

IMPACT OF INTERNET BANKING IN USAGE OF CONSUMER SATISFACTION IN INDIAN BANKING SECTOR

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Abstract

Internet Banking is set the use of the infrastructure for virtual age to create possibilities, each in local & worldwide market. IT allows the giant reducing of transaction price and the advent of recent kinds of banking possibilities that cope with the boundaries of time and distance. Banking possibilities are local, worldwide and on the spot in net banking. Internet banking is a web charge machine that allows clients of a financial institution or different economic establishments to behavior a number economic transactions via web sites of economic establishments. Internet banking has many benefits over different conventional banking shipping methods. Internet banking gives banks with an accelerated patron base, price savings, mass customization, product innovations, progressed marketing, and communication, the capacity to broaden non-center businesses, and the capacity to provide offerings no matter geography and time constraints, viewing account balances, latest transactions, ordering cheque books and lots of more. With the improvement of recent technology, Internet banking is anticipated to grow to be a main banking technique for clients. Internet banking reduces expenses via way of means of presenting clients with every other manner of having access to their bills with-out bodily touring a financial institution. The essential reason of this examine is to investigate numerous on line centers supplied via way of means of fundamental public and personal banks in India and to degree their effect on clients in phrases of patron satisfaction.

INTRODUCTION

Banks are the various necessary components of the entire economic systems. They feature because the spine of the economy. Indian economic machine had its first financial institution set up in 1786 and considering that some of these times, there was an extended adventure of the banking carrier which may be divided in three phases. Period from the 12 months 1786 to 1969 is marked because the first section wherein the East India Company set up Bank of Bombay (1804), Bank of Bengal (1809) and Bank of Madras (1843) as presidency financial institution which have been later amalgamated in 1920. Also the Imperial Bank of India broadly speaking for European shareholders become set up as non-public shareholder financial institution. In the second one section, the Imperial Bank of India become nationalized (as according to the State Bank of India Act) with extensive offerings of

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banking exactly in rural and semi-rural areas. The so fashioned SBI performed a chief function as being an agent of the Reserve Bank of India and additionally facilitating the economic transactions for each Union in addition to the country governments.

During the tenure of Mrs. Indira Gandhi, the then Prime Minister, below the technique of nationalization, 7 subsidiary banks of SBI have been nationalized in 1969 and later 14 essential non-public business banks skilled the equal fate. The 0.33 section of Indian banking got here up with extra merchandise and centres via way of means of present process reforms in 1991, below the committee chaired via way of means of M. Narasimha which laboured to liberalize the banking practices. This section brought new overseas banks alongside ATM centres alongside telecall smartphone and internet banking. The machine stepped forward with giving extra comfort and giving extra significance to time rather than cash only. In today's scenario, with growing populace and their demands, the branches of the banks are on my own now no longer successful enough. It now includes non-stop get admission to the data consequently IT is of a exquisite help. It offers stimulus to the banks to reply to the enterprise and marketplace modifications alongside instructions from the RBI and finance ministry. To the banks who carry out more than one functions, IT affords them a bonus to facilitate paintings swiftly and additionally offer e-banking provider to this period to each home and international transactions at a totally rapid speed. It additionally reduces to fee of transaction and avoids hurdles of time and distance.

CUSTOMER SATISFACTION AND ONLINE BANKING

With the clients turning into current and techno savvy, will become crucial for the banks to undertake use of generation to meet their demands. Also, in a growing united states of america like India, humans see the usage of generation because the figuring out thing to certify a carrier as right or bad. Even the personnel have a tendency to have a smaller effect in banking carrier. Variation in offerings provided provides directly to the score of the carrier as banking now not simply offers with cash however additionally the monetary transaction information. And, clients at each the company in addition to retail degrees are similarly crucial to the banks. Now, nearly all banks have followed IT to offer higher and less expensive offerings to the customers like, ATM facility, internet banking, credit score and debit playing cards and many others are numerous clean to apply offerings furnished to the customers with the aid of using the banks. These offerings have a tendency to feature directly to consumer delight which in addition reduces consumer retention. The greater such offerings are furnished with the aid of using the banks, the greater is their cost most of the clients however this ought to be saved in thoughts that the generation primarily based totally carrier furnished with the aid of using each non-public and public banks vary from every different in which non-public banks beat the general public region ones. E-banking may be understood because the development over conventional banking gadget in which the transaction prices had been minimized. offerings have come to be extra green and the bond among patron and banks have improved. The clients are glad and happy if the offerings supplied suit their expectation. For this IT allows with the aid of using filling the gaps among the expectancy and enjoy and provides to the patron satisfaction. For this, e-provider need to be reachable to all additionally need to be mistakes' evidence to broaden clients' agree with in it.

