

A STUDY ON PERCEPTION OF CUSTOMERS REGARDING E-BANKING SERVICES OFFERED BY PUBLIC AND PRIVATE SECTOR BANKS

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Abstract: With the advancement in the field of information and communication technology, the introduction of online services now has an edge over the traditional services provided in the banking sector. The study was conducted to find the Perceptions of individuals regarding the internet banking services rendered by various public and private sector bank. Data was collected from 400 customers who are using internet banking. A structured questionnaire was designed to obtain the necessary information matching with the objectives of the study. The statements incorporated in the questionnaire were based on variables obtained in literature survey and expert opinion obtained through personal interview. The data was collected from three major cities of Punjab (Jalandhar, Amritsar, Ludhiana). The research showed that the perception level in terms of a most preferred feature of online banking was almost similar for customers of both public sector and private sector banks.

Keywords: E-Banking, perception, knowledge and information.

1. INTRODUCTION

Technological advances have eliminated time-consuming repetitive tasks, reducing human errors and broad access to banking related services. Telephone banking permits to carry on non-cash transactions which were earlier not possible without a personal visit to the bank (Prendergast and Marr, 1994). Person to person basis technology provides customer satisfaction which would otherwise increase the cost. Customers can perform their tasks at a time and in a convenient ambience which is possible with the advent of technology. Technology, as more broadly stated, includes the different types of work done by the majority of public agencies and the agenda designed with the intention to respond to the state of affairs and occurrences of processes to achieve the results in a mandatory procedure. Also, it does not only include machines and equipment only but also programs and operations agency (Gortner *et al.*, 1989). Using today's technology offers dramatic and lasting improvements in organizational performance enhancement (Holzer and

Callanhan, 1998; Morton, 1991; Daven Port, 1993; Hammer and Champy, 1993). E-Banking involves grouping of banking services with the technological services. It is the provision of banking services through an electronic channel. The services are used by the customers through the use of a computer (Kaur, 2017).

2. DATA COLLECTION

Data was collected from primary and secondary sources. Primary sources include personal interview with respondents, questionnaire and observation. Secondary sources include journals, books, magazines, online data base etc.

3. OBJECTIVES OF STUDY

The main aim of this study was to measure the Perception of Customers regarding E-Banking services provided by banks.

4. DATA BASE AND METHODOLOGY

The study was concerned with the customer Perception towards E-Banking services of public and private sector Banks. The public sector banks included were State Bank of India (SBI) and Punjab National Bank (PNB). The study also included two private sector banks namely ICICI bank and HDFC bank. A questionnaire was framed and 100 respondents from each bank were chosen. Therefore, a sample of 400 customers from these four banks which were operating in Jalandhar, Amritsar and Ludhiana city were selected for data collection. Descriptive analysis was used to know the perception of customers.

4.1. Sampling Design

Purposive Sampling method was used to collect the data

4.2. Limitation

The scope of the study was limited to these banks that were operating within the Punjab region only.

5. REVIEW OF LITERATURE

Leblanc (1990) found that principle buyer inspiration for utilizing ATMs was its availability advantages. The customers slanted to be to a great degree teaching. They imagined that this innovation improved quality introduced minute security hazard and mollified their requirement for unobtrusive and quick exchanges. However, non-customers favored interrelating with human tellers and saw ATM utilization to be mind-boggling and dangerous.

Munusamy *et al.* (2010) conducted a study in Malaysia in order to examine the impact of delivery service quality on the satisfaction of customers of banking sector. The research tried to measure the level of customer satisfaction with the help of service quality in this sector. The findings indicate that the assurance as a dimension of service quality does not have any significant impact on the satisfaction of the customers. Also, reliability does not have any significant impact whereas tangibles were found to be significant. Empathy and responsiveness also don't have any significant impact on the customer satisfaction

Wandaogou & Jalulah (2011) directed a study to assess consumer loyalty with Internet Banking quality in

Ghana Commercial Bank (GCB) and Merchant Bank of Ghana (MBG). The study was a cross-sectional case study that included the utilization of self-regulated organized poll to gather essential information from the customers of the two banks. It was found that consumer loyalty with Internet Banking nature of the two is fundamentally distinctive, with customers of MBG altogether fulfilled than those of GCB.

Waheed (2013) conducted a study to measure the role of satisfaction, Security, and risk in internet banking which directly affects the business of banking industry. He studied 250 customers and their result showed that the effect of the role of satisfaction, risk and security is significant and affect the bank policy.

