

IMPACT OF INTERNET BANKING ON CUSTOMER SATISFACTION IN JAMMU AND KASHMIR BANK

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ABSTRACT

Technology is affecting the life of every individual both qualitatively and quantitatively in the current age. The quick expansion of information technology has imbibed into the lives of millions of people and introduced major changes in the worldwide economic and business atmosphere. E-banking services first emerged in the early 1990's, when credit card, ATM, and telephone banking services were three main applications. During the last decade, database, information system and other technologies were applied into banking services at different levels.

Keywords: Internet Banking, Telephone Banking, ATM

INTRODUCTION

The term Internet banking states to several types of services through which banking customers can do banking from their home or workplace through Internet or mobile phones (Roshan et al., 2012). Internet banking makes a way of banking very easy and convenience for customers particularly for those customers whose are very busy with their personal and professional lives.

Commercial banks confronted with the challenges of globalization, stiff competition from non-banking financial institutions, and instable market dynamics are regularly looking for new ways to add value to their services (Andreas & Stavros, 1997). These added services are not only making customers to choose the best among them but also forcing them to choose the best provider of these services. As a result, now-a-days, it is frequently seen that customers switch from one bank to another.

Thus, every single institution is trying its best to increase the levels of customer satisfaction by providing new and better services, in order to retain existing and attract new customers. Internet banking in India was emerged in mid-nineties and ICICI bank was the first bank which started Internet banking in India in 1998. Succeeding this, a large number of government and private banks started providing internet banking service to their customers (Kesharwani et al., 2007). The number of banking customers who are using Internet banking has also been growing continuously in India. (Malhotra and Singh, 2007). Internet banking means providing banking services directly to their customers through Internet and a customer can pay bills, transfer money, recharge, check their balance and transaction history with the help of internet banking without visiting their respective branches. Through internet, a user may request for opening of deposit account by selecting the account from which the amount is to be debited and giving the deposit details (Malhotra and Singh, 2007). Accounts which are Internet Banking enabled may be displayed along with the current balance, transaction history, account summary, etc. Overdraft Details: Limit and drawing power for OD accounts, repayment schedule for loan accounts may be viewed through Internet Banking. The Jammu and Kashmir bank had entered into an agreement with IBA to connect its ATM's through a shared network in 1999.

To offer internet banking to their customers and its e-commerce initiatives, the Jammu and Kashmir Bank made tie up with Infosys Technologies and also in the same year Jammu and Kashmir Bank had entered into agreement with American Express to launch a cobranded credit card. The Jammu and Kashmir Bank had launched Global Access Card (International Debit Card) in association with Master card International during the year of 2003. In a year 2004, J&K Bank agreed with ICICI Bank to share the ATM network. In the same year Jammu and Kashmir Bank had received Asian Banking Award 2004 in Manila for its customer convenience programme (Business Standard). Continuing with its market innovations in digital marketing, Jammu and

Kashmir Bank had launched a new version of Mpay App which is available on Google's play store. With the help of this App a customer can transfer fund within bank or other bank, payment of bills, recharge, balance enquiry, transaction history, mini statement, enquire cheque status and place request to stop issued check, etc. The facility is available 24*7 with user friendly options.

REVIEW OF LITERATURE

Bindiya et al., (2011) finds out that all the banks are using information technology as a strategic vehicle to stay competitive against other banks. Banking technology helps banks in increasing customer satisfaction, improving customer loyalty, improvised growth, and overall performance of the banks. The awareness of Indian customers towards the use of technologies with respect to factors such as suitability, privacy, security, ease of use, real time accessibility and accurate record of varied transaction that enable customer's adoption of Banking Technology.

Margaret et al., (2000) reports that purpose to adopt Internet banking services can be predicted by attitudinal and perceived behavioural control factors, but not by subjective customs. The attitudinal factors that are important include relative advantage; compatibility with respondent's values, knowledge, and needs, trial and risk ability. Though the findings of his study show that perceived complexity has a negative relationship with adoption intentions, this relationship is not significant.

