various services offered by the banks can be utilized by the customers only when they are made aware of these services. The banker and customer have to know about one another. The banker has to understand the customers' needs and in the same way, the customer has to know about the various services offered by the banks. Based on the importance of customer services of private commercial banks, this st Banks provide a variety of products and services to the customers. The various services offered by the banks can be utilized by the customers only when they are made aware of these services. The banker and customer have to know about one another. The banker has to understand the customers' needs and in the same way, the customer has to know about the various services offered by the banks. Based on the importance of customer services of private

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Various services provided by the banks to its customers

In meeting the financial requirement of the people of all segment banks plays major role, through their service package. The banks have various specialized section to handle various aspects involved satisfying the needs of the customers with more specialized and experienced staff to cope up with the demands of inland and overseas customers. Banks provide a variety of products and services, some of them are as follows:

1. Advancing of Loans.
2. Overdraft.
3. Discounting of Bills of Exchange.
4. Check/Cheque Payment
5. Collection and Payment Of Credit Instruments
6. Foreign Currency Exchange.
7. Consultancy
8. Bank Guarantee
9. Remittance of Funds
10. Credit cards.
11. ATMs Services.
12. Debit cards.
13. Home banking.
14. Online banking.
15. Mobile Banking.
16. Accepting Deposit.
17. Priority banking
18. Private banking

Some of the services provided by the banks were enlisted here to rank them according to their opinion and satisfaction. (a) Credit Card facility (b) Mobile banking (c) Consultancy service (d) Bank Guarantee (e) Home Banking.

Table 3

Ranking of services provided by the banks to its customers

Rank		1st	2nd	3rd	4th	5th	Total
Credit Card facility	n	30	34	33	32	31	160
	%	19	21	21	20	19	100
Mobile banking	n	32	25	34	35	34	160
	%	20	15	21	22	21	100
Consultancy service	n	30	30	33	31	36	160
	%	19	19	21	19	23	100
Bank Guarantee	n	30	28	41	35	26	160
	%	19	17	26	22	16	100
Home Banking	n	31	36	30	30	33	160
	%	19	23	19	19	21	100

Table 3 it reveals that 30 respondents out of 160 ranked Credit Card facility as first service provided by the bank. 32 of the respondents were ranked mobile banking as first satisfied service, 30 of the respondents were ranked Consultancy service as first facility. Another 30 respondents were ranked Bank Guarantee service as first facility and 31 of the respondents were ranked home Banking service as first facility provided bank where they have maintaining accounts regularly. Similarly, the respondents ranked various services facilities listed in the table as 2nd, 3rd, 4th and 5th according to their opinion and satisfaction enjoyed by them.

To identify indicators of good customers' satisfaction, the selection factors facilitating the customer to select the bank and the opinion data pertaining to various factors of banking were collected from randomly selected respondents of bank customers in Cuddalore City.

Research hypothesis

The opinion data regarding indicators of goods customers satisfaction of bank are subjected to statistical analysis such as mean, standard deviation and t-test and the results of the analysis are presented in the tables and discussed in detail. There is a significant difference between gender and factors responsible for selection of banks to have financial transaction.

Null hypothesis

There is no significant difference between gender and indicators of goods customers satisfaction.

Table-4

T-test – Difference between Gender and indicators of good customer satisfaction

Sl.no	Gender	Mean	S.D	t value	Statistical inference
1	**Time Factor**				
	Male (n=99)	3.38	1.4	-2.56	P < 0.05 Significant
	Female (n=61)	3.93	1.1		
2	**Online banking Features**				
	Male (n=99)	3.62	1.3	0.63	P < 0.05 Significant
	Female (n=61)	3.49	1.1		
3	Human Relation Approach of Bank Employees			-2.41	P > 0.05 Not Significant
	Male (n=99)	3.25	1.4		
	Female (n=61)	3.81	1.3		
4	The enquiries and the employee response			0.49	P < 0.05 Significant
	Male (n=99)	3.55	1.4		
	Female (n=61)	3.44	1.3		
5	Knowledge and skill of the employees			0-.33	P > 0.05 Not Significant
	Male (n=99)	3.48	1.5		
	Female (n=61)	3.56	1.3		
6	**Other Customer services**				
	Male (n=99)	3.25	1.5	-1.90	P < 0.05 Significant
	Female (n=61)	3.68	1.2		

Majority of the indicators of good customers satisfaction considered for the study to select the bank by a customer does not influence the gender of the respondents. Hence, the calculated value is greater than table value. So the research hypothesis is rejected and the null hypothesis is accepted.

Conclusion:

In general all business sectors concentrate on retaining the customers and banking companies are not exempt to this. Therefore, the customer satisfaction is most important in respect of banks. Studying the Customer experience and understanding the means ways to improve the satisfaction level in banking sector is essential for betterment of banks.

In banking business customer service plays pivotal role in order to market the retail products of the bank in the present competitive environment. Reforms in financial sector have unleashed the forces of completion and running banking business by retaining existing customers and attracting new customers is a difficult task. To achieve the goal of banks timely and efficient customer service has become very significant and need of the hour.

The paper examined the factors responsible for selection banks and important services provided by the banks to its customers. The paper also examined the ability of the bank in enhancing the customer satisfaction through their service facilities available with them. Banks should concentrate on retaining the customers than attracting the new one, since the expenses incurred to attract new customers may high than that of retain the existing customers.

There is difference of opinion among the customers selected for the study regarding the service factors. Although customer is the king in the present day market, their opinion is more important compared to profitability of the banks. It is necessary for banks to augment the motivational powers of the customers by satisfying them through well organized efforts, especially by providing confidence that working and products of banks are highly useful for the customers. In the present competitive financial environment credit card facility, mobile banking, consultancy service, bank guarantee and home banking

The study had considered different factors for selecting a bank like minimum balance, online banking, ATM outlets, Branch availability, approach of the staff and other customer services available with the banks as indicators of good customer satisfaction. These variables were systematically considered in determining the customer satisfaction. This study would definitely enable the banks adopt customer satisfying strategy for the development of the banks in Cuddalore City.

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