

An Empirical Study on Customer Perception Towards e-Banking Services

Kiran Kumar Thoti and V. Narendra

Sree Vidyanikethan Institute of Management, Sree Sainath Nagar, A Rangampet, Tirupati, 517102 Andhra Pradesh, India

Key words: Banking service, customer relationship, e-Banking, ATM, CDM

Corresponding Author:

Kiran Kumar Thoti
Sree Vidyanikethan Institute of Management, Sree Sainath Nagar, A Rangampet, Tirupati, 517102 Andhra Pradesh, India

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Abstract: e-Banking know as electronic banking where all the banking operations like fund transfer, deposits, bills payments, etc. are through online process. The study was focuses on banking customer's options about the updated banking services for 24 h in a week that operated throughout the year services, ATM, CDM (Cash Deposit Machine and money withdrawn). The research was conducted in Thiruvannamalai, Tamil Nadu. The research was based on the consumer interested and perception about usage of electronic banking system and transaction. The questionnaires or instruments were framed using likert scale and hypothesis was tested using Chi-square test.

INTRODUCTION

Internet banking or electronic bank working on ATMs, Tele banking, mobile banking, credit cards banking, debit card banking, online banking services for providing 24/7 service for entering the year to the customers. Now, banks is tied with e-Commerce for motivating the customer to improve purchase capacity in India. In Fig. 1, explain about the online internet banking system starts with internet banking customer access the banking process through phone wireless broadband then it link to customer ISP (Internet Service Provider) and access to the internet then bank will access to ISP that was authorising by bank portal through router.

Most of the bank portal is operates through mozile firewall then through network Intrusion Detection System (IDS) link to website sever (host base IDS) then website server access the customer details through security log in and the password that will be provide by customer.

After log in to their personal bank account personal page then external DNS server will provide

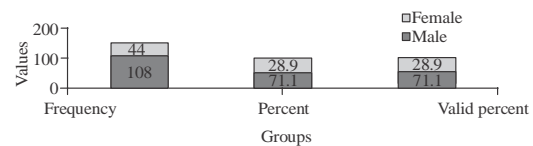


Fig. 1: Participants gender

another web page for internal DNS server that will access to e-mail server (the host based IDS), internet banking server (Host-based IDS), proxy server. Once, it was authority by the network IDS then customer can operate internal network and core banking system effective. Internet banking system applications are updated through various electronic devices like mobiles, laptop, tabs, computers, etc.

Literature review: According to Black *et al.*^[1] conducted the study to know about customer opinions about internet banking. As per his study customer accepted that internet banking use was secure and easy to use the online

banking service. He chose qualitative exploratory research using questionnaire and sample size was 500 participants with difference education, gender background.

According to Vardhman stated that online banking makes regular online transactions make the speedy and time efficient with little or no paperwork involved. The study stated that online banking modernized the professional banking process popular in countries. According to Padachi *et al.*^[2] stated that electronic banking services know as transfer the fund by inter banking, intra banking process, transfer fund to credit card account, recharge mobile phones, bill payment. In his study he divided two groups according to demographic variables, non-banking, education, gender. In the comparing the groups between internet user and non-internet user of the banking that analysis reveals that there is no significant difference between the group according to the use age of banking service.

According to Liao and Cheung^[3] stated that internet based electronic banking service was usefulness and willingness to use internet though retail electronic banking service in Singapore. The study was conducted in Singapore and describes geography and well-developed infrastructure implied with small physical and tele communication costs. In his study, he highlights difference between traditional and the internet based retail banking upon the latter's introduction. Infrastructure for supporting e-retail banking sector required accuracy, security, network speed, user friendliness, user involvement and convenience were the most important quality attributes that improves significantly on five factors that allowing the marginal rates of substitution between customer attitudes.

According to Sohail and Balachandran^[4] focused on e-Banking and customer preferences in Malaysia. His paper examines the current trends in the electronic commerce revolution that improves and practices the Malaysian banking sector and reports on an empirical research. His study considered the influenced and adoption of electronic banking services with respected to the age and educational qualification of respondents usage in online purchases. His study was limited towards people in Malaysia and his study outcome was there was a significantly relationship between usages of electronic banking sectors in Malaysia.

