

## A Study on Customer Gratification towards E-Banking Service in Karungal Town

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### ABSTRACT

Electronic banking is more commonly referred to as internet banking or simply net banking. It is an electronic payment system supported by a website that offers an array of products and services of any bank that is possible to work electronically, like payment, transfers, deposits and more. The first is through ATMs and phone transactions. It has recently evolved into an internet- based channel among banks and customers that benefits both parties. The primary goal of e- banking solutions would be to provide clients with considerably faster and less expensive services. Banks render value to their valuable customers after the introduction of technology based e- banking services.

**Keywords:** E-Banking, Benefits, digital services, satisfaction, problems

### Introduction

E-banking refers to the use of the internet as a remote delivery channel for banking services. Such services include traditional ones, such as opening a deposit account or transferring funds among different accounts and new banking services such as electronic bill presentment and payment banks offer e-banking in two main ways. An existing bank with physical offices can establish a website and offer e-banking to its customer as addition to delivery channels. A second alternative is to establish a “virtual” “branchless” or “internet only” bank. The computer server that lies at a heart of virtual banks may offer their customers the ability to make deposits and withdraw funds via ATMs or other remote delivery channels owned by other institutions. E-banking in India has witnessed a substantial growth and development one of the main challenge facing the banking sector in India is how to manage online service quality. This is of a great importance to customer satisfaction.

### Statement of the Problem

The predominant challenge at the moment for the bank is to establish customer relationship without all offer efforts toward operation excellence is worthless. Thus, this study attempts to study the customer satisfaction in the banking sectors in the present sceneries. Despite this fact, most banks have no clue on what their customers really think of the Banks. They operate in a stage of ignorant bliss, believing that their customers were anything less than percent satisfied then they would hear about it. The banks are forced to examine their performance because their survival in the dynamic economies

of the upcoming years will depend upon the overall efficiencies. This study is entitled as, “A study on customer Gratification of E-banking services in Karungal Town”.

### **Objectives of the Study**

The study has been carried out with the following objectives

1. To study the problems faced by the customers while using e-banking services.
2. To analyze factors that help in adoption of e-banking services.
3. To study the customer satisfaction level of e- banking services.

### **Benefits of E- Banking Services**

E- Banking helps us in overcoming the drawbacks of manual system, as computers are capable of storing, analyzing, consolidating, searching and presenting the data as per the user requirements with lot of speed and accuracy. Number of benefits accrue to the various with the development of E-banking.

#### **To the Banks**

- ☐ E- banking service helps to increasing the profits.
- ☐ E- banking provides competitive advantage boundary with less network to the banks.
- ☐ E- banking carry on business less with paper money with and more plastic money.
- ☐ E- banking websites can act as a revenue earner through its promotional activities.
- ☐ Customers can avail e- banking facility from anywhere, therefore saving need not to invest more on building infrastructures.
- ☐ Websites that offer financial convergence for the customers will be create a more involved banking customer who will more frequently utilized the banking websites.

#### **To the customer**

- ☐ Reduced costs in accessing and using the banking services.
- ☐ Increased comfort and time saving- transaction be made 24 hours a day.
- ☐ Quick and continuous access to information- corporations will have easier access to information.
- ☐ Better cash management E – banking facilities speed up cash cycle and efficiency.
- ☐ Reduced costs – This is in terms cost of availing and using the various banking products and services.
- ☐ Convenience – All the banking transaction can be performed from the comfort for the home or office.
- ☐ Speed – The response of the medium is very fast.
- ☐ Funds management – Customers can download their history of different account and do “what if” analysis on their own PC before affecting any transaction on the web. This will lead to better funds management.

**To the merchant traders**

- ☐ It ensures assured quick payment and settlement to the various transaction made by traders.
- ☐ It provides a variety of services to the businessmen on par with the international standards with low transaction cost.

**Review of Literature**

Ali Parfait Hebie (2017) this study made a titled “Improving e- banking usefulness, risk, cost and intension to adopt. “Millions of people use e-banking adoption among daily and business leaders should understand the factor influencing e- banking adoption among users. Based on the theory of technological acceptance model and the innovation diffusion theory, the purpose of this co- relation study was examine the relationship between usefulness, ease of the researcher of risk cost and e-banking.

Pratima Mergu and Krishna Mohan Vaddadi (2018) this study is identify the problems and factors influencing customer satisfaction and improve the usage of e- banking service. The success depends on attitude commitment and involvement of employees at all level and their improvement and upgrading online security for the growth of e- banking.

