



CUSTOMER PERCEPTION TOWARDS E-BANKING SERVICES PROVIDED BY SELECTED BANKS IN MADURAI

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Abstract

On analysing the perception level of customer towards e-banking services in Madurai City with regard to personal profile variable namely age, Education and Occupation of 500 respondents from Private and Public Sector banks, the different age group of customer and different occupation group of customers has different perception toward the e-banking services, mainly the old age people are having the reluctance for using e-banking facilities, so importance to be given to those people and proper training on the usage of e-banking should be given to them and bankers have to adopt the right strategies to attract different age group and give more information about the e-banking services. The results also propose that demographic factors impact significantly internet banking behaviour, specifically, education, occupation and age.

Keywords: E-banking Services, Customer Perception, Chi-Square, ANOVA.

Introduction

Banking industry is not only witnessing rapid changes but also facing severe competition due to liberalization, privatization and globalization. Banks are forced to enhance their productivity and efficiency to meet the increased competition by concentrating on the major emerging issues like Knowing the customers, Technology issues, Product innovation and Pricing products. Information technology enables banking companies to develop and provide sophisticated products and services, better infrastructure, implementation of reliable techniques for the control of risks and help to reach the distant and diversified markets. To-day's customer is well informed, their demand is infinite and their requirements are plenty. Banking has been transformed into a "buyers" market, where customers are given the choice to select products and services, similar in nature out of large number of banks. The Banks (Public and Private) have been facing fierce competition due to the entry of foreign banks. Consumerism has taken a new shape. The needs and requirements of the customers are developing and expanding very fast. The application or use of technology for the qualitative transformation in the process of banking service is necessary.

Review of Literature

Santhi yaval li, G. (2011) determined the customer's perception of service quality of the select branches of State Bank of India and study the major factors responsible for their satisfaction. In this research SERQUAL Model has been used and study indicates that among five dimensions 'Reliability', 'Responsiveness', 'Empathy' and 'Tangibility' are the major factors responsible for customer satisfaction.

Dharmalingam, S. And Kannan, K.V. (2011) evaluate the service quality in retail banking in the Tamil Nadu, based on different levels of customers' perception regarding service quality. Data are collected from Three Private Banks, ie. ICICI, AX IS and H D FC Bank. Sample size of this research is 240. The result indicates that customers' perception is highest in the tangibles area and lowest in the Product Variety area.

Statement of Problem

The Banks (Public and Private) have been facing fierce competition. Consumerism has taken a new shape. The needs and requirements of the customers are developing and expanding very fast. The application or use of technology for the qualitative transformation in the process of banking service is necessary. In this complex and fast changing environment, the only sustainable competitive advantage for banks (Both public and private sector) is to give the customer an optimum blend of technology based products and services. Hence meeting the competition and the customer requirements are the priorities of both public and private sector banks. Indian banking industry is in the midst of Information Technology revolution. The persistent pressure in the competitive environment drives the banking companies to reach the client at his door step to meet their requirements of product and services. Technology helps the banking companies to reach geographically distant and diversified markets and also satisfy the customers with demanding speed, efficiency and low cost. Banks are installing more and more ATM's for banking transaction, Telephone banking and usage of cards are finding increased acceptance. Internet banking and core banking services are also finding wider acceptance.



Objectives

The main objective of this paper is to study the perception level of customer with regard to demographic profile namely Age, Education and Occupation.

Hypotheses

There is no relationship between demographic variables of the respondents like Age, Education and Occupation, and their perception regarding services of e-Banking.

1. There is no significant difference between Age of the customer and their perception toward the services of E - banking.
2. There is no significant difference between Education of the customer and their perception toward the services of E - banking
3. There is no significant difference between occupation of the customer and their perception toward the services of E - banking.

Methodology

Primary data required for the study was collected through interview schedules distributed to 500 customers of selected banks in Madurai. A total of 10 banks have been covered in the study namely State Bank of India (50), Indian Bank (68), Indian Overseas Bank (16), Canara Bank (38), Bank of India (78), ICICI Bank (54), Karur Vysya Bank (46), City Union Bank (25), HDFC Bank (57), Axis Bank (69), 5 private sector banks and 5 public sector banks. The random sampling has been adopted taking into account the availability and accessibility of the customers for the purpose of data collection. The data collection is based on the convenience of the researcher using the structured interview schedules distributed in person to the found respondents directly. A total of 500 interview schedules have been distributed to the customers after obtaining the consent of them individually. Completed interview schedules received which represents 100 per cent response rate because the personal interview technique is adopted and the collected data were used for the analytical purposes.

Analytical Framework

To analyse the primary data chi-square and ANOVA were used.

Results and Discussions

Factor Variables

The following variables are taken to assess the perception of customers towards e-banking services provided by both private and public sector banks in Madurai City.

