



Online Service Quality and Its Impact on Customer Satisfaction in Rural Banking with Special Reference to Tirupur District of Tamilnadu

O.S.Vivekanantham.¹, Dr.M.Mekala²

¹Ph. D Research Scholar, KM College, Bharathiar University. (India)

²Associate Professor, Research Guide and Supervisor .Department of Management.K.M College, Bharathiar University. (India)

ABSTRACT

Customer Service quality is very essential concept in all the service sectors. This service quality is very important functions of banking sector also. All the banks are consistently for continuous searching the improve service quality for their customers. In this connection the rural banking is very important in Indian economy and also its dependent upon rural economy. So all the commercial banks are concentrate on their customer service quality in their rural customers. They are illiterate and also expect more accurate information from the banks. In developing India, all the banks are more concentrate on rural side. This study enables the applications of online banking service quality among from the rural customers in those who living in rural side. The main objective of this research is to identify the demographics factors are influenced by users of online services. The SERVQUAL MODELS by adding and how to affect the customers' satisfaction in the rural banking. The researcher collects both primary and secondary data were collected from the 260 respondents from well-structured questionnaire. The researcher follows Descriptive research design was used for analyzing the demographic factors for online banking service quality. The rural customers who lives in in the Tirupur District of Tamilnadu State. This paper solves the many issues relating to online banking service quality of rural side customers. This paper shows that security and privacy awareness campaign are concentrate by the rural side branches areas. They improve more Technology and infrastructure and appoint highly knowledgeable persons for improving services to rural side.

Key words; Online Banking, Service quality, Rural Customers, Customer Satisfaction.

Chapter - I

Introduction;

Recent days financial companies are consistently concentrate on too much profitable. The commercial banks are increasing their profit day by day with stiff competition for both sectors banks. In other hand Twenty first century global economy pushes to improve the information communication technology. The development of banking from the helps of use this internet and communication technology.

E banking another name is online banking. This is the directly delivery banking services from the help of internet to the existing customers in the traditional forms of service. This online banking service is considering both Bankers and customers are getting benefitted. Online service quality is a main factor for the banking companies and build beat for their heavy competition. This concept is getting from Parasuraman et al (1985) and considering more factors like, Reliability assurance, responsiveness, tangibility, responsiveness, Empathy and security.

(Newman, 2001) service quality is depends upon the customer needs and expectations. This perceived service quality is defined to how satisfied the customers on behalf of banking services. These services are allowing customers act their transactions on our self on via of internet in the permission of their branches not directly visiting to the branches. This also customers are access their account own from the help of online banking.

Rural online banking conceptual Background:

Now a day's rural banking are searching the new mode for their customer satisfaction. In this regard many rural customers are unaware of improved information and communication technology of banking but they are aware of internet and computers are widely used. All the Govt sectors are focusing on rural households, industries, govt organization are expansion of knowledge of information and technology. So bankers are concentrating their services through online.

Indian economy are mostly based upon the rural side and agriculture sectors, there will be dynamics of rural economy. This rural banking sector extended their rural credit and their micro and small finance. The bankers are accepting Deposits and rendering credit through this online mode transaction. So bankers are opened many branches in the rural side and implementing the new technology allows to access the online banking in rural side without physical appearance of customers. That all branches served for customers in deposits and lending purposes. The commercial banking policy and programs are relating to focus on developing the rural side. They much more effects taking is get attention of among rural customers.

Basically rural banking faces losses, heavy effort consuming for running the branches and also transactions cost is high for traditional banking and forcing construct to infrastructure problems. So the rural side bankers are focusing the transactions through E- banking for the consumers.

In the rural side banks online service quality is remains constant and highly concentrate on consistently educate their customers and develop their attitude setting with easy via internet transactions. Continuous education to customers for increase the level of satisfaction and also the quality of service offered by banks for customers are having lot of loyalty among bankers. The bankers are rendering their degree of services in the innovative ways through new technology and their competition in nature.

There are five dimensions of determinant the online service quality on behalf of Parasuraman et al, are as follows ;

1. **Tangibility**; setting up of good appearance of facilities are getting in physically , information and employees communication on the basis of services.
2. **Assurance**; this is brings about the knowledge and performance of banking employees rendering service to the with the help of Trust and confidence among customers.
3. **Reliability**; capability of acting of performance of promised services rendered by accurate and exact.
4. **Empathy**; this enables as to how much caring and attention taking to their customers.
5. **Responsiveness**; the bankers are their wiliness about help to customers are easily access their transactions on own.

Statement of the problem;

They are concentrating on too much of demand of customers; the quality of service is focusing and retaining the customers. There is urgent need to extended conducting the research from the rural based customers. The quality of services gives extended the amount of more number of satisfied customers.