Jean N. Lee, Jonathan et.al (2022) analysed an article entitled “Narrowing gender gap in e- banking”. In this study contains the e- banking can make financial services cheaper and more accessable, but gaps in usage persist. E- banking and related financial technologies can make financial services cheaper and low accessible in low income economies, but gender gap persists.

**Methodology**

The present study is descriptive in nature. Data for the present research was collected through both primary and secondary data. Though, the E-Banking services having large number of customers, totally 120 respondents were randomly selected as sample for this study. So, simple random sampling method has been used for the study. The respondents for this study were restricted to Karungal Town, from all domains of the society like private employees, government employees, business man, Agriculturist and students.

**Data Analysis**

After collecting the primary data, it was classified, arranged and the master table was prepared. Data were organised and tabulated for further analysis. Percentage was used to analyse the demographic profile of the respondents. Weighted average method was used for analysis and interpretation of data. (anchored as 1 = strongly disagree; and 5 = strongly agree).Chi-square test used to analyse the relationship between Age and Level of Satisfaction of the Respondent in E-Banking Services

**Demographic Profile of the Respondents**

Demographic profile of the respondents was grouped as age, gender, educational qualification, occupation and monthly income.

**Table: 1 Demographic Profile of the Respondents**

Category	Profile	No. of Respondents	Percentage
Age	Below 30 years	70	58
	31- 40 years	22	19
	41- 50 years	13	11
	51- 60 years	10	8
	Above 60 years	5	4
	<b>Total</b>	<b>120</b>	<b>100</b>
Gender	Male	68	56
	Female	52	44
	<b>Total</b>	<b>120</b>	<b>100</b>
Educational Qualification	SSLC	8	7
	HSC	14	12
	UG	50	42
	PG	38	31
	Others	10	8
	<b>Total</b>	<b>120</b>	<b>100</b>
Occupation	Private employees	55	46
	Government employees	30	25
	Business	15	12
	Agriculturist	9	8
	Student& others	11	9
	<b>Total</b>	<b>120</b>	<b>100</b>
Monthly Income	Below Rs.10,000	19	16
	Rs. 10000- Rs.25,000	43	36
	Rs.25001- Rs.50,000	35	29
	Above Rs. 50,000	23	19
	<b>Total</b>	<b>120</b>	<b>100</b>

X Source: Primary data

Table 1 indicates that 58 percent of respondents are in the age group of below 30 years and 4 percent

of the respondents are in the age group of above 60 years. Majority of the respondents e-banking services gaining popularity among people, especially the younger generation. 56 per cent of respondents are male and 44 per cent of respondents are female, indicating a higher engagement of males in e-banking activities. 42 per cent of the respondents have completed their undergraduate degree and 7 per cent of the respondents have educational qualification of SSLC. This indicates that a significant portion of e- banking users holds a higher educational qualification.

46 per cent of the respondents are working for Private employees and 9 per cent of the respondents are Agriculturist. It is understood that e-banking services are commonly used by majority of people in the society Private employees.

36 per cent of the respondents having a monthly income Rs.10000 to Rs.25,000 and 16 per cent of respondents having an income less than Rs.10,000. This shows that e-banking users majority from middle income people.

**Table : 2 Segmentation by Purpose of Adoption**

Sl. No	Purpose of Adoption	S.A (5)	A (4)	N (3)	D.A (2)	S.DA (1)	Total	Mean	Rank
1.	E- banking is easy to learn	35 (175)	40 (160)	20 (60)	13 (26)	12 (12)	433	3.60	III
2.	E- banking is Reliable	33 (165)	26 (104)	24 (72)	21 (42)	16 (16)	399	3.32	V
3.	E- banking service available Everywhere	35 (175)	27 (108)	22 (66)	19 (38)	17 (17)	404	3.37	IV
4.	E-banking service Available 24x7	50 (250)	42 (168)	8 (24)	13 (26)	7 (7)	475	3.95	I
5.	E- banking takes less time	48 (240)	31 (124)	20 (60)	14 (28)	8 (8)	460	3.83	II

Source: Primary data

This table 2 revealed that the Purpose of adoption for e- banking service available 24x7get the ‘first rank’ at the score of 3.95, e- banking takes less time get the ‘second rank’ at the score 3.83, e- banking is easy to learn get the ‘third rank’ at the score of 3.60, e- banking service available get the ‘fourth rank’ at the score of 3.37, and e- banking is reliable get the ‘last rank’ at the score of 3.32.

