

IMPACT OF DEMOGRAPHIC FACTORS ON CUSTOMERS SATISFACTION IN DIGITALISED BANKING SERVICES

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Abstract

Customer satisfaction is a metric which evaluate customers experience with particular product or service. Customer satisfaction in digitalised banking services is depends upon numeral factors. It measures how much customers satisfied with digitalised banking services and what are the factors impacts its level of satisfaction. The purpose of this study is to examine the association between the demographic factors and customer satisfaction of the digitalised banking services. The data is gathered from 531 digitalised banking customers of Coimbatore district of Tamilnadu through structured questionnaire. The data is statistically analysed with SPSS tool. The finding shows that (chi-square test) the calculated P value is .116 which is higher than 0.05. So there does not exist any significant statistical association between area of residence and level of satisfaction. Hence, the null hypothesis is accepted. But the Chi-square analysis finds that there exist significant association between age, marital status, educational qualification, occupation and level of satisfaction.

Keywords: Digitalised Banking Services, Demographic Factors, Customer Satisfaction.

I. Introduction

The banking industry has grown rapidly with use of computer and internet technology. The banks offer various digitalised banking services to attract the customers. The progress of banking sector is depending on the customers satisfaction. The customer satisfaction is an essential metric for growth of the banking institution. It measures how much the customers fulfil their expectations while using banking services. The various kinds of factors influence the customer satisfaction. Saravana Kumar (2009)¹ has observed that the difference between the perceived and desired level of service quality is negative indicating that the perceived services of the sample banks fell short of the desired services. Kavitha and Lakshmi (2011)² found that the demographic factors namely age, gender, type of account and amount they maintain in the bank are major impact on satisfaction on e-banking. Therefore, the demographic factors affect the level of the customers' satisfaction. Nagamani and Asha (2016)³ have found that the customers are using the services but are sceptical about the financial transactions and also the internet banking has significantly associate with type of account and years of using internet banking services. So, the customers have fear on online transactions even though they involved in the digitalised banking services. Nanthini and Amutha (2019)⁴ E-banking services increase the customer satisfaction because customers don't have to go for bank to accessing their account, deposits & withdrawals propose. The main factors which are influence the customer to use e-banking for their comfort, convenience and for more facilities. This study discloses the impact of demographic factors on customer satisfaction in digitalised banking services.

II. Review of Literature

Fozia (2013)⁵ attempted to found that the significant association between the demographic variables such as age, occupation of the customers and perception of e-banking. However, the level of perception is varying according to the age group and occupation of the customers.

Hakkeem and Moydheen (2015)⁶ discover that the simple percentage analysis indicates that the age group of 20-30 and 31-40 were more aware of e-banking. Moreover, the private employees and business people also aware of e-banking. The hypothesis testing indicates the convenience is associated with age of the respondents. The occupation of the customer has inferred the perceived efficiency of e-banking. Thus, all the factors equally influence customer satisfaction.

Worku.Get al.(2016)⁷ attempted to know that the most of the users of e-banking are the young, the educated, salaried and students, businesspersons. The women are not actively using e-banking

services. The chi-square test found a relationship between demographic characteristics and satisfaction in e-banking than ordinary banking services. Moreover, the study indicates e-banking currently rendered for saving and current accounts holders. The e-banking user able to reduce waiting time and control their account movements.

Panda and Misra (2017)⁸ result implied that the majority 86 per cent of the respondents were male, 56.80 per cent of the respondents belonged to the age group of 15-25 years. 30.80 per cent of the respondents were businesspeople. 57.20 per cent of the respondents stated reliability of e-banking services either reliable or reliable. 62.40 per cent of the respondents feel the level of satisfaction on e-banking either satisfied or not satisfied. Thus, the study found that most of the rural respondents were satisfied with e-banking facilities especially security and privacy.

Boshkoska and Sotiroski (2018)⁹ the survey discovers that 71.4 per cent have access to their checking account via internet and 28.6 per cent do not have electronic access. Electronic access to check account of clients depends on age structure, level of acquired education, total monthly income in the family and level of computer knowledge and skills.

Bhardwaj and Sood (2019)¹⁰ indicate that the descriptive analysis and Chi-square test used as statistical tool for analysis. The study found that the 48 per cent of the respondents are postgraduate. They were well utilised adequate value-added services in banking.

III. Objective of the Study

The study is to identify the association between the Demographic Factors and Customers Satisfaction of the Digitalised Banking Services.

