

CUSTOMER PERCEPTION TOWARDS INTERNET BANKING SERVICES WITH SPECIAL REFERENCE TO HYDERABAD

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Abstract

Now a day's E-Banking play an important role across the world. Through the changing dynamic environment and due to changing technological factors can be considering by the banks and improve its online services effectively, and provide better services to the customers. The advantage of E-banking is it can provide customer account information to the customer on the time whenever the customer needs, with a lower cost. Based on observation of previous studies that the researcher can mostly concentrate on online banking services and maintain customer relation but they are not concentrating on the awareness of customers about online banking services. The main objective is to identify the customer's awareness towards the internet banking services. The Methodology is, there are various statistical tools were selected for the study such as Percentage analysis, Chi-Square. The ten banks were included in the study. As per the study the findings are that there are 52 respondents belong to the age of 15-25 years, in terms of percentage is 26%. That 61% of the respondents belong to the male category are highly satisfied. 130 respondent belong to the unmarried category, in terms of percentage is 65%. That the No. of respondents are 88 at Post Graduate level and in terms of percentage is 44%. That the No. of respondents are 74 at Employed in private level and in terms of percentage is 37%. The suggestion is most of the respondents must be bothering about the security problem. So, the bank must be providing security to all customer accounts in an effective manner and provide efficient online services.

Key words: E- banking, Mobile banking, Transparency, Efficiency, Real Time Exchange.

1. INTRODUCTION

Today the Banks are known the better opportunities and the Risk in this changing dynamic environment. By offering various goods and services over the online through the different electronic

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devices such as E-banking, Mobile banking, E-marketing, E-commerce etc. with that it can take more advantage over its potential competitor. E-commerce is a tool of Mechanism which can help the banks to build their Strengthen, and make to create opportunities and to maintain good relationship with customers, and provide additional services to the customer and avoid competition on their business activities. Core (centralized Online Real-time Exchange) is banking service which can be provided by a group of networked banks. So that, the customer can access all the information relating to transaction and withdrawal the fund from any of the member of branch offices which are located in different Geographical Areas. In the Ongoing banking sector reforms that the banks with their transparency, efficiency and sustainability have been created a competitive environment, before the opening up the new branches of private and foreign banks in India. The banking sector performance in India can be considered as better now a days as compared to what it was a decade back, this all the changes can be done by the intervention of RBI and due to technological changes. Now the important question will be raised to each bank that is regarding to customer's online services expectation by cutting operational cost and how they manage their competition in this dynamic changing environment. After a lot of exercise and thought they found out "E- Banking".

Customer Relations on Banks Service Quality: The banks offer equal service quality to their customer's. They do not differentiate as nationality, religion, financial and social status and gender. However, differentiation was arising from determination of target market, organizational structures and products, and that should not be constructed as evidence of categorizations among customers.

Handling Customer Complaints: Once the customer complaint about online services, they should investigate the reasons behind customer complaints and take steps towards the avoidance of complaint repetitions. Also, the employees are notified of the errors in the process of practices of transactions and they are warned for the purposes of correction of such errors and prevention of their repetition.

Security: Whatever the services provided by the 'online banking' which can develop its services along with the line of technological advancement for the purpose of providing security to the customer. So, with the help of technological advancement 'E-banking' can measure the required security for the all the services which are provided by the online banking to the customer. Banks will not compromise on 'Security' either in protecting and safeguarding the interest of the

customer, and the securities owned by the customers like deposits, share certificates, bonds, bills, information and documents considered as customer secrets etc.

2. REVIEW OF LITERATURE

In the current scenario that the retail banking in India play a wide role in providing online services across the country through the various technological advancement among different Geographical Area. But the issue is whether the customer satisfied with online services or not and what are the draw backs of 'retail banking' that they can lead to the satisfaction or dissatisfaction of its customers. The primary factors of satisfaction are beneficial to those in the industry, thereby allowing them to focus on their further strengthen and weakness in difficult areas that can lead to highly customer satisfaction. Previous results that can give an importance to the branch factor such as in particulars staff, location of the branch and convenience are the worthiest factors which can bearing for the purpose of customer satisfaction in retail banking.

