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Title

ANALYSIS ON PROBLEMS OF CUSTOMERS ON MOBILE

BANKING SERVICES OF ICICI BANK IN TENKASI TALUK

Author(s)

Dr. S. Valli Devasena,

M.Com. M.Phil, B.Ed., PGDCA, Ph.D

Assistant Professor in commerce,

Mother Teresa University, Kodaikanal

1.1 INTRODUCTION:

Banking system is the backbone of the economy and Information Technology (IT) in turn has become the backbone of banking activities. Technology, which was playing a supportive role in banking, has come to the forefront with the ever-increasing challenges and requirements. Technology to start with was a business enabler and now has become a business driver. The Banks cannot think of introducing a financial product without IT support. Be it customer service, transactions, remittances, audit, marketing, pricing or any other activity in the Banks, IT plays an important role not to complete the activity with high efficiency but also has the potential to innovate and meet the future requirements.

The Banking Sector was early adopter of technology and in that way set an example to the other Industries the need to opt for automation for taking full advantage in operational efficiency.

1.2 STATEMENT OF THE PROBLEM:

In order to cater to the changing preferences, bankers are bound to provide the services suitable to their needs to survive in the competition; bankers are bound to provide the services suitable to their needs to survive in the competition. Besides, the business relationship between a bank and its customer is not a non-time transitory relationship, but a relatively permanent and enduring one, which requires to be nurtured with good quality of service. In such a situation, any bank not having a mind towards bettering the quality of customer service is almost certain to lose its business. Needless to say, in the post-reform era which is becoming day by day frighteningly competitive, only those banks which have been exactingly customer-focused will have better chances of survival and growth.

Despite so many measures initiated at various levels to improve the standard of customer service, the level of satisfaction perceived by various segments of customers has been low. Demand for improvement in customer service continues to be louder-and so is the level of customer complaints regarding poor service.

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1.3 OBJECTIVES OF THE STUDY:

- To analyse the problems faced by the customer in utilizing the services and to offer suggestions based on the findings of the study

1.4 REVIEW OF LITERATURE:

Jim Dale Reed conducted a study on "Commercial Bank selection: A Factor Analysis of the Determinants of Consumer Choice" with the purpose to identify the variables that influence the consumer behavior in selecting a commercial bank and concluded that no single variable was responsible for a particular decision. It was the combination of several factors that led to final selection.

Eugene W. Anderson, Daes and Furness and Donald R. Lehmann discussed the links between quality, expectations, customer satisfaction and profitability. The findings state that when quality and expectations increase, there is a positive impact on customer satisfaction and in turn, profitability

Stephen S. Tax, Stephen W. Brown and Murali Chandrasekaran developed and tested a hypothesis regarding the inter play between satisfaction with complaint handling and prior experience in shaping customer trust and commitment. The result indicates that a firm's favourable actions during conflict demonstrate its reliability and trustworthiness and implies that investments in complaint handling can improve service quality, strengthen customer relationships and build customer commitment.

1.5 FRAMEWORK OF ANALYSIS:

Arithmetic mean and percentages are used to describe the data.

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The technique adopted to identify and analyze the problems faced by the customers towards mobile banking services offered by ICICI is the Factor Analysis. The principal factor method with Orthogonal Varimax Rotation is used. A table of co-efficient that expresses the ratios between the variables and the factors has been prepared. The sum of squares of the factor loading of a variable is called communalities (h^2).

The communality of a factor is its common factor variance. The factors with factor loading of 0.50 or greater are considered as significant factors. This limit is chosen because it had been judged that factors with less than 20 per cent common variation with the rotated factor pattern are too weak to report.

1.6 SCOPE OF THE STUDY:

This study covers the mobile banking services rendered by ICICI bank in Tenkasi taluk. As the study is an empirical study to identify the satisfaction level of the customers towards mobile banking services rendered by the banker, the study has been focused towards customers who are the recipient of services. The ICICI bank in Tenkasi taluk consists of 5 branches. The study was undertaken on the customers of 5 branches only.

