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Research Paper

Customers' Perception of E-Banking Services – A South Indian Perspective

Management

KEYWORDS : e-banking, banking, customer perception, online banking

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ABSTRACT

Banking services are inevitable for any adult individual in the normal routine of personal and employment life. It is mostly viewed as the only safe medium of saving money in our country. E-Banking is a serious improvement which is considered as a great relief in this modern, constantly changing environment. This paper is an attempt to study the General perception of E-Banking services by customers actually using it already in the public sector and new generation private sector banks.

Introduction

Banking is an inevitable requirement for money transactions but E-Banking is considered as a choice by most of the customers. It is due to the fear of transacting money online. Yet there are people who depend totally on e-banking services offered by banks. The services like ATM, debitcards, creditcards are operated by most of them. A fear exists for online transfers, insurance buying online etc and hence are not much preferred. Yet people do involve in such transactions due to their odd working hours, working days, time saving, quick process, etc. The services like depositing money in the ATM also is highly preferred by certain customers as they can avoid long queue and save time. This study is hence a vital attempt made by the researchers to study the general perception of E-banking services provided by the public sector and new generation private sector banks.

Review of Literature

Three major recent studies were considered by the researchers that has stimulated for the present study in the south Indian context. The three important studies have highlighted the significance of demographic factors like age and occupation influence on E-Banking services, challenges faced by e-banking customers and the perception of customers about the e-banking services. The review have been discussed in detail as below:

Fozia (2013): Made an attempt to determine the customer's perception toward the e-banking services and also did an analysis using variance technique 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 proposed that demographic factors impact significantly internet banking behaviour, specifically, occupation and age. Finally, this paper suggested that an understanding about the customer's perception regarding the e-banking services of public and private banks it will help to the banker to understand the customers need in better way. Therefore, the researcher has proposed to do a significant study about the customer's perception in both private and public sector banks in Chennai city.

Pallavi A.S.(2012): Has done a study to analyze the customers' perceptions, the problems faced by bank customers and strategies to enhance E-banking services. The research tested a single hypothesis "The e-banking customers in India are satisfied with the current levels of e-banking services offered by banks in India". Data collected from the respondents were analyzed using statistical tools. The study found that all banks are providing e-banking services. Also, customers have become more demanding with the passage of time. They prefer to avail e-banking services, but at the same time, they face many problems like less knowledge, poor response of employees, lack of online shopping facilities, misuse of ATM cards and difficulty in opening an account, etc., while using these e-channels due to which they are unable to take full advantage of these services. The customers were satisfied with only ATM which is more popular and most cost effective.

Mahalakshmi,V., et., al.(2013): Conducted a study on the customers' perception about augmented services rendered by the banks, namely, ATM Facilities, Debit card facilities, Credit card facilities, Mobile Banking and Internet banking facilities. The study found whether these customers have accepted these facilities offered by these banks, by data collection from 150-respondents. The collected data was analyzed and the result showed that there exists a relationship between the value added services rendered by the banks.

The discussed reviews highlight the significance of e-banking services in the modern context. However, the need for it is undeniable. Hence, providing it with pure safe methods will enable effective e-banking transactions in future banking system.

Methodology

The researcher has chosen 75 respondents by non-probability convenience sampling method for the present study. From the chosen respondents 42 were new generation private sector bank employees and 33 were public sector bank employees. The employees were chosen from the most predominant metropolitan city Chennai. Chennai consists of people representing population from all over the country and therefore studying the population from Chennai can be generalised to the whole country. Secondary data was collected from books, bank records, Journals and primary data was collected through primary data. Primary data was collected through questionnaire with 48 items that was designed to measure the service quality dimensions of the e-banking services. The study has two objectives as influence of gender & marital status on customer perception of e-banking services and the general perception of customers' on e-banking services provided by banks. The study tested the following hypothesis. H1- there is no relationship between gender & marital status with e-banking services. H2 - There is no difference among the factors that are being preferred by the e-banking customers. T-Test was used to study the relationship between gender & marital status with e-banking services and to identify the difference among the factors that are being preferred by the e-banking customers.

