

## **Satisfaction Level of Customers in Demographic Variables in Public Sector Banks**

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### **Abstract**

The aim of our study is to look at the impact of various demographic parameters on Internet banking service excellence, client value, fulfillment, and trust. Increased competition and the emergence of financial liberalization-driven technology are pushing significant changes in the way Indian banks operate and provide services to their consumers. Banks are rapidly going into a new era of fantastic technological banking in order to ensure functional excellence and improved consumer loyalty. Because using technology to provide banking services costs money and time, it's vital to assess whether technological advancements genuinely improve client satisfaction. The aim of our study is to look at the effect of demographic factors on several determinants of consumer satisfaction in the Indian banking industry, as well as their relationship to service quality, value, and overall performance in electronic banking. In Thiruvananthapuram district, Kerala, India, a customer survey (N=290) of Indian public sector banks such as UDC Bank, Indian Bank, and Indian Overseas Bank gathered the required data. According to the data, consumers with a higher level of education and revenue who utilize Internet banking for a large portion of their financial requirements and have done so for a longer period appear to have a higher level of satisfaction. Customers' evaluations of the efficiency, value, satisfaction, and loyalty component of internet banking service were used to determine gender and age.

### **Keywords**

Banks, Customer Satisfaction, e-banking, Demographic Variables, Public Sector.

## **Introduction**

Customers' participation in advertising and service meetings has changed as a result of the fast development and rising adoption of technology in numerous sectors of life, notably in the facility sector. The Internet has a significant impact on how people conduct their life in general. Although the internet does not necessitate direct human interaction, it does influence an individual's service quality behaviors. Due to an enhanced focus and usage of technology through bank clients, banks throughout the world have started to participate significantly more in internet banking facilities in order to recall clients, grow market sharing, and gain a modest advantage. Online banking, as well as some of the more remote methods of providing banking services, eliminates face-to-face human interactions, making financial transactions far more cost-effective for banking consumers.

Financial services measures are critical in the lives of people. Bankers have recently encountered considerable issues as a result of ever-evolving technology and client demands. As a result, banks use technology to provide financial services with the goal of offering successful customer care. In addition, the number of multinational banks and private bank branches operating in India has increased. Competition in the banking business is increasing, as are consumer needs for banking services. Because most banks sell the same products, product variety is difficult in the continually changing banking business programmes that are similar. As a result, it is becoming increasingly vital for banking to differentiate itself from other banking in terms of service-based quality.

Banks are gaining operational efficiency as a result of banking innovations, as well as saving customers time and effort. For all stakeholders, this is a win-win situation. However, there is a need to investigate the level of client satisfaction in relation to banking advancements. Furthermore, the banking industry is in a competitive environment. Maintaining a loyal customer base becomes challenging for banks in such a climate. In order to do this, most banks focus their efforts on increasing client loyalty and providing value-added services to deter consumers from switching to competitors. In light of these realities, it's critical to recognize the effect of technology on client fulfillment.

Despite the benefits of online banking, it is vital that customers are satisfied in order for banking to maintain its appeal. Fulfillment, according to the authors, will add to loyalty, implying that the client-bank connection will improve and that clients will last to trade by the bank. Internet banking is becoming the primary source of happiness in bank customers' relationships with their bank branches. Client happiness, according to the study, is one of the most significant features in building positive client connections.

Customer fulfillment, on the other side, is determined by the consumers' perceptions of the Internet banking facility's performance that comprises factors like privacy and safety, ease of usage, accessibility, comfort, performance, accuracy, response, and communication. The single most important component that makes the banking sector successful, attracts clients, and maintains solid customer relationships is service quality. Because traditional banking required face-to-face customer interactions, which were hampered by uncertainties, there was primarily a reluctance to accept Internet banking. The difficulties sprang from concerns about the technology's accuracy, quality, privacy, and ease of use, among other factors. As a result, banks should concentrate their efforts on increasing their clients' faith in their technology. The success of internet payments is directly connected to the quality of the e-banking operation. As a result, banks must make telecommunication commerce easier to monitor for assessment and customer satisfaction, hence boosting the level of e-banking. The banking industry is one of several industries where customer fulfillment has grown gradually important in linked fields of study as it continues to grow in competition. In banking, consumer pleasure has been prioritized. According to the findings, consistency was linked to poor quality in these banking institutions. Furthermore, there is no significant link between demographic parameters and quality of facility attentions like pledge, efficacy, and so on, with the exclusion of a individual's marriage status and responsiveness.