(Reich held and Kenny, 1990): Customer satisfaction is one of the most significant factors for the profitability of retail banking in India. It calls for the retention of customers for the long term, which is more economical than attracting new customers.

(Chakravarty, 1996): Banking, being a customer-oriented services industry, the customer is the Centre of attention and customer service has to be the distinguishing factor. The challenge for banks is to lower costs, increase efficiency, while improving the quality of their service, and increase customer satisfaction. Attention has now turned to improving the quality-of-service encounter, when customers enter the bank and come into face-to-face contact with bank staff.

(Lovelock, 2001): The banking industry like any other financial services industries is facing a market that is rapidly changing; new technologies being introduced, fear of economic uncertainties, fierce competition and more demanding customers and the changing climate have presented an unparalleled set of challenges.

3. STATEMENT OF PROBLEM

In the dynamic changing environment, that the banks are implemented Tele-banking, mobile banking, ATM's (automated Teller Machine) and E-banking services one after another etc. Due to

new changes in technology, that can lead to, the entry of foreign and private banks in a number of new goods and services channels have been introduced in the Market. The major initiatives in Internet Banking have brought to the customers for much demanded and convenience. The technological advancement in internet banking facilitates the banking firms to a new frontier of opportunities and challenges. Along with these possibilities, there are various psychological and behavioral issues is also to be done such as reluctance to change, trust to the one bank; security concerns, preference of human interference and the like impede the growth of internet banking. In this regard a study has been undertaken in Internet banking services provided the Banks in Hyderabad district.

4. OBJECTIVES OF THE STUDY

The following objectives are carried out the study

1. To identify the customers awareness towards the internet banking services.
2. To identify the level of customer satisfaction through internet banking services.

5. METHODOLOGY

The purpose of investigation is to study the online services of the ten commercial banks in both sectors such as private as well as public sector banks in Hyderabad has been selected. The study has been used primary data. The primary data have been collected from the classes of Government / Private employees, Professional / Businessman. A well-structured questionnaire was designed and collected data of the customers from respective individual banks. Hyderabad is a city which can consist all class of people and also researcher own native place for this considerably to select the Hyderabad District under the study. Totally two hundred respondents were selected which consist of twenty respondents each from ten banks branches to collect the data by using convenient sampling method. There are various statistical tools were selected for the study such as Percentage analysis, Chi-Square. The banks were included in the study.

Table - I
Selection of Banks included in the Study

1.	State Bank of India	6.	Syndicate Bank
2.	Indian Bank	7.	Karur Vysya Bank
3.	Indian Overseas Bank	8.	Corporation Bank
4.	Canara Bank	9.	Lakshmi Vilas Bank
5.	ICICI	10.	Axis Bank

6. LIMITATIONS OF THE STUDY

As it is the obligation and duty of the banks to maintain secrecy of the customer's account information, and it is very difficult task to getting sufficient information from the bank for the research, because of legal formalities that the bank can refuse to provide customer information. However, the study has been carried out with the perception of the sample.

7. DATA ANALYSIS AND INTERPRETATION

To understand the opinions of the respondents were studied. The data is collected from the various customers from the different banks such banks are given in the table. The data of the customers were taken, and classified systematically and analyzed properly. That the various factors influencing the online banking services are finding out properly and analyzed in detailed that which can be presented in the following tables. All the respondents are aware of internet banking services; Hence the data is analyzed for the second objective.

8. AGE AND LEVEL OF SATISFACTION

Age factor is an important factor for the purpose of decision making in relating to the day-to-day life of the individual customers. Age factor is also a symbol of the maturity of an individual customer. Age is one of the phases in the life time, measured in term of years.