Results & Discussion

Table 1. The respondents' demographic profile

Variables	Frequency	Percentage
Gender:		
Male	48	64%
Female	27	36%

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Banking sector		
New generation Private sector bank customers	42	56%
Public sector bank customers	33	44%
Marital Status		
Married customers	44	59%
Single Customers	31	41%

Table 2: Influence of Gender on Customers' perception of E-Banking Service quality dimensions

S.No	Customers' perception of E-Banking	Chi Square observed value	P value	S/NS
01.	Efficiency	5.143*	0.012	S
02.	Privacy/security	6.114*	0.014	S
03.	Reliability	7.107*	0.000	S
04.	Responsiveness	9.815**	0.032	S
05.	Contact	6.000*	0.000	S
06.	Ease of use	0.134	0.705	NS
07.	Product portfolio	8.189**	0.000	S
08.	Competence	5.900*	0.000	S

***P<.05, **P<.01**

From the Table 2 it can be interpreted that the null hypothesis is rejected in many cases (significant) therefore found that the gender is influencing almost seven factors with respect to the customer's perception of E-Banking service quality dimensions. Only one aspect is insignificant. i.e., ease of Use in which case the null hypothesis is accepted. All other factors are viewed differently based on gender differences.

Table 3. Influence of Marital Status on Customers' perception of E-Banking Service quality dimensions

S.No	Customers' perception of E-Banking	Chi Square observed value	P value	S/NS
01.	Efficiency	5.154*	0.000	S
02.	Privacy/security	6.113*	0.000	S
03.	Reliability	6.666*	0.000	S
04.	Responsiveness	10.105**	0.000	S
05.	Contact	5.305*	0.000	S
06.	Ease of use	0.115*	0.000	NS
07.	Product portfolio	0.109*	0.000	NS
08.	Competence	6.303*	0.000	S

***P<.05, **P<.01**

From the Table 3 it can be interpreted that in most of the cases the null hypothesis is rejected (significant) and therefore found that the marital status is influencing almost seven factors with respect to the customer's perception of E-Banking service quality dimensions. Only two aspects are insignificant. i.e., ease of Use & product portfolio and thereby the null hypothesis is accepted. All other factors are viewed differently based on marital status differences.

Table 4. Test to identify the order of preferences of the service quality offered by the banks

Factors	N	Mean	Stddeviation	t-test	Sig
Efficiency	75	3.1100	1.00150	3.201**	.000
Privacy/security	75	4.2100	1.02017	1.100**	.000
Reliability	75	4.1020	1.70006	1.115**	.000
Responsiveness	75	3.0200	1.10000	0.106**	.000
Contact	75	2.1022	.71510	3.500**	.000
Ease of use	75	3.0520	1.00061	0.041**	.000
Product portfolio	75	2.0001	1.02017	1.101**	.000
Competence	75	3.9500	1.70006	1.049**	.000

From table 4 it is found that the t-values are systematic and statistically significant at 5% level. The factors namely Privacy/security (mean value – 4.2100) and Reliability (mean value – 4.1020) are the aspects considered as very significant based on their mean values. Efficiency (mean value-3.1100), Responsiveness (mean value – 3.0200) and competence (3.9500) were the moderately preferred factors by the e-banking customers. Product portfolio (mean value – 2.0001) and contact (2.1022) were the aspects of least significance in view of e-banking customers.

Conclusion

The pursued study found that there is influence of marital status on the customers' perception of e-banking services and there is influence of gender on the customers' perception of e-banking services. There is also difference in the aspects preferred by the e-banking service customers. Therefore the both hypothesis as follows are rejected: H1- there is no relationship between gender & marital status with e-banking services. H2 - There is difference among the factors that are being preferred by the e-banking customers. The findings from the study denote that the banks have to identify the customer preferences gender wise and based on marital status and should try to satisfy them as per their categories. The aspects preferred also should be given importance based on their preference and more care should be given to security aspects and reliability aspects as they serve as major challenge for the e-banking services offered by public sector banks and the new generation private sector banks.

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