

## TO STUDY THE CUSTOMERS PERCEPTION TOWARDS E-BANKING SERVICES OF SELECTED BANKS

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**Abstract :**In the era of Information Technology, world has become a village. In this changing environment, banking is transformed from manual business to electronic business, as we need banking not banks, a statement given by Bill Gates. E-banking facilitates an effective payment and accounting system thereby enhancing the speed of delivery of banking services considerably. While E-banking has improved efficiency and convenience, it has also posed several challenges to the regulators and supervisors. Moreover, customer expectation for quality, service, and value are rising continually.

The study highlight the customer perceptions regarding e - banking services through a survey conducted. The major findings of this study is that customers of bank were interested in e- banking services, but at the same time they are facing many problems regarding e-banking services like inadequate knowledge, poor network, lack of infrastructure, unsuitable location, misuse of ATM cards and difficulty in opening an account etc.

**Key words:**Electronic banking, Customer satisfaction , Competitive advantages.

### INTRODUCTION

The Banking system of India should not only be hassle free but it should be able to meet new challenges posed by the technology and any other external and internal factors. Electronic banking is an umbrella term for the process by which a customer may perform banking transactions electronically without visiting a brick-and-mortar institution.

Finland was the first country in the world who has taken a lead in E-banking. In India, it was ICICI Bank, which initiated E-banking as early as 1997 under the brand name Infinity. Electronic banking (E-banking) is a generic term encompassing internet banking, telephone banking, mobile banking etc.

Definition of e -Banking

“Banking transactions done through internet is known as e- banking”

### OBJECTIVE OF THE STUDY:

The main objective of the study is to examine the importance of e- banking in banking sector, and its impact on the Customer Satisfaction with a special reference to State Bank of India (SBI), ICICI, Bank of Maharashtra and Dena Bank.

**The other specific objectives of the study are:**

1. To study the satisfaction of customer in selected Banks.
2. To study different problems and operational risks involved in e - banking services.
3. To make a comparative analysis of customers’ satisfaction with reference to e -banking services among the selected Banks.

## REVIEW OF LITERATURE:

### STUDIES CONDUCTED IN INDIA: -

Uppal R K (2008) has analysed the quality of e- Banking services in the changing environment on the basis of 5 point likert –type scale with different statistical tools such as rated average method and ranking. The study concludes that most of the customers of e - banks are satisfied with the different e – channels and their services, but the lack of awareness is a major obstacle in the spread of e – banking services.

Tawani A. A. (2010), “Services provided by the bank through E-banking in India”, conducted the research on the customers of ICICI bank and HDFC bank to check the awareness of internet banking and to examine the satisfaction relating to e-banking services.

Gupta P. K. (2008) The paper identifies the weaknesses of conventional banking, explores the consumer awareness, use patterns, satisfaction and preferences for Internet banking vis-à-vis conventional form of banking, and highlights the factors that may affect the bank’s strategy to adopt Internet banking.

### STUDIES CONDUCTED ABROAD: -

Oliveira P. & Eric V. H. (2011) Found that 55% of today's computerized commercial banking services were first developed and implemented by non-bank firms for their own use, and 44% of today's computerized retail banking services were first developed and implemented by individual service users rather than by commercial financial service providers.

According to Kotler, CRM principally revolves around marketing. It in–volves integrating information gathered from all the distribution channels and analyzing the data, with the help of IT, to understand customer behavior. The continuous analysis and improvements over a long period should result in enhancing customers' lifetime value with the firm.

### Features of e-Banking:

Customer must go through a series of security steps in order to log on. Such as PIN number, password, position of random characters in a phrase, may be a random number entry from hand held card and so on.

1. Customers can see details of their accounts online.
2. Customers can select an account and see the cash balance of each of their accounts and the available money on each account.
3. Can select account they want and transfer money between their accounts or to another person / business.
4. Can view their direct debits
5. Can set up standing orders
6. Can view historical statements by week/month for the previous six months.
7. Make one-off payments or transfers.
8. Will automatically log customer out if no action for a short period.
9. Message facility to communicate with bank about account or security issues. Customer can get response usually from bank within 24 hours.

### Advantages of e–Banking:

1. e- Banking gives more interest rates and saves lot of expenses.
2. We can carry out all banking transactions at our own convenience.
3. Lot of precious time and the paper work is saved.
4. Banks also provide balance alerts.
5. There are no extra charges and there is improvement in customer access.

### How to Start e -Banking

- Step 1: Access Internet Banking - Obtain your User ID and Passwords  
Step 2: Create your Own Unique User ID.  
Step 3: Link the Account Numbers to your User ID (if you have more than one account)

**DATA COLLECTION:**

	<b>Simple random sampling and convenient sampling</b>
Sample size	The sample was collected from 600 customers and 40 Managers of selected banks.
Data collection	Primary data and Secondary data
Statistical methods to test the data	<b>CHI-SQUARE TEST, ANOVA</b> <b>Customer expectancy Model, and Factor analysis</b>

**ANALYSIS AND INTERPRETATION:**

**HYPOTHESIS 1:**

**Null Hypothesis 1:** There is no significant difference between awareness of e-banking among customers of each of bank SBI, DENA, BOM and ICICI.

**TABLE: 1 ANOVA TABLE IS AS FOLLOWS**

SOURCE	DEGREES OF FREEDOM	SUM OF SQUARES	MEAN SUM OF SQUARES	F-RATIO	TABLE VALUES 5%	TABLE VALUES 1%
BETWEEN BANKS	3	22629.18182	7543.0606	5.175519302	2.84	4.31
WITHIN BANKS	40	58298	1457.45			
<b>TOTAL</b>	<b>43</b>	<b>80927.18182</b>				

SOURCE: PRIMARY DATA

Decision: Since  $F_{\text{calculated}} > F_{\text{table}}$  for both 5% and 1% i.o.s.

