

# E-BANKING SERVICE QUALITY: LOOK AHEAD TOWARDS CUSTOMERS PERCEPTION



## Management

**KEYWORDS :** E-Banking, Service Quality, Customer Perception, Satisfaction

<b>Mr. B. Muthukrishnan</b>	Doctoral Research Scholar, Department of Management, School of Management, Pondicherry University, Karaikal Campus, Karaikal- 609605
<b>Mrs.D.Ramadevi</b>	Doctoral Research Scholar, Department of Management, School of Management, Pondicherry University, Karaikal Campus, Karaikal- 609605
<b>Dr.S.A.Senthil kumar</b>	Associate Professor, Department of Management, School of Management, Pondicherry University, Karaikal Campus, Karaikal- 609605

### ABSTRACT

*This study focuses on E-banking service quality and identified various factors of E- banking service quality, i.e., access, communication, competence, credibility, reliability, responsiveness, security, tangibility, Courtesy and understanding. Main objective of the study is to understand and analyze the service quality dimensions and customer satisfaction level with E-banking services on banking sectors. Study was descriptive in nature and Cluster sampling was used and sample sizes are 150. Mean score and t-test were used for analysis. Researcher found that overall customer's were satisfied with E-banking services. E-banking provides the customer benefits such as cost minimization, quick service and easy way bank transaction. The comparison between E-banking and traditional banking, the E-banking service is better than traditional banking services. Finally researcher suggests some measures to improve the E- banking service quality and to increases the customer satisfaction level.*

### Introduction:

Now a day's E- Banking service has become the most advance technique used all over the world and also it brings the customer to do their various needs of transaction in their palmtop itself. In order to that the study focuses on E-banking service quality and customer satisfaction level. E-banking service reduce the cost with customary banking system by decreasing processing time, quick transaction, improving the suppleness of banking transaction and offering better customer service through internet banking. The conception banking has undergone various improvements over the period of more than sixty years. Indian banking system should not only be harassed free but also it should be in capable to meet new challenges to create by the advancement technology with many external and internal factors. For the past three decades India's Banking sector has numerous excellent attainments to its credit.

The E-banking means the products and services by a bank to its bank customers (account holders), through a mobile phone, computer and other social media. The internet banking offered the services to its customer and online facilities are Sign E-cheques, Payment to their clients, cash transfers from one account to another account, apply for bank-drafts, enquiry on account balance, instantaneous accessibility of multiple accounts, Enquiry for various new and upcoming schemes like loan transaction process, account schemes etc. E-banking service provides the various channels through Internet Banking or online banking, pc banking or offline banking, telephone banking, TV-based banking, mobile phone banking and managed network. The various types of internet banking are Informational, Communicative and Transactional. The risk is relatively low, as informational systems typically have no path between the server and the bank's internal network. communicative, this type of Internet banking system allows some interaction between the bank's systems and the customer. The interaction may be limited to e-mail, account inquiry, loan applications, or static file updates like name and address changes etc. Because these servers may have a path to the bank's internal networks, the risk is higher with this configuration than with informational systems. Appropriate controls need to be in place to prevent, monitor, and alert management of any unauthorized attempt to access the bank's internal networks and computer systems. Virus controls also become much more critical in this environment. The Third type of E-banking are transactional, this level of Internet banking allows customers to execute transactions. Since a path typically exists between the server and the bank's or outsourcer's internal network, this is the highest risk architecture and must have the strongest controls. Customer transactions can include accessing accounts, paying bills, transferring funds etc.

### Review of Literature

The related literature relating to the topic is reviewed as under:

Mohd Ashraf Ali (2012) Banks are the back bone of every country's economy and help in quick transactions which were not potential before the introduction of E-commerce. In this paper show the various benefits on E-banking and more challenges in the Indian banking sector through E-commerce. Elisha Menson Auta (2010) discusses the using internet banking based on respondents' perception on E-banking service. E-banking has provided convenience and flexibility services, and also transaction are speed, efficiency, accessibility, etc. Study shows that E-banking provides various advantages to banking sector and provides convenience and flexible advantages to customers. It also provides transaction related benefits like trouble-free transfer, quick transaction, low cost and time saving. The study suggest that critical infrastructure like power and telecommunication should be provided and with high level of stability to ensure the application of E-banking. Broadie (2007) shows that E-banking service results in higher performance in the banking sector, identified the e-banking service dimensions are data, hardware, software, network and people. Finally, concluded that banking customers are satisfied with E-banking service. Kuisma et al., (2007) identified that internet provides more advantages for bank and for bank account holders when compared to other payment channels. Sudha et al., (2007) analyzed the customer perception towards security concern and internet banking adoption. This paper discussed customer have much concern about security and privacy issues of internet banking, whether customer accept internet banking or not. Gerard (2006) used content analysis, identifying why Singaporean customers didn't using internet banking, the reasons was lack of Knowledge, high risk, inaccessibility and IT fatigue. Cheng (2006) identify that customers preferred E-banking for speed, 24 hour service (ATM), transaction and access of account anywhere of World. But E-banking service benefits the transaction costs is very low, paperless eco-friendly transaction and less requirement of bank staff. Lee et al., (2005), discussed that the quick service through e-commerce over traditional marketing channels. The value added service in electronic banking is convenience, sale orientation and lower cost.