Online banking has a number of positive effects, including increased speed and availability of service distribution packaging, the elimination of barricades to traditional banking, and the capability of banks to activate diagonally multiple authorities without having a physical existence through simply continuing an online occurrence. Online banking also allows customers to conduct a variety of banking transactions online at their leisure and at a lower cost. With the development of technology, clients were increasingly persuaded to do their banking actions on the Internet. As a result, banks are faced with the problem of meeting their customers' needs by raising their service standards. This might be accomplished through enchanting to account the nature of their sites and having visually alluring physical amenities, innovations, safety actions, and panels, as well as finding ways to reinforce their financial structures.

The user can measure the service value, which have been described as a crucial indicator of the facility's best customer service. Customers' performance may be measured when they equate their pre-service impressions with their real-service prospects, as well as their real-service knowledge. It can be well-defined as a customer's complete judgement and decision on the superiority of care provided via the internet in the context of internet finance. The definition of service quality can be difficult to define not only because of its

part of bias in client performance assessment, but also because the way a user observes the value of service in a website-based environment differs from the traditional facilities. As a result, numerous research on service excellence have produced distinct perceptions of facility quality in various ways. As the web interface, confidence, attentiveness, and reputation were the primary characteristics that molded the quality-of-service experience for bank customers using online banking, and these platform features played a significant impact in determining the perceived service quality. However, four additional characteristics, such as personal demands, site coordination, user approval, and effectiveness, were rated by customers as critical to their service quality experience. Many elements influence banking customers' experiences in terms of service quality, and consumers are frequently exposed to numerous competitive scenarios, as evidenced by prior studies, demonstrating a rising.

### **Problematic Statement**

Though consumers' willingness to accept Internet banking is influenced by factors such as website new features, ease of use, lifestyle functionality, and online customer service, demographic features like race, age, education, earnings, and internet use knowledge also impact consumers' willingness to accept and observations of online banking. Different demographic factors influence a person's decision to use technology for money transfers. Understanding the behavioral elements that impact customer insights of quality, price, fulfillment, and trust of internet banking services is critical because it may aid banks and marketers devise strategies to attract clients and grow their use of the service. In light of the foregoing, the aim of our work is to examine the part of specific demographic variables in the measurement of Internet banking facility value, consumer experience, fulfillment, and faithfulness in Indian public sector banks such as UDC Bank, Indian Bank, and Indian Overseas Bank in the Thiruvananthapuram district of Kerala, India.

### **Objectives of Research**

- To determine the connection among e-banking size and client e-banking fulfillment
- To determine if there is a link between the demographic outline of defendants and customer fulfillment with e-banking.
- To determine the factors that influence e-banking client happiness.

### **Tools for Statistics Assembly**

The choice of an appropriate tool or approach is an important criterion in research methodologies. The interview guide should be used to collect customer baseline data to

the extent that they used internet-enabled economic facilities provided through the government or banking organizations. (a) The interview guide was transferred to a novel aspect of client online banking (b) the nature of internet-enabled service consumption. (c) customer fulfillment with facility quality and (d) feedback from customers to improve economic services.

### **Pilot Research**

A specimen of 290 customers were chosen from three banks in the Thiruvananthapuram district of Kerala, India: UDC Bank, Indian, and Indian Overseas Bank. and used an interview schedule to conduct a survey among selected bank clients. The Cronbach's Alpha technique was employed to determine the legitimacy of the questionnaire's variables and the interior constancy of scaled information. Cronbach's Alpha was utilized to check a total of a hundred things. The respondents are chosen using a procedure known as purposive sampling. Customers had to use e-banking facilities and products at least five times each month to meet the criteria.