IV. Research Methodology

The research use well structured questionnaire for the data collection. The primary data were collected from 531 Digital banking users of Coimbatore District. The convenient sampling method is used to collect the samples from population. The Secondary data collected from various journals, published reports, books and bank web sites etc.

V. Data Analysis

The Statistical Package for Social Science (SPSS) was used for the data coding and analysis. The research used statistical tools as Percentage and Chi-Square test for analysis. The percentage analysis shows the demographic profile of the customers and the Chi-square test is carried out to find the association between demographic factors and Customer satisfaction on the Digitalised Banking Services.

VI. Results and Discussion

Percentage Analysis

An attempt has been made to know the demographic profile of the sample digitalised banking customers.

Table 1 Demographic Variables

Demographic Variables		Numbers	Percentage
Gender	Male	316	60
	Female	215	40
Age Group	Up to 30	192	36
	31-40	152	29
	41-50	125	24
	Above 50	62	11
Marital Status	Married	360	68
	Unmarried	171	32
Area of Residence	Urban	137	26
	Semi urban	146	27
	Rural	248	47

Educational Qualification	Primary Level	16	3
	Secondary Level	145	27
	Graduate	161	30
	Post Graduate	116	22
	Diploma	19	4
	Professional	74	14
Occupation	Private Employee	260	49
	Government Employee	61	11
	Business	77	15
	Student	50	9
	Housewife	29	6
	Others	54	10

Source: Primary Data

Interpretation: From the above table, it shows that 60% of the respondents are male and 42% of the respondents are female. The age group shows that 36 % of the respondents belong to the age group of below 30 years, 29 % of the respondents belong to the age group of 31-40 years and 24 % of the respondents belong to the age group of 41-50 years and 11% of the respondents belong to the age group of above 50 years. It depicts that 68% of the respondents are married and remaining 32% of responds are unmarried. It found that 36% of the respondents belonged to the Urban area, 27% of the respondents belonged to the Semi-urban and 47% of the respondents belonged to the Rural area. It indicate that 3% respondents are come under primary level, 27% respondents are come under secondary level, 30% of the respondents are Graduate, 22% of the respondents are Post graduate, 4% of the respondents under the Diploma and 14% of the respondents are Professional. It reveals that 49% of the respondents are private employees, 11% of the responds are government employees, 15% of the respondents are doing business, 9% respondents of students, 6% of the respondents are housewife and remaining 10% of the respondents are comes under other occupation, such as retired people, agriculturist etc.,

Chi-Square Analysis

The chi-square test has been used to examine whether there exists any association between two variables. The test determines the association between the demographic factors of the respondents and satisfaction of the Digitalised Banking Services. The following hypothesis has been framed and tested.

H_0 : Age is not associated with level of satisfaction

H_2 : Age is associated with level of satisfaction

H_0 : Marital Status is not associated with level of satisfaction

H_3 : Marital Status is associated with level of satisfaction

H_0 : Area of Residence is not associated with level of satisfaction

H_4 : Area of Residence is associated with level of satisfaction

H_0 : Educational Qualification is not associated with level of satisfaction

H_5 : Educational Qualification is associated with level of satisfaction

H_0 : Occupation is not associated with level of satisfaction

H_6 : Occupation is associated with level of satisfaction

Table 2 Age and Level of Satisfaction

Age (Years)	Level of Satisfaction			Total
	Low	Moderate	High	
Up to 30	15 (7.8)	140 (72.9)	37 (19.3)	192 (100.0)
31-40	22 (14.5)	95 (62.5)	35 (23.0)	152 (100.0)
41-50	35 (28.0)	78 (62.4)	12 (9.6)	125 (100.0)
Above 50	21	35	6	62

	(33.9)	(56.5)	(9.7)	(100.0)
Total	93	348	90	531
Df:6	Chi-square : 41.057		P Value: .000	Significant

Source: Primary Data

Interpretation: The customers whose age ranges up to 30 years have high level of satisfaction and customers who are above the age of 50 years have low level of satisfaction. As the calculated P value is less than 0.05 there exist significant association between age and level of satisfaction. Hence, the null hypothesis is rejected.

Table 3 Marital Status and Level of Satisfaction

Marital Status	Level of Satisfaction			Total
	Low	Moderate	High	
Married	77	229	54	360
	(21.4)	(63.6)	(15.0)	(100.0)
Unmarried	16	119	36	171
	(9.4)	(69.6)	(21.1)	(100.0)
Total	93	348	90	531
Df:2	Chi-square : 12.721		P Value: .002	Significant

Source: Primary Data

Interpretation: The unmarried customers have high level of satisfaction and customers who are married low level of satisfaction. As the calculated P value is less than 0.05 there exist significant association between marital status and level of satisfaction. Hence, the null hypothesis is rejected.

