A STUDY ON CUSTOMERS’ SATISFACTION TOWARDS ONLINE FUND TRANSFER SERVICES OF SELECT BANKS IN TIRUCHIRAPPALLI DISTRICT

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Abstract

The banking sector in India moving towards a cashless and digital economy. There are various modes of payments are available to the customers in a country. But the paperless payments not only safe but also promotes green banking. The purpose of the study is to analyse and examine the customers’ satisfaction towards online fund transfer services of select banks in Tiruchirappalli District of Tamilnadu. Data for the study was collected from select bank customers in Tiruchirappalli District of Tamilnadu. 720 samples were collected from six major banks and the study covers the customers’ satisfaction at three levels low, moderate and high with reference to the age group of customers.

Keywords: Customers’ Satisfaction, Online Fund Transfer Services, Electronic Fund Transfer, IMPS, NEFT, and RTGS

Introduction

According to the United States Electronic Fund Transfer Act of 1978, electronic fund transfer is a funds transfer initiated through an electronic terminal, telephone, computer (including on-line banking) or magnetic tape for the purpose of ordering, instructing, or authorizing a financial institution to debit or credit a consumer's account. The electronic fund transfer also called online fund transfer. An online fund transfer is a method of moving funds from one account to another using a computer network. Paper-based transfers and human intermediaries are replaced in online fund transfers. It provides the convenience of doing banking services. The sender may use mobile application or website to transfer funds. Due to technological advancements, customers of banks prefer to use online fund transfer instead of paying cash. So it is necessary to analyse the level of satisfaction of customers’ using online fund transfer services.
NEFT, RTGS and IMPS

The major modes of fund transfers available to customers are IMPS, NEFT, and RTGS. The below table shows the basic comparison of the above three modes of fund transfers services.

<table>
<thead>
<tr>
<th>BASIS OF COMPARISON</th>
<th>NEFT</th>
<th>RTGS</th>
<th>IMPS</th>
</tr>
</thead>
<tbody>
<tr>
<td>Minimum Transfer Value</td>
<td>Re 1</td>
<td>Rs. 2 lacs</td>
<td>Re 1</td>
</tr>
<tr>
<td>Maximum Transfer Value</td>
<td>No Limit</td>
<td>No Limit</td>
<td>Rs. 2 lacs</td>
</tr>
<tr>
<td>Payment Options</td>
<td>Offline &amp; Online</td>
<td>Offline &amp; Online</td>
<td>Only online</td>
</tr>
<tr>
<td>Settlement Type</td>
<td>Half Hourly Basis</td>
<td>Real Time</td>
<td>Real Time</td>
</tr>
<tr>
<td>Service Timings</td>
<td>8 a.m to 7 p.m</td>
<td>8 a.m. to 6 p.m.</td>
<td>24 x 7 x 365</td>
</tr>
<tr>
<td>Inward Transaction Charges</td>
<td>No Charges</td>
<td>No Charges</td>
<td>Decided by the banks</td>
</tr>
</tbody>
</table>

Source: Primary Data

Customers' Satisfaction - Meaning

Customer satisfaction is a fundamental concept in modern marketing. In many organizations, customer satisfaction is considered the most important marketing metric, primarily because it is considered a key driver of customer loyalty and bottom-line financial performance. Customer satisfaction is more important to service industry also. This is because service firms, usually have direct contact with the end-customer. Being banks are also one of the service industry, they have to satisfy their customers.

Definition

Philip Kotler defines customer satisfaction as “a person's feeling of pleasure or disappointment, which resulted from comparing a product's perceived performance or outcome against his/her expectations”.

Age of the Respondents:

The age of the respondents indicates the state in their life cycle. Age plays a vital role in customers’ satisfaction. The service preference and satisfaction level may vary from one age group to another age group. Since the age of respondents is associates with their views on various aspects in fund transfer services.

Review of Literature

Anjali, Harshita Agarwal (2018) have analyzed and studied about the ongoing cashless movement in the country, and non-cash payment methods. They also examine people's progress towards modern, efficient electronic payment mechanisms. The researcher has identified, (a) Security Concerns (b) lack of technological awareness (c) unavailability of digital transaction (d) lack of internet availability are some of the major factors that act as barriers for the adoption of digital payment methods.

R. Venkatesh, D. Sangeetha (2017) studied the concept of electronic fund transfer and measured the customers satisfaction in order to identify the factors being satisfactory and dissatisfactory. The main aim of this research is to identify factors influencing customer satisfaction on NEFT and RTGS facilities. They found that significant relationship between marital status and level of awareness. So they suggested that the banking personnel should
give immediate attention in order to satisfy their need. They observed that lack of awareness is considered as the major problem faced by RTGS/NEFT customers. So they suggested that banking authorities should make an attempt to increase outreach of these services through media and personal visit. They also identified that convenient and quick transaction is the major influencing factor. Therefore banks should maintain the expectation of the customers.

Nitin Gupta, Ms. Aditi Yadav (2017) conduct the study to know about the current and future prospects of online payment system to the customer, the impact of cashless policy in comparison of cash policy, the problem and solution of electronic payment system on individual customer. They found that, People still consider online payment services as an alternative for analyzing their banking records. Although every bank today provide the facility of online banking but most of the people use it only once a month. This reason is that in case of internet banking interpersonal interaction with customer is seldom possible. The main factors which persuade people to use online banking are comported & convenience and the facility which attracts them most is quality and quantity of information. Therefore the implementation of quality initiative should taken by the banks as per the defining customer’s need and preference and their related quality dimension.

