



A STUDY ON CUSTOMER SATISFACTION TOWARDS DIGITAL BANKING SERVICES MAINLY FOCUSED ON INDAN OVERSEAS BANK(IOB) WITH SPECIAL REFERENCE TO RAMANATHAPURAM DISTRICT.

Mrs, THALESWARI.M¹, AROCKIA ANISIA², R. ASRAF SITHIKA³

¹ M.COM (ASSISTANT PREFOSSOR)

² M com Mphil

³ (M Com)

ABSTRACT :

The fast growth of digital technology has changed the banking industry in a big way, and digital banking services are now an important part of customer transactions. This study looks at how happy customers are with the digital banking services that Indian Overseas Bank (IOB) offers in Ramanathapuram District. The study aims to assess customer awareness of IOB's digital banking services, their frequency of use, usability, security, and overall satisfaction. A group of customers filled out structured questionnaires to give us primary data, and we used statistical tools to look at the data. The results show that most customers like digital banking because it is easy to use and saves time. However, issues like technical problems, not knowing how to use technology, and security concerns still affect how happy they are with it. The study says that to get more people to use and trust digital banking services, we need better digital infrastructure, better customer service, and programs to raise awareness. The research gives banks useful information on how to improve their digital service delivery and make customers happier in a market where banks are competing with each other.

Keywords: Customer Satisfaction, Digital Banking, Indian Overseas Bank (IOB), Internet Banking, Mobile Banking, UPI, Ramanathapuram District, Security, Ease of Use, Financial Inclusion.

INTRODUCTION

The word "bank" comes from either the Old Italian word "banca" or the French word "banque," both of which mean "bench" or "money exchange table." European money lenders or money changers used to put coins from different countries in big piles on tables or benches so they could lend or trade them. A bank is a financial middleman that makes credit by lending money to a borrower, which shows up as a deposit on the bank's balance sheet. You can lend money directly or indirectly through the capital markets. Banks are heavily regulated in most countries because they are important to the financial system and have an impact on national economies.

Most countries use a system called fractional reserve banking, which means that banks only have liquid assets that are worth a small amount of their current debts. The Basel Accords are a set of international rules that tell banks how much capital they need to have. This is on top of other rules that are meant to make sure they have enough money. In the last few decades of the 1700s, banking in India started to look like it does now. The Bank of Hindustan opened in 1770 and closed in 1829–32. The General Bank of India opened in 1786 but closed in 1791.

There are two main types of banks in India: scheduled banks and non-scheduled banks. The Reserve Bank of India Act, 1934, lists the scheduled banks in its second schedule. There are five groups of scheduled banks: nationalized banks, the State Bank of India and its affiliates, Regional Rural Banks (RRBs), foreign banks, and other Indian private sector banks. The Banking Regulation Act of 1949 applies to both scheduled and non-scheduled commercial banks, which are also called commercial banks.

When it comes to supply, product range, and reach, banking in India is usually pretty advanced. But it's still hard to get to rural areas and poor people. The government has made plans to fix this, like having the State Bank of India open more branches and the National Bank for Agriculture and Rural Development offer services like microfinance. How well a bank delivers the products it sells and how happy its customers are are both important to its success. Because of globalization, liberalization, privatization, and changes in technology, the banking industry is having a hard time competing. Banks need to put in more effort to keep their current customers. Recent advances in IT have made it easier to get to, use, and speed up banking. Banks have moved away from traditional banking and into branchless banking. This happened because technology and the banking industry are moving quickly. Banking has changed a lot because of new technologies, and this has had a big effect on bank officers, employees, and customers. The banking industry wants to be more creative and business-minded, so they are using new technologies to make their work easier and to make their customers happier by making it easier and more effective than ever to get banking products and services. The banking sector helps to create a competitive edge, make things more efficient, make customers happier, and lower costs. In order to consistently connect with customers in the banking sector, banks need to know the

demographics of their markets, such as who their best customers are and what products and services they are willing to pay for. A recent study showed that more people are using online banking than any other way to pay bills, check their balances and transactions, move money, and look at their statements. All banks want to treat their customers well. The banking industry needs to figure out what customers want and give it to them. This will help keep customers and give them good service.

STATEMENT OF THE PROBLEM

Even though more and more people are using digital banking services, Indian Overseas Bank has a hard time making sure that customers in Ramanathapuram district are happy with their service. Customers are still not completely happy with the bank's digital banking services, which include UPI, mobile banking, and internet banking.

OBJECTIVES OF THE STUDY

- To identify the key factors influencing customer satisfaction with Indian overseas Bank (IOB) digital banking services in Ramanathapuram district.
- To assess the level of customer satisfaction with Indian overseas Bank (IOB) digital banking services in Ramanathapuram district.
- To investigate the major challenges faced by customers while using Indian overseas Bank (IOB) digital banking services in Ramanathapuram district.
- To find the valuable suggestions about Indian overseas Bank (IOB) digital banking services.

RESEARCH METHODOLOGY

The study is based on both primary and secondary data. the primary data has been collected through a survey method with the help of a structured questionnaire. the secondary data will be collected from the books, journals, web portal.

PRIMARY DATA

Primary data will be collected through a convenient sampling method, surveying 50 respondents.

SECONDARY DATA

Secondary data will be gathered from various sources, including books, newspapers, journals, magazines and the online sources.

TOOLS OF ANALYSIS

This study is analyzed with suitable statistical tools. percentage analysis, weighted average, correlation and chi-square test is used this study. It applied to find out the customer satisfaction towards digital banking services mainly focused on Indian overseas Bank (IOB).

