Exploring the Trust and Behavior Intention towards Customer Satisfaction in Banking Industry Chennai

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Abstract:

We aim to discover the trust and satisfaction level of the banking customers in Chennai by collection of samples from 171 respondents (holding accounts in both public and private sector banks) through a structured mailed questionnaire by adopting snowball sampling technique. Technology acceptance model is used to establish the relationship between the perceived usefulness and perceived ease of use through SPSS software.

INTRODUCTION

In any nation's economic system, banks have a significant part to play and has attained a state of adapting itself to technological changes. Banks have become essential service that are ought to be used by everyone. Their evolution from personnel banking where public are supposed to go to the headquarters of the bank to avail any of its service, to online banking in which the public can avail and access to n number of services provided by them with just a click of their phone, the sector has gained a boom in parlance to technological advancement of the country. The lieu of the market has created a necessity in the society to use UPI and other sources of online payment as a mandatory source of payment to purchase, and this situation has also pushed the banks to provide all its services online.

Conventionally the banks have started to adapt a lot to the online service, that has made the banks to show less interest towards personnel (brick and mortar) banking.

Though this technological advancement has supplemented the public with convenience, it also has led the people towards reluctant, carefree attitude & unawareness

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towards handling the cash Different kinds of banks carry out different tasks in accordance with the roles that are predetermined by their memorandums and articles of association. In a politically defined and designated geographic area, the central bank, which is the government's bank, is responsible for monitoring and supervising all banking activity. Farmer and business needs are met by agricultural and industrial banks. The financial needs of the general people are mainly taken care of by commercial banks, who often have a larger network of their branches (Mian, 2008). Since commercial banks contact with the public the most, central banks are constantly looking for ways to boost their efficiency and level of customer service. The quality of services is the most crucial component that counts greatly in today's cutting-edge and prosperous banking industry. Due to the central bank's consistent rules, all commercial banks are compelled to provide nearly identical services. However, the most significant phenomenon is how these services are delivered. There is a great reach of banking services to rural areas, but again the question is about its efficiency.

RESEARCH OBJECTIVES

The main objectives of the study are

- To measure the level of trust of customers towards their bank
- To understand the level of trust over ease of use of the banking services
- To know the preferred mode of banking with respect to the age of Chennai banking customers
- To understand the impact of social norms on availing banking services and behavioral intention.

REVIEW OF LITERATURE

1. **INTENTION TO USE MOBILE BANKING SERVICES: AN ISLAMIC BANKING CUSTOMERS' PERSPECTIVE FROM SRI LANKA,** the goal of the article is to pinpoint the factors that influence Sri Lankan clients of Islamic banks' intentions to utilise mobile banking services. The Unified Theory of Acceptance and Use of Technology served as the foundation for this investigation (UTAUT 2). The predicted variables of behavioural intention to use were performance expectancy, effort expectancy, social influence, enabling conditions, hedonic incentive, and habit. Age, gender, and experience make up the moderating variables.

2. **SEGMENTING RETAIL BANKING CUSTOMERS BY RON GARLAND**, the urge to treat every customer fairly, regardless of how valuable they are to the organisation, echoes the noble but wasteful service tenets of the past. Banks in New Zealand are moving clients to less expensive delivery systems and modifying their customer service levels by employing contemporary database management tools and specific customer information. Customer segmentation is still the core of this database management system. This research proposes a quantitative eight section 'extension' of Reinartz and Kumar's (2002) behavioural segmentation method using a retail bank's private customer contribution data in conjunction with survey-based customer data. By incorporating share of wallet into the segmentation solution, which offers information

into the management of each segment's clients, particularly the "barnacles" (loyal, loss-making customers), the customer-bank relationship has the potential to be profitable.

3. **PREDICTING RETAIL BANKING CUSTOMERS' ATTITUDE TOWARDS INTERNET BANKING SERVICES IN SOUTH AFRICA,** The focus of this article is on the factors influencing South African retail banking customers' attitudes on the use of Internet banking services. By incorporating trust, subjective norms, and demographic factors, this study expanded the Technological Acceptance Model (TAM) and provided an empirical validation in South Africa. The findings imply that attitudes are significantly positively correlated with perceived utility, perceived ease of use, and trust, whereas attitudes are somewhat correlated with subjective norm. While demographic factors were found to be weak and poor predictors of customers' attitudes, consumer trust in the Internet banking system emerged as the most reliable indicator of that attitude.