1.7 SAMPLING DESIGN:

The customers of ICICI bank in tenkasi taluk branches are large in number and hence a comprehensive list of customers could not be prepared. Moreover, the list of customers of each branch could not be obtained only from the bank managers. They should not reveal the names of customers due to their obligations to maintain the confidentiality of customers' accounts as per sec.13 of Banking Company (Acquisition and Transfer of undertakings) Act, 1970. Therefore, a sample of 100 customers inclusive of all branches was selected by applying a non-probability random sampling method.

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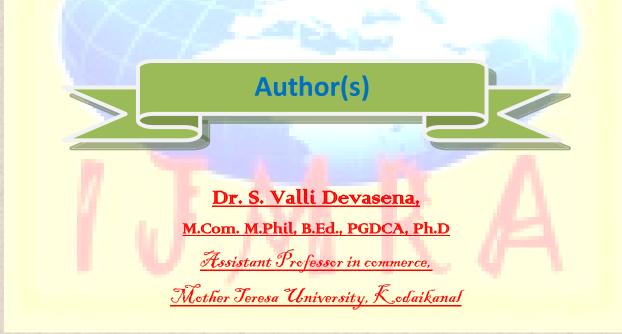**http://www.ijmra.us**

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1.8 GEOGRAPHICAL AREA OF THE STUDY:

The study covers the whole area of Tenkasi only where the branches of the ICICI Bank are situated. They are Illathur Branch, Sundharapadiapuram Branch, Malapa Branch, Ravannasamuthiram Branch, pathamadai Branch, in 5 branch.

1.9 ANALYSIS OF THE STUDY:

While using mobile banking services, the customers are facing many problems irrespective of banks which are providing those services. The various problems faced by the customers and the agreement level of customers towards problems related to mobile banking services are listed in Table 1

Table: 1

Agreement towards problems related to mobile banking services.

Problems related to mobile banking services		Highly disagree	Disagree	Neither agree nor disagree	Agree	Highly Agree	Total
The fee for mobile banking services is high	Count			4	70	26	100
	%			4.0%	70.0%	26.0%	100.0%
Know the details of terms and conditions	Count			4	70	26	100
	%			4.0%	70.0%	26.0%	100.0%
Terms conditions are within my limit	Count			5	65	30	100
	%			5.0%	65.0%	30.0%	100.0%
Initial stage restriction are more	Count		2	16	62	20	100
	%		2.0%	16.0%	62.0%	20.0%	100.0%
Instruction are carried on immediately	Count	1	2	18	56	23	100
	%	1.0%	2.0%	18.0%	56.0%	23.0%	100.0%

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Delay in providing services of orders	Count		3	72	17	8	100
	%		3.0%	72.0%	17.0%	8.0%	100.0%
Monetary loss due to delay caused	Count	1	5	92	2		100
	%	1.0%	5.0%	92.0%	2.0%		100.0%
Customer loss due to delay caused	Count	1	4	93	2		100
	%	1.0%	4.0%	93.0%	2.0%		100.0%
Time loss due to delay caused	Count	1	8	83	8		100
	%	1.0%	8.0%	83.0%	8.0%		100.0%
Name loss due to delay caused	Count	1	12	82	5		100
	%	1.0%	12.0%	82.0%	5.0%		100.0%
Transaction limit happens me	Count		20	23	39	18	100
	%		20.0%	23.0%	39.0%	18.0%	100.0%
Handset operability problems exist (JZME, WAB, Browser, SMS)	Count		11	14	58	17	100
	%		11.0%	14.0%	58.0%	17.0%	100.0%
Over the air update is possible	Count	1	2	13	62	22	100
	%	1.0%	2.0%	13.0%	62.0%	22.0%	100.0%
24 x7 function exists	Count		2	7	56	35	100
	%		2.0%	7.0%	56.0%	35.0%	100.0%
Languages problem exists	Count	1	3	13	57	26	100
	%	1.0%	3.0%	13.0%	57.0%	26.0%	100.0%
Std-beneficiary list is maintained	Count		5	12	58	25	100
	%		5.0%	12.0%	58.0%	25.0%	100.0%
Security Alert system available	Count		10	15	50	25	100
	%		10.0%	15.0%	50.0%	25.0%	100.0%
Default transaction	Count		11	24	39	26	100
	%		11.0%	24.0%	39.0%	26.0%	100.0%

