

Customer's Awareness towards E-Banking Services

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Abstract:

In the fast-changing competitive environment, in spite of globalization, economic changes regulation, privatization and the like demands that banks are run efficiently and effectively by continuously engaging in technological innovations. Emergence of new technologies, products, markets and competitors places demand on any organization to apply any skills necessary to remain competitive and achieve competitive advantage. Every well managed bank undertakes technological innovations which will enable it to have a competitive edge over the others. These innovations are intended to facilitate a firm's sustainability in the face of growing competition and external threats. The information and communication technologies are updating the banking sector over the years. The fast development and commercialization of Information and Communication Technologies (ICTs) banking industry has encouraged banks to increasingly adopt these technologies. Today, e-banking is used as a strategic tool by the global banking sector to attract and retain customers. Tremendous progress in the field of information technology has reduced the world to a global village and it has caused unprecedented changes in the banking industry. Huge developments in the technology of telecommunications and electronic data processing have further stimulated these changes. Automation has revolutionized financial and banking sectors globally.

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Introduction:

Electronic banking has become a necessary survival missile and is basically changing the banking industry worldwide. Today, the click of a mouse offers bank customers services at a much lower cost and also empowers them with extraordinary freedom in choosing vendors for their financial service needs. E-banking is becoming increasingly popular among retail banking customers.

E- Banking helps in cutting costs by providing economical and quicker ways of delivering products to customers. It also helps the customer to select the time, place and method by which he wants to use the services and gives effect to multichannel delivery of service by the bank. It enables the dramatic lowering of transaction costs, and the creation of new types of banking opportunities that address the barriers of

time and distance. Banking opportunities are local, global and immediate in e-banking. E-Banking can be defined as the deployment of banking services and products over electronic and communication networks directly to customers. These electronic and communication network includes Automated Teller Machines, direct dial-up connects, private and public networks, the internet, televisions mobile devices and telephones. Among these technologies, the increasing penetration of personal computers, relatively easier access to the Internet and particularly the wider dissemination of mobile phones have drawn the attention of most banks to e-banking.

Statement of the Problem

Banking industry is fast growing with the usage of technology in the form of ATMs, on-line banking, telephone banking, mobile banking etc. Plastic card is one of the banking products that

satisfy to the needs of retail segment. It has seen its number grow in geometric progression in modern years. But at the grass root level, people still find it difficult to cope up and to adapt with the technological innovations. At this stage the researcher has took an effort to study the satisfaction of consumers towards the technological based banking services.

Objectives of the Study

1. To evaluate the problems and prospects of e-banking services
2. To study the determinants of the levels of the satisfaction of e-banking Services.
3. To give suggestions on the basis of the study.

Methodology

The sample size consists of 250 bank customers from Hyderabad. The sample respondents have been selected by Convenience Sampling Method.

Limitations of the Study

1. The study was able to reach only a limited number of beneficiaries of banks. But there are many more consumers who are not aware of the banking transactions.
2. The District Co-operative banks are persistently omitted as there is no technological application.

Review of Literature

Jasveen Kaur and Baljit Kaur (2013) calculated the bank-wise comparison among the customers' usage of internet banking services and tried to assess consequent impact of the Internet Banking Service Quality on the Customer Satisfaction in India. Analysis displayed that responsiveness, security/privacy and site-aesthetic are the major aspects that strongly influence the customer satisfaction of the online bank customers

Gupta and Bansal (2012) established an instrument for computing Internet banking service quality in India and also examined the impact of Internet banking service quality dimensions on the Overall Internet Banking Service Quality and customer satisfaction. Results revealed that security dimension convey the maximum impact on the Overall Internet Banking Service Quality, whereas customer satisfaction is most compressed by the Efficiency dimension as compared to other dimensions.

Dharmalingam, S. And Kannan, K. V. (2011) evaluated the service quality in retail banking based on different levels of customers' perception regarding service quality. Data are collected from three Private Banks, i.e. 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.

Rao, K. Rama Mohana and Lakew, TekesteBerhanu (2011) examined the service quality perceptions of customers of public sector and private sector banks in the city of Visakhapatnam, India. The authors reveal that dimensions of service quality scored the highest ratings while the Tangibles dimension got the lowest score. Moreover, the study found a strong dissimilarity in service quality perceptions between customers of private sector and public sector banks.