### **Result and Discussion**

E-banking denotes the distribution of banking services and goods via electronic distribution networks. It is well-defined as the automatic distribution of financial services and facilities to customers through electronic, collaborative communication channels. Cronbach Alpha is used to evaluate the facts' internal consistency. If the Cronbach Alpha rate is more than or equal to 0.7, the information is determined appropriate to be dependable. The service quality dimensional features have internal consistency because the Cronbach's Alpha values of all sizes were higher than the border. Table 1 displays the demographic profile of sample defendants, whereas Table 2 provides the demographic profile of sample defendants for reliability of data.

**Table 1 Demographic outline of specimen defendants**

S. No	Demography-based Variable	No. of respondents (n=290)
1.	Age:	
	20-30	48
	31-40	140
	41-50	82
	51-70	20
2.	Gender	
	Male	140
	Female	150
3.	Marital Status	
	Unmarried	112

	Married	178
4.	Educational Qualification	
	6-12 <sup>th</sup>	30
	Degree	90
	Postgraduate and above	170
5.	Type of family	
	Single	178
	Joint	112
6.	Dependents in Family	
	One	2
	Two	71
	Three & above	217
7.	Occupation	
	Agriculture	47
	Business	58
	Public	95
	Private	63
	Others	27
8.	Income	
	Below 5000	39
	5001-10000	60
	10001-30000	93
	Above 30000	98
9.	Information about Bank Schemes	
	Newspaper	7
	Media	22
	Direct visit	261
10.	Minimum investment	
	Upto 5000	71
	5001- 10000	59
	10001- 50000	40
	50001-100000	120
11.	Frequency of visit to bank	
	Everyday	0
	1-2 times per week	0
	1-2 times per Month	183
	Rarely	107

**Table 2 Reliability of data**

Dimensions	No. of original items	No. of items retained	Cronbach's Alpha
Responsiveness	4	4	.781
Trust	4	4	.727
Convenience	4	4	.763
Efficiency of website	5	5	.717
Security	5	5	.711

**Table 3 Analysis of internet banking service quality on customer satisfaction**

Factors	Unstandardized coefficient		Standardized coefficient		Sig
	B	Std. Error	Beta	t	
Constant	.167	.176	-	.948	.345
Responsiveness	.136	.098	.124	1.388	.168
Trust	.184	.087	.177	2.124	.036**
Convenience	.131	.097	.109	1.353	.179
Efficiency of website	.401	.115	.353	3.501	.001**
Security	.071	.090	.072	.797	.427
R <sup>2</sup>	.660				
Adjusted R <sup>2</sup>	.642				
F statistics	36.300				
Significance	.000				

Table 3 displays the outcomes of a multiple regression study employed to examine the effect of internet providers on customer satisfaction. Customer satisfaction was dependent on the component values of 5 service excellence dimensions established from factor study (receptiveness, confidence, suitability, website efficacy, and security). Table 3 shows that the regression study was extremely important (F=36.300, p 0.000). The attuned R of 0.642 represents 64.2 % of the variance in customer gratification. The data show that trust has an effect on customer satisfaction (= 0.177, t = 2.124, p 0.05), whereas the defendant has no effect on customer satisfaction (= .124, t = 1.388, p > 0.05). Consumer happiness is affected by website productivity (= .353, t = 3.501, p 0.05), according to the data. Furthermore, convenience (= .109, t = 1.353, p > 0.05) and security (= .124, t = 1.353, p > 0.05) had no effect on consumer satisfaction.

**Table 4 Demographic Profile and Level of Satisfaction**

S. No.	Demographic variable	Chi-square value	P value	Result
1	Age	39.704	.000	Significant
2	Gender	12.38	.060	Not Significant
3	Educational qualification	14.570	.024	Significant
4	Computer knowledge	63.340	.000	Significant
5	Occupation	51.180	.000	Significant
6	Income	38.162	.000	Significant
7	Period of relationship with bank	51.956	.000	Significant

