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Customer Perception towards E-Banking Services: A Study on Public and Private Banks

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Absract: ***Present scenario, financial institutions and banking industries are using effective strategic planning for capturing customer attention and improving perception level of customers for in long run, so Banks must be adopt best strategies for develop a positive perception level in the minds of customers. For that, developing and implementing customer centric strategies, banks need to provide a consistent strategies to prevent customer from switch out to other competitive banks. In order to understand customer perception on E-banking services towards banking sector, there is a need to understand dimensions like E-banking services, motivational factors and also identify the problems towards E- banking services. The current research paper deals to identify the customer perception levels. For this purpose, a structured questionnaire was developed and a sample of 169 respondents was taken from the public and private banks customer of Hyderabad only, and tested by Independent sample t- test by using SPSS 20.0 Version. This test used for compares the means of two independent groups in order to determine whether there is statistical evidence that the associated population means are significantly different.***
Keywords: Customer perception, E- Banking, Banking sector, Motivational factors

I. INTRODUCTION

In the present scenario online services have become an added feature in the banking sector. Online banking or Internet banking allows customers to conduct financial transactions on a secure website. Credit goes to internet that provided ultimate ease to the customers at their door step. Online banking allows people to perform all the banking related activities such as money transfer, past transactional information, cash withdrawals and deposits etc with a just one click of a mouse. Clients can easily check the account balance every day just by visiting the website of their bank. This provides the place and time utility to people provided if one has Internet access. Online banking also eliminates unnecessary waste, which an organization incurs in the form of office supplies. This facet has also helped in meeting the social concerns. However, using internet for money transaction is never been free from risk. More importantly, security is always been an issue with Internet transactions. Despite several counter measures taken by the banks in the form of information encryption, firewalls, encoding etc but still reluctance prevails in relaying totally at online banking especially in developing countries like India.

This led to the foundation of this study. The core purpose of this research study was to figure out the most critical factors having an impact on consumer perception towards online banking in India with the help of Technology Acceptance Model (TAM)(Davis and Venkatesh, 1996; Davis et al., 1989).

Online banking was introduced in the 80's but its growth across the globe took place in the 90's. Europe has been and still is the leader in Online banking technology and usage (Schneider, 2001). In Hyderabad city, many of banks introduce online banking. By introducing online banking, its help to build reputation and increasing the customers towards banks. Online banking, also known as internet banking, e-banking or virtual banking, is an electronic payment system that enables customers of a bank or other financial institution to conduct a range of financial transactions through the financial institution's website. The online banking system will typically connect to or be part of the core banking system operated by a bank and is in contrast to branch banking which was the traditional way customers accessed banking services. To access a financial institution's online banking facility, a customer with internet access will need to register with the institution for the service, and set up a password and other credentials for customer verification.

The credentials for online banking is normally not the same as for telephone or mobile banking. Financial institutions now routinely allocate customers numbers, whether or not customers have indicated an intention to access their online banking facility. Customer numbers are normally not the same as account numbers, because a number of customer accounts can be linked to the one customer number. Technically, the customer number can be linked to any account with the financial institution that the customer controls, though the financial institution may limit the range of accounts that may be accessed to, say, cheque, savings, loan, credit card and similar accounts.

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II. REVIEW OF LITERATURE

A literature review is an evaluative report of information found in the literature related to selected area of study. The review should describe, summarize, evaluate and clarify this literature. It gives a theoretical base for the research and helps the author to determine the nature of the research.

