CHAPTER 5
FINDINGS AND RECOMMENDATIONS

In this chapter we have discussed about the findings which are drawn from the data analysis which we have discussed earlier in the data analysis chapter. The conclusions are drawn according to the research questions. The present chapter also presents suggestions and recommendations based on major findings of this study. This will be useful for bank managers, policy makers, service designers and stakeholders. Finally, we end up the discussion with directions for future research in related areas.

The Demographic composition of respondent used for research purpose realized that most of E banking users were male (77.5%), with age group between 25 to 35 (33.2%), 36 to 45 years (34.8%). Regarding the Qualification, Majority of the respondents was Graduate (61%) while Post Graduate was 30% and only 9% were under graduate. Most of the Respondents are corporate employee (40%) and businessman (35%), who’s income level below 5 lacs (59%) and between 5 to 10 lacs (41%). Most of the Respondents are Saving account holder (65%). Regarding Residential Status, most of the respondents are Urban (81%).

5.1 Major findings

The study was focused on findings of the significant factors which influences the satisfaction level of E banking customer in Indian and foreign Banks in Indian banking sector. A proportional study of Satisfaction level between Indian and Foreign banks was the main objective of the study. For this study a well-structured questionnaire based on ebankQual Model developed by by Jayawardhena (2006) and further the model was modified by Vijay Khumber (2011), was used for data collection by the researcher. Two Indian Banks (SBI and ICICI) and two Foreign Banks were selected. SBI is the largest Public Sector Bank and ICICI is the largest Private sector bank as per branch size. HSBC and Standard Chartered Bank are two largest foreign banks operating in India.
Data were collected from 400 bank customers (100 each from 4 banks) using structured questionnaires. Questionnaire consisted 42 statement about 14 factors were asked to rate their satisfaction on a 5-level scale (ranging from highly dissatisfied to highly satisfied) designed for the study.

One of the primary objectives of this research was to gain an understanding of how customers become satisfied with an E banking services and what are the problems in E banking which adversely affects on customer satisfaction. This study is succeeded to find out main determinants of customers satisfaction and problems in it also. Additionally, it reveals the Comparative status of satisfaction level between Indian and Foreign banks. The major findings are summarized as under

1. The e-QUAL model was satisfied when the study was done on 4 banks i.e two Indian banks and two foreign banks and it was found that the conceptual model global goodness of fit index Chi-square was 4479.724 which were significant at 0.0 significance level. Indicating that Chi-square is not significant and therefore the conceptual model has good fit with the data. In addition to the Chi-square goodness of fit index there are three sets of goodness of fit indices and one set of badness of fit index. All the goodness of fit indices was more than 0.9 indicating further that the model very well fits to the data. The badness of fit index Root Mean Square error approximation RMSEA was also lower than 0.05 which again proved goodness of model.

2. The variation in services and satisfaction level of customer was found due to technology implementation and their usage by the employees and customers of banks.

3. To do the comparative analysis of customer satisfaction in Indian and Foreign banks the researcher applied two independent sample t-test. Levene’s test is a measure for the homogeneity of variance among the various categories. Thus the one way ANNOVA test was implemented and post hoc analysis was done and the testing was done factor wise for all the 14
factors. The results depicted that 10 factors System availability (Welch statistics of 20.97, significance <0.05), Accuracy (Welch statistics of 32.45, significance <0.05), Efficiency (F statistics of 21.06, significance <0.05), Security (Welch statistics of 4.67, significance <0.05), Responsiveness (Welch statistics of 54.25, significance <0.05), Easy to use (Welch statistics of 27.56, significance <0.05), Convenience (Welch statistics of 20.63, significance <0.05), Cost Effectiveness (Welch statistics of 18.94, significance <0.05), Problem Handling (Welch statistics of 29.54, significance <0.05) and Contact (Welch statistics of 44.76, significance <0.05) differ significantly in Various Banks. While other 2 factors were insignificant. Customers of Foreign Banks are more satisfied than their Indian Counterpart. In Indian Banks also ICICI Bank customer satisfaction level is more than SBI Bank Customer.