Statement of the problem: As bankers introduced e-Banking facility, since, the last 10 years as the use of e-Banking is increasing day-by-day, it is important to study the customer preference towards use of e-Banking services in Thiruvannamalai city. We can see many problems in marketing of any product or service. Some problems can be solved but so many problems may not be solved. India is a developing country and e-Banking is an important one to develop a banking sector. e-Banking

services are the connecting link between the banks and customers, face many problems to market their e-Banking services from various dimensions and many causes behind this. So the research has been done to know the perception of customers.

Objectives of the study:

- To understand the perceptions of customers towards e-Banking services
- To know the awareness level of customers about e-Banking services of various banks
- To assess the customer satisfaction levels towards e-Banking services

MATERIALS AND METHODS

- Primary data: the primary data is collected through the people of Thiruvannamalai
- Secondary data: journals, articles, publications

Sample size:

- The sample size was restricted to only 152
- Sampling technique: convenience sampling method (non-probability)

Tools of analysis: Simple percentages method, Chi-square test.

RESULTS AND DISCUSSION

Data analysis and interpretation: Figure 1 participants gender indicates that 71.1% of the participants are male and 28.9% are female. Figure 2 participant age group indicates that 76.3% of the participants are aged between 20-30 years, 18.4% are aged between 31-40 years and 5.3% of the participants are aged above 40 years.

Figure 3, educational qualification of participant indicates that 0.7% of the participants are qualified up to ssc, 2.6% of the participants are qualified up to inter, 73.0% of the participants are qualified up to degree and 23.7% are qualified up to pg and above.

Figure 4, occupation of participant indicates that 23.7% of the participants are government employee, 42.7% of the participants are private employee, 10.5% of the participants are self employed, 11.8% of the participants are students and 11.8% of the participants are unemployed.

Figure 5, participant status indicates that 50% of the participants are married and 50% of the participants are single. Figure 6, participants income levels indicates that 17.1% of the participants are income level between up to 10000, 9.2% of the participants are income level between 10001-20000, 21.1% of the participants are income level between 20001-30000, 25.0% of the participants are

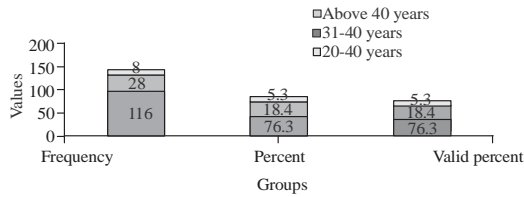


Fig. 2: Participant age group

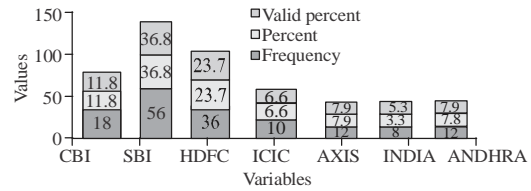


Fig. 7: Customers favourite bank for which they are using e-Banking service

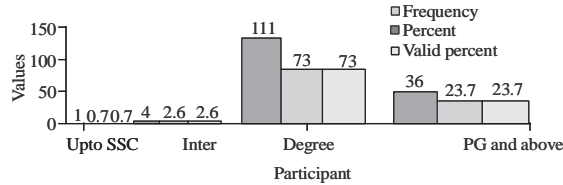


Fig. 3: Educational qualification of participant

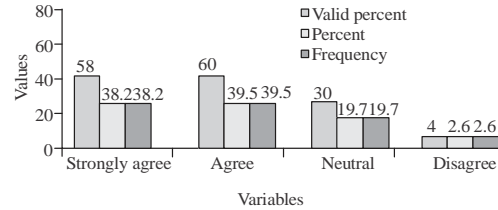


Fig. 8: Customers agreement level whether e-Banking would enhance their effectiveness in conducting banking services

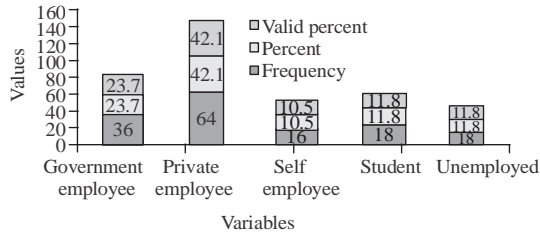


Fig. 4: Occupation of participant

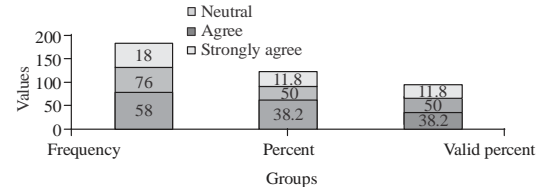


Fig. 9: Customers agreement level whether e-Banking service makes it easier for them to conduct transactions