4. **OPERATIONAL EFFICIENCY IN BANKING: AN INTERNATIONAL COMPARISON BY LINDA ALLEN & ANOOP RAI,** this study calculates an international bank's global cost function to check for input and output inefficiencies. The findings for 1988-1992 indicate that for banks in 15 countries, input X-inefficiencies are far more common than output inefficiencies (as measured by economies of scale and scope). Furthermore, the findings imply that, in comparison to the stochastic cost frontier method, the distribution-free model overestimates the amount of X-inefficiencies. The biggest measure of input inefficiency, equal to 27.5 percent of total expenses, was found in large banks in divided banking countries (which forbid the functional merger of commercial and investment banking). These banks also showed considerable levels of scale-related diseconomies.

PROBLEM STATEMENT

The question of why this specific area is stressed now arises. The straightforward response is "consumer satisfaction". So, this paper aims to understand the satisfaction of the banking customers in Chennai and judge the effect of customer response towards the allied service (ATM service, advancement of loan, encouraging entrepreneurship, cash withdrawals & foreign remittances) that are provided by the bank which may have got impacted by their poor performance or difficulties and complexities to boom in online banking. The emerging trends in the banking sector has developed a mindset of complexities and competent knowledge requirement to avail the services of banks to its customers. This has created an ambiguity and hesitation among customers without **DEPTH** knowledge about the various banking services provided by the banks to attempt on using its services.

This is the main problem addressed in this paper and it aims in solving this problem by giving solution in terms of customer satisfaction by representing statistical results from questions attributable to factors addressing these problems.

RESEARCH SIGNIFICANCE

This study deepens the understanding of the behavioral intentions of the banking customers, that indeed is useful for the banks as well as further researchers to have a base upon the topic and helping the researchers to come up with new strategies and gaps in the banking industry.

The banks also to have a personalized attempt to understand their customers would help them to attain the desired standards as the main trick to success in a field is, by understanding the behavior of the individuals or the customers through their actions.

METHODOLOGY

MODEL

The **TECHNOLOGY ACCEPTANCE MODEL (TAM)** has been used to establish the relationship between the variables and PLSSM has been used to bring out the output results of the test statistics.

TAM deals with external variables affecting perceived ease of use and usefulness. Perceived ease of use and usefulness affect attitudes toward usability that shapes intention to use. Perceived usefulness has however direct influence on intention to use. It is also the fact that behavioural intention influences the actual behaviour. This model has been tested by many researchers and findings reported agree to this relationship.

HYPOTHESIS FOR THE STUDY

- Trust and perceived ease of use:
  [H_0] There is no significant difference between trust issues and perceived ease of use

  [H_1] There is significant difference between trust issues and perceived ease of use

- Perceived ease of use and age:
  [H_0] There is no significant difference between age and perceived ease of use

  [H_1] There is significant difference between age and perceived ease of use

- Social norms and behavioral intention:
  [H_0] There is no significant difference between social norms and behavioural intentions

  [H_1] There is significant difference between social norms and behavioural intentions

- Perceived usefulness and perceived ease of use:
  [H_0] There is no significant difference between perceived usefulness and perceived ease of use

  [H_1] There is significant difference between perceived usefulness and perceived ease of use.

ANALYSIS AND INTERPRETATION

- **Trust and perceived ease of use:**

Table 1.1

|		Ease of making payments online	Safety of banks protocol
Ease of making payments online	Pearson Correlation	1	.210[**]
	Sig. (2-tailed)		.006
	N	171	170
Safety of banks protocol	Pearson Correlation	.210[**]	1
	Sig. (2-tailed)	.006	
	N	170	170
**. Correlation is significant at the 0.01 level (2-tailed).			

Inference:

Correlation value = 0.210 > 0.05 level of significance (linear movement of variables) So, the null hypothesis is accepted, there is no significant difference between trust issues and perceived ease of use.