4. Males were more satisfied (M=3.54) than their counterpart females (M=3.29) with easy to use facility of E banking.

5. Respondents of Income level Rs. 5 lakh –Rs. 10 Lakh were more satisfied than their counterpart Respondents of Income level below Rs. 5 Lakh especially with Responsiveness & Easy to use factor of E banking. This may be due to fact that banks provide special facility and attention to their high net worth customer. Bank even provide special relationship manager to these customers and they are having access to high speed Internet and Smart phone through which E banking can be easily used without any hassle.

6. Current Account customer were more satisfied with responsiveness, Easy to use and Contact factors than saving account holder counterparts; this can be for the reason that current account customer get more attention and specialized service from Banks. Banks generally provide Special Relationship manager to Current Account customer and even Bank employee provide their personal mobile number to these high net worth customer.

7. The mean score of this factors revealed that, for the age categories of 25-35 & 35-45 were more satisfied than those of 15-25 & Above 45 especially in case of System Availability, Responsiveness, Problem Handling and Contact factors.
5.2 Present status of E banking services in India

In India, it has been noticed by the researcher that the general consumers have been considerably affected in a positive manner by E-banking. A number of the ordinary tasks have now been fully automated that has resulted in greater ease and comfort. It has been observed by the researcher that 50% people in urban area are now using e-banking. The major facilities that has been offered to bank customers are

1. Customers account is accessible with an online account.

2. Customer can do any transaction (withdraw, transfer, bill payment, EMI payment etc.) at any time through ATMs, internet and mobile, that are now widely available throughout the country.

3. Besides withdrawing cash customers can also have mini banks statements, balance inquiry by e-banking

4. All services that customer were usually doing from the local bank can be done thru single website.

5. The Growth of credit card usage is also due to E-banking. Now a customer can shop worldwide without carrying paper money with him.

6. Time boundaries to do the transactions in banking are no more a hurdle now. Banks are available 24 * 7 now and they are only a mouse click away.

5.3 Factors affecting on customer satisfaction in E banking

The results of the study present realistic evidences for the factors that have a direct positive effect on customers” satisfaction in E banking. In this study we hypothesized 12 major factors affecting on customer satisfaction based on literature review i.e. System Availability, E-Fulfillment, Accuracy, Efficiency, Security, Responsiveness, Easy to use, Convenience, Cost Effectiveness, Problem Handling, Compensation and Contact. Although, data analysis shows that all factor except E-
Fulfillment and Compensation are important and influencing the level of Satisfaction of E-Banking customers.

Cost Effectiveness (M=3.83) is the highest influencing factors for customer satisfaction. Today’s customer is cautious and analyses the facilities provided by different banks at lowest rates. For this there are many sites on internet which do comparative analysis for the customer and customer himself also make decision based on many factors. Thus, the cost effectiveness is the major role player in e-banking.

Contact (M=3.69) is second most important factors which influence the level of customer satisfaction regarding E- banking is that the customer get interactive website which on every step gives required information and solutions in such a way that the consumer gets a feel that he is dealing with bank directly only. Then also if there are some problems which are not resolved by online banking then all the banks have made they have given the facility to their users so that they can talk to customer care executives on their phones and get their problems solved.

Security (M=3.61) is also a influencing factors which influence the level of customer satisfaction regarding E- banking. 2 tier securities are also provided to customer so that their valuable money is safe. If any fraud gets committed banks also take responsibility for the same and due corrections are done by bank but then also customers are having fear of frauds while doing e-banking operations.

Convenience (M=3.52) is also a influencing factors which influence the level of customer satisfaction as easy access to banks is possible.

Easy to use (M=3.49) is an influencing factors which influence the level of customer satisfaction as all the operations can be easily done by single click of mouse.

System Availability (M=3.47) is also have moderate influencing factors which influence the level of customer satisfaction.
Accuracy (M=3.27) is also an influencing factors because it is fully automated system where chances of error were nil or minimal.

Problem Handling (M=3.18) is also an influencing factors which influence the level of customer satisfaction because the customer wants solution to all his problems that is possible by e-banking.

Responsiveness (M=3.14), Efficiency (M=3.13), Security (M=3.61), E Fulfillment (M=2.96) and Compensation (M=2.72) are also important factors that affect the customer satisfaction but the influence of these factors is reducing effect on consumer.
5.4 Demographic characteristics and overall satisfaction in E banking

Various studies related to e-banking, e-services and e-commerce suggest that demographic profiles of the customers’ are important factor in level of customer satisfaction. Hence, we have tested this hypothesis and empirical evidences of this study reveal that age, occupation, Residential status and occupation of the customers plays a significant role in customer satisfaction in E-banking. And it is found that gender, education and income level of the customer were play significant factor in determination of customer satisfaction.

