



Customers Perceptions on E-Banking in 21st Century (With Reference to Public and Private Sector Banks in Vijayawada city, Andhra Pradesh. INDIA)

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ABSTRACT

In the era of Information technology, e-banking has become one of the most revolutionised components of today's economic growth. With the proliferation of internet and computer usage, e-banking has become ideal for banks to meet customer expectations. This study is based on primary data with 120 respondents of state bank of India and ICICI Bank in Vijayawada city, the data has been collected, tabulated, and analyzed with the help of statistical tools like percentage. The objective of this research paper is to present an analysis on the perceptions of customers on E-banking at SBI and ICICI bank.

Keywords : E-banking, information technology

Introduction: The globalizations impact in 21st century has brought great changes in all aspects of businesses. The customer behaviour is changing rapidly with the advancements of technology and the customers are demanding sophisticated technology enabled services. The e-banking thus has become one of the sophisticated services for banks which has benefited the customers and as well as reducing the bank work burden.

In the era of information technology, e-banking has become one of the most revolutionised components of today's economic growth. With the proliferation of internet and computer usage, e-banking has become ideal for banks to meet customer expectations. The famous quote by Bill Gates which states that banking is vital to a healthy economy, but bank themselves are not (Serwer, 1995; Jeevan, 2000; and Verma, 2001) highlighting the crucial nature of the electronic forces that are affecting banks more than any other financial service provider group.² Now-a-days, banks are working hard to attract customers and retain their market share by providing them with various innovative services through e-banking. In the world-banking map, e-banking is gaining prominence globally day-by-day due to its apparent advantages to customers, business entities as well as the banking industry as a whole.

Electronic banking or e-banking, a web based service enables customers to access their accounts. It allows the customers to log on to the bank's website with the help of the bank issued identification numbers. The banking system verifies the user and provides access to the required services. The range of services provided by the e-banking are: internet banking, Electronic Transfer Fund (ETF), Electronic Clearing Services (ECS), telebanking, mobile banking, Electronic Data Interchange (EDI), Automated Teller Machine (ATM) and so on. The banks are combining new electronic delivery channels almost every day to their existing services. Bank ser-

vices are now just at a distance of one click from the mouse.

E-banking has much future which facilitates the customers to perform wide variety of financial transactions on a secure website operated by their online account system. The e-banking can perform many services including transactional, payments to third parties, fund transfer anywhere in the world through online and investment purchase. The e-banking has facilitated advanced characteristics than the traditional banking operations. This has witnessed the unprecedented speed of technological change. It is able to provide the product and service innovation due to changing customer expectations. It has also resulted in the increasing dependence of banks on third-party service providers.

Overview and growth of E-banking: Indian economy is witnessing stellar growth over the last few years. There have been rapid developments in infrastructural and business front during the growth period. Internet adoption among Indians has been increasing over the last one decade. Indian banks have also risen to the occasion offering new channels of deliver to their customers.

Though the banking system in India has emerged in the last decades of 18th century, it has transformed the traditional operations to most advanced operations for the customers. The commercial banking has started to received new shape with the advancements of technology-enhanced products and services from 1980s. The banks in order to provide healthy transactions and to reduce their overburden and costs started to concentrate on the technology enabled services. As a result, multifunction ATM, Tele-banking, electronic transfers and e-cash cards entered in the market. The growth in the use of internet has provided the facility of introduction to the e-banking transactions. The restricted services of banks were replaced with that of "anytime/anywhere/anyhow" type of services. The traditional banking system of providing services

to person-to-person is replaced with many services under a single click concept. The customized tailor made services for satisfying the customer needs have recognized from the inception of e-banking.

The IT revolution had a great impact on the Indian banking system. The use of computers led to introduction of online banking in India. The use of the modern innovation and computerization of the banking sector of India has increased many folds after the economic liberalization of 1991 as the country's banking sector has been exposed to the world's market. The Indian banks were finding it difficult to compete with the international banks in terms of the customer service without the use of the information technology and computers.

Review of Literature

The review of literature has been done in order to study the E-banking and assess the importance of E-banking in today's banking sector in India. There have a few studies conducted so far in this area, among few studies of importance have been presented here.