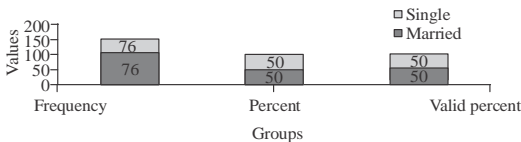


Fig. 5: Participant status

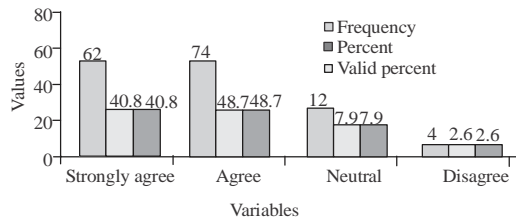


Fig. 10: Customers agreement level whether their transaction with e-Banking services is easy and understandable

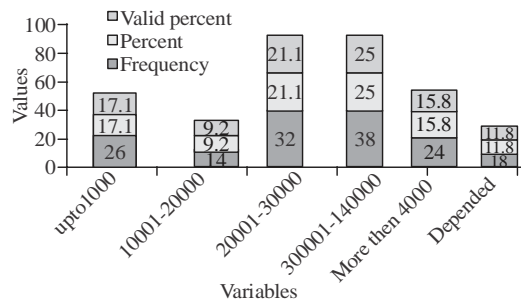


Fig. 6: Participants income levels

income level between 30001-40000, 15.8% of the participants are income level between >40000 and 11.8% of the participants are depended.

Figure 7, customers favourite bank for which they are using e-Banking service indicates that 11.8% of the participants are using CBI, 36.8% of the participants are using SBI, 23.7% are of the participants are using HDFC,

6.6% of the participants are using ICICI, 7.9% of the participants are using AXIS, 5.3% of the participants are using INDIAN and 7.9% of the participants are using ANDHRA for their e-Banking services.

Figure 8-10, customers agreement level whether e-Banking would enhance their effectiveness in conducting banking services indicates that 38.2% of the participants say strongly agree, 39.5% of the participants agree, 19.7% of the participants say neutral and 2.6% of the participants say disagree about the effectiveness in

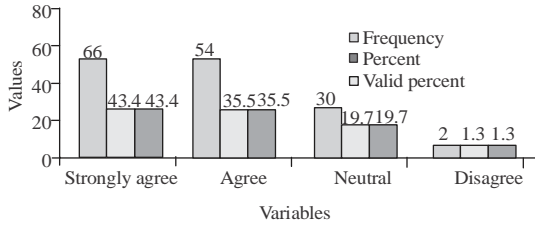


Fig. 11: Customers agreement level whether e-Banking services does not require a lot of mental effort

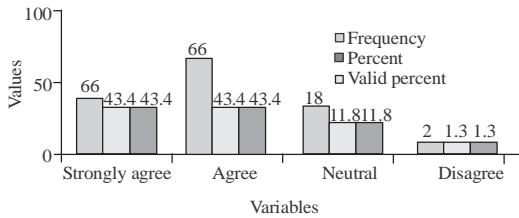


Fig. 12: Customers agreement level whether they intend to continue using e-Banking services in the future

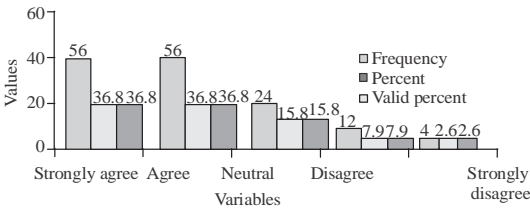


Fig. 13: Customers agreement levels whenever they use e-Banking services most of the people who are important to them are regard them as smart

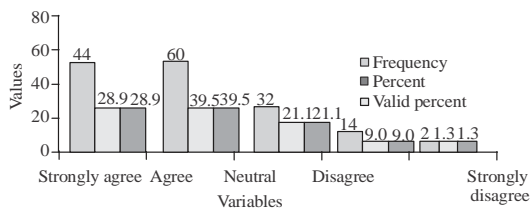


Fig. 14: Customers agreement level whenever they use e-Banking services most of the people who are important to them would appreciate

conducting e-Banking services. Figure 9, customers agreement level whether e-Banking service makes it easier for them to conduct transactions indicates that 38.2% of the participants say strongly agree, 50% of the participants agree and 11.8% of the participants say neutral about the e-Banking services makes it easier for them to conduct transactions.