<table>
<thead>
<tr>
<th>Factor</th>
<th>Age</th>
<th>Gender</th>
<th>Occupation</th>
<th>Annual Income</th>
<th>Residential Status</th>
<th>Highest Qualification</th>
<th>Type of Account</th>
<th>Frequency of using Internet Banking</th>
<th>How long</th>
<th>Bank</th>
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<tr>
<td>System Availability</td>
<td>15-25=3.22</td>
<td>U=3.56</td>
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<tr>
<td></td>
<td>25-35=3.56</td>
<td>R=3.06</td>
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<td>35-45=3.59</td>
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<td></td>
<td>Above 45=3.28</td>
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<td>E-Fulfilment</td>
<td></td>
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</tbody>
</table>

- SBI=2.82
- ICICI=3.34
- HSBC=3.84
- SCB=3.85
<p>| Accuracy | | | | | |
| --- | --- | --- | --- | --- |
| U=3.35 | R=2.91 | | | |
| | | | | |
| Efficiency | | | | | |
| U=3.19 | R=2.84 | | | |
| | | | | |
| Security | | | | | |
| | | | | |
| Responsiveness | 15-25=2.81 | 25-35=3.32 | 35-45=3.26 | Above 45=2.90 |
| B=3.36 | G=3.12 | C=3.04 | S=2.62 |
| Below 5 Lacs =3.04 | 5-10 lacs =3.28 |
| U=3.21 | R=2.85 | | | |
| | | | | |
| SBI=2.62 | ICICI=3.16 | HSBC=3.54 | SCB=3.74 |
| | | | | |
| SBI=2.63 | ICICI=2.82 | HSBC=3.49 | SCB=3.57 |
| | | | | |
| SBI=3.44 | ICICI=3.47 | HSBC=3.76 | SCB=3.85 |
| | | | | |
| SBI=2.65 | ICICI=2.5 | HSBC=3.76 | SCB=3.65 |
| | | | | |
|-------------|-------------|-------------|-------------|-------------|-------------|-------------|--------|--------|--------|--------|----------------|----------------|--------|--------|-------------|--------|-----------|--------------|--------------|-------------|-------------|----------------|
| Convenience |             |             |             |             |             |             |        |        |        |        |                 |                  |        |        |             |        |           |              |              |             |             | SBI=3.13 | ICICI=3.26 | HSBC=3.68 | SCB=4.02 |
| Cost Effectiveness |             |             |             |             |             |             |        |        |        |        |                 |                  |        |        |             |        |           |              |              |             |             | SBI=3.61 | ICICI=3.62 | HSBC=3.88 | SCB=4.22 |
| Problem Handling | 15-25=2.85 | 25-35=3.28 | 35-        |             | B=3.30 | G=3.03 | C=3.22 | S=2.69 | U=3.25 | R=2.87 | Ug=2.95 | G=3.08 | PG=3.45 |           |             | SBI=2.68 | ICICI=2.67 | HSBC=3.68 | SCB=3.69 |</p>
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<th>35-45=3.80</th>
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<tr>
<td>Above 45</td>
<td>3.48</td>
<td>3.84</td>
<td>3.80</td>
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</tbody>
</table>

| | B=2.77 | G=2.87 | C=2.67 | S=2.27 |
| | U=3.79 | R=3.22 | SA=3.61 | CA=3.81 |

| | B=3.81 | G=3.45 | C=3.73 | S=3.35 |
| | U=3.79 | R=3.22 | SA=3.61 | CA=3.81 |

| | SBI=2.92 | ICICI=3.64 | HSBC=3.96 | SCB=4.21 |

**TABLE 5.1:** Descriptive results of all the factors of E-Qual model used by researcher
5.5 Satisfaction level of E banking in Indian and Foreign banks

The present study indicate that there is significant difference in Satisfaction level regarding various factors of E banking services provided by Indian and Foreign banks.

