Priorities for Improvement of E-Banking Services in Cachar District of Assam: A Gap Analysis

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ABSTRACT   *In light of the growing concern of the newly transformed banks in India in providing a consistently positive multi-channel experience to the customers to sharpen their competition with the techno-savvy foreign banks operating in India an effort has been made to identify the priorities for improvement for better marketing management of the e-banking services. The identification of the priorities for improvement has been made by identifying the gap between the relative importance and satisfaction against each of the attributes of e-banking services selected for the purpose of the study. The findings of the study demonstrate three important attributes that have taken into consideration by the banks as their major priorities for improvement of the e-banking services.*

INTRODUCTION

The banking sector in India has undergone tremendous changes during the past two decades mainly due to the forces like economic liberalisation, globalisation, revolution in information technology and changing customer requirements. Among several other initiatives that have been undertaken by the banks in India during the past two decades the adoption of e-banking is one of the most significant. Banks more particularly the Public Sector Banks (PSBs) have been striving hard to make their structures flexible enough to accommodate the global technology to facilitate alternative delivery channels to the customers.

Consequently, another important issue that has to be taken into consideration by the newly transformed banks in India is providing a consistently positive multi-channel experience to the customers in order to sharpen their competition with the techno-savvy foreign banks operating in India (Nitsure, 2003). It is for this reason an effort has been made to address the need of the issue in the context of e-banking services of the Indian Banks operating in Cachar District of Assam.

METHODOLOGY

In order to address the objective of the study primary data have been collected from 267 numbers of e-banking customers (with 95% confidence level and confidence interval of 6) of both Private and Public sector banks operating in Cachar district of Assam. For this purpose the Multi Stage sampling has been taken into consideration in order to select the Banks and their branches and finally convenient sampling technique has been used in order to collect the data from the e-banking customers in Cachar district of Assam.

In the first stage the public sector commercial banks have been selected on the basis of their spread in terms of their branches in the district. These include the banks having a minimum of three branches in Cachar district viz., State Bank of India, United Bank of India, Central Bank of India, UCO Bank, Allahabad Bank and Punjab National Bank. In case of private and foreign banks their spread in Cachar district are however limited to Silchar sub-division each having a branch in Silchar Town area. Therefore, the private banks that have been taken into consideration in order to serve the purpose of the study include all the private commercial banks operating in Cachar district viz., Axis Bank, ICICI Bank, Federal Bank, HDFC Bank Ltd., IndusInd Bank and Yes Bank.

In the second stage, sampling of the branches from each of the public sector banks that have been selected at the first stage was carried out. The criterion that has been taken into consideration for selection of the branches of the public sector banks in Cachar district is on the basis of adoption of the e-banking services by the customers. From the secondary data collected from the banks of Cachar district depict that usage of e-banking services by the consumers is more in case of the banks located in the Silchar sub-division than the usage of e-banking services by the consumers in case of banks located in Lakhipur sub-division. The usage of e-banking services is in fact negligible in the Lakhipur sub-division. Since the adoption of e-banking services by the consumers is more in case of the banks located in Silchar sub-division, therefore, the branches that were taken into consideration from each of the selected public sector banks include the branches located in Silchar sub-division.

The e-banking customers of the selected branches of both private and public sector banks finally constitute the population (N) of the study.

The final step that has been carried out is the consideration of the size of the observations from both the private and public sector banks selected for the purpose of the study. This has been made in proportion to the number branches under each of the selected private and public sector banks as shown in Table 1.

Table 1 Size of observations under each of the selected Banks.

Name of the Bank	Number of Branches	Size of observations
State Bank of India	6	55
United Bank of India	4	37
UCO	4	37
Central Bank of India	3	28
Punjab National Bank	3	28
Allahabad Bank	3	28
Axis Bank	1	9
IndusInd Bank	1	9
HDFC Bank Ltd.	1	9
ICICI Bank	1	9
Federal Bank	1	9
Yes Bank	1	9
Total	29	267

Source: Authors' calculation

ANALYSIS AND INTERPRETATION

Profile of the participants

The questionnaire was administered to 267 numbers of e-banking customers in Cachar district. The abstract of the profile of the respondents are shown in Table 2 as follows:

Table 2 Profile of the Participants

	Frequency (n=267)	Percent
Age:		
1. 15-30	105	39.30%
2. 30-45	79	29.60%
3. 45-60	83	31.10%
Gender:		
1. Male	149	55.80%
2. Female	118	44.20%
Educational Qualification:		
1. HS	77	28.80%
2. Graduate	112	41.90%
3. Post Graduate	78	29.20%
Occupation:		
1. Service	87	32.60%
2. Business	103	38.60%
3. Others	77	28.80%