Raghavan. R.S. (2006)³ in his article "perception of Indian banks in 2020". visualises the perceptions of banks in India in the year 2020, taking into account the initiatives taken in the package liberalisation, privatisation and globalisation (LPG). A common assumption is that internet banking is the only method of online banking. However, this is not strictly the case, as several types of services are available. PC banking, Internet banking, digital TV banking, text phone bank. Increased percolation of technology applications from metro and urban centres to semi-urban and rural areas also.

Wai-Ching Poon and Booi-Chen Tan (2008)⁴ in their paper titled "an attempt to spread E-Banking in Malaysia". Aims to examine the factors affecting the usage of e-banking system in Malaysia with particular focus on the benefits gained from it. The study also aims at to examine the underlying profile of the e-banking attributes that are important from the customer's perspectives.

Jayant Kumar and Hitesh Bhatia. (2009)⁵ in their article, "focused on security implications of e-banking in the Indo-Canadian context". States that Young people of this millennium find it difficult to stand in queues to carry out their routine banking transactions. They demand those services which are just a click away and electronic banking (e-banking) promises to meet this need. E-banking has not only improved the banking habits of people but also reduced the cost of transactions and enhanced the productivity and profitability of banks.

4) Ramesh J (2013)⁶ in his article entitled "Growth of E-banking in 21st century" stated that Indian economy is witnessing stellar growth over the last few years, internet adoption among Indians has been increasing over the last one decade keeping this in minds Indian banks have also risen to the occasion of offering new channels to meet the customers needs and wants through e-banking.

NEED FOR THE STUDY

In the very recent past a series of innovative practices have been introduced in the banking industry with the purpose of making as many services available as possible to the customers by minimising the cost and time factor. The services in the banking industry gained lot of prominence by introducing many modes. All these services mentioned aimed at facilitating the customer to make quick transaction with ease, as the whole gamut of banking industry is purveyed with these services. Against this backdrop, an attempts is made in this study to substantiate the benefits accruing to the customer due to E-Banking services.

Objectives of the study:

- to study the overview of E-banking and its advancement in India
- to examine the customers perceptions regarding E-Bank-

ing services in selected Banks;

- to offer the strategies to enhance the effectiveness of E-banking to the banks administration

Methodology

This study is based on the primary data, as it is related directly to the user (customers). Adequate information has been collected through the questionnaire, the questionnaire was served to the customers directly. And oral information is also gathered from the customers as well as from the employees includes the middle level management of the banks. The size of the sample taken was 120 customers at random. The information collected for this study has been systematically tabulated, analyzed and interpreted

Limitations:

- This study has been conducted with only 120 customers only
- It is confined to Vijayawada city only
- This is a partial study and has more scope for further research

Discussions and Results

Table 1 showing the response regarding the type of technology used

Technology Banks	Andhra Bank	% to Total	ICICI Bank	% to Total
Online banking	10	16.66	8	13.33
Tele banking	--	--	--	--
ATM	45	75.00	43	71.66
Online Shopping	05	8.33	09	15.00
Total	60	100.00	60	100.00

Source: Field survey

The above table demonstrates the response regarding the type of technology used. It is interesting to observe from the table that majority of the customers of Andhra bank numbering 45 out of 60 accounting for 75 per cent have used ATM technology followed by 16.66 per cent (10) online banking and the least percentage of 8.33 (5) have used online shopping. Similar tendency can also be observed in the case of ICICI bank as 43 out of 60 customers accounting for as high as 71.66 per cent have used ATM followed by 13.33 per cent (8) online banking where as 15(9) have used online shopping. It is pertinent to observe from the above analysis that majority of the customers in the both the banks have used ATM technology as compared to least number of customers who used online shopping.

Table 2 showing the response regarding the usefulness of ATM

Opinion of the respondents	Andhra Bank	% to Total	ICICI Bank	% to Total
Useful during the journey	5	11.11	5	11.62
regular	5	11.11	8	18.40
During the online shopping	20	44.	20	46.51
While at the time of receipt of salary	15	33.33	17	39.53
Total	45	100.00	43	100.00

Source: Field survey

Table 2 demonstrates the response regarding the usefulness of ATM. It is interesting to observe from the table that out of 45 respondents of Andhra bank as many as 20 accounting for 44.44 per cent stated that the ATM services are use full at the time of drawing salary followed by 5 respondents accounting for 11.11 per cent who stated that the ATM services are use full during the journey as compared to 11.62 per cent respondents (5) who stated that the services are useful during online shopping. Against the above tendency, in the case of ATM services of ICICI bank the figures present a different picture. It can be observed from the table that 20 out of 45 customers respondents accounting for 46.51 per cent stated that the ATM services are use full during on-line shopping followed by 17 customers respondents accounting for 39.53 per cent who stated that the services of the ATM are useful of the time of drawing salary as compared to 11.62 per cent of respondent (8) who stated that the ATM services are use full during journey time.