Services

Banking sector provides various services to retain the customers with regard their requirement. Information Technology provides platform for quick and safe access to their accounts, transfers, clearing, payments, etc.,

Responsiveness

Customer approaches banks as and when they have issues related to availing loan, e-transaction, clearance of cheques, payments, etc.,

Security

Since these are financial transactions security is an important thing to safeguard customer from fraudulent transactions.

Easy Usage

Bank Customers are different position with regard to education, application usage and experience. Simplicity in accessing banking data base for transaction is mandatory one.

Accessibility

Accessing the banking services should be easier and user friendly.

Efficiency

It is necessary to assess how efficient the e-banking service is.

Overall Service Quality

Overall perception is also taken as one of the factor variables for the analysis.

Perception of Services with Age

Age is one of the demographic variables. Chi-square is applied to find whether there is significant difference between the services and the Age.



Table 1 Perception of Services with Age of Respondents

Chi-Square Tests			
	Value	df	Asymp. Sig. (2-sided)
Pearson Chi-Square	156.557(a)	3	.000

Primary Data

It is found that the calculated value of X^2 is 156.557 and the table value of the X^2 is 5.250 for the 5 per cent significance level. Since the calculated value is more than the table value, the null hypothesis is rejected and concluded that there is a significant difference between the perception of services provided by the banks and the different level of age.

Perception of Responsiveness with Age

Chi-square is applied to find there no significant difference between the responsiveness and the Age.

Table 2 Perception of Responsiveness with Age of respondents

Chi-Square Tests			
	Value	df	Asymp. Sig. (2-sided)
Pearson Chi-Square	102.421(a)	3	.000

Primary Data

It is understood from the table 2 that the calculated value of X^2 is 102.42 1 and the table value of the X^2 is 5.250 for the 5 per cent significance level. As the calculated value is more than the table value, the null hypothesis is rejected and concluded that there is a significant difference between the responsiveness and the different level of Age.

Perception of Security with Age

Chi-square is applied to find whether there is no significant difference between the security and the age.

Table 3 Perception of Security with Age of respondents

Chi-Square Tests			
	Value	df	Asymp. Sig. (2-sided)
Pearson Chi-Square	8.373(a)	3	.039

Primary Data

It is cleared that the calculated value of X^2 is 8.373 and the table value of the calculated value is more than the table value. Hence, the null hypothesis is rejected and the alternate hypothesis is accepted. It is concluded that there is a significant difference between the security and the level of age.

Perception of Easy Use with Age

Chi-square is applied to find whether there is no significant difference between the easy use and the age.

Table 4 Perception of Easy use with Age of respondent

Chi-Square Tests			
	Value	df	Asymp. Sig. (2-sided)
Pearson Chi-Square	36.759(a)	3	.000

Primary Data

It is found that the calculated value of X^2 is 36.759 and the table value of the X^2 is 5.250 for the 5 per cent significance level at and $df=3$. It is also found that the calculated value is more than the table value. Hence, the null hypothesis is rejected and the alternate hypothesis is accepted. It is concluded that there is a significant difference between the variable easy use and the level of age.

Perception of Accessibility with Age

Chi-square is applied to find whether there is no significant difference between the accessibility and the age.



Table 4 Perception of Accessibility with Age of Respondents

Chi-Square Tests			
	Value	df	Asymp. Sig. (2-sided)
Pearson Chi-Square	10.030(a)	3	.018

Primary Data

It is cleared from the table 4 that the calculated value of X^2 is 10.030 and the table value of the X^2 is 5.25 0 for the 5 per cent significance level at and $df=3$. Since the calculated value is more than the table value, the null hypothesis is rejected and concluded that there is a significant difference between the accessibility and the different level of age.

Perception of Efficiency with Age

Chi-square is applied to find whether there is no significant difference between the efficiency and the age.

Table 5 Perception of Efficiency with Age of Respondents

Chi-Square Tests			
	Value	df	Asymp. Sig. (2-sided)
Pearson Chi-Square	81.262(a)	3	.000

Primary Data

It is understood from the table 5 that the calculated value of X^2 is 81.262 and the table value of the X^2 is 5.250 for the 5 per cent significance level. Because the calculated value is more than the table value, the null hypothesis is rejected concluded that there is a significant difference between the efficiency and the age.

Perception of Overall E-Banking Service Quality with Age

Chi-square is applied to find whether there is no significant difference between the overall E-banking service quality and the age.

Table 6 Perception of Overall e-banking Service Quality with Age

Chi-Square Tests			
	Value	df	Asymp. Sig. (2-sided)
Pearson Chi-Square	103.854(a)	3	.000

Primary Data

It is found from the table 6 that the calculated value of X^2 is 103.854 and the table value of the X^2 is 5.250 for the 5 per cent significance level at and $df=3$. As the calculated value is more than the table value, the null hypothesis is rejected and concluded that there is a significant difference between the E-banking service quality and the different level of age.