Figure 10, customers agreement level whether their transaction with e-Banking services is easy and

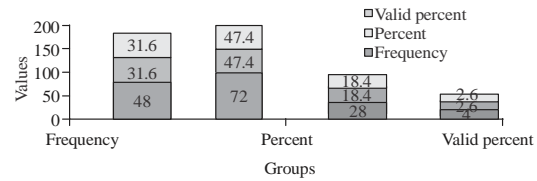


Fig. 15: Customer agreement level whether it is desirable to use e-Banking services

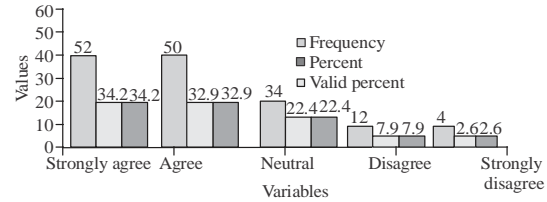


Fig. 16: Customers agreement level whether e-Banking services are not secure

understandable indicates that 40.8% of the participants say strongly agree, 48.7% of the participants agree, 7.9% of the participants say neutral and 2.6% of the participants say disagree about their transaction with e-Banking service is easy and understandable.

Figure 11, customers agreement level whether e-Banking services does not require a lot of mental effort indicates that 43.4% of the participants say strongly agree, 35.5% of the participants agree, 19.7% of the participants say neutral and 1.3% of the participants say disagree about the e-Banking services does not require a lot of mental effort.

Figure 12, customers agreement level whether they intend to continue using e-Banking services in the future indicates that 43.4% of the participants say strongly agree, 43.4% of the participants agree, 11.8% of the participants say neutral and 1.3% of the participants say disagree about to continue using e-Banking service in the future.

Figure 13, customers agreement levels whenever they use e-Banking services most of the people who are important to them are regard them as smart indicates that 36.8% of the participants say strongly agree, 36.8% of the participants agree, 15.8% of the participants say neutral and 2.6% of the participants say disagree about while using e-Banking services would regard them as smart.

Figure 14, customers agreement level whenever they use e-Banking services most of the people who are important to them would appreciate indicates that 28.9% of the participants say strongly agree, 39.5% of the participants agree, 21.1% of the participants say neutral and 9.2% of the participants say disagree about while using e-Banking services would appreciate them. Figure 15 and 16, customer agreement level whether it is

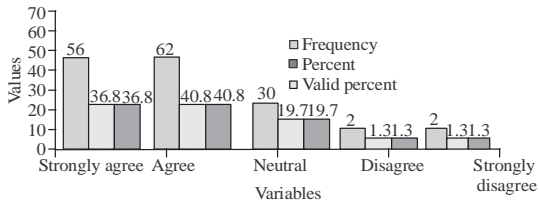


Fig. 17: Customers agreement level whether there is a risk of fraud while using e-Banking services

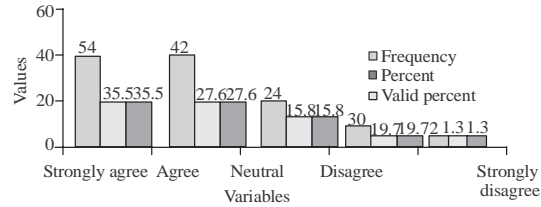


Fig. 20: Customer agreement level whether banks are collecting more service charge for e-Banking facilities

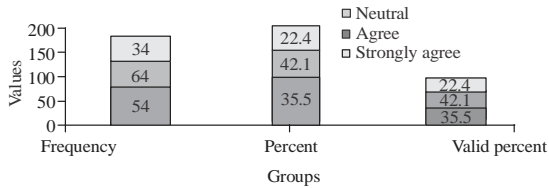


Fig. 18: Customers agreement level whether they are afraid of reveal in personal information while e-Banking service

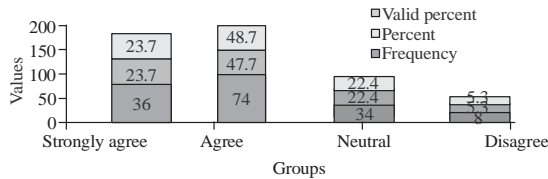


Fig. 19: Customers agreement level they are afraid that the third party may access their account

desirable to use e-Banking services indicates that 31.6% of the participants say strongly agree, 47.4% of the participants agree, 18.4% of the participants say neutral and 2.6% of the participants say disagree about the desirable to use e-banking services.

