

“Customer Perception Study-Towards E-Banking Services Of Public and Private Sector Banks - With Special Reference to Chittoor District of Andhra Pradesh”

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Abstract

The world wise technology is growing very rapidly. The modern technology brings major changes in every sector including banking sector. Today every banking organization are using E- Banking for better customer services, Indian banking industry has suddenly witnessed a major boom. Being a globalized market, the customers seek and demand world class products. In today's global market, the competitive advantage lies in delivering high quality service to the customers. The need to achieve customer satisfaction lies in its ability to deliver products quickly and better to the customers. The purpose of this paper is to determine the customer's perception toward the e-banking services. A total number of customers taken for the study are 196. Analysis of variance technique is employed to study the significant relationship between the occupation and customer perception of e-banking services and significant relationship between the age and customer perception of e-banking services. The result of the study clearly shows that different age group of customer and different occupation group of customers have different perception toward the e-banking services. The results also propose that demographic factors impact significantly internet banking behavior, specifically, occupation and age. Finally, this paper suggests that an understanding about the customer's perception regarding the e-banking services of public and private sector banks in Chittoor dist of Andhrapradesh it will help to the bankers to understand the customers need in better way.

Keywords: ANOVA, Customer Perception, E- banking, public Sector Banks and private sector Banks.

INTRODUCTION

As customers become more sophisticated, therefore, it becomes essential to consider the use of technology to respond to their continuously change. Banking is an industry which is highly involved with the customers. Banking is no longer regarded as a business dealing with money

transaction alone, but it also seem as a business related to information on financial transaction (Padwal 1995). Customers whether at the corporate level or at retail level have always been important for the banks. As electronic banking is becoming more prevalent, so level of customer

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satisfaction is also changing the scenario of technological environment. Informational technology in form of e-banking plays a significant role in providing better services at lower cost. Several innovative IT based service such as Automated Teller Machine (ATM), Internet banking, Smart cards, Credit Cards, Mobile banking, Phone banking, Anywhere-Anytime banking have provided number of convenient services to the customer. So as the service quality improves, the probability of customer satisfaction increases. Increase satisfaction in turn increases the mutual understanding, between customer and bank. The banks which are providing these services at large extent to customers are more reputed in the eyes of customers. But at the same time technology based product is different in public and private sector banks. Bank automation and electronic banking is fast in private sector comparative to public sector. E-banking is an improvement over traditional banking system because it has reduced the cost of transaction processing, improve the payment efficiency, financial services and improve the banker-customer relationship. E-banking plays a pivotal role in giving satisfaction to the customers because e-banking fills the gap between the expected and perceived service of customer. So in order to fill this gap, banks should find ways of making electronic services more accessible and by allowing the customer to verify the accuracy of the e-banking transactions.

Conception of Internet Banking:

The most general type of electronic banking is banking via the Internet, in other words Internet banking. This type of banking allows consumers to check the balances in their accounts, transfer funds and order electronic bill payments. Internet banking systems allowing customers to apply for loans, trade stocks or mutual

funds, and even view actual images of their checks or deposit slips. The services available for Internet banking vary from bank to bank. Nowadays the Internet is the main channel for electronic banking. Internet banking offers many benefits to banks and their customers. Those are

1. Customer can withdraw funds, transfer funds anytime, anywhere they want.
2. Accessibility has been extended through technological development as it allows customers to do business from their home and office.
3. It makes the banking activities and transaction very simple to understand
4. There is no requirement of direct control with bank, as services can be operated wherever customer wants.
5. It has reduced the waiting time of the customer; no long queue standing is required.
6. Availability of employees at all times is not required as these services are provided 24 hours a day, seven days a week.
7. Internet based services has enabled the corporate and retail customers to transact from home, office and traveling.
8. Online fund transfer enabled the customer to transfer funds from one bank to another or within the same bank at same time.
9. Communication, interaction between the bank and customer has been improved due to e-banking.

On the whole we can say that e-banking has become pre-imminent method of carrying the banking transaction and to increase the customer satisfaction. With the present research effort has been made to analyze e-banking on customer Perception.

LITERATURE REVIEW

Kaur ,Jasveen and Kaur ,Baljit ,(2013) shows that there is no significant difference

in facilities determining the customers' usage of internet banking services of Public-sector, Private-sector and Foreign Banks in India.

Chibueze., et al (2013) shows that electronic banking has improved returns on the equity of Nigeria banks.

Bahl ,Sarita ,(2012) determined that security and privacy issues are the big issue in e-banking. If security and privacy issues resolved, the future of electronic banking can be very prosperous.

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, AXIS and HDFC 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.

Santhiyavalli, 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.

Uppal, R.K (2011) threw light on growth of information technology in various banks. The objective of this research is to analyze the extent of technological developments in various bank groups. Findings shows as compared to new private sector banks and foreign banks, in public sector banks very less IT has taken place. The maximum

RESEARCH METHODOLOGY

In a view to precede the research in a systematic way the following research

technology is taking place in new generation private sector banks and foreign. Safeena et al (2010) determines the consumer's perspective on internet banking adoption. Finding shows that perceived usefulness, perceived ease of use, consumer awareness and perceived risk are the important determinants of online banking adoption and have strong and positive effect on customers to accept online banking system.