Reddy (2015) this study was conducted on "A Study On Customers Perception And Satisfaction Towards Electronic Banking In Khamam District. The banking sector evolution are affected more than any other financial provider groups. Increased use of mobile services and use of internet as a new distribution channel for banking transactions and international trading requires more attention towards e-banking security against fraudulent activities. The development and the increasing progress that is being experienced in the Information and Communication Technology (ICT) have brought about a lot of changes in almost all aspects of life.

Bhat (2016), this study was undertaken on "Internet Banking: An Empirical Analysis of Indian Customers Perspective" This articles contains the transformation has been largely brought about by a combination of factors, such as deregulation, liberalisation, competition and technological advancements. The most significant among these factors is advancement in ICT. The focus of this ~ 40 ~ World Wide Journal of Multidisciplinary Research and Development study has been on the satisfaction of the respondents availing IB services. The primary data for the present study were gathered through a field survey, using structured interview schedules, from bank customers residing in DK district of Karnataka State. In the case of awareness of Internet Banking 71.4 per cent of the respondents is found aware of it

6. DATA ANALYSIS AND INTERPRETATION

To know the perception of customers, different factors were considered like internet banking saves time, inexpensive, anytime banking, information, complete information and better performance.

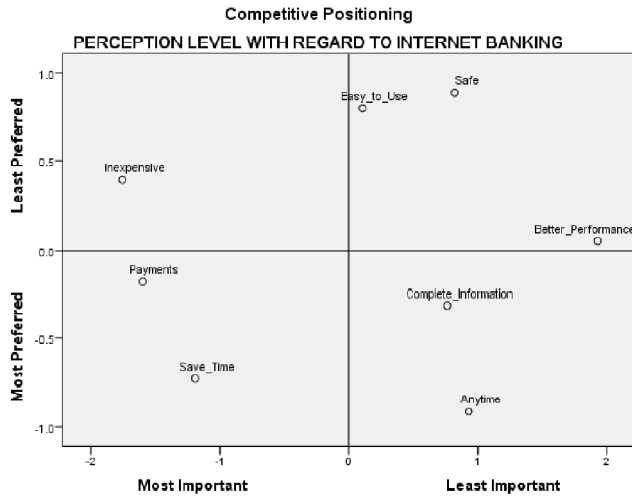


Figure 1.1: Competitive Positioning of Perceptions of Customers for Most Important Feature of the Internet Banking Services

Figure 1.1 described that most preferred service of Internet Banking was making payments because it saved

the time. On the other hand, the least preferred feature of internet banking was easiness and inexpensive while making transactions.

Table 1.1
Descriptive Analysis of Perceptions of Customers for Most Important Feature of the Internet Banking Services

Statement	N	Mean	Std. Deviation
It saves time	400	3.18	1.865
It is helpful in making online payments	400	3.59	2.325
It is inexpensive	400	4.22	2.768
It provides 24X7 basis services	400	4.35	2.137
Internet banking is very easy to use	400	4.91	1.571
It provides complete information relating to services available	400	5.05	1.566
Internet Banking results in better Performance	400	5.07	2.965
Internet banking is totally safe	400	5.63	1.594

Table 1.1 depicts that most preferred feature of internet banking was time duration taken while making transactions and the least preferred feature was safety during transactions. The reason behind this was customers perception that internet banking is not safe for making transactions.