Perceived ease of use and age:

Table 1.2

Chi-Square Tests			
	Value	df	Asymptotic Significance (2-sided)
Pearson Chi-Square	3.364[a]	3	.339
Likelihood Ratio	3.184	3	.364
Linear-by-Linear Association	.135	1	.714
N of Valid Cases	171		

a. 2 cells (25.0%) have expected count less than 5. The minimum expected count is 2.81.
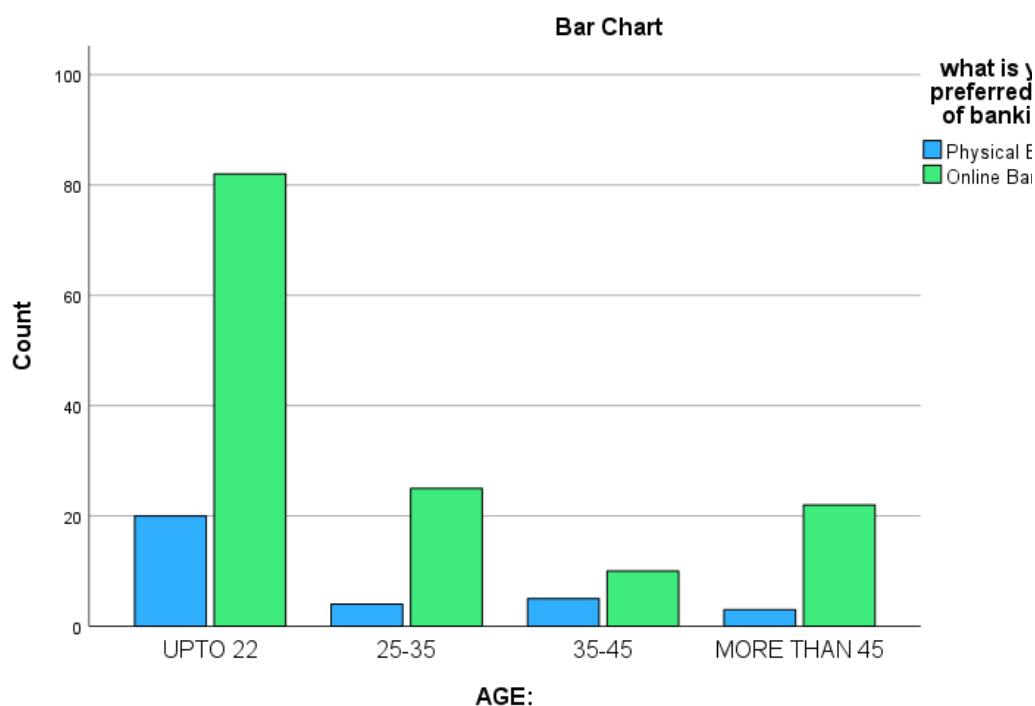
Inference:

Value of chi square =3.364, df = 3, p = 0.339 > 0.05 level of significance So null hypothesis is accepted, there is no significant difference between age and perceived ease of use.

Social norms and behavioral intention:

Table 1.3

ANOVA					
Do you think banks encourage potential business aspirants?					
	Sum of Squares	df	Mean Square	F	Sig.
Between Groups	32.426	2	16.213	8.037	<.001
Within Groups	336.897	167	2.017		
Total	369.324	169			

Df (2,169), F = 8.037, 0.05 level of significance

Inference:
As the significance level is less than 0.05, Null hypothesis is rejected, there is significant difference between social norms and behavioural intentions.

Social norms and perceived ease of use

Table1.4

| Correlations		Influence of social media	Ease of opening bank account
Influence of social media	Pearson Correlation	1	.082
	Sig. (2-tailed)		.286
	Sum of Squares and Cross-products	552.706	29.176
	Covariance	3.270	.173
	N	170	170
Ease of opening bank account	Pearson Correlation	.082	1
	Sig. (2-tailed)	.286	
	Sum of Squares and Cross-products	29.176	228.959
	Covariance	.173	1.347
	N	170	171

Inference:

Correlation value = 0.082 > 0.05 level of significance So, the null hypothesis is accepted, there is no significant difference between social norms and perceived ease of use.