Table4 Area of Residence and Level of Satisfaction

Area of Residence	Level of Satisfaction			Total
	Low	Moderate	High	
Urban	27	83	27	137
	(19.7)	(60.6)	(19.7)	(100.0)
Semi urban	16	105	25	146
	(11.0)	(71.9)	(17.1)	(100.0)
Rural	50	160	38	248
	(20.2)	(64.5)	(15.3)	(100.0)
Total	93	348	90	531
Df:4	Chi-square : 7.415		P Value: .116	Not Significant

Source: Primary Data

Interpretation: The customers are residing at urban area have high level of satisfaction and customers are residing at rural have low level of satisfaction. As the calculated P value is greater than 0.05 there does not exist any significant association between area of residence and level of satisfaction. Hence, the null hypothesis is accepted.

Table 5 Educational Qualification and Level of Satisfaction

Educational Qualification	Level of Satisfaction			Total
	Low	Moderate	High	
Primary Level	1	10	5	16
	(6.2)	(62.5)	(31.2)	(100.0)
Secondary Level	56	76	13	145
	(38.6)	(52.4)	(9.0)	(100.0)
Graduate	18	113	30	161
	(11.2)	(70.2)	(18.6)	(100.0)
Post Graduate	9	81	26	116
	(7.8)	(69.8)	(22.4)	(100.0)
Diploma	2	13	4	19
	(10.5)	(68.4)	(21.1)	(100.0)
Professional	7	55	12	74

	(9.5)	(74.3)	(16.2)	(100.0)
Total	93	348	90	531
Df:10	Chi-square : 66.798		P Value: .000	Significant

Source: Primary Data

Interpretation: The customers who are other educational qualification have high level of satisfaction and customers who are completed up to school level have low level of satisfaction. As the calculated P value is less than 0.05 there exist significant association between educational qualification and level of satisfaction. Hence, the null hypothesis is rejected.

Table 6 Occupation and Level of Satisfaction

Occupation	Level of Satisfaction			Total
	Low	Moderate	High	
Private Employee	31 (11.9)	180 (69.2)	49 (18.8)	260 (100.0)
Government Employee	11 (18.0)	37 (60.7)	13 (21.3)	61 (100.0)
Business	13 (16.9)	46 (59.7)	18 (23.4)	77 (100.0)
Student	4 (8.0)	38 (76.0)	8 (16.0)	50 (100.0)
Housewife	11 (37.9)	16 (55.2)	2 (6.9)	29 (100.0)
Others	23 (42.6)	31 (57.4)	0 (0.0)	54 (100.0)
Total	93	348	90	531
Df:10	Chi-square : 50.580		P Value: .000	Significant

Source: Primary Data

Interpretation: The business peoples have high level of satisfaction and customers who are come under other categories of occupation have low level of satisfaction. As the calculated P value is less than 0.05 there exist significant association between occupation and level of satisfaction. Hence, the null hypothesis is rejected.

VII. Findings

- The percentage analysis inferred that 60% of the respondents are male.
- It discovered that the 36% of the respondents belong to the age of up to 30 years.
- It can be inferred that the 68% of the respondents are married.
- It showed that the 47% of the respondents are in rural area.
- It can be revealed that the 30% of the respondents are graduate.
- It found that 49% of the respondents are private employees.
- No significant association between gender and level of satisfaction.
- The Chi-square analysis examine that there exist significant association between age, marital status, educational qualification, occupation and level of satisfaction.
- There exist no significant association between area of residence and level of satisfaction.

VIII. Suggestions

The present study reveals that the satisfaction of the customer is always flexible. It has been differing from one customer to another. Because, the demographic factors significantly influence the level of customers satisfaction. As the changes happen in these factors instantly affects the customers satisfaction. Even though, the banks have vital role to satisfy the customers. The banks have the necessity to provide high quality services to retain their existing customers as well as to attract the new customers.

IX. Conclusion

In this competitive era, the banks offer variety of digitalised banking services to satisfy their customers. However, the Chi-square analysis finds that there exist significant association between age, marital status, educational qualification, occupation and level of satisfaction. The banks have to understand their customers preference, adopt and update the technology, regularly rendering excellent services. The banks may take these suggestions into consideration may helpful to keep their customers satisfied.

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