Source: Primary data

Results and Discussion

In order to achieve the objective of the study focus has been made to identify the requirements of the e-banking customers on the basis of the relative importance of the selected components of e-banking services as rated by the customers in a five point Likert Scale by giving each component a score ranging from one to five. After analysing the customers' relative importance against each of the attributes of e-banking services effort has been paid towards identification of their level of satisfaction for the same list of attributes of the e-banking services in Cachar District of Assam in a Likert scale ranging from one to five. Finally, 'gap analysis' has been done by comparing the average ratings of the customers on both the counts viz. importance and satisfaction in order to identify the priorities for improvement (PFI).

The Chart 1 clearly demonstrates what matters most (the upper bar against each of the component) to customers of e-banking services in Cachar district of Assam alongwith their satisfaction (the lower bar) against each of the attributes of e-banking services in Cachar. From the Chart we can grasp that the component Reliability with an average score of 4.8 matters most to the customers followed by Accuracy (4.6), Responsiveness (4.6), Timeliness (4.2) and Accessibility (3.7). In case of customers' satisfaction the banks are able to satisfy more to the customers against the attributes like Reliability (4.2) and Accuracy (4) than the attributes like Responsiveness (3.6), Timeliness (3.7) and Accessibility (3.4).

Although the scores relating to importance and satisfaction of the e-banking attributes provides very interesting information but the most useful outcomes can be produced by identifying the gap between the importance scores and satisfaction scores together against each of the components of e-banking services. If the satisfaction bar is shorter than the importance one there is a concern for the banks to deliver the services better to the customers and the bigger the size of the gap the more should be the concern.

The Chart 1 clearly highlights that against each and every attributes of e-banking services there was a gap between the importance and satisfaction which is more in case of Responsiveness as compared to the other components viz., Reliability, Accuracy, Timeliness and Accessibility. This means that the banks are unable to satisfy the desired requirements of the customers against the attributes of e-banking services and is more severe in case of Responsiveness as compared to the other attributes.

However, in addition to the size of the gap it is important to mention at this point of time an important aspect for understanding the priorities for improvement of the e-banking services which is as per the importance of the attributes to the customers. The higher the importance of an attribute to the customers the higher should be the preference to be given in closing the gap (gap between importance and satisfaction) to that attribute. In closing even a smaller gap against the attributes of utmost importance will result in higher customer satisfaction for the services offered.

As far as the present study is concerned the components Reliability with an average score of 4.8 followed by Accuracy (4.6) and Responsiveness (4.6) are of utmost importance to the e-banking customers and therefore, closing the gap of these three components of e-banking services should be the priorities for improvement for the banks in order to achieve higher customer satisfaction for the services offered.
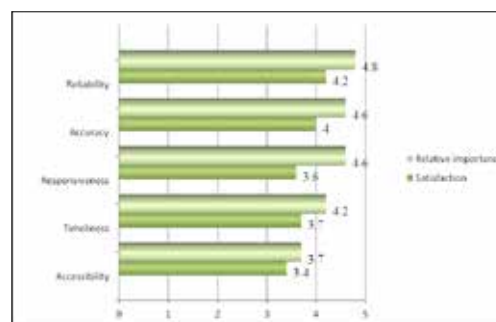

Chart1: Gap Analysis highlighting the gap between the customers' relative importance and customers' satisfaction against each of the component of e-banking services. (Source: Primary data)

CONCLUSION

Customer satisfaction is an important post purchase experience often associated with consumer outcomes such as loyalty, retention (Anderson & Sullivan 1993) and positive word of mouth (Oliver 1980). Successful marketers are the ones who add superior benefits/features to their offerings that not only satisfy customers but surprise or delight them by targeting their requirements.

In light of the growing concern of the newly transformed banks in India in providing a consistently positive multi-channel experience to the customers in order to sharpen their competition with the techno-savvy foreign banks operating in India effort should be made by the newly transformed banks to match the satisfaction with their requirements in order to identify the priorities for improvement for better marketing management.

As far as the present study is concerned priorities for improvements of e-banking services in Cachar district should be more in relation to the attributes like Responsiveness, Reliability and Accuracy than the attributes like Timeliness and Accessibility in order to create a niche for survival. Such a conclusion has been drawn keeping in mind the importance of the attributes to the customers and the size of the gap between the satisfaction and importance as discussed above in the Results and Discussion part of the paper.

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