Sheikh and Rajmohan (2016) find out in his study that 43% of total population in Jammu and Kashmir are customers of Jammu and Kashmir Bank and rest 57% population has been their accounts in other different banks. Most people prefer to have been account in Jammu and Kashmir Bank because branches of Jammu and Kashmir Bank are almost each and every important. The Internet banking revolution has completely changed the banking system in the whole world by removing geographic boundaries and generating new opportunities

Newman & Cowling (1996) with regard to the high expansion, state owned commercial banks, private banks and credit and financial institutions, these organizations are tackled with special and competition situations. One of the very important matter is increasing the amount of customer's satisfaction as compared to their rivals.

Wani & Mushtaq (2013) finds out that most of the customers banking with Jammu and Kashmir Bank are very trustworthy. However, there is some customers who tend to be displeased on certain parameters like 40% of the students are not satisfied with service charged and suitable location of their branches. Thus, there is a great chance that these customers may also become loyal and trustworthy towards Jammu and Kashmir Bank by decreasing service charges and increasing number of more branches in rural as well as in urban areas defect in near future.

Lovelock (2001) the banking industry after all the complexity and transformations it is going through is searching for a situation, to not only better its services (existing) and create newer ones but to increase the customer satisfaction levels.

Hamid et al. (2018) concluded that there are statistically significant differences between the electronic banking services which have been presented by Sudanese banks and customer satisfaction. Also, there are statistically significant differences between customer expectation to the dimensions of quality of electronic banking services and actual performance to electronic banking services.

Objectives: The main objective of this study is to impact of internet banking on customer satisfaction in Jammu and Kashmir Bank. Following are some specific objectives of my study:

- To study Customer Satisfaction towards various services offered by J&K Bank.
- To study the concept of quality in electronic banking services.
- To suggest measures that may prove helpful to overcome dissatisfaction.
- To examine the effect of e-banking on customer satisfaction.

METHODOLOGY OF THE STUDY

The data for this study was collected from both primary and secondary sources. Secondary data was collected from published books, journals, periodicals, websites, etc. These sources were also used for framing a scheduled questionnaire for the collection of primary data. The primary data was collected from 100 respondents by structured questionnaire. Out of which 10 questionnaires were found incomplete and not right for study and

remaining 90 questionnaires were selected for study. Appropriate sampling tools were used for data collection and testing of data.

ANALYSIS AND INTERPRETATION

Data analysis is an important stage in research process, as it carries the potential to diminish or amplify the result expected. Data analysis is also the crucial stage for analysing and presenting the outcomes of the research done. For data analysis of this study, percentage analysis, simple charting and tabulation tools are used to understand the behaviour of the respondents on impact of internet banking on customer satisfaction in Jammu and Kashmir Bank. The collected data (n=100) was collected from a survey of questionnaires filled by respondents in the Srinagar of Jammu and Kashmir. 90% response rate, which is supposed to be good observation and data score for the study. The following section of tables summarized demographic nature of the respondents.

Items	Category	No. of Respondents	Percentage
Gender	Male	68	75.6
	Female	22	24.4
Total		90	100.0
Age	Less than 25 Years	12	13.3
	25-40 Years	64	71.1
	Above 40 Years	14	15.6
Total		90	100.0
Occupation	Employee	40	44.4
	Merchant	25	27.8
	Students	10	11.1
	Others	15	16.7
Total		90	100.0
Type of Account	Current Account	62	68.9
	Saving Account	18	20.0
	Other Account	10	11.1
Total		90	100.0

Table 1: Demographic characteristics for study sample

INTERPRETATION

From the above table, 100 respondents were taken into consideration for this study, out of which only 90 respondent's response was appropriate and fit for this study. The Table 1 shows the Demographic characteristics of respondents. The above table indicates that the percentage of male respondents are 71.6% while the percentage of female respondents are 24.4% of the study sample,

also the ages of the respondents who were in the range between 25 to 40 were the majority 71.1%. Regarding the occupation of respondents, the majority of the respondents were employees 44.4%. In the account type, the majority of respondents have a current account 68.9%.