Kumbhar (2011) studied the relationship between service quality and customers satisfaction as well as satisfaction in internet banking service provided by the public and private sector banks in India. Using stratified sampling, sample of 190 customers was obtained. Results disclosed that overall satisfaction of employees, businessmen

and professionals are higher in internet banking service. Correlation test directs that all dimensions are significantly correlated to overall customer satisfaction.

The consumer awareness towards the adoption of technology shows that the inhibitory factors like trust, gender, education, culture, religion, security, and price can have minimal effect on consumer mindset towards internet banking. Further it is noted that technology alone cannot give a sustainable competitive advantage for the banks. When all banks introduce IT, it will lose its position as a differentiator. Further the application of service quality measures in the banks were viewed in different perspectives. It has been observed that none of the reviewed study addresses the issues such as technological developments and its impact on both the consumers as well as the employees who use it. This study has deviated from other studies which concentrate on the growth of e banking channels in Indian Banks along with the perception of e banking users in various perspectives and so this study is an attempt to bridge this gap in the existing literature to address these issues.

Analysis

1. Demographic Profile

The sample group consists of 60 percent male members and 40 percent female members, 91 percent married, while 9 percent unmarried, well learned members with the majority of 40 percent post graduates, 30 percent under graduates, 10 percent with professional education, 5 percent technical while 15 percent possess low level of education up to Higher Secondary. Among them 30 percent hailed from rural area, while 70 percent from urban area. The sample size consists of people with various age levels and among them 30 percent belongs to the age group of 21-30, 40 percent belong to the age group of

31-40, 20 percent belong to the age group of 41-50 and just 10 percent above 50. Hence it is observed that majority of the respondents are youngsters and middle aged. With regard to income generation, 10 percent fall under the income bracket between Rs. 10000 and Rs. 20000, 35 percent between Rs. 20001 and Rs. 30000, 25 percent between Rs. 30001 and Rs. 40000, 20 percent between Rs. 40001 and Rs. 50000 and 10 percent above Rs. 50000.

2. Experience on Banking Transactions

A total of 30 percent have opened their accounts in State Bank of India, 8 percent in HDFC Banks, 7 percent in South Indian Bank, 14 percent in Andhra Bank, 6 percent in Indian Overseas Bank, 17 percent in Canara Bank, 5 percent each in Bank of India and Indian Bank and another 3 percent in Federal Bank. One customer can have number of bank accounts in banks and so the sample customers have the practice of keeping more than one accounts and the survey reveals the fact that only a minimum of 13 percent are single account holders, 40 percent have two accounts, 29 percent have three accounts, 9 percent have four accounts, 6 percent have five accounts and 3 percent have more than five accounts.

3. Accessibility of E-banking Services

All the sample respondents have accessibility to network services and among them, 85 percent use it at home, 10 percent at office, and 4 percent both at office and home and only one percent use browsing centers. With regard to the type of card 59 percent have single cards and the remaining 41 percent have multiple cards and with regard to bank cards 56 percent have SBI cards, 41 percent have cards of other banks and 3 percent have ICIC bank cards. With regard to Franchise 40 percent have Visa Cards, 35 percent have Master Cards and 25 percent have other types of

cards. Mostly credit cards are used by those who have higher income level and as such from among the sample respondents 77 percent have credit cards and the remaining 23 percent are not having the same. As per the opinion of the respondents, 5 percent feel that the credit cards are very secure, for 28 percent, it is secure, for 26 percent, they neither agree nor disagree, for 22 percent, it is insecure and for 19 percent, it is highly insecure. With regard to the opinion of E-banking as a new system, 40 percent feel that the system is essential, 30 percent desirable, 20 percent cannot say exactly and 10 percent vital. With regard to registering complaints 39 percent use websites, 20 percent phone banking, 2 percent personal contact and 38 percent mobile banking.

4. Usage of Bank Cards

Out of the total sample respondents, 80 percent use bank cards for online purchase, 70 percent for purchasing dress, 45 percent for travel assistance, and 60 percent for the purchase of groceries, 48 percent for petrol and diesel and 10 percent for cash withdrawal.