Null Hypothesis  $H_0: \mu_{\text{BOM}} = \mu_{\text{DENA}} = \mu_{\text{ICICI}} = \mu_{\text{SBI}}$  is rejected.

**Conclusion: There is significant difference between SBI, Dena, ICICI, and BOM as far as awareness is concerned. Average number of respondents in favour of AWARENESS for ICICI is highest, it can be concluded that ICICI bank ranks first as far as AWARENESS of e-banking is considered.**

**TABLE: 2 Calculation Of Expected Number Of Customers Who Will Retain With e-banking Strategies In 2015 Per 600 Customers For All Four Selected Banks In Thane City**

YEAR	X	NO. OF CRM USERS (Y)	X*Y	X <sup>2</sup>
2011	1	256	256	1
2012	2	348	696	4
2013	3	355	1065	9
2014	4	389	1556	16
2015	5	451	2255	25
<b>TOTAL</b>	<b>? X=15</b>	<b>? Y=1799</b>	<b>? XY=5828</b>	<b>? X<sup>2</sup>= 55</b>

SOURCE: PRIMARY DATA  
 VARIABLE Y DEPENDS ON X.

Let a Y is the no. of CRM KNOWN CUSTOMERS and X is time or no. of years.

By, ORDINARY LEAST SQUARE method, WE GET VALUES OF 'a' AND 'b'.

By solving these two equations, we get,

Value of b=43.1 and a=230.5

Thus, by putting values in

$$Y = a + bX$$

$$Y = 230.5 + 43.1 * 6$$

$$= 230.5 + 258.6 = 489.1$$

**Conclusion:** Therefore, one can say that expected number of customers who will retain with e-banking strategies with banks in 2015 per 600 customers can be 489. So, bank has to provide e-banking services and get ready for more number of customers to be enrolled for the benefit of e-banking strategies.

**Null Hypothesis 2:** Quality of services and satisfaction level about e-banking are independent of each other.

Chi-Square Calculated = 12.9328

Chi-Square Table at 5% I.o.s. = 3.84 and at 1% I.o.s. 6.63

Decision: Since 2 calculated > ?2 table

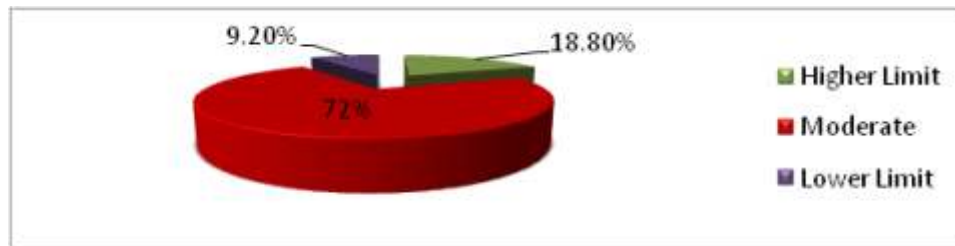
Null hypothesis about Independence of attributes is rejected.

**Conclusion:** Quality of Services and Satisfaction Level about e-banking are not independent of each other. It means Satisfaction Level in banking is highly dependent on Quality of Services. So, we can conclude as Quality of Services and Satisfaction level about e-banking are dependent of Each other.

**Chart: 1 Factors Of Performance Review**



**INTERPRETATION:** From the above graph it is clear that 100% respondents agreed for factors of performance review, i.e. Identifying potential and training needs, generating data for key skills, and business is better with e-banking.



**CHART: 2 Customer's Opinion about e- Banking**

The above graph shows the positive customer opinion about e-banking of their bank .

## **FINDINGS, SUGGESTIONS AND CONCLUSION**

### **Findings of the Study**

- 1)The study showed that approximately 90% customers believed that e-banking is useful for them. The findings of the study show that maximum customers have positive attitude towards e-banking.
- 2)The study showed that the customers i.e. e-banking users have more than 75% trust on their banks. Customers felt that banks must provide more security to e-banking as compared to traditional banking because of a high chance of misuse of their account.
- 3)The study revealed that there is significant difference in all the aspects of e-banking with reference to traditional banking.
- 4)More than 80% customers took the precautionary measure while using e-banking. It means they all were aware of precautionary measures.
- 5)The study showed that approximately 90% customers believed that e-banking is useful for them. 8% customers felt that the use of e-banking is not very easy while 92% customers found it easy to operate e-banking. 89.2% customers were satisfied with the speed of response from the bank site. 5.60 % customers were highly encouraged by the bank for e-banking, 9.6% were highly encouraged by the bank officials while 15.6% were highly encouraged by their friends or colleagues.84.8% customers were having more than 75% trusts on their banks. Thus, it clearly shows maximum customers have positive attitude towards e-banking.

### **SUGGESTIONS FOR BANK**

- Almost all the customers were satisfied with the services provided by the bank like e-banking
- Therefore, the bank should encourage more customers to adopt e-banking

### **Suggestions for Customers**

- The customers should learn new precautionary measures so nobody can misuse their accounts and they should have 100% trusts on their banks for smooth functioning.

### **CONCLUSION:**

Retaining the customers in a highly competitive volatile market is a tough task. The yearlong relationship with a major customer may be snapped overnight, with a new entrant offering a better deal under a cutthroat competitive environment. The study showed that customers have positive opinion about e-banking. The positive impact of technology infusion is clearly visible now in almost all the areas of banking operations, especially in the retail and payment system in the country. Hence, e-banking is an inevitable tool of marketing that can be considered as critical responsibility of market with regard to banks in present context.

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