Table 2: Electronic banking service and Automatic Teller Machine (ATMs)

Statements	SA		A		N		D		SD	
	From	%age	From	%age	From	%age	From	%age	From	%age
The bank updates their electronic banking services.	35	38.9	40	44.4	6	6.7	5	5.6	4	4.4
ATMs improve the reputation of the bank.	30	33.3	39	43.4	10	11.1	7	7.8	4	4.4
24*7 hours availability increases loyalty of customers	33	36.7	40	44.4	5	5.6	10	11.1	2	2.2
The customers become less dependent on the banks on the official working hours by using ATM	32	35.6	46	51.0	6	6.7	5	5.6	1	1.1
ATMs increase the trust of customers	33	36.6	42	46.7	5	5.6	8	8.9	2	2.2
Very simple to use	30	33.3	40	44.4	5	5.6	12	13.4	3	3.3
Geographical spread of the ATMs increases number of customers	25	27.8	43	47.8	8	8.9	10	11.1	4	4.4
The transfer of money becomes more easier through ATMs	32	35.6	40	44.4	10	11.1	6	6.7	2	2.2

INTERPRETATION

From the above table, the above table shows that most of the respondents were agreed with that the bank had updated the electronic banking services with 83%, while only 10% of the respondents were disagreed with that statement, while 7% of the respondents did not decide and they remain neutral. Statement about ATMs have improved the reputation of the bank most of the respondents of our study (77%) agreed with statement, while 12% were disagreed with our statement and 11% did not decide and remain neutral. 81% of the respondents were agreed that 24 hours business hours for ATMs increased the loyalty of bank customers, while 13% disagreed with statement and remaining 6% did not decide. 87% of respondents were agreed for the statement customers become less dependent on the official working hours in the bank by using ATMs while 7% of respondents were disagreed with it and remaining 6% remains undecided. 83% of respondents agreed with the statement that ATMs increased the trust of customers, while 11% disagreed with it and 6% did not decide about it. 78% respondents agreed that ATMs are very simple and almost all person can use it without any difficulty. 76% of respondents agreed with statement that the geographical spread of the ATMs increased the number of customers, while 16% are disagreed and 8% did not decide. In another statement 80% of respondents agreed that the money transfer become more easier by using ATMs and 9% were disagreed with it and remaining 11% remains undecided.

Table 3: The electronic banking services and the internet

Statements	SA		A		N		D		SD	
	From	%age	From	%age	From	%age	From	%age	From	%age
Customer becomes more satisfied by the transaction through internet banking.	25	27.8	30	33.3	10	11.1	15	16.7	10	11.1
Privacy, confidentiality and safety have increased the trust of customers transaction by internet banking	28	31.1	40	44.4	5	5.6	13	14.5	4	4.4
Payment of various bills like telephone, water, power, electricity etc. by the internet banking has increased customer satisfaction	30	33.3	42	46.7	8	8.9	8	8.9	2	2.2

Showing of bank account and balance electronically has increased the customer satisfaction.	35	38.9	48	53.4	2	2.2	3	3.3	2	2.2
Continuous communication of customers with their bank account has increased customer's loyalty	30	33.3	35	38.9	10	11.1	10	11.1	5	5.6
Electronic deposit and transfer of money have increased customer's satisfaction	25	27.8	40	44.4	5	5.6	15	16.6	5	5.6

INTERPRETATION

From the above table, the above table shows that 61% were agreed with our statement that customer becomes more satisfied by doing the transaction through internet banking, while as 28% respondents disagreed with our statement and 11% remains neutral. 76% of respondents were agreed with statement regarding privacy, confidentiality and safety had increased the trust of the customer's transaction through internet banking, while as 19% were disagreed and 6% were remain undecided. 78% respondents agreed with the statement regarding payment of the various bills by the internet banking increased customer satisfaction. 92% respondents were agreed with a statement that display of bank account and its balance electronically increases the customer satisfaction. 71% respondents were agreed with the statement regarding continuous communication of customers with their bank account has increased customer's loyalty. 72% of respondents were agreed with statement that electronic deposit and money transfer have increased customer's satisfaction.

