

ASSESSMENT ON CUSTOMER SATISFACTION TOWARDS E-BANKING SERVICES WITH SPECIAL REFERENCE TO NBM BANK

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ABSTRACT

Banks play a pivotal role in the development of Malawi economy. They take up the responsibility of mobilizing small savings from across the country and see to it that it results in capital formation. The huge financial resource will contribute to the manufacturing and commercial activities of priority sectors. Banks also play a major role in credit creation of the economy. Therefore customer satisfaction, their loyalty and retention play a significant role in expanding the banking business. Banks have a definite role in building the economic growth of the country. The growth of Malawi banking is discussed under the history of Malawi Banking sector.

INDEX TERMS: Banking, Customer Satisfaction, E-Banking.

I. INTRODUCTION

Banks play a pivotal role in the development of Malawi economy. They take up the responsibility of mobilizing small savings from across the country and see to it that it results in capital formation. The huge financial resource will contribute to the manufacturing and commercial activities of priority sectors. Banks also play a major role in credit creation of the economy. There are public sector, private sector and foreign banks operating in the landscape of Malawi banking sector. There exists cutthroat competition among various players. Computerization and networking of banks of Malawi banking sector and implementation of latest banking technology has increased many folds after the economic liberalization, resulting in the country's banking sector being exposed to the world's market. Therefore customer satisfaction, their loyalty and retention play a significant role in expanding the banking

business. Banks have a definite role in building the economic growth of the country. The growth of Malawi banking is discussed under the history of Malawi Banking sector.

II. HISTORY OF MALAWI BANKING SECTOR

Banking in Malawi dates back to the colonial era. As at independence in 1964, two foreign commercial banks, Standard Bank and Barclays Bank, dominated the banking industry. Other banking institutions which existed at the time were New Building Society, National Finance Company and Post Office Savings Bank (POSB). In 1969, Commercial Bank of Malawi was registered and started its operations in 1970. A year later in 1971, Standard Bank and Barclays Bank merged to form National Bank of Malawi (NBM).

In accordance with the Financial Services Act of 2010 and the Banking Act of 2010, the Registrar of Financial Institutions is entrusted with the responsibility of regulating and supervising the banking sector in Malawi. Operationalizing these key legislations, the Registrar issues directives, regulations, and guidelines that provide guidance for the supervision and regulation processes concerning entry control, ongoing supervision, and exit administration.

A pivotal moment in the banking sector's history occurred in April 1989 when the Reserve Bank of Malawi Act of 1965 and the Banking Act of 1965 were replaced with the Reserve Bank of Malawi Act of 1989 and the Banking Act of 1989. These legislative changes created an environment conducive to enhanced competition, greater savings

mobilization, and improved financial intermediation. Subsequently, the nineties witnessed the entry of new banking institutions, such as Indefinance, Finance Company of Malawi (FINCOM), First Merchant Bank (FMB), and Finance Bank of Malawi (FBM). During this period, the POSB merged into Malawi Savings Bank.

Presently, the banking sector encompasses commercial banks, development finance institutions, and discount houses. Commercial banks primarily engage in financial intermediation, including accepting deposits and extending loans. Various deposit products are offered in the sector, such as savings, current, and fixed or term deposits. Credit facilities provided encompass personal loans, corporate loans, asset-based loans, trade finance, and overdrafts. The operations of this sector are governed by the Banking Act of 2010, the associated directives, and the Financial Services Act of 2010.

III. STATEMENT OF THE PROBLEM

In traditional banking, the customer has to visit the branch of the bank in person to perform the basic banking operations, viz., account enquiry, fund transfer, cash withdrawals etc... But e-banking enables the customers to perform the basic banking transactions by sitting at their office or homes through viewing their account details and perform the transactions through PC, laptop or mobile phone. Unfortunately most of the customers are unaware about the e-banking facility. It is due to the lack of e-literacy. Only a few percentage of the total customers of the

bank uses online banking. The online banking users are also not confident about the security due to the hackers who hacks the bank's website. Whatever it is, banks doesn't offer 100 percentage security in online transactions.

