



CUSTOMER OPINION ON E-BANKING SERVICES AT ANANTAPUR DISTRICT IN ANDHRAPRADESH

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Abstract

This study was examined “Customer opinion towards E-Banking Services on Select Banks an Empirical Study at Bangalore with special reference to selective banks at Anantapur Dt in Hyderabad”. The main objective of this study is to identify the factors which are influencing the customers’ to open an account with selective banks and the problems faced by the customers’ while using E-banking. The data collected from the primary source were analyzed with the help of various statistical measures.

Introduction

In the present scenario, most of the business organizations are using the internet for a variety of communication tasks, such as promotion of consumer awareness and interest, providing information and consultation, facilitating two-way communications with customers through e-mail, stimulating product trial and enabling customers to place orders. In order to avail the benefits that are accrued through using Internet, financial institutions like banks are transforming themselves and conducting their business electronically. This transformation from normal banking to electronic banking enabled customers to transact online, while saving on various factors.

Definition of E-Banking

E-banking is defined as the automated delivery of new and traditional banking products and services directly to customers through electronic, interactive communication channels. E-banking includes the systems that enable financial institution customers, individuals or businesses, to access accounts, transact business, or obtain information on financial products and services through a public or private network, including the Internet.

Meaning of E-Banking

E-banking is an abbreviation for electronic banking. E-banking allows you to conduct bank transactions online, instead of finding a bank and interacting with a teller. Most of the U.S. banks offer e-banking, though the extent of the services may vary. For instance, some banks may offer unlimited bill pay options while others restrict online activity.

Objectives

1. To explore factors influencing for E- banking.
2. To study the problems faced by the customers while using E-Banking.
3. To give valuable suggestions to improve awareness and satisfaction about E-Banking services.

Review of Literature

Hasanbanu and Jeya Shree (2011)¹, conducted “A comparative study on factors influencing housing loan Borrowers of public and private sector banks in Uthamapalayam Taluk” with the objective of study the various factors which influence the people who take housing loans for availing of such loans from public sector banks. It was found out that there is vital scope for housing promotion in India. Banks can play a vital role in promoting house building in villages. Banks need to introduce more dynamic and innovative housing loan schemes and also need to focus on mass customization versus mass market.

Premkumar and Esthen Gnanapoo(2010)², “E-Banking the essential need of today” it was found out that the current trends are quite comforting for customer- but it does pose threats and problems to banks. As we find information technology invading the banking sector, only banks, which used the right technology, could come out with success. Banks are required to 'restructure', re-invent and re-engineer themselves to meet the necessary performance improvement and get the competitive edge due to the introduction of information technology. E-Banking being an important output of information technology, it has ushered in an era which is transforming the entire functioning of banks. The tilt in the banks from traditional to modern E-banking service has been welcomed due its advantages, but banks in India are taking time to get rooted. Banks are slow but are going to offer in further more E-banking services to keep pace with the evolving pattern of customers' demand.

Uppal R. K. (2010)³ described that in the post-LPG (Liberalization, Privatization and Globalization) era and Information Technology (IT) era, transformation in Indian banks is taking place with different parameters and the curves of banking services are dynamically altering the face of banking, as banks are stepping towards e-banking from traditional banking. The



paper empirically analyzes the quality of e-banking services in the changing environment. With different statistical tools such as weighted average method and ranking, the paper 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. The paper also suggests some measures to make e-banking services more effective in the future.

Kamakodi et al. (2009)⁴ discussed that, it is almost 15 years since the Indian banking sector was liberalized and paradigm shift happened in the Indian banking services. All banks have either totally implemented 'core banking systems' or halfway through. The results of a survey, obtained from 292 respondents about their views on electronic banking channels, indicate that the banks are exceeding the expectations in technology based services; and their perceived service level on branch network is below the expected levels of the respondents. This result is in tune with the respondents' opinion on the perceived 'gap' with the bank because of the introduction of technology, and on the necessity of human contact with the clients by the banks. This throws up a challenge to banks. Technology alone cannot give a sustainable competitive advantage for the banks. When all banks introduce IT, it will lose its position as a differentiator. Beyond a point, IT along with 'personal touch' will be necessary for the banks to retain existing clients and to attract new ones. Banks have to incorporate this in their operational strategy.