Alao and Sorinola (2015) investigate the customers’ satisfaction with the ongoing cashless policy in Ogun State, Nigeria with a survey of bank customers in Abeokuta. They found that cashless policy contributed significantly to customers’ satisfaction in Ogun State. The concluded based on this finding that the cashless policy is customer friendly and progressive. Therefore, it was recommended, among others, that infrastructures should be improved to ensure easy operation of the policy in Ogun state and Nigeria as a whole.

Research Methodology:

The present paper is concerned with the Indian banking industry and particularly in the Tiruchirapalli District of Tamil Nadu. The major six banks, (1) State Bank of India, (2) Indian Overseas Bank, (3) The Karur Vysya Bank (4) HDFC Bank, (5) ICICI Bank, and (6) Axis Bank have been selected for this study based on their market share. Well-Structured questionnaires were collected from 720 customers of the above said banks. The relationship between the different age groups and customers’ satisfaction were analysed. Pearson’s Chi-square test was conducted to know the result.

Limitations of the study

1. Only the age group is compared with the satisfaction of customers using online fund transfer services.
2. Some major six select banks only have taken for this study.
3. The responses to the study have been solicited from the Tiruchirappalli District.
4. The customers’ satisfaction in Tiruchirappalli District may vary from those with the rest of India.
5. The study is restricted to NEFT, RTGS and IMPS modes of fund transfers only.

Objectives of the study

1. The level of customer’s satisfaction towards online fund transfer services in Tiruchirappalli district.
2. The different age groups and the level of customers’ satisfaction towards online fund transfer services in the Tiruchirappalli district.
3. The association between various age groups and customers’ satisfaction towards online fund transfer services in Tiruchirappalli district.

4. The age group which gives a high, moderate and low level of customer satisfaction.

**Analysis and Discussions:**
The following table shows the distribution of customers across various age groups.

<table>
<thead>
<tr>
<th>Age (in Years)</th>
<th>No.of Customers</th>
<th>Percentage</th>
</tr>
</thead>
<tbody>
<tr>
<td>Below 20</td>
<td>72</td>
<td>10.0</td>
</tr>
<tr>
<td>21 – 30</td>
<td>302</td>
<td>41.9</td>
</tr>
<tr>
<td>31 - 40</td>
<td>200</td>
<td>27.8</td>
</tr>
<tr>
<td>41 - 50</td>
<td>116</td>
<td>16.1</td>
</tr>
<tr>
<td>Above 50</td>
<td>30</td>
<td>4.2</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>720</strong></td>
<td><strong>100</strong></td>
</tr>
</tbody>
</table>

Source: Primary Data

From the table it has been observed that, 10 per cent of the bank customers’ are aged below 20 years. 41.9 per cent of bank customers’ fall under the age group of 21-30 years, 27.8 per cent of bank customers’ fall under the age group of 31-40 years, 16.1 per cent of bank customers’ fall under the age group of 41-50 years, and 4.2 per cent of bank customers’ fall under the age group of above 50 years. Thus it has been clearly seen that 41.9 per cent of the bank customers’ are aged between 21-30 years.

**AGE OF THE CUSTOMERS**

Chi-square test between age and level of customers’ satisfaction towards online fund transfer (OLFT)

**Null Hypothesis:** There is no significant association between age and satisfaction of online fund transfer among the customers

**Alternative Hypothesis:** There is a significant association between age and satisfaction of online fund transfer among the customers
The above table shows the distribution of the customers’ opinion at three levels (low, moderate and high) of satisfaction towards online fund transfer and age group. The cross tabulation depicted in the table shows 13.9% of the customers belongs to below 20 years of age group have low level of satisfaction, 77.8% of them have moderate level of satisfaction and 8.3% have high level of satisfaction towards online fund transfer.

With regard to age group of 21 to 30 years, 9.9% of the customers have low level, 67.5% of them have moderate level and 22.5% of them have high level of satisfaction towards online fund transfer.

19% of the customers belongs to 31 to 40 years age group have low level, 38% of them have moderate level and 43% of them have high level of satisfaction towards online fund transfer.

27.6% of the customers belongs to 41 to 50 years age group have low level, 24.1% of them have moderate level and 48.3% of them have high level of satisfaction towards online fund transfer.

13.3% of the customers belong to above 50 years age group have low level, 46.7% of them have moderate level and 40% of them have high level of satisfaction towards online fund transfer.

As seen from the above table, the p-value is less than 0.01, so the null hypothesis is rejected at 1 percent level of significance. Hence it is concluded that there is an association between satisfaction of online fund transfer and age group. ($\chi^2 = 105.324, p<0.01$).

**Conclusion**

From the above analysis, it is clear that the age group has an association with satisfaction regarding online fund transfer services. The RBI must take initiatives to give satisfaction to all age group customers. The bank customers expect quick and uninterrupted services. If the bank provides the expected services of its customers, it leads to customers’ satisfaction. Satisfied customers will continue with the same bank and also refer to some
good customers. As a result, the banks will also cross-sell their other products like insurance, deposits, etc. So the banks must take the necessary steps to improve customers’ satisfaction. Regarding online fund transfer, a customer cannot track their payments at present. So the RBI may take initiatives to track customers’ online payments. And also all modes of fund transfer are to be available to customers at 24 x 7 x 365.

Scope for further research

- A study on customers’ satisfaction regarding e wallets towards online fund transfer services may be conducted.
- A study on customers’ satisfaction towards online fund transfer services may be conducted in rural areas.
- A study on customers’ satisfaction towards online fund transfer services may be conducted with reference to foreign banks.
- A Comparative study about the customers’ satisfaction on online fund transfer services provided by public sector banks and private sector banks may be conducted.

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