

A Study Customer Perception In E-Banking Services In Public And Private Sector Bank In Chennai

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ABSTRACT

The aim of the study is to determine the customer's perception towards the E-banking services granted by public and private banking sector. The study evidently shows that different age group of customer and different occupation group of customers have different perception towards the e-banking services. The results also propose that demographic factors are affected by internet banking behaviour, in particular age, income, education and occupation. Finally, this paper suggests 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 recognize the customers need in better way. This research falls under the type of descriptive research. Both primary and secondary data collection has been used. To collect the primary data Questionnaire was prepared. The present study was initiated with the customer's perception toward E- Banking service. A total number of customers have been taken for the study is 200 from different banking customers in Chennai City only. Analysis like Percentage, Chi- Square and ANOVA analysis were used for knowing the various factors affecting by e- banking customers.

ANOVA, Customer Perception, E- banking public and private Bank

INTRODUCTION

E-banking is referring to the deployment of banking services and products over electronic and communication networks directly to customers. It has emerged as a strategic resource for attaining efficiency, control operations, productivity, and profitability. It has changed the traditional way of banking transactions. Through the E-banking customer do not visit directly to the bank office in order to carry out banking transaction. For instance, customer is using automated teller machines (ATM) in place of cashier tellers, and credit cards and electronic cash in place of bank transactions. It also allows the customer to submit their applications for different services, make queries on their account balances and submit instructions to the bank and also electronically transfer funds to their accounts, pay bill, and conduct other banking transactions online. It relies greatly on information and communication technology (ICT) to attain 24 hours availability and faster delivery of financial services.

REVIEW OF LITERATURE

1. **K. Rama Mohana and Lakew, TekesteBerhanu (2011)** examines the service quality perceptions of customers of public sector and private sector banks in the city of Visakhapatnam, India. The author reveals that the Reliability and Assurance 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.

2. **M.BalachandranShanmugham,(2003)** examined the current trends in the e-commerce revolution that has set in motion in the Malaysian banking sector and reports on an empirical research that was carried out in Malaysia to study the customers' preference for electronic banking and the factors, which they considered influenced the adoption of electronic banking. Results based on the analysis of data relating to 300 respondents indicate that while there is no significant differences between the age and educational qualifications of the electronic and conventional banking users, some differences exists on other demographic variables. Analysis further revealed that accessibility of Internet, awareness of e-banking, and customers' reluctance to change are the factors that significantly affected the usage of e-banking in Malaysia.
3. **Durkin, Mark (2007)** this research adopted a quantitative methodology and examined customer communication preferences when interacting with their bank, with a particular focus on Internet banking registration. The customer satisfaction questionnaire was issued to over 2,000 retail customers. Through regression analysis the key predictors that indicate whether or not customers will register as Internet banking users were identified. Twenty-five senior branch bank managers were then asked to rank the same set of issues to ascertain what they felt to be the key influencers to customer registration for Internet banking. The similarities and differences between the two sets of findings are identified and the managerial implications for the case bank's marketing strategy discussed.

OBJECTIVES OF THE STUDY

1. To identify the overall customer perception towards the E-banking services.
2. The find out demographic variables of the customer satisfaction on E- Banking.

HYPOTHESIS OF THE STUDY

There is no relationship between demographic variables and their perception regarding services of E -Banking.

H₀ There is no significant difference between Age of the customer and their perception toward the services of E-banking.

H₁ There is no significant difference between occupation of the customer and their perception toward the services of E-banking.

RESEARCH METHODOLOGY

Descriptive method has been chosen by the researcher. The primary data as well as secondary data has been analyzed. Questionnaire was prepared by the researcher to collect the primary data. The questionnaire includes questions on demographic variable and the respondents were asked to rate their perception level of E-banking services on a five point Likert scale. This research was adopted by convenient sampling method through direct method and also through email. About 210 questionnaires are being circulated and responses were received from 200 customers.

LIMITATIONS OF THE STUDY

The study was conducted in Chennai city and sample is very small hence the results cannot be generalized. Time, cost and location factors became difficulties. Sample size might not be exact representative of the universe.