IV. OBJECTIVES OF THE STUDY

1. To study the socio-economic profile of the respondents.
2. To study the factor influences customer satisfaction towards E-banking.

V. SCOPE OF THE STUDY

The scope of the study also covers the key factor which Up the customer to use banking services and prefer banking transactions. Banking institutions adopt Innovative customized strategies to meet customers' Requirements in terms of products and services, etc.

VI. RESEARCH DESIGN

In this study the Descriptive Research Design is used. In this study the primary data source is used. Primary Data are collected by using the survey method of data collection. The data collection instrument is structured questionnaire. Structured questionnaire is an instrument or guide used by an interviewer who asks Questions about a particular topic or issue. Some of the questions and their sequence are Determined in advance, while others evolve as the interview proceeds. The sample size for this study is 150 customer of NBM banking sector.

VII. ANALYSIS AND INTERPRETATION OF THE STUDY

Demographic analysis is considered to be the essential element of any statistical research. It is a quantifiable feature of a given population. In this section, the researcher has made an attempt to frame the profile of the e-banking users across NBM. For this purpose, relevant demographic features such as age, gender, educational qualification, income, locality, zone and occupation were taken in to consideration. The following sections made an analysis of the demographic profile of the e-banking users in detail.

VIII. TABLE 1

AGE-WISE DISTRIBUTION OF THE RESPONDENTS

Sl.No.	Factor	Frequency	Percent
1.	Below 25years	41	26.8
2.	25-35years	49	32.7
3.	35-45years	34	22.6
4.	Above 45years	27	17.9
	Total	150	100.0

Source: Direct Survey

From the above table 1 it can be seen that there are (32.7%) respondents belonging to the age group 25-35 years. The rest of the respondents are grouped into three different

segments, that is respondents with age below 25 years (26.8%), respondents with age group of 35-45 years (22.6%) and respondents with age more than 45 years (17.9%). This clearly shows that majority of e-banking users are youth.

TABLE 2

GENDER-WISE DISTRIBUTION OF THE RESPONDENTS

Sl.No.	Factor	Frequency	Percent
1.	Male	82	54.6
2.	Female	68	45.4
	Total	150	100.0

Source: Direct Survey

From the above table 2 it is seen that there are (54.6%) male respondents and (45.4%) female respondents in the sample, out of a total of 150 respondents.

TABLE 3

LOCALITY-WISE DISTRIBUTION OF THE RESPONDENTS

Sl.No.	Factor	Frequency	Percent
1.	Urban	64	42.5
2.	Semi-urban	58	38.7
3.	Rural	28	18.8
	Total	150	100.0

Source: Direct Survey

The above table 3 shows the locality of the sample respondents. It is clear that most of the sample respondents were from urban population (42.5%) followed by semi-urban (38.7%) and rural (18.8%).

TABLE 4

EDUCATIONAL QUALIFICATION OF THE RESPONDENTS

Sl.No.	Factor	Frequency	Percent
1.	Primary School	4	2.0
2.	Secondary School	6	4.2
3.	Graduate	58	38.8
4.	Post Graduate/ Professional	82	55.0
	Total	150	100.0

Source: Direct Survey

The above table 4 displays the educational qualification of the respondents. It can be seen that majority of the sample respondents (55%) are belonging to high educational profiles, possessing post graduate or professional qualifications, while graduates are (38.8%). Only a few respondents (6.2%) are included in the primary and secondary level of education.

TABLE 5

OCCUPATION OF THE RESPONDENTS

Sl.No.	Factor	Frequency	Percent
1.	Job in Private Sector	50	33.7
2.	Student	24	15.9
3.	Self Employed	10	6.5
4.	Business	38	25.4
5.	Job in Public Sector	21	14.1
6.	Retired	8	4.4
	Total	150	100.0

Source: Direct Survey

In the above table 5 out of 150 sample, (33.7%) of respondents were working with private sector companies while in public sector this percentage is low(14.1). In the case of business people, (25.4%) are availing internet banking facility. The other categories includes; students (15.9%), Self-employed (6.5%) and retired people (4.4%).