OBJECTIVES OF THE STUDY

- 1). The study aims at identify the overall customer perception towards the e-banking services in Chittir Dist.
- 2). The study also aims at know whether demographic variables of the customer have influence on e- Banking customer satisfaction in Chittoor Dist .

HYPOTHESES

The study is based on the following hypotheses.

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

A. Hypothesis1: There is no significant difference between Age of the customer and their perception toward the services of E-banking.

B. Hypothesis2: There is no significant difference between occupation of the customer and their perception toward the services of E-banking.

methodology has been used. By means of obtaining detailed opinion of the customers, this research falls under the category of descriptive research. Both primary and secondary data collection was made. To

TOTAL	Number	Mean	Std. Deviation	Std. Error	95%ConfidenceIntervalforMean	
					Lower Bound	Lower Bound
19	20	2.50	.607	.136	2.22	2.78
19-29	70	2.73	.635	.076	2.58	2.88
30-39	50	2.10	.763	.108	1.88	2.32
40-49	45	2.00	.739	.110	1.78	2.22
50-59	11	1.91	.831	.251	1.35	2.47
Total	196	2.33	.769	.055	2.22	2.44

collect the primary data Questionnaire is prepared. A pilot study was conducted to validate the reliability of the questionnaire.

The questionnaire includes questions on demographic variable

Table 1.1. Age Group and Perception of customer on e-banking services - Cross tabulation

and the respondents were asked to rate their perception level of e-banking services on a five point Likert scale. The questionnaires were widely circulated to the 300 customers of different banks of Public and Private sector in Chittoor District of Andrapradesh , from this 300 customers 104 customers questionnaires were found to be incomplete . The secondary data is collected from magazines, journals, books and websites. Using the remaining 196 complete questionnaire the data is edited, coded and analyzed through using the tests like ANOVA.

LIMITATIONS OF THE STUDY

The study was conducted in Chittoor District of Andrapradesh and sample is very small hence the results cannot be generalized.

ANALYSIS AND INTERPRETATION

To analyze the two hypotheses, different demographic variables are considered. They are Age Group of the respondents and Occupation.

A. Hypothesis1: There is no significant difference between Age of the customer and their perception toward the services of E-banking.

At 5% level of significance the above table telling the relationship between the age and customer satisfaction on e- banking. 20-29 age groups have high level of perception regarding the e-banking services. 30-39 age groups have medium level of perception regarding the e-banking services and between 40-49 have low level of perception and between 50-59 age group have very low level of perception regarding the services of e-banking

Table: 1.2 ANOVA Table

TOTAL	Sum of Squares	Df	Mean Square	F	Sig.
Between Groups	21.192	4	5.298	10.736	.000
Within Groups	94.252	191	.493		

Total	115.444	195			

Here the p value is .000 which is less than 0.05. So we reject the null hypothesis and accepted the alternative hypothesis. So there is significant relationship between age of the customers and their perception

towards the services of e-banking performance.

B.Hypothesis2: There is no significant difference between occupation of the customer and their perception toward the services of E-banking.

Table 2.1. Occupation and perception of customer on e-Banking services-Cross tabulation

TOTAL	Number	Mean	Std.Deviation	Std. Error	95% Confidence Interval for Mean	
					Lower Bound	Lower Bound
Service classes	40	2.32	.829	.131	2.06	2.59
Business Classes	49	2.14	.764	.109	1.92	2.36
Professional	55	2.13	.771	.104	1.92	2.34
Students	52	2.73	.564	.078	2.57	2.89
Total	196	2.33	.769	.055	2.22	2.44

Here the above table depicts the significant difference between the Occupation of the customer and customer perception on e-banking services. The students have high level of perception, service class customer have medium level of perception , business

class and professional customer have very low level of perception regarding the e-banking services.

Table: 2.2 ANOVA Table

TOTAL	Sum of Squares	Df	Mean Square	F	Sig.
Between Groups	12.329	3	4.110	7.652	.000
Within Groups	103.115	192	.537		
Total	115.444	195			

Here the p value is .000 which is less than .05. So we reject the null hypothesis and accepted the alternative hypothesis. So

SUGGESTION

In this research analysis refers that in the private sector banks customers are happier than public sector banks regarding e-Banking services. 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 the proper training on the usage of e-banking is necessary for all age groups. Majority of the customers prefer e-banking for quickness. So banks should try in all the ways that e-banking is working 24 hour round the clock and service is available to customers without any hassles. Online Customers are mainly concerned on safety issues so the banks should educate their customers on the safety use of their passwords and pin numbers and it should insist the customers that they should change the passwords and pin numbers frequently so no unauthorized fraudulent practices happen in the online banking.

CONCLUSION

This research study has analyzed the overall perception of customers regarding the services of e-banking in Chittoor Dist of Andrapradesh. The study concluded that different age group 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 . It has also seen that different occupation group of customers have different perception toward the e-banking services. There are good number of customer in

there is significant difference between occupation of the customer and their perception on e-banking services.

every group like student, service class, business class and professionals, it shows that they all are keen interesting in using the e-banking services.

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