Perception on Variable Factors with Educational Qualifications

To test the significance difference between dependent variables like services, responsiveness, security, easy use, accessibility, efficiency and overall E- banking service quality and the educational background like Primary, Higher secondary, UG, PG and Professionals of the respondents, ANOVA was used at 5% level of significance.

Table 7 Perception on Variable Factors with Educational Qualifications

ANOVA						
		Sum of Squares	df	Mean Square	F	Sig.
Services	Between Groups	20	4	502.572	50.056	.000
	Within Groups	4969	495	10.040		
	Total	6980	499			
Responsiveness	Between Groups	3102	4	775.546	58.835	.000
	Within Groups	6524	495	13.182		
	Total	9627	499			



	Between Groups	95.673	4	23.918	1.635	.164
Security	Within Groups	7240.	495	14.627		
	Total	7335.	499			
	Between Groups	1173.	4	293.312	21.184	.000
Easy use	Within Groups	6853.	495	13.846		
	Total	8026.	499			
	Between Groups	474.294	4	118.573	8.832	.000
Accessibility	Within Groups	6645.	495	13.425		
	Total	71	499			
	Between Groups	1226.	4	306.625	22.415	.000
Efficiency	Within Groups	6771.	495	13.680		
	Total	7997.	499			
	Between Groups	33315.	4	8328.804	61.965	.000
Overall e-banking service quality	Within Groups	66533.	495	134.4 12		
	Total	99848.	499			

Primary Data

It could be inferred from the table 7 that variables services, responsiveness, easy use, accessibility, efficiency and overall E-banking service quality have significant difference since the observed value are less than 0.05, so the null hypothesis has been rejected.

It is also inferred that the other factor variable security does not significantly differ with regard to profile variable educational background. Since the observed value is more than 0.05, so the null hypothesis has been accepted and there is no difference in means.

Perception of Variable Factors with Occupation

To test the significance difference between dependent variables like services, responsiveness, security, easy use, accessibility, efficiency and overall E- banking service quality and the educational background like Government, Private, Business, professional and others of the respondents as independent variable, ANOVA was used at 5% level of significance.

Table 8 Perceptions of Variable Factors with Occupation

ANOVA						
		Sum of Squares	df	Mean Square	F	Sig.
Services	Between Groups	249 1	4	622.977	68.707	.000
	Within Groups	4488.2	495	9.067		
	Total	6980.1	499			
Responsiveness	Between Groups	64 1	4	1604.807	247.636	.000
	Within Groups	3207.8	495	6.480		
	Total	9627.0	499			
Security	Between Groups	217.118	4	54.280	3.774	.005
	Within Groups	7118.8	495	14.381		
	Total	7335.9	499			
Easy use	Between Groups	1495.9	4	373 .982	28.345	.000
	Within Groups	6531.0	495	13.194		
	Total	8026.9	499			



Accessibility	Between Groups	266.445	4	66.611	4.811	.001
	Within Groups	6853.4	495	13.845		
	Total	7119.8	499			
Efficiency	Between Groups	3403.2	4	850.822	91.664	.000
	Within Groups	4594.5	495	9.282		
	Total	7997.8	499			
Overall e-banking service quality	Between Groups	53552.1	4	13388.048	143.144	.000
	Within Groups	46296.7	495	93.529		
	Total	99848.9	499			

Primary Data

It could be inferred from table 8 that variables like services, responsiveness, security, easy use, accessibility, efficiency and overall E - banking service quality have significant difference since the observed value are less than 0.05, so the null hypothesis has been rejected. It is also inferred that there is no difference in the means of variables with regard to occupation of the respondents. Though respondents are involved in different occupation there is no difference in accessing e-banking services in the study area.

Findings

From the Above analysis it is revealed that the different age group customers have different perception towards the e-banking services, mainly the old age people are having the reluctance for using e-banking facilities, so importance to be given to those people and proper training on the usage of e-banking should be given to them and bankers have to adopt the right strategies to attract different age group and give more information about the e-banking services. Most of the customers prefer e-banking for quickness. Online Customers are mainly concerned on security issues. With facility of One Time Password (OTP) the banks should educate their customers on the use of their passwords for safe transactions.

Conclusion

This paper attempted to analyze the overall perception of customers regarding the services of e-banking with important demographic variables namely Age, Education and occupation to measure the perception of the customers on e-banking services. The different age groups of customers have different perception toward the e-banking services and the usage level of these banks' customer is different so bank should concentrate on all the age group of customers for betterment of e-banking banks. It has also seen that different occupation group of customers have different perception toward the e-banking services.

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