Average System availability of E banking services was higher in foreign banks than Indian banks. Even SBI Customer are Dissatisfied on System Availability parameter.

Average E-fulfillment in E banking service was approximately same in Indian banks and foreign banks.

Average Accuracy in E banking services was higher in foreign banks than Indian banks. Even SBI Customer are Dissatisfied on Accuracy parameter.

Average Efficiency in E banking services was higher in foreign banks in comparison of its counterpart Indian banks. Indian Bank (both SBI & ICICI) Customer are Dissatisfied on Efficiency parameter.

Both Indian and Foreign bank customer are satisfied on Security parameter. However customers of HSBC and Standard Chartered Banks were more satisfied (mean score 3.67 and 3.85) than those SBI and ICICI Customer (mean score 3.44 and 3.47).

Average Responsiveness regarding E banking services was higher in foreign banks in comparison of its counterpart Indian banks. Indian Bank (both SBI & ICICI) Customer are on Responsiveness parameter.

Average Easiness in using E banking services was higher in foreign banks than Indian banks. Even SBI Customer are Dissatisfied on Easy to use parameter.

Both Indian and Foreign bank customer are satisfied on Convenience parameter. However customers of HSBC and Standard Chartered Banks were more satisfied
(mean score 3.68 and 4.02) than those SBI and ICICI Customer (mean score 3.13 and 3.26).

Both Indian and Foreign bank customer are satisfied on Cost effectiveness parameter. However customers of HSBC and Standard Chartered Banks were more satisfied (mean score 3.88 and 4.22) than those SBI and ICICI Customer (mean score 3.61 and 3.62).

Average Problem handling service was higher in foreign banks in comparison of its counterpart Indian banks. Indian Bank (both SBI& ICICI) Customer are on Problem handling parameter.

Average Compensation service was approximately same in Indian banks and foreign banks.

Overall contact service regarding to E banking services was higher in foreign banks than Indian banks. Even SBI Customer are Dissatisfied on Contact parameter.

5.6 Overall customer satisfaction in public and private sector banks

In today’s era, the internet banking has got more attention in the Indian society. All the banks including Indian banks have implemented the e-banking facilities so that they can compete with foreign banks, as these facilities are beneficial to both i.e. banks as well as the customer.

Many economic innovations like ATMs, debit cards, credit cards, RTGS and mobile banking etc. have completely changed the face of banking sector and ease up the task of customer. Therefore, there is a paradigm shift from the seller's market to buyer's market in the industry and finally it has also affected at the bankers level which has changed their approach from "conventional banking to convenience banking" and "mass banking to class banking". This shift has also augmented the degree of convenience of a common man for his variety of needs and requirements thru banks. It can be clearly visualized clearly that in years to come, e-banking will be preferred mode of banking and it will lead to Digital India.
5.7 Recommendations to policy makers for improving service delivery in E-banking.

1. General Recommendations: Based on the survey, interviews and observations during the research, the researcher had made some recommendations that focus on how to increase customer satisfaction. The researcher suggested that in order to improve the customer satisfaction in unconventional banking the banks should offer high quality services which is taken care of more by the foreign banks. The researcher intended to recommend the bankers and the service designers on the basis of their research experiences. This study has revealed that there were a very few number of customers who were strongly satisfied in all aspects. This indicates that there is wider scope to enhancement of these services provided that better service quality is given. Therefore, policy makers and service designers should focus their efforts on Efficiency, Responsiveness, Easy to access, Convenience, Cost Effectiveness, Compensation and Contact aspects of alternative banking as these are more critical aspects in alternative banking services. In order to build a successful relationship with customer the banks should understand the needs of customer and extend their services to cater their need 24*7.

2. Core banking services

Bank should be aware about updating the networking to provide continuous core banking facilities by doing timely maintenance of the automated systems and provide full access to customer through core banking solutions in place of limited services e.g. bill pay, EFT, cheque clearing including cash withdraw and deposits.

3. Service provided though currency counting machine

Keep updated currency counting machine which will speed up front office service.

Avoid repetition of counting by machines and manually both if notes are old then employee can count it manually also. But new currency notes need not require counting manually along with counting by machine.
4. EFT service

Bank should provide EFT service more than regular office time (11.00PM to 3.00AM) because in EFT system all entries and noting of account mentioning done automatically. There is no need to separate time for it. Charges on EFT need to be reduced and there is a scope to reduce charges on EFT transactions. Customers should be encouraged to use EFT and RTGS facilities.