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problem exists							
Date, Time amount, format problem exists.	Count	4	9	24	42	21	100
	%	4.0%	9.0%	24.0%	42.0%	21.0%	100.0%
The fee for mobile banking services is high	Count			4	70	26	100
	%			4.0%	70.0%	26.0%	100.0%

   4Respondents are neither disagree nor agree, 70 respondents are satisfied, and 26 respondents are highly agree with regard to the statement 'The fee for mobile banking services is high'.

   4 respondents are neither agree nor disagree, 70 respondents agree, and 26 respondents highly agree with regard to the statement 'Know the details of terms and conditions '.

   5 respondents are neither agree nor disagree, 65 respondents agree, and 30 respondents highly agree with regard to the statement 'Initial   stage restriction are more'

   2 respondents disagree, 16 respondents agree nor disagree, 62 respondents were agree, and 20 respondents highly agree with regard to the statement 'Terms conditions are within my limit'.

   1 respondents disagree, 5 respondents disagree 18 respondents neither agree nor disagree, 56 respondents agree, and 23 respondents highly agree with regard to the statement 'Instruction are carried on immediately

   3 respondents disagree 72 respondents neither agree nor disagree, 17 respondents agree, and 8 respondents highly agree with regard to the statement 'Delay in providing   services of orders

   1 respondents highly disagree 5 respondents disagree 92 respondents neither agree nor disagree, 2 respondents agree, and with regard to the statement 'Monetary loss due to delay caused'

   1 respondents highly disagree 4 respondents disagree 93 respondents neither agree nor disagree, 2 respondents agree, and with regard to the statement 'Customer loss due to delay caused'

1 respondents highly disagree 8 respondents disagree 83 respondents neither agree nor disagree, 8 respondents agree, and with regard to the statement 'Time loss due to delay caused

1 respondents highly disagree 12 respondents disagree 82 respondents neither agree nor disagree, 5 respondents agree, and with regard to the statement 'Name loss due to delay caused

20 respondents disagree 23 respondents neither agree nor disagree, 39 respondents agree, 18respondents high Disagreed, with regards to the statement 'Transaction limit   happens me

11 respondents disagree 14 respondents neither agree nor disagree, 58 respondents agree, 17 respondents highly agree and with regard to the statement 'Handset operability   problems exist (JZME, WAB, Browser, SMS)

1 respondents highly agree 2 respondents disagree 13 respondents neither agree nor disagree, 62 respondents agree, 32 respondents highly agreed and with regard to the statement 'Over the air update is possible'

2 respondents disagree 7 respondents neither agree nor disagree, 56 respondents agree, 35respondents highly agree and with regard to the statement '24x7   function

1 respondents highly agree 3 respondents disagree 13 respondents neither agree nor disagree, 57 respondents agree, 26 respondents highly agree and with regard to the statement 'Languages problem exists'

5 respondents disagree 12 respondents neither agree nor disagree, 58 respondents agree, 25 respondents highly agree and with regard to the statement 'Standard beneficiary list is maintained'

10 respondents disagree 15 respondents neither agree nor disagree, 50 respondents agree, 25 respondents highly agree and with regard to the statement 'Security Alert system available'

11 respondents disagree 24 respondents neither agree nor disagree, 39 respondents agree, 26 respondents highly agree and with regard to the statement 'Default transaction problem exists '

4 Respondents highly disagree 9 respondents disagree 24 respondents neither agree nor disagree, 42 respondents agree, 21 respondents highly agree and with regard to the statement 'Date, Time amount, format problem exists.

Factor Analysis:

Factor Analysis is called the queen of analytical methods. Factor analysis is based on the fundamental assumption that some underlying or latent factors which are smaller in number than the number of observed variables, are responsible for the co-variation among the observed variables. Thus a certain correspondence exists between the underlying factors and observed variables. The mathematical properties of the correspondence are such that one causal system of factors leads to a unique correlation system of observed variables, but not vice verse. The correlation co-efficient is used as a measure of interrelationship (association) among the variables and those between the subsets. A factor analytical approach is used to address whether these observed correlations could be explained to the existence of a small number of hypothetical variables. Simply, it is a method for extracting common factor variances from sets of measures.