TABLE 1
AGE GROUP AND PERCEPTION OF CUSTOMER ON E-BANKING SERVICES -
CROSS TABULATION

Age	Mean	N	Std. Deviation
25 -35	3.8333	12	.38925
35 - 45	2.8846	26	1.17735
45- 55	3.2444	90	.93989
55- 65	3.2639	72	.97855
Total	3.2400	200	.97836

The above table depicts the relationship between the age and customer satisfaction on E-banking at 5% level of significance. Majority of the respondents belong to the age group of 45-55 have (90) high level of perception regarding the e-banking services. Majority of respondents who are between the age group of 55-65 have (72) medium level of perception regarding the e-banking services and majority of them who are between 35-45 have (26) low level of perception and majority of them who are between 25-35 have (12) very low level of perception regarding the services of E-banking.

ANOVAS TABLE

	Sum of Squares	df	Mean Square	F	Sig.
Between Groups	7.551	3	2.517	2.697	.047
Within Groups	182.929	196	.933		
Total	190.480	199			

The above table shows that the p value is .047 which is less than 0.05. So we reject the null hypothesis and accepted the alternative hypothesis. So there is significant relationship between age of the customers and their perception towards the services of E-banking performance.

B. Hypothesis2: There is no significant difference between occupation of the customer and their perception toward the services of E-banking.

TABLE -3
OCCUPATION AND PERCEPTION OF CUSTOMER ON E-BANKING SERVICES-
CROSS TABULATION

Occupation	Mean	N	Std. Deviation
Self employed	3.2278	79	.96009
Government Employee	3.4722	36	.87786
Private Employee	3.1778	45	.93636
Retired	3.1250	40	1.13652
Total	3.2400	200	.97836

The above table shows the significant difference between the Occupation of the customer and customer perception on e-banking services. Majority of the respondents who are self employed have (79) high level of perception, majority of Private employees customer have (45) medium level of perception towards the services of E-banking and Government and retired customer have very low level of perception 36 and 40 regarding the E-banking services.

ANOVAS TABLE

	Sum of Squares	df	Mean Square	F	Sig.
Between Groups (Combined)	2.656	3	.885	.924	.430
Within Groups	187.824	196	.958		
Total	190.480	199			

The above table shows that the p value is .430 which is less than .05. So we reject the null hypothesis and accepted the alternative hypothesis. So there is significant difference between occupation of the customer and their perception on e-banking services.

RECOMMENDATIONS

The Above analysis reveals that private banks customers are happier as compare to public banks about the services of E-Banking. Different age group customers have different perception towards the E-banking services, Mainly the old age people are having the reluctance for using E-banking facilities, so importance to be given to those people and proper training on the usage of E-banking should be given to them and bankers have to adopt the right strategies to attract different age group and give more information about the E-banking services. Most of the customers prefer E-banking for quickness. So banks should try in all the ways that E-banking is working 24 hours round the clock and service is available to customers without any obstacles. Online Customers are mainly concerned on safety issues, so the banks should educate their customers on the safety use of their passwords and pin numbers and it should insist the customers that they should change the passwords and pin numbers frequently so no unauthorized fraudulent practices happen in the online banking.

CONCLUSION

This studies overall perception of customers regarding the services of e-banking Age and occupation are the important demographic factors in the banks which have used to measure the perception of the customers on e-banking services. E-Banking will be successful for banks only when they have Commitment to E-Banking along with a deeper understanding of customer needs. This can come only when the bank has a very big base of customers, best people, and a service attitude. Banks should concentrate on above lines in order to have effective E-banking practices The study concluded that different age group of customers have different perception toward the E-banking services and the usage level of these banks' customer is different so bank should concentrate on all the age group of customers for betterment of e-banking banks. It has also seen that different occupation group of customers have different perception toward the e-banking services. There are good number of customer in every group like student, service class, business class and professionals, it shows that they all are having interest in using the E-banking services.

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