**Table : 3 Age and Level of Satisfaction of the Respondent in E-Banking Services**

H0-There is no relationship between Age and level of satisfaction

Age Satisfaction level	Highly Satisfied	Satisfied	Neutral	Dis satisfied	Highly Dis satisfied	Total
Below 30 years	19	18	14	12	7	70
31- 40 years	7	5	4	3	3	22
41- 50 years	4	3	3	2	1	13
51- 60 years	3	3	2	1	1	10
Above 60 years	2	1	1	0	1	5
Total	35	30	24	18	13	120

Source: Primary data

#### Age and level of satisfaction Chi-Square test

Sl.No	Particular	Values
1	Calculated Value ( $\chi^2$ )	2.568
2	Degrees of freedom	16
3	Table Value	26.296
	<b>Inference</b>	<b>Insignificant</b>

From the above analysis it can be concluded that the calculated value less than the table value the null hypothesis is accepted. Hence, it can be said that the age of the respondents is independent of their level of satisfaction.

#### Problems Faced by the Respondents

The below table shows that the problems faced by the respondents to using e- banking services. It indicates unsafe transaction, net discontinuity, extra charges, frequently technology changes,

difficulties in operates e- banking.

**Table: 4 Problems faced by Respondents in using E-Banking Services**

Sl. No	Purpose of Problems	S.A (5)	A (4)	N (3)	D.A (2)	S.DA (1)	Total	Mean	Rank
1.	Unsafe transaction	48 (240)	26 (104)	18 (54)	20 (40)	8 (8)	446	3.71	<b>II</b>
2.	Network discontinuity	36 (180)	32 (128)	21 (63)	19 (38)	12 (12)	421	3.58	<b>IV</b>
3.	Extra charges	56 (280)	23 (92)	15 (45)	14 (28)	12 (12)	457	3.80	<b>I</b>
4.	Frequently technology charges	40 (200)	32 (128)	27 (81)	13 (26)	8 (8)	443	3.69	<b>III</b>
5.	Difficulties in operating e-banking	24 (120)	16 (64)	39 (119)	27 (54)	14 (14)	369	3.07	<b>V</b>

Source:Primarydata

Extra charges is the main problem faced by the respondents gets the ‘first rank’ at the weighted average mean score 3.80, unsafe transaction get the ‘second rank’ at the weighted average mean score 3.71, frequently technology changes get the ‘third rank’ at the weighted average mean score 3.69, network discontinuity get the ‘fourth rank’ at the weighted average mean score 3.58 and difficulties in operate e- banking get the ‘fifth rank’ at the weighted average mean score 3.07.

### Findings

- Maximum number of respondents has participated in the study in the age group of below 30 years i.e., 70 percent.
- Gender wise distribution shows that majority 68 percent of the respondents are male
- Regarding educational qualification 42 percent of the respondents have completed UG level of literacy.
- Maximum numbers of respondents are the employees in private sectors 46 percent.
- Majority 36 percent of the respondents are earning between Rs. 10000 - Rs. 25000 as a monthly income.
- The researcher found that, the Purpose of adoption for e- banking facility available 24x7 get the ranked ‘first’ mean score 3.95 and e- banking is reliable get the ‘last rank’ at the score of 3.32.
- The researcher found that, analyses the relationship between the age and level of satisfaction

of the respondents is independent of their level of satisfaction

- The researcher found that extra charges paid by the customers of e- banking services get the ‘first rank’ mean scored by 3.80.

### **Suggestions**

- In today’s competitive environment, it is essential for the banks to strive to attract and retain customers by differentiating products, enhancing the quality of the customer service and marketing a variety of products in e- banking services
- The banks can maintain the profits of the customers for birthday, anniversary, and festival and also communicate the new schemes, changes, and alertness about problems and updated the products regarding the e- banking services.
- The banks have to put extra efforts in providing e-banking services amongst their customers so that the providing effect on service quality will be increased from moderate to strong.
- It is recommended that the banking sector should initiate the steps to create more awareness of the uses of e- banking gross root level.

### **Conclusion**

The banking sector has undergone various changes after the new economic policy based on privatization, globalization, and liberalization adopted by the government of India. In a service industry like banking, where product differentiation is hard to maintain and the customer satisfaction depends on the quality of services of the service provider, it is a imperative for the bank to have staffs who realize that they are a part of the business concern, render services to the satisfaction of customers. Banks render value to their valuable customers after the introduction of technology based e- banking services. In conclusion, if the aforesaid suggestions are carried out by the authorities of banks, the Reserve Bank of India (RBI) and the institute for development & Research in banking Technology (IDRBT), the modern banking technologies (MBT) will further improve not only in Karungal town, Kaniyakumari district but also in the country.

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