Principal component analysis method with vary-max rotation had been selected since it is an approach to factor analysis that considers the total variance in the date and also enhances interpretability. Principal component analysis is recommended when the primary concern is to determine the minimum number of factors that will account for maximum variance in the data for using subsequent multivariate analysis.[3] Vary-max procedure is an orthogonal method of factor rotation that minimizes the number of variables with high loadings on a factor thereby enhancing the interpretability of the factors.[4]

In the research, factor analysis has been used to identify the structures and important problem factors. For that first KMO and Bartlett's Test is applied to assess the sample adequacy. Table 2 shows the results.

Table: 2

KMO and Bartlett's Test

Kaiser-Meyer- Olkin Measure of Sampling Adequacy.		.599
Bartlett's Test of Sphericity	Approx. Chi-Square	852.489
	df	171
	Sig.	.000

The value of Kaiser-Meyer-Olkin Measure of Sampling Adequacy is .599is just adequate

Table: 3

Communalities

Problems related to mobile banking services	Initial	Extraction
The fee for mobile banking services is high	1.000	.908
Know the details of terms and conditions	1.000	.913
Terms conditions are within my limit	1.000	.795
Initial stage restriction are more	1.000	.760
Instruction are carried on immediately	1.000	.721
Delay in providing services of orders	1.000	.540
Monetary loss due to delay caused	1.000	.802
Customer loss due to delay caused	1.000	.835
Time loss due to delay caused	1.000	.665
Name loss due to delay caused	1.000	.563
Transaction limit happens me	1.000	.430
Handset operability problems exist (JZME, WAB, Browser, SMS)	1.000	.630
Over the air update is possible	1.000	.690
24 x7 function exists	1.000	.677
Languages problem exists	1.000	.732
Std. beneficiary list is maintained	1.000	.580
Security Alert system available	1.000	.637
Default transaction problem exists	1.000	.760
Date, Time amount, format problem exists.	1.000	.706

Extraction Method: Principal Component Analysis.

The Opinion about the factors affecting the choice of mobile-banking was subjected to factor analysis and the initial and extracted communalities were found using principal component analysis. Both the initial and extracted communalities for all the 19 problem variables are shown above.

Table: 4

Total Variance Explained

Component	Initial Eigen values			Extraction Sums of Squared Loadings			Rotation Sums of Squared Loadings		
	Total	% of Variance	Cumulative %	Total	% of Variance	Cumulative %	Total	% of Variance	Cumulative %
1	3.162	16.643	16.643	3.162	16.643	16.643	2.942	15.487	15.487
2	2.861	15.056	31.699	2.861	15.056	31.699	2.670	14.051	29.537
3	2.444	12.862	44.562	2.444	12.862	44.562	2.248	11.832	41.369
4	2.059	10.837	55.399	2.059	10.837	55.399	2.033	10.701	52.070
5	1.513	7.964	63.363	1.513	7.964	63.363	1.750	9.212	61.282
6	1.303	6.858	70.220	1.303	7.964	70.220	1.698	8.939	70.220
7	.916	4.821	75.041						
8	.875	4.607	79.648						
9	.813	4.277	83.925						
10	.621	3.266	87.191						
11	.460	2.422	89.613						
12	.416	2.189	91.801						
13	.342	1.801	93.602						
14	.300	1.577	95.179						
15	.241	1.268	96.447						
16	.229	1.205	97.652						
17	.200	1.054	98.707						
18	.180	.948	99.655						
19	.066	.345	100.000						

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Extraction Method: Principal Component Analysis.

Extraction Method: Principal Component Analysis.

Six factor components were extracted by using principal component analysis for extraction and Vary-max with Kaiser Normalization method of rotation.

Factor one extracted 16.643% of the variance, factor two extracted 15.056% of the variance, factor three extracted 12.862% of the variance, factor four extracted 10.837% of the variance, factor five extracted 7.964% of the variance, and factor six extracted 7.964% of the variance.. In total all the extracted components explained 70.220% of the variance.