Methodology

The study is intended to cover factors influencing about E- banking facility provided by banks at Anantapur District in Andhrapradesh. The data was collected during the months between November to December, 2012.

Sources of Data

The sources of data for the study were mainly Primary sources which were collected from respondents who are employees of select banks at Anantapur Dt in Andhrapradesh. The Primary Data relating to the topic was collected at the following banks as per the sampling method chosen by the researcher. The sample banks are as follows

1. State Bank India
2. Canara Bank
3. State Bank of Mysore
4. HDFC Bank
5. ICICI Bank

Sample Respondents

• Bank customers

The secondary data were collected from the various reports to support the literature background of the study including companies' brochure, annual reports, journals published by the organization, various books related to the topic of the study, international journals, magazines and internet.

Sample Size

In the present study numbers of respondents are 150.

Tools for Data Collection

The present study used the research tools and techniques of data collection

• Structured Questionnaire

The study involves a method of primary data collection. A survey involving the administration of a structured questionnaire to each respondent. The questionnaire consists of questions which are structured and using five degree scaling techniques.

Plan of Analysis

The data collected has been tabulated and statistical tools and techniques like percentage, averages, etc., used are to analyze the data.

Limitations of the Study

1. The study is confined only on the five reputed banks.
2. The study is restricted to e-banking service only.



Result and Discussions

1. Banks

Table .1, Questionnaire Distributed and Collected

S.L.NO	Banka Names	No. of questionnaire Distributed
1.	State Bank of India	30
2.	Canara Bank	30
3.	State Bank of Mysore	30
4.	HDFC Bank	30
5.	ICICI Bank	30
6.	Total	150

(Source: Primary Data)

Inference: The above table depicts that the questionnaires are equally distributed among select banks.

2. Gender of respondents

Table .2, Sex of Respondents

S.L.NO	Sex	No. of Respondents	Percentage
1.	Male	103	68.67
2.	Female	47	31.33
3.	Total	150	100

(Source: Primary Data)

Inference: of the gender category, it is found that the male respondents are 68.67% and the female respondents are 31.33%. From the above it can be analyzed that existence of a large number of male respondents is as per the expectations, because female respondents also include the housewives who are more interested in investing in Non- productive investment.

3. Educational qualifications

Table .3, Respondents' Educational Qualification

S.L.NO	Qualification	No. of Respondents	Percentage
1.	SSLC	29	19
2.	HSC	45	30
3.	Graduate	59	39
4.	Post Graduate	13	09
5.	Doctorates	04	03
5.	Total	150	100

(Source: Primary Data)

Inference: From the above table, it is clearly seen that SSLC and below SSLC qualified respondents are 19%, HSC qualified respondents 30%, Graduates 39%, Post Graduates 09% and doctoral are 03%. Qualification wise analysis of the data reveals that HSC and Graduates constitute 69% of the total. This indicates that the lack of interest and awareness on the part of less education and uneducated masses towards the usage of banking services.

4. Age Group

Table .4, Age of Respondents

S.L.NO	Age	No. of Respondents	Percentage
1.	18-30yrs	21	14
2.	31-40yrs	63	42
3.	41-50yrs	49	33
4.	51yrs and Above	17	11
5.	Total	150	100

(Source: Primary Data)

Inference: Of the total respondents, age group 18-30 are 14%, 31-40 group 42%, 41-50 group 33% and 51 years and above are 11%. The age groups 31-40 and 41-50 contains service and business people. Therefore, it is expected that not many students and housewives are having their bank accounts.



5. Occupation

Table .5, Respondents' occupation

S.L.NO	Occupation	No. of Respondents	Percentage
1.	Services	64	42
2.	Business	24	16
3.	Professional	16	11
4.	Students	31	21
5.	Housewives	15	10
5.	Total	150	100

(Source: Primary Data)

Inference: From the above table, it is clearly seen that the services category respondents are 42%, business respondents 16%, professionals 11% , students 21% and rest of them are housewives that is 10%. The study indicates that in the students and housewives, usage of bank services is quite less. Therefore, housewives are stimulated to have bank accounts; this may help in diverting the idle cash into productive uses.