Objectives of the study;

1. To measure the essential dimensions of online service quality.
2. To examine the current scenario of banking located in rural areas. Measuring the quality of services rendered by the rural banking in the area of Tirupur district of Tamilnadu.
3. To analyze the customer satisfaction in various banks in rural side.
4. To give suggestions to improve the online service quality of rural banks.

Hypothesis of the study;

1. **H1**; there is a relationship between the tangibility of online banking services to customer satisfaction.
2. **H2**; there is relationship between the Assurance of online banking services to customer satisfaction.
3. **H3**; there is a relationship between the reliability of online banking services to customer satisfaction.
4. **H4**; there is a relationship between the Empathy of online banking services to customer satisfaction.
5. **H5**; there is a relationship between the Responsiveness of online banking services to customer satisfaction.

Chapter-II

Research Methodology;

This study is based upon the Descriptive Research design. This research design is helps to the researcher is fact finding analysis , describe the variables and not controlled over variables by the researcher and fact finding facing the real situations.

This study follows the sampling technique of non-probability convenience sampling method. The researcher prepared well-structured close ended questions. The Likert Type scaling technique was used in this study. There are five variables are setting in this scale. This is based upon the perceived online service quality delivery measures of the customers of both public and private sector banks in the location of Tirupur District of Tamilnadu.

Both primary and secondary data collected by the researcher. Primary data is collected from the respondents from the various rural places of Tirupur District with the help of close ended questions at the same time secondary data was collected by the researcher through the different publications, reference books and various websites of banking.

Chapter -III

REVIEW OF LITERATURE;

1. **Anis Ali and S. Bisht (2018)**., in their study express the wants to measure the level of satisfaction of both sector banks customer and analyze what are the reasons for satisfaction and dissatisfaction .
2. **Anisali and Babitha Ratwani (2017)**., in this study they analyze the different factors determining the customers satisfaction the factors like service terms, reliability, access of account, assurance and reliability.
3. **Dr. A. Vinayagamoorthy, M. Ganesan (2015)** , that paper analyze the rural consumers are high expectations and also banks faced so many issues. Now a days banks are provide various operating services like mobile banking and internet banking for rural customers.
4. **Sahier and Nathan (2013)**., in their research article , that customer satisfaction in Egypt banking services is influenced for several factors like Tangibility, Reliability and responsiveness.
5. **Sathyavalli (2011)**., in her research paper entitled in customer perception of service quality of SBI empathy and reliability and tangibility are the main factors determining by the customer satisfaction and also she indicates quality of the service is rendering to its customers are having too much of loyalty in nature.
6. **Kannan and Saravanan (2012)** ., in their study indicates having the positive in nature and impact of too much development of information and communication.
7. **Kannan et al.**, indicate the rural customers are having enough knowledge in recent trend in banking services.
8. **Dhandapani (2010)**. is messaging the nature of combined services like reliability, response, analyzing. Tangibility etc.

The questionnaire construct with the help of review of literature were developed from the help of Likert scale respondent proforma used to calculating

all the variables. There are five factors online service quality focusing on customer satisfaction. The Cronbach Alpha Reliability test was made by the researcher. The various dimensions of service quality descriptions as follows;

Cronbach's Alpha Reliability Test Analysis ;

S.no	Dimensions of service quality	Alpha Value
1	Tangibility	.92
2	Assurance	.84
3	Reliability	.87
4	Empathy	.81
5	Responsiveness	.79

- Tangibility**; this dimension enables the establishment of equipment using by the bankers, Attracting the branch itself, professional looks and employees attractiveness of computers and website attractions. This is highly scored dimension which has been highly satisfied. This Alpha score is **.92**
- Assurance**; this dimension includes the ability of bank officials, problem solving capacity, construct the confidence among customers and protection of transactions etc. this dimension is good. This alpha value is **.84**
- Reliability**; this dimension deals about the operations and transactions made by the banks. This dimension includes customer getting trust against banks, dependent each other both customer and banks, services consistently getting free flow, accurate transactions etc. this is very good dimension. This Alpha score is **.87**
- Empathy**; this dimension emphasizes on taking adaptation of customers, be attentive to customers, try to understand the customers' needs and desire, customers redressal of their grievances, friendly approach of online banks etc. this is good score. This Alpha value is **.81**
- Responsiveness**; this is another dimension of online service quality referred to as replication services, quick and prompt service for the needy customers and response customers not much more about the discrepancies. This is good signing in online services. This alpha score is **.79**

Chapter-IV

DATA ANALYSIS AND INTERPRETATION;

The following tables show that various Demographic factors analysis of data collected