The demographic outline of age, educational criterion, computer data, job, revenue, and period of connection by bank have a +ve association with level of gratification of bank clients on e-banking, according to the above chi-square analysis in Table 4, but gender had no association with level of fulfillment on e-banking. As a result, it may be inferred that, demographic outline of defendants, such as age, educational criterion, computer expertise,

work, revenue, and length of association by the bank were related to customer satisfaction with electronic banking, however gender is not. As a result, banks must design appropriate methods to attract consumers of various ages, educational qualifications, computer skills, job, revenue, and length of connection with the bank. Young clients, in general, demand more from e-banking because they were conversant with all of the current features. As a result, banks should increase their amenities for their prospects while also taking into account the needs of its older consumers. People with a higher level of education will be better able to operate financial technologies than those with a lower level of education. When building e-banking services, banks should keep this in mind. People that have a strong understanding of computers will find it simple to deal with expertise. People in diverse professions and economic levels may require diverse types of e-banking services.

With much less authority (considering the quality of the correlation), one can conclude from this study's findings that advanced education customers who utilize Online banking for a large portion of their financial accounts and has done so for a long time appear to have much more +ve views and attitudes toward internet-based banking facilities. The favorable linear relationship among education and secrecy and protection is value stressing. Clients with a higher level of education rated the Internet banking service higher than those with a lower level of education. One possible explanation is that more intelligent clients were conscious of the hazards; they have taken choices in advance to utilize the facility because they have done extensive study on their bank's excellent hazard organization capability. When it originates to faithfulness, a positive linear association was only identified for those consumers who utilized online-based facilities for longer periods.

Likewise, income had a favorable impact on 4 of the 8 categories of Internet banking service value, including communication and receptiveness, ease of usage, efficiency, and system reliability. Unsurprisingly, respondents' wages appear to have a beneficial impact on Internet banking users' perceptions of value. Nonetheless, the findings reveal that customer revenue has little bearing on their level of satisfaction and loyalty to online banking in general, or to the bank in particular.

It's worth noting that, while client sales have no bearing on their pleasure or commitment to Internet-based services or to banking in general, they do have an impact on 4 of the 8 sizes of Online banking performance. The positive impact can be accredited to the element that high-income respondents were capable to discover pricey, high-quality



expertise that was more efficient, user-friendly, and quicker in its quest for reactivity, resulting in a favorable impact.

Customers' impressions of online banking services in general, as well as their expectations of the importance of the service, fulfilment, and faith in these banking services, are expected to be influenced by the speed and length of their use of internet banking. The number of online banking use has a favorable impact on customer insights in terms of information and responsiveness, efficiency, consumer quality, and apparent value. Similarly, the measurement of time spent using online banking has a favorable impact on consumer expectations in terms of communication and reactivity, consistency, usefulness, and device availability. Furthermore, the length of time spent using online banking has a favorable effect on consumers' insights of the relevance of an e-banking service, as well as their rates of fulfilment and commitment to the e-banking provider and banking in general.

## **Conclusion**

The main aim of our study was to look at the impact of demographic characteristics on customer satisfaction. The investigator also acquired primary data utilizing a questionnaire form. Consumer satisfaction was handled as a dependent factor, whereas five factors resulting from the factor investigation were treated as independent factors: responsiveness, appropriateness, confidence, website performance, and protection. When assessing the components separately, trust and efficacy of the websites are crucial for client happiness. Other factors, such as responsiveness, comfort, and safety, have no bearing. As shown above, the discoveries of the research revealed that greater-educated, high-income consumers who utilize Internet banking for a large portion of their financial accounts and have done so for a long time has more positive opinions and defiance toward e-banking facilities. In this regard, banks must contemplate their customers' educational level, income level, general internet association, and e-banking experience. Banks, for example, can plan their internet banking sites to be user-friendly, interesting, and lesser challenging for clients with lesser stages of knowledge. Despite this, an analysis indicated that gender and age have little bearing on consumer expectations for the Internet banking service's efficiency, value, satisfaction, or trust. These unique discoveries, in our opinion, require further examination and determination of potential explanations for such observations, particularly using a qualitative method, in order to verify or disprove the conclusions of this study. Even so, banks will remain to marketplace their e-banking solutions to both younger and older, as well as men and women, in the current environment.

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