5. Awareness of E-banking Services

The awareness of E-banking services has been tested through Garrett ranking and the result shows that E-banking Advertisement in print media got first preference with a mean score of 55% which is followed by Online advertisement 54%, From friends and relatives 53%, Bank employees 51%, Business correspondents and From family members 50%, Television and Radio advertisement 49%, Intimation from banks and other modes 45%. The average score here is 45% and it is specifically noted that all the nine statements fall under 'above average category' and so it is concluded that the awareness measures taken by the banks are highly appreciable with regards to the e-banking services.

6. Preference of E- channels

It is understood from the study that the sample respondents do prefer the e channels to have their Mobile recharge 94%, to get Online banking services 89%, Payment of telephone bill 87%, Filing of tax returns 86%, to use ATM / Debit card 86%, Money transfer 86%, Mobile banking 84%, Payment of electricity bills 84%, for Investments purpose 74%, Railway ticket booking 70% and Air ticket booking 26%. On the whole it is noted that 79 percent of the sample respondents favour the statements and 21 percent not favour the statements.

7. Internet Banking Services: As far as the Awareness of E-banking services is concerned, Ticket Booking is considered as the first priority 58% for the sample respondents which is followed by Mobile top up 56%, Balance enquiry and statements 50%, Renewal /Premature closure of FD/RD 48%, Share trading 48%, Transaction history 47%, Monthly bank account statement by E-mail 46%, Corporate Internet Banking 44%, On line transfer of funds 43%, After sale service (e.g .E-mail) enquiries 40%, Online shopping 39%, Online tax payments 37%, Buy and sell mutual fund 36%, Link bank account to ATM /Debit card 36%, Online loans 36%, Request for cheque book 36%, Deactivate/Activate ATM/Debit Card 36%, Change of password 34%, Demat holdings 33%, Loan details 31%, Prepaid mobile recharge 29%, Open Fixed deposit and Recurring deposit 28%, Re-issue and upgrade of ATM /Debit card 27%, Request for Debit cards 26%, Interest rates updates 26%, Card to card Fund transaction 24%, Stop payment request 24%, Demonstration of I-Banking 21%, Bills payment 20%, Change of user name 19%, Send money order any time 18%, Convert to EMI 14%, Customer Correspondence 12% and Know bank products advertised 11%. On an average only 33 percent of the sample

respondents do possess complete knowledge about the Internet Banking Services as a whole.

8. Mobile Banking Services: Account Balance stood first 70%, Loan Information 59%, Details of Credit Card Balance 52%, Making payment of bills 46%, I-Mobile 39%, know last few transactions 34%, Purchase and Redemption of Mutual Fund Units 30%. On an average only 47 percent of the sample respondents do possess complete knowledge about the Mobile Banking Services as a whole.

9. ATM Services: 24 Hours Access to Cash 100%, Cheque account balance 90%, Paying utility bills like (Water, phone bills) 88%, Transfer Fund Between Accounts 86%, View Account Balance 79% and Mini Statement and Pin Charge operation 48%. On an average only 82 percent of the sample respondents do possess complete knowledge about the Mobile Banking Services as a whole.

FINDINGS, CONCLUSIONS AND SUGGESTIONS

Internet banking contains consumer using the Internet to access their bank account and to accept banking transactions. Technological innovations are having significant importance in humans in general and professional life. This era can safely be attributed as technology revolution. The quick expansion of information technology has imbibed into the lives of millions of people. Rapid technology advancements have introduced major changes in the worldwide economic and business atmosphere. Hence it is in the hands of bank authorities, both private and public to take care of the attitude of the consumers in the usage of technology and to provide user friendly and viable services to the customers to achieve the ultimate

goal of financial inclusion and innovation through technology.

1. Most of the customers have not availed the e-banking services because they do not faith the internet channel presuming it as problematic in nature. So banks may set up a team of personnel to train the customers to get conversant with internet channel.
2. E-banking is suitable and easy to use, customers are fearful of adopting these services because they think that using these services are tough and complex. So, onsite training can be provided to the bank customers who propose to use e-banking services.
3. User friendly technological will help even the layman to access and adapt with the technology easily.
4. Today's banking may be redefined as 'Triple A,' banking-Anytime Anywhere, Anyhow banking. Internet banking will enable three profit centres, namely treasury, corporate banking and retail banking, to launch new products and provide quality service to a wider customer base.

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