Table 4: Customer Satisfaction towards various services offered by J&K Bank

Statements	SA		A		N		D		SD	
	From	%age	From	%age	From	%age	From	%age	From	%age
J&K Bank has business hours that are appropriate to all their customers	30	33.3	35	38.9	5	5.6	15	16.6	5	5.6
J&K Bank are providing fair interest rates on its savings and deposits.	25	27.8	35	38.9	10	11.1	15	16.6	5	5.6

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J&K Bank are charging fair interest rates on its loans and advances.	20	22.2	35	38.9	15	16.6	16	17.9	4	4.4
J&K Bank has branches setup at all important places across the state.	35	38.9	45	50	5	5.6	4	4.4	1	1.1
J&K Bank has setup good number of ATMs at all important places across the state.	25	27.8	37	41.1	8	8.9	14	15.5	6	6.7
The ATMs of J&K Bank are always working properly.	26	28.9	34	37.8	9	10	15	16.6	6	6.7
When you face any problem, J&K Bank shows a sincere effort to solving it.	27	30	36	40	11	12.2	14	15.6	2	2.2
The bank manages J&KBank accounts of their customers properly.	29	32.3	39	43.3	5	5.6	15	16.6	2	2.2
J&KBank provides good number of technology banking services to their customers e.g. e-banking, mobile banking.	24	26.7	37	41.1	8	8.9	15	16.6	6	6.7
Recently an App namely Mpay launched by J&K Banks is very easy and convenient to use.	30	33.3	45	50	5	5.6	7	7.8	3	3.3

INTERPRETATION

From the above table, 72% respondents were agreed that J&K Bank has business hours that are appropriate to all their customers and 22% are not agreed with it and 6% remains neutral. In another statement 67% respondents were agreed that J&K Bank are providing fair interest rates on its savings and deposits and 61% were agreed with statement that J&K Bank are charging fair interest rates on its loans and advances. A statement regarding J&K Bank has branches setup at all important places across the state, 90% respondents were agreed with. Majority of respondents are agreed that the ATMs of J&K Bank are always working properly. When a customer faced any problem, 70% of respondents agreed that J&K Bank shows a sincere effort to solving it. 76% of respondents agreed that the bank manages J&K Bank accounts of their customers properly and sincerely. 68% respondents agreed that J&K Bank provides good number of technology banking services to their customers e.g. e-banking, mobile banking. 83% respondents agreed that recently an App namely Mpay launched by J&K Banks is very easy and convenient to use.

RECOMMENDATIONS AND SUGGESTIONS

Following are some recommendations and suggestions for Jammu and Kashmir Bank:

- Branches in close nearness to college and university campuses should be opened.
- More branches should be open in rural areas.
- The ATM network should be increasing in rural areas.
- Increase the awareness of e-banking among customers.
- Proper functioning of the ATMs should be certified.
- Proper steps need to be taken to address the issue of inadequate staff in rural area branches.
- Creating a sense of belongingness among different types of their customers, regardless of their transactional value to the bank.

CONCLUSION

The above findings simplify that most of the customers banking with J&K Bank are Soft Core Loyal. The customers are becoming more satisfied with the quality of electronic banking service like web services, ATM's, Banking Apps

and phone banking services. Factors relating to accessibility, convenience, security, privacy, contents, designs, speed, fees and charges have great influence on customer satisfaction regarding internet banking. Furthermore, rural customers are very dissatisfied with the accessibility to branches and functioning of ATM's in their areas. This section has the highest chances of defection for Jammu and Kashmir Banks if some rival banks starts its operations in these rural areas.

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