Table 3 Showing the response regarding redressal mechanism of ATM services

Opinion of the respondent	Andhra Bank	% to Total	ICICI Bank	% to Total
Satisfied	15	22.23	10	30.24
Dissatisfied	30	77.77	33	69.76
Total	45	100.00	43	100.00

Source: Field survey

Table 3 shows the response regarding redressal mechanism of ATM services in selected banks. It is dissatisfying to observe from the data that 30 out of 45 customers in Andhra bank against 33 out of 43 customers in ICICI bank, accounting for 77.77 per cent and 69.76 per cent respectively stated that they are dissatisfied with the redressal mechanism of ATM services. Against the above trend, it is found that 22.23 per cent of Andhra bank corresponding to 30.24 per cent of ICICI bank respondents stated that they were satisfied with the redressal mechanism of ATM services. It can be concluded from the above analysis that majority of the customers of Andhra bank (77.77 per cent) and ICICI bank (69.76 per cent) have stated dissatisfied with the redressal mechanism of ATM services as compared to 22.23 per cent and 30.24 per cent of the respective bank who stated satisfied.

Table 4 showing the response regarding experience of the banking technology and Innovation

	Andhra Bank	% to Total	ICICI Bank	% to Total
Satisfied	40	66.67	45	75.00
Dissatisfied	-	-	-	-
Neither satisfied nor dissatisfied	20	33.33	35	25.00
Total	60	100.00	60	100.00

Source: Field survey

Table 4 shows the response regarding experience of the banking technology and innovation with customers. It is observed from the data that majority of customer respondents 40 out of 60 accounting for 66.67 per cent of Andhra bank respondents in relation to 45 out of 60 accounting for 75 per cent of ICICI bank customers stated satisfied with the experience of the banking technology and innovation. Against the above tendency, it is dissatisfying to observe that 30 per cent

respondents of Andhra Bank and 25 per cent respondents of ICICI bank have stated that they are neither satisfied nor dissatisfied with the experience of banking technology and innovation.

Table 5 showing the response regarding importance of these benefits

Opinion of the respondents	Andhra Bank	% to Total	ICICI Bank	% to Total
Very large extent	23	38.33	20	33.33
Less extent	20	33.33	22	36.66
No extent	17	23.33	18	30.00
Total	60	100.00	60	100.00

Source: Field surveys

Table 5 demonstrates the response regarding importance of the benefit of using technology in banks is mixed in nature. It is interesting to observed from the data that the customers 38.33 per cent of Andhra bank respondents stated that the benefit is very large extent, as compared to 33.33 per cent of ICICI Bank who stated the same. Contrast to the above, 33.33 per cent of Andhra bank against 36.66 per cent of ICICI Bank stated that the benefit is to less extent. It is dissatisfying to state that 23.33 per cent of (17) of Andhra Bank and 30 per cent (18) of ICICI Bank respondents stated that this benefit is to no extent. It is apparent from the analysis that as stated by the respondents the benefit of use of technology in banks is a mixed bag

Table 6 showing the response regarding number of times using the technology of Banks in a week

	Andhra Bank	% to Total	ICICI Bank	% to Total
2 to 3	20	33.33	25	41.66
3 to 4	28	46.66	20	33.33
More than 5 times	12	20.00	15	25.00
Total	60	100.00	60	100.00

Source: Field survey

Table 6 shows the response regarding number of times the technology is used in banks in a week. It is interesting observe from the table that the response of the customers is very much mixed. The data shows that 46.66 per cent of Andhra bank respondents in relation to 33.33 per cent of ICICI Bank respondents have used the technology in banks 3 to 4 times in a week, followed by 41.66 percent of ICICI bank as compared to 33.33 percent of Andhra Bank respondents stated that 2-3 times in a week whereas a meagre percentage 25 percent of ICICI and 12 percent of Andhra Bank respondents respectively using more than 5 times in a week.