Measure of trust among customers towards their bank

TABLE 1.5

	N	%
Strongly agree	48	28.1%
Agree	70	40.9%
Somewhat agree	32	18.7%
Neither agree nor disagree	14	8.2%
Somewhat disagree	1	0.6%
Disagree	4	2.3%
Strongly disagree	2	1.2%

TRUST

- strongly agree
- agree
- somewhat agree
- neither agree nor disagree
- somewhat disagree
- disagree
- strongly disagre
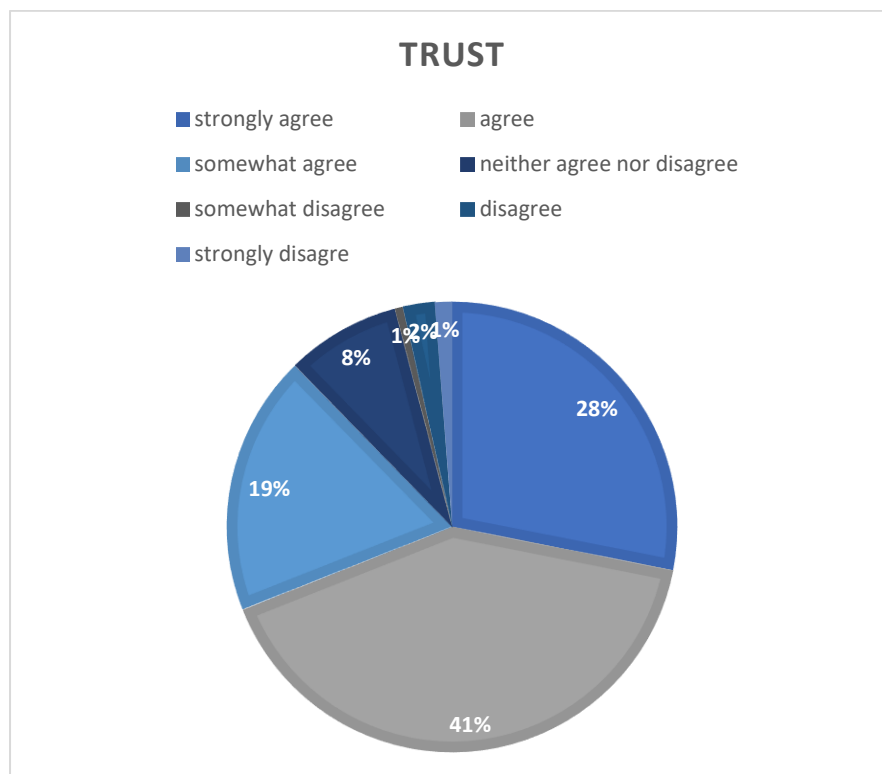
FINDINGS

On trying to establish a relationship between trust and perceived ease of use [What do you feel about the ease of making payments through banking websites] and [Do you think the bank's protocol for making payments online from your accounts is SAFE enough] in (table 1.1)the result of the test statistic is 0.210 which means that the variables are poorly positively correlated establishes that they are linear in motion where the ease of making banking transactions have a direct impact on building the trust among the banking customers. The percentage points of the critical statistics in the chi square table in (table 1.2) is 7.81 and the test statistics value is 3. 364.as the test statistics value is less than the critical statistics value the null hypothesis has been accepted which establishes a relationship that there is no significant difference between the variables, so the preferred type of banking changes with respect the age of the banking customers. the test statistics value is less than the significance level of 0.05 in (table1.3) the null hypothesis is being rejected which establishes a relationship where there exists significant difference between the variables which means that the willingness to start a business is not impacted by the social norms of the society over the banking industry by the ways of social media influence and the opinion of the customers towards banks encouragement on starting business. Finally, 28.1%of the sample population have strong trust over their banks in which they hold accounts in and 40.9%of the sample population have trust without a positive affirmation on the trust they have over their banks. And a minimalistic percentage of 1.2% of the total population have a negative affirmation towards the level of trust in their banks.

CONCLUSION

As we have known that every person, we meet in some or the other way is a banking customer by himself or involved in bank transactions, this paper has thrown lights on the banking customer's behavioural intentions keen observation of which are very crucial for the banks to improve their services and rectify deviations. A consolidate opinion are reflected by some factors such as preferred mode of banking, influence of social media, ease of using the banking services etc. Which has shown significant impact over the behavioural intentions of the customers that, study of which helps the banks to come up with strategies that fit the needs of both the clients and the banks themselves.

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