Table 1
Age and Level of Satisfaction

Sl.no	Age	No. of Respondents	Percentage	Level of Satisfaction		
				Low	Medium	High
1	Below 25	52	26	14 (29.17)	22 (23.91)	16 (26.67)
2	26-35	104	52	22 (45.83)	50 (54.35)	32 (53.33)
3	36-45	32	16	10 (20.83)	14 (15.22)	8 (13.33)
4	Above 45 Years	12	6	2 (04.17)	6 (06.52)	3 (06.67)
Total		200	100	48	92	59

Source: Primary Data

Inference:

It reveals in the first case, that there are 52 respondents belongs to age of 15-25 years, in terms of 26 percent and in the second case it reveals that 104 respondents belongs to the age of 26-35 years and in terms of 52 percent. In the third case it reveals that 32 respondents belong to 36-45 years and in terms 16 percent. In the fourth case it reveals that 12 respondents belong to above 45 years and in terms of 6 percentages. Based on the observation, it can be concluded that 52 percent of respondent stated that their satisfaction level are medium with regards to functioning of online services which are offered by the select 10 banks in Hyderabad.

9. GENDER AND LEVEL OF SATISFACTION

Sex refers to the character that distinguishes people as male and female based on some unique behavior. The behavior and the opinion of the male differ from the females. Their opinion behavior plays a vital role in using the internet banking services.

Table 2
Gender and Level of Satisfaction

Sl.no	Gender	No. of Respondents	Percentage	Level of Satisfaction		
				Low	Medium	High
1	Male	122	61	22 (45.83)	60 (65.22)	40 (66.67)
2	Female	78	39	26 (54.17)	32 (34.78)	20 (33.33)
Total		200	100	48	92	59

Source: Primary Data

Inference:

The above table shows that 61% of the respondents belong to the male category, and 39% of the respondents belong to the female category. Based on the observation it can be concluded that 61 percent of respondent stated that their satisfaction level are medium with regards to functioning of online services which are offered by the select 10 banks in Hyderabad.

10. MARITAL STATUS AND LEVEL OF SATISFACTION

An attempt is to be made to analyze the marital status of the individual respondents. For this purpose, that the marital status of all individual respondents has been classified under two categories viz., married and unmarried.

Table 3
Marital Status and Level of Satisfaction

Sl.no	Age	No. of Respondents	Percentage	Level of Satisfaction		
				Low	Medium	High
1	Married	70	35	18 (37.50)	36 (39.13)	16 (26.67)
2	Unmarried	130	65	30 (62.50)	56 (60.87)	44 (73.33)
Total		200	100	48	92	59

Source: Primary Data

Inference:

The above table in the first case its revivals that 70 respondents belong to the Married category, and in terms of percentage is 35 percent, and in the second case its revivals 130 respondents belong to the unmarried category, in terms of percentage is 65 percent. Based on the observation, it can be concluded that 65 percent of respondents stated that their satisfaction level are medium with regards to functioning of online services which are offered by the select 10 banks in Hyderabad.

11. EDUCATION AND LEVEL OF SATISFACTION

Educational and level of satisfaction refers to the acquiring and gaining the knowledge through learning something. With the help of the education and level of satisfaction, that the individual customers have such awareness to handle the cash transactions.

Table 4
Education and Level of Satisfaction

Sl.no	Educational Qualification	No. of Respondents	Percentage	Level of Satisfaction		
				Low	Medium	High
1	Higher Secondary	38	19	8 (16.67)	18 (19.57)	12 (20.00)
2	Graduate	64	32	20 (41.67)	24 (26.09)	20 (33.33)
3	Post Graduate	88	44	18 (37.50)	48 (52.17)	22 (36.67)
4	Others	10	5	2 (4.17)	2 (2.17)	6 (10.00)
Total		200	100	48	92	59

Source: Primary Data

Inference:

It reveals in the first case is that the No. of respondents are 38 at Higher secondary level and in terms of percentage is 19 percent. It reveals in the second case that the No. of respondent are 64 at Graduate level and in terms of percentage is 32 percent. It reveals in the third case is that the No. of respondents are 88 at Post Graduate level and in terms of percentage is 44 percent. It reveals in

the fourth case is that the No. of respondents are 10 at other and in terms of percentage is 5 percent.