### Objectives of the Study:

- To analyze the service quality dimensions and customer satisfaction level with E-banking services on banking sectors.
- To identify the overall E-banking service quality gaps on banking sectors.

### Need and significance of the study:

E-banking is one of the up-and-coming developments in the

Indian banking and vital playing a inimitable role in reinforce the banking sector and improving service quality. The banking sector in India has launch E- banking in a phased manner. Foreign banks are the lead the way in e-banking, private banks pioneer it in a big way and public sector banks are in the process of transformation from traditional banking to E-banking. E-banking facilitates the banks to handle the payments electronically and inter-bank settlement quicker and in large volumes. E-banking raise in customer satisfaction level, diminution in cost of banking process, improved efficiency and as such there is a wonderful extent for Indian banks to expand their E-banking services which could improve their competitiveness. So the present study attempt to evaluate the service quality gap and customer satisfaction level with E-banking services on banking sectors.

**Research Methodology**

The study is descriptive in nature. The researcher used "Cluster sampling" for this study. Sample size is 150. Primary data are collected through the questionnaire method. The questionnaire farmed based on parasuraman et al., (1985) SERVQUAL Model on E-Banking Service quality. The mean Scores and t- test tools used for this study. The Reliability statistics for perception and expectation cronbach's alpha values are 0.821 and 0.793.

**Analysis & Result:**

**Table : 1 Service Quality Gap for the customer of E-Banking Services**

Code	Dimensions	Mean (P)	Mean (E)	Gap	t-value	p-value
<b>Access</b>						
A1	E-banking service is accessible via Internet banking, mobile banking, EFT, ECS, ATM	3.71	3.84	-0.13	-1.239	0.587
A2	Using services on online payment is easy	3.77	3.94	-0.17	-2.091	0.643
A3	E-banking provides convenient location of service facility	3.71	3.93	-0.22	-0.346	0.398
A4	E-banking decrease the waiting time to receive the service	3.69	3.87	-0.18	-2.875	0.065
<b>Communication</b>						
B1	E-banking promise the customer that problem immediate solved	3.59	3.73	-0.14	-1.348	0.140
B2	E-banking give up to date information	3.45	3.77	-0.32	-3.856	0.001**
B3	Banks also provides sophisticated information for well educated customers	3.27	3.83	-0.56	-5.678	0.001**
B4	E-banking provides effective promotion activities	3.54	3.79	-0.25	-2.897	0.078
<b>Competence</b>						
C1	E-banking is trusted by young generation	3.53	3.86	-0.33	-3.876	0.001**
C2	Transfer of fund is procedure easier through E-banking	3.54	4.02	-0.48	-4.568	0.001**
C3	E-banking provides more promptness and transparency	3.38	3.77	-0.39	-3.245	0.001**
C4	E-banking service better than manual banking	3.29	4.06	-0.77	-7.349	0.001**
<b>Credibility</b>						
D1	E-banking increases the goodwill of the banks	3.39	3.83	-0.44	-4.563	0.001**