S.No	Demographic Factors	Frequency	percentage
1	Sex		
	Male	154	59
	Female	106	41
	Total	260	100
2	Age		
	18-25	34	13
	26-30	98	38
	31-40	57	22
	46-50	48	18
	50 and Above	23	09
Total	260	100	
3	Occupation		
	Professional	24	09
	Service Sector	59	23
	Self-Employment	93	36
	Agriculture	74	29
	Students Community	10	04
Total	260	100	
4	Education		
	Upto HSC	86	33
	Degree	79	30
	PG Degree	37	14
	Diploma	32	12
	others	26	11

	Total	260	100
5	Banking Experience		
	Below 2 years	78	30
	2-5 years	92	35
	6-10 years	56	22
	Above 5 years.	34	13
	Total	260	100
6	Forms of Account		
	SB Account	127	49
	Current Account	56	22
	FD Account	36	14
	Loan Account	34	13
	Salary Account	07	02
	Total	260	100

The above table shows that majority of male customers age group between 26 to 30 are using online banking in rural side. They are self-employed and they are only under graduated. Most of the respondents are operating their SB account through online .so we conclude that there is no relationship between the education qualification and online banking. At the same time customers start their operating transactions from their age of 26 onwards.

S.No	On line Service Quality	Mean	T-Test	Chi-Square Test	Decision Rule Accept/ Reject. (H)
A.TANGIBILITY					
01	Branch Attractiveness	0.76	12.24	18.45	H0 Accept
02	Website Attractiveness	0.64	21.45	14.34	H0 Accept
03	Professional Looks of Employees	0.81	15.56	12.56	H0 Accept
04	Well Equipment's and Infrastructure.	0.73	23.24	19.97	H0 Accept
B. ASSURANCE					
05	Ability of Employees	0.58	21.32	18.66	H0 Accept
06	Problem solving Capacity	0.75	21.22	17.56	H0 Accept
07	Construction of confidence Building	0.76	16.67	12.34	H0 Accept
08	Loyalty of Transactions	0.81	18.43	14.45	H0 Accept
C.RELIABILITY					
09	Operations Efficiency	0.67	19.67	15.33	H0 Accept
10	Trust against Banks	0.69	14.56	12.45	H0 Accept
11	Dependent of Each other	0.71	21.66	15.56	H0 Accept
12	Free Flow of Transactions	0.64	20.78	19.23	H0 Accept
D.EMPATHY					
13	Customer Attention	0.73	21.12	15.45	H0 Accept
14	Understanding customer Needs	0.72	14.33	12.23	H0 Accept
15	Redressal of grievances	0.68	15.67	14.45	H0 Accept
16	Friendly Approach	0.74	14.53	12.26	H0 Accept
E. RESPONSIVNESS					
17	Replication of Service	0.76	19.95	15.21	H0 Accept
18	Quick and Prompt Service	0.81	23.44	18.36	H0 Accept
19	Willingness of help	0.67	21.20	17.76	H0 Accept
20	Consideration for Requisition	.65	18.56	15.45	H0 Accept

Chapter-V

Findings, Suggestions and Conclusion;

Findings;

- The above table shows that Tangibility of online banking is not significant at the 5% level of .so we conclude that the H0 is accepted in the sense of attractiveness of branches and bankingwebsites at the same time the banks are getting good professional look and well equipped service rendering the customers.
- The second dimensions of online banking in rural side assured that from the table value ability and problem solving skill of employees are so good and thy rendering service in good manner, because assurance of online banking is not significant at the 5% level of significance.

Hence H₀ is accepted.

- The third dimensions of online banking service quality are reliability is not significance at the 5% level. So we accept the null hypothesis. The efficiency of operations, trust and free flow of transactions.
- The fourth dimensions of service quality is empathy, the bankers are understanding customer needs, redressal of grievances quickly and getting approach friendly. This is not significant at the 5% level of significance. We can accept the null hypothesis.
- The fifth dimensions of service quality are responsiveness. The rural side bankers are quick replication of services and willingness to work for their customers. Hence the null hypothesis is accepted.

Suggestions;

The online banking is developing on day by day. The private and public sector banks are more concentrate on rural side branches. The bankers are educate the customers in branches itself put on their wall hangings and continuous play the videos repeatedly in rural side branches. The both the bankers are arrange the campaign for their customers for operations models of online banking. The public and private sector bankers are appoint employees with specialized skills.

Conclusion;

Indian economy is mostly depending upon the rural economy. So rural side bankers are more concentrate on rural side customer service in the manner of freeflow. This information and communication era ,bankers are construct their online service especially in the rural side branches and through the help from the Information and communication technology. The bankers are giving assurance to rural side customers in the positive impact and also rural side branches are understand clearly attitude of customers.

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