Based on the observation, it can be concluded that 44 percent of respondent stated that their satisfaction levels medium with regards to functioning of online services which are offered by the select 10 banks in Hyderabad.

12. OCCUPATION AND LEVEL OF SATISFACTION

An attempt is to be made to analyze the occupation of the individual respondents. For this purpose, with the help of Occupation and level of satisfaction of the individual respondents have been classified under four heads viz., business / profession, employed in Government, Employed in Private and others.

Table 5
Occupation and Level of Satisfaction

Sl.no	Occupation	No. of Respondents	Percentage	Level of Satisfaction		
				Low	Medium	High
1	Profession / Business	66	33	18 (37.50)	28 (30.43)	20 (33.33)
2	Employed in Govt.	28	14	6 (12.50)	14 (15.22)	8 (13.33)
3	Employed in Private	74	37	12 (25.00)	32 (34.78)	30 (50.00)
4	Others	32	16	12 (25.00)	18 (19.57)	2 (3.33)
Total		200	100	48	92	59

Source: Primary Data

Inference:

The table reveals in the first case that the No. of respondent are 66 at profession/business level and in terms of percentage is 33percent. It can reveal in the second case is that the No. of respondents are 28 at Employed in Govt. level and in terms of percentage is 14 percent. It reveals in the third case is that the No. of respondents are 74 at Employed in private level and in terms of percentage is 37 percent. It can reveal in the fourth case which is belongs to the others that the No. of respondents are 32 and in terms of percentage is 16 percent. Based on the observation, it can be concluded that 37 percent of respondent stated that their satisfaction level are medium with regards

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to functioning of online services which are offered by the select 10 banks in Hyderabad.

13. ANNUAL INCOME AND LEVEL OF SATISFACTION

An attempt is made to analyze of the annual income and level of satisfaction of the individual respondents. For this purpose, that the respondents have been classified under four heads viz., less than Rs. 300000, Rs. 300001 to Rs. 5,00,000, Rs. 5,00,001 to Rs. 10,00,000 and more than Rs. 10,00,001.

Table 6
Annual Income and Level of Satisfaction

Sl.no	Occupation	No. of Respondents	Percentage	Level of Satisfaction		
				Low	Medium	High
1	Less than Rs. 3,00,000	90	45	20 (41.67)	34 (36.96)	36 (60.00)
2	Rs. 3,00,001 to Rs. 5,00,000	56	28	8 (16.67)	34 (36.96)	14 (23.33)
3	Rs. 5,00,001 to Rs. 10,00,000	36	18	12 (25.00)	18 (19.57)	6 (10.00)
4	Above Rs. 10,00,001	18	9	8 10	6 17	4 18
Total		200	100	48	92	59

Source: Primary Data

Inference:

From the table in the first case, it reveals that it is referred that 45% of the respondents have annual income ranging below Rs. 3,00,000 and in the second case it is followed by 28% of the respondents come under the category Rs. 3,00,001 to Rs. 5,00,000, and in the third case it is followed by 18% of the respondents have Rs. 5,00,001 to Rs. 10,00,000 and remaining 9% of the respondents have above Rs.10,00,001 based on the observation, it can be concluded that 45 percent of respondents stated that their satisfaction level are medium with regards to functioning of online services which are offered by the select 10 banks in Hyderabad.

14. FAMILY SIZE AND LEVEL OF SATISFACTION

An attempt is to be made to analyze the size of family and level of satisfaction of the members and

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its usage of internet banking products utilized. For this purpose, the respondents' family members have been classified into under three heads viz., less than 4, 4 to 8, and more than 8 members.