RESEARCH OBJECTIVE

- 1) To Study of numerous personal and public banks primarily based totally upon the net banking centre's provided through them.
- 2) To Satisfaction received through the clients thru net banking.
- 3) To Benefits given to the clients thru this net banking facility.

REVIEW OF LITERATURE

One of the maximum vital and the maximum wanted step whilst a studies is started is to have a pleasing and thorough appearance to the already finished paintings and to be had information approximately the fascinated field. It is marked as an essential step because it offers all of the to be had details. In this studies, each associated literature has been taken from journals, periodicals, and books and so forth which give clean and true facts in order to be beneficial withinside the study. Review of the literature has been finished on the idea of diverse factors beneath neath the study.

Subbarao, (2009) places ahead that with the boom withinside the generation investment, produvtivity is probably to boom. This will decrease expenses and the bureaucracy will perform extra effectively. IT and improvements are visible as strategic equipment for they make sure economic transactions at decrease value and right allocation of economic resources. This ends in stepped forward competitiveness and performance of economic institutions. Technological improvements will increase the attain of the banking provider and additionally the capability to develop enhances. Krishnamoorthy, V. and R. Srinivasan (2013) threw mild on the problem confronted through the banks to maintain their gift clients. He stated that the banks want to paintings upon the making new improvements withinside the product and the offerings supplied to fulfill theie expectations. Also they want to reply to the problems in a manner to expand accept as true with and self belief withinside the clients. Safeena, Rehmath (2010) stated approximately clients' perspectives on the use of net offerings. The primary goal become to assess the usefulness of the equal and the mind-set of the clients closer to the equal and assessment the uncertainties associated with it. The observe reached to the belief that there exist a number of of things like ease of doing matters that too in much less time which inspire the clients to undertake the net banking provider. Rourke, Chris (2004) mentioned the issues related to the net banking. He highlighted that approximately 50% of the clients are reluctant to apply the net banking provider withinside the starting due to diverse issues related to it like difficult navigation, worry of disclosure of secret statistics, being generation savvy and many others. Sharma, Himani (2011) mentioned the truth that in many instances the bankers inspire the clients to apply to on line banking provider due to the fact they believe that it'll enhance the financial institution and patron relationship. And this can assist them to maintain the clients and by some means manipulate the opposition and expand self belief some of the clients closer to the financial institution. accomplished on the premise of diverse factors below the observe.

SAMPLING UNIT

Sampling unit defines the centered a part of populace in order to be taken in consideration. In short, it defines that a part of populace which has to be surveyed. Here, on this study, the pattern is taken of the clients to two public and a couple of non-public banks withinside the India. These are: Public Sector Banks: 1) State Bank of India 1) Bank of Baroda

Private Sector Banks: 1) ICICI Bank 2) HDFC Bank.

SAMPLE SIZE

In this study the sample size taken of 100 customers. This sample of 100 customers consists of those of different age group, income group and profession. Randomly 50 customers have been selected from each bank. These are: Public Sector Banks: 1) State Bank of India 1) Bank of Baroda & Private Sector Banks: 1) ICICI Bank 2) HDFC Bank.

LIMITATION OF RESEARCH

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This zone is speedy developing and because of its huge size, it's miles almost not possible to cover each a part of the zone. Thus the hassle of the take a look at are:

- 1) The take a look at is made in a few decided on branches of the banks in India.
- 2) Authenticity of the facts accumulated from the people.
- 3) There isn't any parameter that may guarantee that the respondents understood the real which means of the questions.

DATA ANALYSIS & INTERPRETATION

TABLE NO: 6.1 Distribution of respondents according to the bank type

TYPES OF BANK	N	%
PUBLIC BANKS	50	50
PRIVATE BANKS	50	50
TOTAL	100	100

Table No: 6.1 indicates the distribution of

the respondents as in keeping with the form of financial institution they use. Out of the full a hundred respondents, 50% i.e 50 are from public and last 50 are from private sector. Therefore identical wide variety of respondents representing each the sectors.

