



A STUDY ON CUSTOMER SATISFACTION AND PERCEPTION OF ONLINE BANKING SERVICES IN SALEM DISTRICT

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Abstract

The rise of digital technologies has transformed banking operations and services. Online banking offers convenience, speed, and round-the-clock access, but customer satisfaction and perceptions vary widely. This study investigates how customers in Salem District perceive online banking services and evaluates their satisfaction levels. Data were collected through structured questionnaires from 200 respondents across various demographic groups. Results show that while most customers appreciate the convenience of online banking, concerns remain regarding security, technical issues, and service reliability. The study provides recommendations for enhancing customer satisfaction and improving online banking adoption in the district.

Introduction

The banking sector has experienced rapid digitization over the past decade. Online banking, facilitated by secure internet connections, allows customers to perform transactions such as funds transfer, bill payments, balance inquiries, and loan applications without physically visiting branches. In India, particularly after the COVID-19 pandemic, there has been a significant shift towards digital financial services. Salem District, with its growing population and rising literacy levels, reflects this trend. Understanding how customers in Salem view online banking — whether they are satisfied, what challenges they face, and how their perceptions shape adoption — is crucial for banks aiming to improve their digital platforms.

Review of Literature

- **Kaur & Sandhu (2017)** found that customer satisfaction in online banking is strongly influenced by ease of use and perceived usefulness.
- **Daniel (1999)** noted that the success of online banking depends on convenience, system reliability, and personalization of services.
- **Raza & Gupta (2012)** highlighted that customer perception significantly impacts continued use intent; security concerns remain a primary deterrent.
- **Sharma & Gupta (2020)** observed that in semi-urban areas, age and educational background play a crucial role in the adoption of online banking.

This study extends prior work by focusing specifically on Salem District, a semi-urban region with diverse user demographics.

Objectives of the Study

- To assess customer satisfaction with online banking services in Salem District.
- To evaluate customer perceptions regarding the benefits and challenges of online banking.
- To identify factors influencing customer satisfaction.
- To provide suggestions to improve online banking services based on customer feedback.



Scope of the Study

The study focuses on customers of commercial banks operating within Salem District who regularly use online banking services. It considers demographic factors such as age, gender, education, and frequency of online transactions.

Statement of the Problem

Although online banking has grown rapidly, there remains uncertainty about how customers perceive its usefulness and effectiveness in Salem District. Problems such as lack of awareness, security fears, and technical barriers may affect customer satisfaction. This study seeks to investigate these issues to determine areas requiring improvement.

limitations of the study

- The study is restricted to Salem District and cannot be generalized nationwide.
- Data collection was limited to 200 respondents due to resource constraints.
- Respondents’ understanding of online banking varied, which may influence responses.

Research Methodology

Research Design

Descriptive research was adopted to analyze customer perceptions and satisfaction.

Population and Sample

The population consists of bank customers who use online banking services. A sample of **200 respondents** was selected using convenience sampling.

Data Collection

Primary data were collected through structured questionnaires. Secondary data were gathered from books, journals, and online sources.

Questionnaire Design

Questions included demographic details and Likert-scale items on satisfaction levels and perceptions.

Statistical Tools

The following statistical tools were used for analysis:

1. **Percentage Analysis**
2. **Mean Score Calculation**
3. **Chi-Square Test**
4. **Rank Analysis**
5. **Tables and Graphs**

Analysis and Interpretation

(Note: The data below are *SAMPLE* figures — replace with your actual survey results.)

Table 1: Demographic Profile of Respondents

Demographic Variable	Category	Frequency	Percentage
Gender	Male	110	55%
	Female	90	45%

Demographic Variable	Category	Frequency	Percentage
Age Group	18-25	60	30%
	26-35	80	40%
	36-50	45	22.5%
	Above 50	15	7.5%

Table 2: Customer Satisfaction Level

Satisfaction Level	Frequency	Percentage
Highly Satisfied	40	20%
Satisfied	100	50%
Neutral	35	17.5%
Dissatisfied	15	7.5%
Highly Dissatisfied	10	5%

Table 3: Mean Score for Online Banking Attributes

Attribute	Mean Score	Rank
Ease of Use	4.1	1
Security	3.8	3
Speed of Transaction	3.9	2
Reliability	3.7	4

Interpretation

- Most respondents are **satisfied (50%)** or **highly satisfied (20%)** with online banking.
- **Ease of use** scores highest, indicating customers value simplicity.
- **Security** concerns are moderate, suggesting room for improvement.

Findings

- Majority of customers (70%) reported satisfaction with online banking.
- Ease of use and convenience emerged as major positive factors.
- Security perceptions influence satisfaction and trust.
- Older customers reported more challenges compared to younger users.
- Network problems and technical glitches were frequently cited drawbacks.

Suggestions

- Banks should **enhance security features** and educate users about safety.
- Improve user interface to make services more intuitive.
- Conduct customer awareness programs about online banking benefits.
- Ensure 24/7 technical support and quick resolution mechanisms.
- Regular feedback collection will help in continuous improvement.



Conclusion

Online banking has brought significant advantages to customers in Salem District, notably ease of transaction and time savings. Overall satisfaction levels are positive, but concerns about security, technical reliability, and demographic differences suggest that banks must continue to improve digital services. Focused action on addressing challenges will foster greater trust and wider adoption.

References

(Use proper research referencing format like APA / MLA / Chicago if required)

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