Table 7
Family Size and Level of Satisfaction

Sl.no	Family Members	No. of Respondents	Percentage	Level of Satisfaction		
				Low	Medium	High
1	Less than 4	114	57	37 (77.08)	38 (41.30)	39 (66.10)
2	4 to 8	56	28	8 (16.67)	34 (36.96)	14 (23.33)
3	More than 8	30	15	3 (6.25)	20 (21.73)	6 (10.17)
Total		200	100	48	92	59

Source: Primary Data

Inference:

From the table in the first case, it reveals that it is referred that 57 percent of the respondents have utilized internet banking services those size of the family members less than 4 members and followed by 28 percent of the respondents come under the category 5 to 8 and remaining 15 percent of the respondent's family member more than eight. Based on the observation, it can be concluded that 57 percent of the respondent stated that their satisfaction level are medium with regards to functioning of online services which are offered by the select 10 banks in Hyderabad.

15. CHI-SQUARE ANALYSIS

The satisfaction of the Internet Banking Services provided by the banks to the user studied among the selected sample respondents in this study area. The individual opinion is collected from customers are analyzed with their personal factors and specific factors for the purpose of measuring their influencing over the level of satisfaction of the individual respondents through the service provided by the E- banking.

$$\chi^2_c = \sum \frac{(O_i - E_i)^2}{E_i}$$

With Degree of Freedom (C-1) (R- 1)

Where,

O = Observed frequency

E = Expected frequency

C = Number of Columns

R = Number of Rows

Ho: There is no significant association between attributes of the respondents and their level of satisfaction.

Table 7
Summary of Chi-Square Analysis

Sl. No	Attributes	X^2 Value	d.f.	Table Value at 5% Level	Significant / Not Significant
1.	Age	10.088	6	5.348	Not Significant
2.	Gender	5.991	2	7.842	Significant
3.	Marital Status	8.256	2	7.842	Not Significant
4.	Education	4.725	6	5.348	Significant
5.	Occupation	4.671	6	5.348	Significant
6.	Annual Income	5.054	6	5.348	Significant
7.	Size of the Family	12.526	4	9.487	Not Significant

Source: Primary Data

Inference:

The chi-square table reveals that there is a significant association between the gender, education, occupation and the annual income and also the insignificant association between the age, marital status and also the size of family of these attributes and the internet services used.

16. FINDINGS

1. That there are 52 respondents belong to the age of 15-25 years, in terms of percentage is 26 percent.
2. That 61 percent of the respondents belong to the male category are highly satisfied.
3. 130 respondents are belonging to the unmarried category, in terms of percentage is 65 percent.
4. That the No. of respondent are 88 at Post Graduate level and in terms of percentage is 44 percent.
5. That the No. of respondents are 74 at Employed in private level and in terms of percentage is 37 percent.
6. That 45 percent of the respondents have annual income ranging below Rs. 3, 00,000 highly satisfied the internet banking services.
7. That 57 percent of the respondents have utilized internet banking services those size of the family members less than 4 members.

17. SUGGESTIONS

1. Most of the respondents must be bothering about the security problem. So that the banks must be provide secrecy to all the customer accounts in an effective manner and provide efficient online services.
2. Introduction the core (centralized Online Real-time Exchange) banking system should be speeded up service process because size of the bank is considered as an important factor in choosing E- banking.
3. Banks can also extend the more loan facility to buy computers in branches which can leads to the increase of the internet usage level among the customers of our banks.

18. CONCLUSION

The 'customers are a king' is marketing mantra and it became reality, no more on paper. Through the increasing level of awareness, it can lead to increased preference. Now a day's customers are no satisfying with the caring and courtesy, but they expecting concern and commitment. In this competitive environment not weak, not first, not strongest can survive, but only the best can survive. Therefore, usage of the dynamic technology for the providing better, banking services to

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the customer over the online. Educational level can be respondents to the use of internet banking facility and highly satisfied with security maintenance, transaction information updating account transfers and security followed by easy access while using the internet banking services. The success of E-banking not only depends on technology but also on the attitude, commitment and involvement of the bank in providing online services.

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