TABLE 6

MONTHLY INCOME OF THE RESPONDENTS

Sl.No.	Factor	Frequency	Percent
1.	Below 200000	27	18.1
2.	200000-300000	36	24.2

3.	300000-400000	47	31.7
4.	400000-500000	21	14.3
5.	Above 500000	18	11.7
	Total	150	100.0

Source: Direct Survey

Here, out of 150 sample respondents, (31.7%) belongs to the income group of 300000- 400000 followed by (24.2%) in the range of 200000- 300000 and (18.1%) in the category of below 200000. The respondents with monthly income between 400000-500000 is (14.3%) and above 500000 is (11.7%).

TABLE 7

CUSTOMER SATISFACTION AND RELIABILITY

		Reliability	Customer Satisfaction
Reliability	Pearson Correlation	1	.582**
	Sig.(2-tailed)		.000
	N	150	150
Customer Satisfaction	Pearson Correlation	.582**	1
	Sig.(2-tailed)	.000	
	N	150	150

Source: Direct Survey

It is seen from the above table 7 Pearson Correlation (.582**) is significant at 99.99% confidence interval. This indicates that there liability has large positive correlation with customer satisfaction.

TABLE 8
CUSTOMER SATISFACTION AND RESPONSIVENESS

		Customer Satisfaction	Responsiveness
Customer Satisfaction	Pearson Correlation	1	.554**
	Sig.(2-tailed)		.000
	N	150	150
Responsiveness	Pearson Correlation	.554**	1
	Sig.(2-tailed)	.000	
	N	150	150

In the given table 8 the correlation value (.554**) which is significant at 0.01level of significance. It shows the responsiveness has large positive correlation with customer satisfaction.

TABLE 9
CUSTOMER SATISFACTION AND FULFILLMENT

		Customer Satisfaction	Fulfillment
Customer	Pearson Correlation	1	.683**

Satisfaction	Sig.(2-tailed)		.000
	N	150	150
Fulfillment	Pearson Correlation	.683**	1
	Sig.(2-tailed)	.000	
	N	150	150

From the above table 9 it is seen that the value of Pearson Correlation (.683**) is significant at 0.01 level of significance. This means there is large positive relationship between fulfillment and customer satisfaction.

IX. FINDINGS OF THE STUDY

Age: With respect to age (32.7%) respondents were from 25-35 age group, (26.8%) respondents were below 25 years age. This finding indicates that younger generations show more affinity towards the use of ebanking.

Gender: In the case of gender out of 150 respondents participated in the survey, out of which (54.6%) were males and (45.4%) were females.

Locality: With regard to locality, majority of the respondents (42.5%) belongs to urban population followed by semi-urban population (38.7%).

Educational Qualification: As for the educational qualification of the respondents about (93.9%) of the respondents holds either postgraduate/professional qualification.

Occupation: with respect to occupation, majority of the respondents (33.7%) were employed in private sector firms followed by business men (25.4%). It was found that students were also use internet banking facility, it was about (15.9%) of the total respondents. Only (14.1%) respondents from the public sector firms were using internet banking service.

Monthly Income: With respect to monthly income, majority of the respondents (31.7%) have monthly income between 300000 - 400000 followed by the income group of 200000-300000.

X. CONCLUSIONS

The study concluded that, ebanking offers plenty of opportunities to customers that enable them to conduct banking transactions quickly as compared to traditional banking. Technology enables banks as well as the customers to access a host of amazing services by simply logging in to internet banking account.

The study identified five momentous factors that influence the decision of the customer's to adopt internet banking which includes perceived ease of use, perceived usefulness, self-efficacy, bank trust worthiness and prompt service and importance of internet banking needs. The demographic variables such as age gender, educational

qualifications and occupation, were found to have significant influence on the customer adoption of ebanking. The variables like monthly income and locality of the respondents are found to be insignificant in the adoption of internet banking by the bank customers. Currently, teller transactions have declined because internet users have the convenience of making online transfer of funds from one person to another, making various kinds of deposits and requesting withdrawals from their personal computers. Majority of the commercial banks nowadays are offering ebanking services and most significantly find it useful.

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