6. Electronic banking

Table .6, Electronic Banking Lead to Efficiency in Banking Service

S.L.NO	Response	No. of Respondents	Percentage
1.	Strongly Agree	52	34
2.	Agree	38	25
3.	Moderate	28	19
4.	Disagree	22	15
5.	Strongly Disagree	10	07
6.	Total	150	100

(Source: Primary Data)

Inference: The above table clearly depicts that 34% of the respondents strongly agree with E-banking increases efficiency in banking service, 25% of the respondents agree with the statement, 19% of the respondents moderately agree with statement, 15% disagree with e-banking service and 07% of the respondents strongly disagree with e-banking services. However, majority of the respondents feel that E-banking services increase the efficiency of banking services.

7. Effectiveness

Table .7, Electronic Banking Foster Effectiveness in Banking Service

S.L.NO	Response	No. of Respondents	Percentage
1.	Strongly Agree	50	32
2.	Agree	40	25
3.	Moderate	30	20
4.	Disagree	24	16
5.	Strongly Disagree	10	07
6.	Total	150	100

(Source: Primary Data)

Inference: The above table, clearly shows that 32% of the respondents are strongly agree, 25% of the respondents are agree, 20% of the respondents are moderately agree, 16% of the respondents are disagree, and 07% of the respondents are strongly disagree with e-banking foster effectiveness in banking service. Therefore, majority of the respondents may not be aware of e-banking services.

8. Customer complaints

Table .8, Customer Complaints have reduced As A Result of the Introduction of E-Banking Service

S.L.NO	Response	No. of Respondents	Percentage
1.	Strongly Agree	35	23
2.	Agree	25	17
3.	Moderate	42	28
4.	Disagree	28	19
5.	Strongly Disagree	20	13
6.	Total	150	100

(Source: Primary Data)



Inference : The above table it may be seen that 23% of the respondents are strongly agree, 17 % of the respondents agree, 28% of the respondents are moderately agree, 19% of the respondents disagree and 13% of the respondents strongly disagree with the fact that E-banking services reduce the customer complaints. However, respondents are not trusting of e-banking services with full extent. Banker needs to enhance e-banking services with good security and it will reach to each and every customer.

9. Electronic products of e-banking

Table .9, The Various Electronic Products of E-Banking Are Adequate and Takes Care of Customers Needs.

S.L.NO	Response	No. of Respondents	Percentage
1.	Strongly Agree	31	22
2.	Agree	23	15
3.	Moderate	43	28
4.	Disagree	33	22
5.	Strongly Disagree	20	13
6.	Total	150	100

(Source: Primary Data)

Inference: The above table clearly indicates that 22% of the respondents strongly agree, 15 % of the respondents agree, 28% of the respondents moderately agree, 22% of the respondents disagree and 13% of the respondents strongly disagree with electronic products of e-banking. The majority of the respondents moderately agree and many of them say electronic products are inadequate.

10. Curtailment of fraud

Table .10, Electronic Banking has not helped the curtailment of fraud in Banks

S.L.NO	Response	No. of Respondents	Percentage
1.	Strongly Agree	60	40
2.	Agree	34	23
3.	Moderate	24	16
4.	Disagree	21	14
5.	Strongly Disagree	11	07
6.	Total	150	100

(Source: Primary Data)

Inference: The above table clearly indicates that 40% of the respondents strongly agree, 23 % agree, 16% the moderately agree, 14% disagree and 07% of the respondents strongly disagree with e-banking has not helped the curtailment of fraud in banks. Of the total respondents, 40% of respondents strongly agree with the statement, the result shows that there is no safety and security in e-banking.

11. Fraud in e-banking

Table .11, Bank fraud is very easy through E-Banking

S.L.NO	Response	No. of Respondents	Percentage
1.	Strongly Agree	56	37
2.	Agree	34	23
3.	Moderate	27	18
4.	Disagree	18	12
5.	Strongly Disagree	15	10
6.	Total	150	100

(Source: Primary Data)

Inference: The above table indicates that 37% of the respondents strongly agree, 23% agree, 18% moderately agree, 12% disagree and 10% of the respondents strongly disagree with bank fraud is very easy through e-banking. Of the total respondents majority of respondents believe that it is very easy to deceive customers' accounts with e-banking.



12. Transparency, Profitability and Accountability

Table .12E-Banking Help Transparency, Profitability and Accountability in Banks

S.L.NO	Response	No. of Respondents	Percentage
1.	Strongly Agree	45	30
2.	Agree	44	29
3.	Moderate	26	18
4.	Disagree	20	13
5.	Strongly Disagree	15	10
6.	Total	150	100

(Source: Primary Data)

Inference: The table indicates that 30% of the respondents strongly agree, 29% agree, 18% moderately agree, 13% disagree, and 10% of the respondents strongly disagree with e-banking help transparency, profitability and accountability in banks. Majority of the respondents believe that there is a huge transparency in e-banking and it also pushing up the profitability position of the bank.