On rotation Factor one extracted 15.487% of the variance, factor two extracted 14.051% of the variance, factor three extracted 11.832% of the variance, factor four extracted 10.701% of the variance, factor five extracted 9.212% of the variance, and factor six extracted 8.939% of the variance. In total all the extracted components explained 70.220% of the variance.

Table: 5

Rotated Component Matrix (a)

Problems related to mobile banking services	Component					
	1	2	3	4	5	6
Customer loss due to delay caused	.906	.049	-.040	-.026	.031	.091
Monetary loss due to delay caused	.883	.048	-.054	-.048	.117	-.021
Time loss due to delay caused	.778	-.043	.206	.046	.055	-.102
Name loss due to delay caused	.736	.000	-.070	-.076	.012	.104
Know the details of terms and conditions	.025	.950	-.030	.053	.079	-.021
The fee for mobile banking services is high	.176	.930	.031	.063	-.030	-.076
Terms conditions are within my limit	-.139	.862	-.019	-.060	.167	.020
Default transaction problem exists	.027	-.026	.870	-.001	-.043	-.004
Date, Time amount, format problem exists.	.068	-.077	.818	-.118	-.053	.098

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Security Alert system available	-.059	.078	.739	.123	.250	-.062
Languages problem exists	-.015	-.020	.046	.838	.151	-.066
24 x7 function exists	-.034	-.014	-.114	.789	.033	.198
Std. beneficiary list is maintained	-.187	.097	.410	.536	.276	-.060
Initial stage restriction are more	-.033	.229	.077	.123	.827	-.029
Instruction are carried on immediately	.267	.032	-.005	.230	.771	.031
Delay in providing services of orders	.084	-.135	.170	-.262	.468	.446
Handset operability problems exist (JZME, WAB, Browser, SMS)	-.062	.013	.022	.013	-.046	.789
Transaction limit happens me	.058	-.106	-.010	.035	.100	.635
Over the air update is possible	.111	.214	-.063	.483	-.143	.612

Extraction Method: Principal Component Analysis. Rotation Method: Vary-max with Kaiser Normalization.

A Rotation converged in 6 iterations.

Table: 6

Variables loaded in factor 1

Variables	Factor 1
Customer loss due to delay caused	.906
Monetary loss due to delay caused	.883
Time loss due to delay caused	.778
Name loss due to delay caused	.736

The factor 1 is named as customer, monetary, time, and name loss Problems on the basis of loading.

Table: 7

Variables loaded in factor 2

Variables	Factor 2
Know the details of terms and conditions	.950
The fee for mobile banking services is high	.930
Terms conditions are within my limit	.862

The factor 2 is named as terms and conditions, and fee problems on the basis of loading.

Table: 8

Variables loaded in factor 3

Variables	Factor 3
Default transaction problem exists	.870
Date, Time amount, format problem exists.	.818
Security Alert system available	.739

The factor 3 is named as Default transaction problem on the basis of loading.

Table: 9

Variables loaded in factor 4

Variables	Factor 4
Languages problem exists	.838
24 x7 function exists	.789
Std. beneficiary list is maintained	.536

The factor 4 is named as Languages problem on the basis of loading

Table: 10

Variables loaded in factor 5

Variables	Factor 5
Initial stage restriction are more	.827
Instruction are carried on immediately	.771
Delay in providing services of orders	.468

The factor 5 is named as Initial   stage restriction problem on the basis of loading.

Table: 11

Variables loaded in factor 6

Variables	Factor 6
Handset operability problems exist (JZME, WAB, Browser, SMS)	.789
Transaction limit hampers me	.635
Over the air update is possible	.612

The factor 6 is named Handset -operability   problems   on the basis of loading.

1.10 SUGGESTIONS and CONCLUSIONS:

For delivering quality service, it is imperative to have customer orientation as a culture in the bank. Customer orientation builds long term relationship resulting in customer satisfaction and cash flows to the banks. Hence, ICICI bank should concentrate on removing the problems factors that are serious.

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