5. MICR services

Banks should reduce cheque clearance charges or make slabs of charges according to amount mentioned in cheque to increase its cost efficiency and more use of cheque expenses in place of cash payments. RBI and interests commercial banks should try to start more MICR clearing centers to provide MICR clearing service

6. Credit card service

a. Transparency about terms and conditions of credit card service should be there. Rates should be told and customers should be informed when rates are changed or policy of credit card service takes place.

b. Hidden charges should be avoided on credit card service.

c. Bank should take accountability and offer compensation if problems to customer occur due to mistakes done by bank/bank employees.

7. ATM service

Bank should install secure ATMs at convenient places. Educate customers about use of all services available in ATM, because most of customers are using only cash withdrawal and balance inquiry options. Security guards should be trained about using basic function of ATM to guide new customers who have appointed at offsite ATMs.
8. Internet banking and mobile banking service

a. User friendly websites need to be designed. The web pages should be attractive and interactive.

b. Proper key word usage, menus and language, which is easily understandable by all type of customers whether highly educated or less educated.

c. Updated information on web should be available.

d. Bank can make use of one time pass code method to access internet banking. It is already being used in many banks in developed countries to avoid misuse.

e. Customers information should be safe and confidential.

9. Mobile banking service

Mobile banking application should be used for which banks should provide training to their user and tell them about the benefits of it.

5.8 Managerial Implications

There are some recommendations which will help to improve service quality and customer satisfaction in banking system and these suggestions can help the professionals of banks to improve their overall system leading to higher customer satisfaction.

1. Front office service

a. Updated automation and maintenance of system to avoid inconvenience to the customer.

b. Installation of sufficient number of PCs and currency counting machines on service counters based on the past experience about per day number of transactions taking place.

c. Proper training to their employees to serve their customers in better way.
d. Accuracy in data entry and calculation of interest, charges, rent etc.

e. Solution available at one stop through single window facility to their customers using branch automation system.

f. Assured services without any mistakes.

2. **Security tips for customers**

The researcher has suggested that customers should implement security tips to enhance their satisfaction and avoid inconveniences.

1. Assure that the account number and name is entered correctly when you are depositing money in your or others accounts or sending money by EFT/RTGS and core banking.

2. Confirm the cash counted by currency counting machine sometimes it may be less or extra due to technical problems.

3. Handle MICR cheque book vigilantly and keep it safe because scratches on MICR code can cause delay in cheque clearance. Avoid usage of cheques with small amount as it will reduce cost effectiveness of MICR service.

4. Keep credit card safe. Read all terms and conditions before using it. Make time to time repayment of the credit used so for.

5. Give proper address to the bank for sending ATM card/ATM PIN.

6. Don’t keep signature box empty in ATM/Debit card. In case of loss of ATM or debit card which not signed may be easily used by unauthorized person at ATM and POS terminals.

7. PIN/ Password should be easy to remember, but not written in dairy, cell phone, passbook to remember it. Do not make house number, vehicle number, phone number, children name, name of the village, date of birth and
other related figures as your password as such kind of passwords can be
guessed by fraudulent.

8. At the time of swapping ATM/Debit card in POS terminals make sure that
weather seller/trader is entering correct amount or not. Don’t allow to
traders/seller for double/triple swapping of the ATM/Debit card for single
transaction at POS terminals without confirmation. Allow double swapping
when first transaction is canceled correctly.

9. Don’t access unsecured network (cyber café, common PC, proxy server,
unsecured Wi-Fi network) for internet banking as possible. Secured personal
computer is best option for secured internet banking.

10. Customer should sign out when transaction is complete. Don’t shutdown
your PC/Mobile without sign out.

11. Use good antivirus programme in your PC/Mobile to protect your account
information, ID, Password, PIN and unauthorized access in your account.

12. Make use of official website of the bank for e-banking.

13. Use secure mobile phones for mobile banking service which is having
supported applications for mobile banking. Keep blue tooth facility off on
your mobile handset when you are log-in on the mobile banking account.

14. Don’t reply spam e-mails (unknown) and avoid providing information about
your account number, card numbers and name of the bank etc.