Figure 16, customers agreement level whether e-Banking services are not secure indicates that 34.2% of the participants say strongly agree, 32.9% of the participants agree, 22.4% of the participants say neutral, 7.9% of the participants say disagree and 2.6% of the participants say strongly disagree about e-Banking services are not secure.

Figure 17, customers agreement level whether there is a risk of fraud while using e-Banking services indicates that 36.8% of the participants say strongly agree, 40.8% of the participants agree, 19.7% of the participants say neutral, 1.3% of the participants say disagree and 1.3% of the participants say strongly disagree about the risk of fraud while using e-Banking services.

Figure 18, customers agreement level whether they are afraid of reveal in personal information while e-Banking service indicates that 35.5% of the participants say strongly agree, 42.1% of the participants agree and

Table 1: Chi-square testing

Observe value (O)	Expected value (E)	(O-E)	(O-E) ²	(O-E) ² /E
34	20	14	196	9.80
33	20	13	169	8.45
22	20	2	4	0.20
8	20	-12	144	7.20
3	20	-17	289	14.45
Total ($\sum(O-E)^2/E$)				40.10

22.4% of the participants say neutral about the afraid of reveal of personal information while using e-Banking services.

Figure 19, customers agreement level they are afraid that the third party may access their account indicates that 23.7% of the participants say strongly agree, 48.7% of the participants agree, 22.4% of the participants say neutral and 5.3% of the participants say disagree about afraid that third party may access their account.

Figure 20, customer agreement level whether banks are collecting more service charge for e-Banking facilities indicates that 35.5% of the participants say strongly agree, 27.6% of the participants agree, 15.8% of the participants say neutral, 19.7% of the participants say disagree and 1.3% of the participants say strongly disagree about the banks are collecting more service charges for e-Banking services.

Hypothesis testing:

- H_1 : customers are feeling secure of using internet banking
- H_0 : customer are feeling not secure of using internet banking

The source was collected through questionnaires, Fig. 16 and table of Chi -square testing was shown in Table 1. Chi-square calculated value = 40.1, degree of freedom = 4, significance level = 5%, Chi-square table value = 9.48. Chi-square calculated value is more than Chi-square table value, hence, null hypothesis is rejected and alternative hypothesis is accepted that means customers are feeling secure of using internet banking.

Findings: It is found that 11.8% of the participants are using CBI, 36.8% of the participants are using SBI, 23.7%

are of the participants are using HDFC, 6.6% of the participants are using ICICI, 7.9% of the participants are using AXIS, 5.3% of the participants are using Indian and 7.9% of the participants are using ANDHRA for their e-Banking services. It is found that 39.5% of the participants agree about the effectiveness in conducting E-banking services. It is found that 34.2% of the participants strongly agree about e-banking services are not secure. It is found that 40.8% of the participants agree about the risk of fraud while using e-Banking services. It is found that 42.1% of the participants agree about the afraid of reveal of personal information while using e-Banking services. It is found that 48.7% of the participants agree about afraid that third party may access their account. It is found that 35.5% of the participants strongly agree about the banks are collecting more service charges for e-Banking services.

CONCLUSION

According to my research positive aspects of e-Banking services are easy to handle their transactions and the companies need to create more awareness about the e-Banking services. Companies need to increase the security to reduce fraud activities.

LIMITATIONS

- The data was collected within 2 months time periods
- The inferences apply only to the participants of Thiruvannamalai City and are not applicable to any other place and cannot be generalized

- e-Banking is a vast area and it is very difficult to study in all fields. So, my study is limited to awareness of customers on different e-Banking services of various banks and effective usages of e-Banking services

SUGGESTIONS

Companies need to increase the security so as to reduce third parties' intervention in accessing user accounts. Companies may reduce the service charges while doing e-Banking services so that more customers will start using them. More number of customer awareness programmes may be conducted by bankers about e-Banking services so that customers will be educated about utilizing e-Banking services.

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