13. Volume of business

Table .13, The Introduction of Electronic Banking Has No Effect on Banks Volume of Business

S.L.NO	Response	No. of Respondents	Percentage
1.	Strongly Agree	52	35
2.	Agree	37	24
3.	Moderate	27	18
4.	Disagree	19	13
5.	Strongly Disagree	15	10
6.	Total	150	100

(Source: Primary Data)

Inference: The above table shows that 35% of the respondents strongly agree, 24 % agree, 18% moderately agree, 13% disagree and 10% of the respondents strongly disagree with the introduction of e-banking has effect on banks volume of business. Hence, many of the customers are not using of e-banking services.

14. Customer retention

Table .14,E-Banking Has Helped To Increase and Retain Customers in the Bank

S.L.NO	Response	No. of Respondents	Percentage
1.	Strongly Agree	42	28
2.	Agree	50	33
3.	Moderate	29	19
4.	Disagree	18	12
5.	Strongly Disagree	11	08
6.	Total	150	100

(Source: Primary Data)

Inference: The above table clearly indicates that 28% of the respondents strongly agree, 33 % agree, 19% moderately agree, 12% disagree and 08% of the respondents strongly disagree with e-banking has helped to increase and retain customer in the bank. Of the total respondents, majority of them believe with the statement, due to necessity of e-banking in the current scenario.

15. Level of profitability

Table .15, The Level of Banks Profitability Depends On the Degree of E-Banking Services Produced To the Customer

S.L.NO	Response	No. of Respondents	Percentage
1.	Strongly Agree	55	37
2.	Agree	40	27
3.	Moderate	23	15
4.	Disagree	19	12
5.	Strongly Disagree	13	09
6.	Total	150	100

(Source: Primary Data)



Inference: The above table clearly indicates that 37% of the respondents strongly agree, 27 % agree, 15% moderately agree, 12% disagree and 09% of the respondents strongly disagree with the above statement. Many of the respondents are from service and business background, so they must need the e-banking services and if the e-banking services are good enough definitely it will increase profit of the bank.

Findings and Suggestions

Findings

- It is found that majority of the respondents are from the male category with 68.67 %.
- Of the total respondents, it was found that many of them are from service and business category with 58%.
- It is found that 34% of the respondents strongly agree with e-banking services.
- It is found that the majority of the respondents feel that e-banking services reduces effectiveness in banking service.
- A majority of the respondents are moderately agreed and many of them say electronics products are inadequate in banks.
- It is found that 40% of the total respondents strongly agree with e-banking has not helped the curtailment of fraud in banks.
- This study found that making fraudulent activities are easy through e-banking.
- This study found that e-banking helps to increase transparency, profitability and accountability in banks.
- It was found that introduction of e-banking has no impact on bank's volume of business.

Suggestions

- It is suggested that a banker must provide some awareness programs on e- banking services for students and housewives and banker should provide separate accounts for students and housewives with minimum balance.
- E-banking products are emerging at present. However, it leads to reducing of effectiveness of banking services. So banker should not neglect normal banking services.
- It is suggest that a banker must increase electronic products with great extend and make it easy to access to their customers.
- It is advisable to a banker to enhance e-banking technology to the extent of reducing curtailment of fraud in banks.
- It is advisable to a banker that e-banking increases transparency and profitability of the concern. However, it should not be habitual.
- This study suggested that a banker should concentrate more on a manual banking services, so that it will increase banks volume of business.

Conclusions

Banking is essential now a day at the outset Indian banking industry is booming to extent of global scenario. E-banking is one of the emerging banking services at present. E-banking has provided ease and flexibility in banking operations. Today, in India almost every private as well as nationalized bank is offering IT based products and services to their customers. Indian banking sector provides a platform to use innovative technologies to enhance operational efficiency and quality of service to attain and retain customers. However, in the present scenario one or the other fraudulent activities are happening in banks through e-banking, this is a huge possibility of cheating customers through e-banking. Hence, banks should take care of their activities with upgradation of e-banking technology.

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