It can be concluded from the analysis that the majority of the respondents of the order of 46.66 per cent in Andhra Bank use technology for 3 to 4 tones in as week as against 2 to 3 times in a year as stated by 41.66 per cent of ICICI Bank. The response of the customers is a mixed bag

Table 7 .showing the response regarding the extent of positive ness of technology of banks

	Andhra Bank	% to Total	ICICI Bank	% to Total
Like it very	--	--	--	--
Like it	30	50.00	35	58.33
Like it slightly	20	33.33	10	16.66
Do not like	10	16.66	15	25.00
Total	60	100.00	60	100.00

Source: Field survey

Table 7. demonstrates the response regarding how much technology of banks is linked . It is observed from the data that 58.33 percent of ICICI bank customers correspondingly 50 percent of Andhra bank customers have responded that they like the technology of banks. Against the about tendency 33.33 per cent (20) of Andhra bank against meagre 16.66 per cent (10) of ICICI bank stated that they like it slightly. However it is discontenenting that 16.66 per cent (10) of Andhra bank and 25 per cent (15) of ICICI bank have respondents that they not like the technology of the banks. It can be concluded from the above analysis that majority of the customers like the technology of the banks with difference.

Findings of the study:

- It can be concluded from the analysis that 75 per cent of Andhra Bank customers in relation to 71.66 per cent of ICICI Bank customers have ATM technology facility, followed by 16.6 per cent of Andhra bank customers as against 13.33 per cent of ICICI customers have online banking, as compared to meagre percentage who used online shopping in both the banks.
- Analysis concludes that 46.5 per cent of ICICI bank customers in relation to 44 per cent of Andhra bank customers have stated that ATM is useful during online shopping, followed by 39 per cent in relation to 33.3 per cent of customers respectively stated that ATM is useful at the time of withdrawal of salary against a meagre 17 per cent and 15 percent of customers have stated that ATM is useful regular.
- It can be concluded from the analysis that majority of the customers of Andhra Bank (77.93%) and ICICI Bank (69.76%) have stated dissatisfied with redressal mechanism of ATM services as compared to 22.3 per cent and 30.24 per cent of the respective banks who stated satisfied.
- It is found from the analysis that 75 per cent of ICICI as compared to 66.6 percent of Andhra bank customers have satisfied with the experience of technology and innovation, 33.3 percent of Andhra bank customers against

25 percent of ICICI bank customers have opined that they are neither satisfied nor dissatisfied.

- It is apparent from the analysis that as stated by the respondents, the benefit of use of technology in banks is a mixed bag as 38.33 per cent of Andhra Bank customers stated the benefits are to a large extent in relation to 33.33 percent of ICICI bank customers who stated the same and 36.66 percent of ICICI stated less extent while Andhra Bank stated (33.33 percent) stated the same.
- It can be observed from above the analysis that the majority of the respondents of the order of 46.66 per cent in Andhra Bank use technology 3 to 4 times in a week against 2 to 3 times in a week as stated by 41.66 per cent of ICICI Bank. The response of the customers is a mixed bag.
- It is found from the analysis that majority of the customers of both the banks like the technology followed by 33.33% and 16% of the respective banks who like the technology slightly against a meagre customers who do not like.

Conclusion and Suggestions: The application of information technology in banking sector resulted in the development of different concepts of banking such as E-banking, internet banking, online banking, telephone banking Automated teller Machines (ATM), online shopping and universal banking etc. with quick electronic services to the dynamic customers of information society. It has basically been used under two different avenues in banking, one is communication and connectivity and other one is Business Process Reengineering and it helps the financial intermediaries to reach geographically distant and diversified markets. Suggestions were made based on the findings of the study.

Suggestions:

- It is found that majority of the customers are not using online banking and online shopping facility. Hence it is suggested the bank administration has to create awareness about online-shopping and its benefits to the customers on weekly (or) monthly basis so that there is possibility of increasing usage of online banking and online shopping.
- It is found that majority of respondents in both banks stated that ATM is useful more at online shopping only and least percent of customers 17 and 15 percent of stated ATM is useful in regular, it means majority of the customers still doing their transaction in a traditional way, hence it is suggested the bank administration has to educate the customers about ATM usage on regular basis, as it reduces the time and cost factor of the customers.
- It is found about 70 percent of customers have dissatisfied with redressal mechanism of both the banks. Hence it is suggested that bank administration has to design the redressal mechanism as per the needs and requirements of the customers in both the banks and the employees also need to be trained on new issues and complaints of the customers.

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