D2	E-banking increases the believability, honesty and trustworthiness of the customers in banks	3.79	3.82	-0.03	-0.478	0.683
D3	E-banking ensures the ability to fulfill the requirement	3.64	3.86	-0.22	-2.674	0.013*
D4	Degree of reliability involved in Interaction with customer is more in e- banking	3.4	3.73	-0.33	-3.498	0.001**
D5	E-banking provides infinite network to the banks to approach customers	3.23	3.75	-0.52	-5.456	0.001**
<b>Reliability</b>						
E1	E-banking provides accuracy in billing	3.08	3.48	-0.4	-4.456	0.001**
E2	E-banking helps in keeping records correctly	3.59	3.86	-0.27	-2.678	0.014*
E3	E-banking performs the service at designated time	3.24	3.68	-0.44	-4.532	0.001**
<b>Responsiveness</b>						
F1	E-banking is very necessary for the Present and Future development	3.19	3.97	-0.78	-7.387	0.001**
F2	It improves the quality of customer service	3.93	4.09	-0.16	-1.363	0.134
F3	Response of service through E-banking is very prompt and quick	3.13	3.71	-0.58	-5.245	0.001**
F4	Availability of service is faster in e- banking as compare to manual banking	3.13	3.94	-0.81	-8.785	0.001**
<b>Security</b>						
G1	E-banking make certain physical safety of the transaction	3.41	3.67	-0.26	-2.406	0.018*
G2	Password facility provides confidentiality to transaction	3.78	3.86	-0.08	-0.132	0.654
G3	Banks enlarge the financial security	3.54	3.82	-0.28	-2.423	0.016*
G4	Privacy can be easily maintained	3.24	3.69	-0.45	-4.876	0.001**
<b>Tangibility</b>						
H1	E-banking offered modern looking equipment	3.54	3.92	-0.38	-3.155	0.001**
H2	Physical representation of service through credit, debit and green card is easy	3.89	4.02	-0.13	-1.453	0.140
H3	E-banking provides 24X7 service to customers	3.86	3.99	-0.13	-1.326	0.102
H4	Clarify customers queues quickly	2.92	3.83	-0.91	-9.763	0.001**
H5	E-banking offered more physical facilities to the customers	3.21	3.73	-0.52	-5.539	0.001**
<b>Understanding</b>						
I1	E-banking provides individualized concentration to the customers	3.32	3.66	-0.34	-3.321	0.001**
I2	E-banking provides required information to the customers	3.07	3.77	-0.7	-7.078	0.001**
I3	Website of the bank is deliberate according to the need of the customer	3.66	3.8	-0.14	-1.666	0.105

I4	E-banking ensures to provide necessary information to the customer	3.39	3.83	-0.44	-4.398	0.001**
I5	E-banking learns the specific requirement of the customer	3.45	3.63	-0.18	-2.456	0.783
I6	E-banking helps in better customer relationship, attracting and retaining them	3.56	3.91	-0.35	-3.567	0.001**
<b>Courtesy</b>						
J1	Politeness, respect, consideration and friendliness of the contact personnel	3.99	4.2	-0.21	-2.356	0.021*
J2	consideration for the customer's property, clean and neat appearance of public contact personnel	3.58	3.95	-0.37	-3.876	0.001**

**Notes:**

- A) \*\* Reject Null Hypothesis at 1% level (highly significant)
- B) \*Reject Null hypothesis at 5% level (significant)
- C) No star means Accept Null hypothesis at 5% level (Not Significant)

**Interpretation:**

- A) Since P Value is less than 0.01 the null hypothesis is rejected at 1% of highly significant level. Hence concluded that there is significant between expected and perceived service quality with respect to sub factors are B2,B3,C1,C2,C3,C4,D1,D4 ,D5,E1,E3,F1,F3,F4,G4,H1, H4,H5,I1,I2,I4,I6 and J2.
- B) Since P Value is less than 0.05 and greater than 0.011 the null hypothesis is rejected at 1% of significant level. Hence concluded that there is significant between expected and perceived service quality with respect to sub factors are D3,E2,G1,G3 and J1.
- c) Since P Value is greater than 0.05 the null hypothesis is accept at 5% of significant level. Hence concluded that there is no significant between expected and perceived service quality with respect to sub factors are A1,A2,A3,A4, B1, B4,D2,F2,G2,H2,H3,I3 and I5.

**Table : 2 Analysis Overall SERVQUAL Gap**

Code	Factors	Perceived	Expected	Gap (P-E)
A	Access	3.72	3.89	-0.17
B	Communication	3.46	3.78	-0.32
C	Competence	3.43	3.94	-0.51
D	Credibility	3.49	3.79	-0.3
E	Reliability	3.30	3.67	-0.37
F	Responsiveness	3.34	3.93	-0.59
G	Security	3.49	3.76	-0.27
H	Tangibility	3.48	3.9	-0.42
I	Understanding	3.41	3.77	-0.36
J	Courtesy	3.78	4.07	-0.29

From the above table shows that most of the customer satisfied with accessible factor but the same time some of the customer dissatisfied with the responsiveness factor. Hence the Banking sectors concentrates and improve the quality of the customer service.

**Conclusion:**

Now a day's banking sectors provide different products and services through E-banking systems. Most of the people were aware about the E-banking service and the customers were satisfied with E-banking services. The benefits of E-banking are cost minimization, quick service and easy way in banking transaction. In this study based on analysis the customer strongly agree with transfer of funds is faster as compared to manual banking system. The traditional banking system is to accept deposits and to sanction loans and advances. The changing needs of customers reflect the acceptance of value added services for basic bank requirements. The technology has enabled the banks to offer anywhere and anytime, to increase the customer demand and to provide the satisfaction on E-banking service. It is finally concluded that customer was over all satisfied with E-banking service.

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