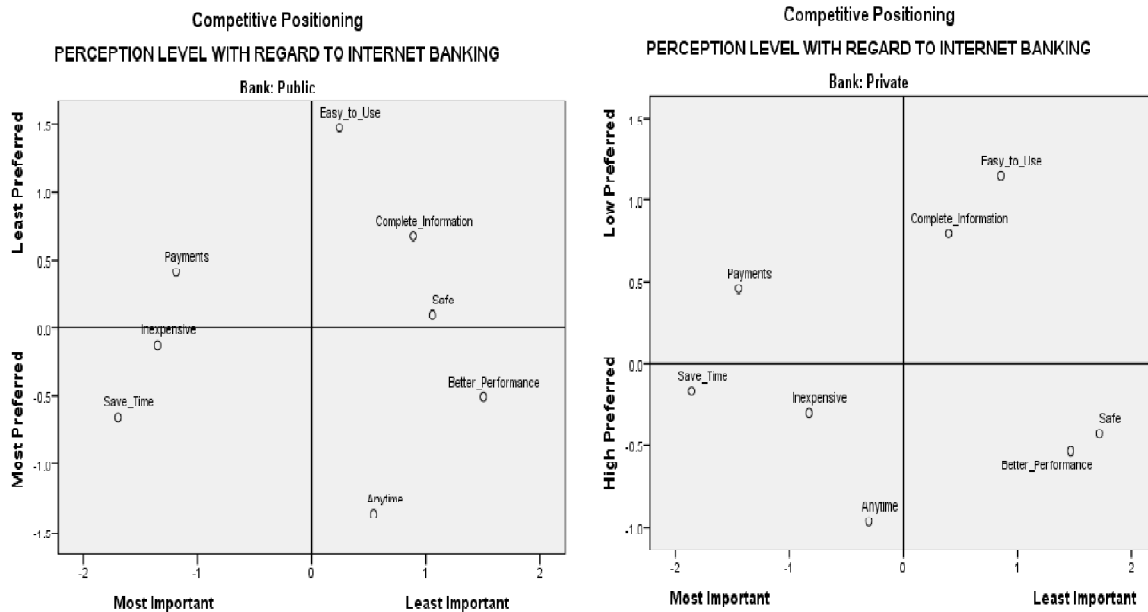


Figure 1.2: Perception Level with Regard to Internet Banking Services in Terms of Public and Private Banks

Figure 1.2 exhibits that the perception of customers in public and private banks. In case of Public and Private sector banks the customers preferred internet banking because it saves their time and convenient while making transactions from anywhere and anytime without any hassles. The least important feature of internet banking in both cases was safety and trust.

Table 1.2
Descriptive Analysis of Perceptions of Customers for
Most Important Feature of the Internet Banking
Services of public and private sector bank

<i>Descriptive Statistics^a</i>			
	<i>N</i>	<i>Mean</i>	<i>Std. Deviation</i>
It saves time	200	2.40	1.965
It is helpful in making online payments	200	3.72	1.871
It provides 24X7 basis services	200	3.96	2.241
It is inexpensive	200	4.08	2.371
Internet Banking results in better Performance	200	5.28	2.431
It provides complete information relating to services available	200	5.28	1.617
Internet banking is very easy to use	200	5.40	2.064
Internet banking is totally safe	200	5.88	1.398
Valid N (listwise)	200		

a. Bank = Public

<i>Descriptive Statistics^a</i>			
	<i>N</i>	<i>Mean</i>	<i>Std. Deviation</i>
It saves time	200	1.82	1.072
It is helpful in making online payments	200	2.68	1.679
It is inexpensive	200	3.94	1.654
It provides 24X7 basis services	200	4.14	1.672
Internet banking is very easy to use	200	5.38	2.109
It provides complete information relating to services available	200	5.63	1.429
Internet Banking results in better Performance	200	5.64	2.120
Internet banking is totally safe	200	6.77	1.496
Valid N (listwise)	200		

a. Bank = Private

A comparative analysis was performed on the basis of public and private banks to draw a more precise picture. Results showed that in case of public sector banks the most preferred feature of online banking is that it saves time and the least preferred service is that internet banking is totally safe. However, in case of private sector banks the most preferred feature of online is that it saves time, it is helpful in making online payments and the least preferred service is that the internet banking is totally safe. The main interpretation of the current study is that in case of internet banking most and least preferred features as far as Public and Private sectors banks are similar.

7. FINDINGS

- Results of the competitive positioning showed that the most rated feature of online banking is that it saves times followed by helpful in making online payments, inexpensive, it provides 24X7 basis services, very easy to use, it provides complete information relating to services available, Internet Banking results in better Performance. The least important feature of online banking is that internet banking is safe.
- Furthermore, results manifested that in case of public sector banks the most preferred feature of online banking is that it saves time followed by it is helpful in making online payments, it provides 24x7 basis services, it is inexpensive, internet banking results in better performance, it provides complete information relating to services available, internet banking is very easy to use and finally the least preferred service in case of public sector bank is that internet banking is totally safe.
- However, in case of private sector banks the most preferred feature of online banking is that it saves time, it is helpful in making online payments, it is inexpensive, it provides 24x7 basis services, internet banking is very easy to use, it provides complete information relating to services available, internet banking results in better performance and the least preferred service in case of private sector bank is that the internet banking is totally safe.

8. CONCLUSION

The results clearly showed that the perception level in terms of a most preferred feature of online banking is almost similar for customers of both public sector and private sector banks.

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