TABLE NO: 6.2 Distribution of respondents as per their gender

GENDER	PRIVATE BANKS		PUBLIC BANKS	
	N	%	N	%
MALE	76	76	79	79
FEMALE	24	24	21	21
TOTAL	100	100	100	100

Table No 6.2 shows the distribution of the respondents as per the gender. It depicts the number of male and female customers who use private and public sector banks. The shows that 79% males and 21% females constitute the customers of public banks and on the other hand the figures are 76% and 24% respectively for private sector banks. Hence, it is evident that male customers dominate the number of banking customers.

TABLE NO: 6.3 Awareness about Online Banking Services while Opening an Account

RESPONSE	Private Sector		Public Sector	
	N	%	N	%
YES	95	95	79	79
NO	5	5	19	19
NO RESPONSE	0	0	2	2
TOTAL	100	100	100	100

Table No: 6.3 depicts the reaction of the clients if they're aware of the net banking provider at the same time as working the account. Among the a hundred respondents of the general public quarter, 79% had been aware about the net banking facility and 19% had been now no longer. Also, 2% refused to respond to the question. In non-public quarter banks, 95% had been aware about on-line banking provider and most effective 5% had been now no longer aware about the same. It is obvious that majority of populace turned into aware about the e banking facility to be had at the same time as working a financial institution account

and in that too the share of consciousness is greater in non-public quarter financial institution compared to public quarter banks.

TABLE NO: 6.4 Usage of internet by bank customers

RESPONSE	PRIVATE BANK		PUBLIC BANK	
	N	%	N	%
NOT USING AT ALL	2	2	23	23
LESS THAN 6 MONTHS	30	30	17	17
6 - 12 MONTHS	7	7	3	3
12 – 18 MONTHS	1	1	0	0
> 18 MONTHS	53	53	57	57
NO RESPONSE	7	7	0	0
TOTAL	100	100	100	100

Table No: 6.4 reveals the information regarding using information through the respondents. In public zone, 23% did now no longer use net at all, 17% used for much less than 6 months, simply 3% for much less than 12 months however a massive bite i.e. 57% used net for extra than 18 months. Speaking of the personal zone banks, simplest 2% did now no longer use net at all, 30% used for much less than 6 months, 7% for much less than a 12 months and really few (1%) among 12 to 18 months. A massive bite (53%) stated they used net for extra than 18 months and simplest 7% refused to reply to the survey. Thus, it's far obtrusive that most of the respondents use net for extra than 18 months.

TABLE No: 6.5 Source of information about e-banking

RESPONSE	PRIVATE BANK		PUBLIC BANK	
	N	%	N	%
DISPLAY INFORMATION AT BANK	53	53	29	29
EXECUTIVE FROM BANK	61	61	50	50
ADVERTISEMENT	47	47	17	17
FRIENDS / RELATIVES	48	48	28	28
OTHER	9	9	3	3

Table No: 6.5 indicates the respondents' reaction approximately how they got here to understand approximately the net banking facility in their banks. In public zone banks, 50% me to understand from the patron executive, 17% from commercials, 29% shape show data in banks and 28% shape their buddies and relatives. In non-public zone banks, Majority i.e. 61% me to understand from the executive, 53% from the show on the banks, 47% from commercials and 48% from the pal and relatives.

CONCLUSION

The goal of this observe become to advantage the insights at the clients' conduct and pride in the use of the net banking offerings. The researcher centered on diverse vital elements that might have an effect on the pride of the clients in India. It become obtrusive that elements like perceived usefulness, perceived ease of use, respondents' awareness, and troubles faced, their consider, protection and privateness and so forth did impact the clients'

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conduct toward net banking. The outcomes confirmed that elements like usefulness and simplicity of use play a vital role within the utilization of net banking. Also elements like protection and security have a form of discouraging effect on them. It is similarly observed that personal quarter financial institution customers had been extra happy with the net banking use compared to the ones of public quarter. The customers of net banking of each public and personal sectors are happy with the offerings however now no longer to a totally excessive degree. This observation will permit the Indian banking provider to broaden and plan their offerings accordingly. As a result of a kind of locating become that the effect of recession become now no longer visible at the e-banking which become obtrusive and not using a such decline within the range customers within the beyond years alternatively the customers are growing constantly seeing the blessings of the provider to offer non-stop answers to the troubles in a secure and secured manner.

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