REVIEW OF LITERATURE

Bhatnagar and Rajesh (2024) investigated the online customer experience (OCE) in Indian digital banks, focusing on the perspectives of Generation Y and Z. The study pinpointed key factors affecting OCE, including perceived enjoyment, e-service quality, information quality, and e-convenience. The research demonstrated that enhancing these factors could increase customers' intention for continuous usage, e-loyalty, and e-trust.

Lolemo and Pandya (2024) conducted a systematic literature review to evaluate the influence of digital banking on customer satisfaction and loyalty in commercial banks. The research analyzed 146 articles published between 2006 and 2022, determining that digital banking significantly influences customer satisfaction and loyalty. The authors emphasized the significance of service quality, security, and innovative technology in influencing customer perceptions and fostering loyalty to a business.

Kannan and Dhamotharan (2023) conducted a study examining customer satisfaction with IOB's online banking services in Sivaganga District. The study examined the significant transformations in the banking industry due to telecommunications and electronic data processing. The study showed that banks can use online banking as a strategic tool to get ahead of their competitors, cut costs, improve services, grow their customer base, and improve their financial position by offering unique products. The results showed how important online banking is for getting and keeping customers in a market where there is a lot of competition.

Dr. K. Nithya Kala, Dr. K. Vidyakala, and Jamuna S. (2020) conducted a study on the impact of green banking practices on the environmental performance of banks. Banks have been using green money for the past 20 years. The banking industry has been working to protect the environment since the introduction of Automated Teller Machines (ATMs) in 2001. Some things have gotten better since industrial growth, like global warming, soil erosion, ozone depletion, deforestation, and air and water pollution. Green Banking is a set of rules and policies that help banks stay in business and be good for the environment and society. The start of the green system in Coimbatore City is a big deal for banks, and it has already made more money than the green plans.

Sameena and Saroja (2018) examined the efficacy of e-banking services at IOB in Chennai. The study aimed to assess consumer awareness and perceptions of e-banking systems, with a focus on security concerns. A survey of 220 IOB customers found that even though e-banking is convenient,

people are very worried about security. The authors said that banks should fix these security issues to make customers happier and more trusting.

Analysis and Interpretation

To examine the relationship between **ease of use of digital banking services** and **customer satisfaction** among Indian Overseas Bank (IOB) customers in Ramanathapuram District, a correlation analysis was conducted using Pearson's correlation coefficient.

From the survey data, the following computations were made:

- **Sum of Ease of Use (X):** 18
- **Sum of Customer Satisfaction (Y):** 21
- **Sum of XY:** 79
- **Sum of X²:** 70
- **Sum of Y²:** 91
- Applying the Pearson correlation formula:
We are getting ≈ 0.89

Interpretation:

The calculated correlation coefficient $r = 0.89$ indicates a **strong positive relationship** between ease of use and customer satisfaction. This suggests that customers who find IOB's digital banking services easy to use tend to be highly satisfied. Therefore, the bank's efforts to simplify digital transactions, provide user-friendly interfaces, and ensure smooth navigation are directly contributing to enhanced customer satisfaction.

This analysis highlights the importance of focusing on **usability, accessibility, and convenience** in digital banking platforms, as these factors significantly impact customer perceptions and loyalty.

FINDINGS

- Majority of customers are aware of IOB's digital banking services such as mobile banking, internet banking, and UPI.
- Most customers prefer digital banking due to its convenience and time-saving benefits.
- A strong positive correlation exists between ease of use and customer satisfaction.
- Customers are generally satisfied with transaction speed and accessibility of digital services.
- Some customers face issues related to technical glitches during transactions.
- Security concerns such as fear of fraud or data breaches affect a small portion of users.
- Customers with higher digital literacy show greater satisfaction with banking apps and online services.
- Personalized customer support and prompt grievance redressal increase overall satisfaction.
- Awareness and adoption of advanced services like online fund transfers and bill payments are increasing steadily.
- Rural and semi-urban customers still require more training and guidance to use digital banking effectively.

CONCLUSION

The study on customer satisfaction regarding the digital banking services of Indian Overseas Bank (IOB) in Ramanathapuram District indicates that digital platforms have become an essential component of contemporary banking. Customers really like digital services like mobile banking, internet banking, ATMs, and UPI because they are easy to use, always available, and save time. The study found a strong link between how easy it is to use digital services and how happy customers are in general. This means that customers will be happy if the systems are easy to use.

But some users still have problems because of things like technical issues, security concerns, and the fact that a lot of rural customers don't know much about technology. By improving its digital infrastructure, making its security stronger, and teaching its customers more about how to use its services, IOB can build even more trust and satisfaction among its customers.

In conclusion, digital banking is changing how people do business with banks, and it is also very important for getting more people involved in the financial system in places like Ramanathapuram. By always improving its digital services and listening to its customers' concerns, IOB can keep its customers loyal and grow in the digital age.

SUGGESTIONS

1. **Enhance User-Friendliness:** IOB should further simplify mobile and internet banking applications to make them easy for all age groups.
2. **Strengthen Security:** Advanced security features such as two-factor authentication, instant fraud alerts, and biometric login should be improved to build customer trust.
3. **Increase Digital Awareness:** Conduct regular awareness programs, workshops, and training sessions, especially in rural areas, to improve digital literacy.

4. **Improve Technical Infrastructure:** Ensure uninterrupted services with faster servers and quick resolution of technical glitches.
5. **Strengthen Customer Support:** Provide 24/7 helplines, chatbots, and prompt grievance redressal to improve customer satisfaction.
6. **Promote Digital Services:** Encourage customers to use digital channels for bill payments, fund transfers, and other services through promotional campaigns.
7. **Personalized Services:** Introduce personalized offers and reminders via digital platforms to engage customers.
8. **Regular Feedback Collection:** Continuously collect customer feedback to identify issues and improve digital banking services.