1) *Jadhav Anil (2004)* described various channels of e-banking services such as ATM, Telephone banking (Tele-banking), Mobile banking, Internet banking and its features. The focus is also given on e-banking opportunities, challenges and security aspects while performing the banking transactions on the internet. Comparison of public, private, foreign and co-operative banks and barriers to the growth of e-banking in India are also discussed. Finally the paper discusses an overview of the major private sector banks such as ICICI banks which provides e-banking services.
2) *Heber Raveendranath (2004)* described that the advancements made in computing. Banks are developing alternative channels of delivery like ATM, telebanking, remote access, internet banking etc.
3) *Janeetal (2004)* stated that Online banking requires perhaps the most consumer involvement, as it requires the consumer to maintain and regularly interact with additional technology (a computer and an Internet connection).
4) *Uppal R.K (2007)* the study concludes that the customers of e banks are satisfied with the different e-channels and their services in the spread of e banking services. It also suggests some measures to make e banking service more effective in the future. The present study is mainly concerned with the Indian banking industry in general and particular those banks that are producing service through e-channels.
5) *Safeena (2010)* determined the consumer attitude on internet banking adoption. Finding shows that perceived usefulness, perceived ease of use, consumer awareness and perceived risk are the important determinants of online banking adoption and have strong and positive effect on customers to accept the online banking system.
6) *Uppal, R.K (2011)* threw light on growth of information technology in various banks. The objective of this research is to analyze the extent of technological developments in various bank groups. Findings shows as compared to new private sector banks and foreign banks, in public sector banks very less IT has taken place. The maximum technology is taking place in new generation private sector banks and foreign.
7) *Rao, K. Rama Mohana and Lakew, Tekeste Berhanu (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.
8) *Dharma lingam, S. Anand Kannan. V. (2012)* evaluated the service quality in retail banking in the Tamil Nadu, 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.
9) ***Bahl, Sarita, (2013)*** determined that security and privacy issues are the big issue in e-banking. If security and privacy issues resolved, the future of electronic banking can be very prosperous.

III. OBJECTIVE

The main objective of this study is to examine the perception level of customers HDFC bank in Hyderabad. In addition, the study's objective was accomplished through the following objectives:

A. To study the Socio -economic structure of demographical respondents of Public and private banks
B. To study the perception level of customers towards E- banking services of Public and private banks
C. To analyse the motivational factors influenced on customer perception towards Public and private banks
D. To identify the problems faced customers towards E-banking services of Public and private banks

IV. TESTING OF HYPOTHESIS

The following are the hypothesis designed with above objectives

1) *Ho^1:* There is no significant difference in the mean variances in the study banks with regard to the Source information, online services, E-banking services, problems faced with E-banking, problems faced with E-banking, and motivational factor.

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V. METHODOLOGY

The study is concerned with the customer perception towards online banking services of Public and private banks based on that, both primary data and secondary data, the primary data were collected directly from the sample customers through a well devised questionnaire in Hyderabad city. Secondary data were collected from books, journals, research articles and magazines for the purpose of review of literature. Convenience Sampling method is used for the study. The sample size of the bank customers is 169.The data analyzed by using percentage method, Independent sample t- test method used for data analysis. Data was presented in the form of tables.

VI. SAMPLING DESIGN

Convenience sampling method used for the study. The study is conformed to only Hyderabad city and the sampling unit is selected from the Public and private banks i.e. SBI Bank and ICICI Bank in selected area. For understanding the influence of E-banking services determinants on the customers towards selected public and private banks. The researcher decided to select a sample size of 169 respondents from Public and private banks , those are SBI Bank(85 respondents) and ICIC Bank (84 respondents) in selected area. The processing, classification, tabulation, analysis and interpretation of the data are done with the help of SPSS 20.0 Version, the followed statistical techniques have been applied depending on the nature of the data collected from the respondents, Independent sample t- test method was used.

VII. RESULTS AND DISCUSSION

Table-1: Reliability Statistics

Cronbach's Alpha	Cronbach's Alpha Based on Standardized Items	N of Items
.783	.792	18

Source: Authors finding

From the Table 1, it shown that the questionnaire is tested for its reliability and presented the results here under. The questionnaire developed is pretested and validated through face validity as it was sent to a carefully selected sample of experts and it also has a sufficiently good reliability score. The result given the value of the as **0.783**. It indicates that, the data has a high reliability and validity.

Summary Item Statistics: It is evident that the summary of the means, variances, covariance and inter-item correlations are presented in the following table.

Table-2: Summary Item Statistics

	Mean	Minimum	Maximum	Range	Maximum / Minimum	Variance	N of Items
Item Means	3.513	1.331	4.642	3.315	3.514	.827	18
Item Variances	.975	.256	2.313	2.074	10.415	.382	18
Inter-Item Covariances	.056	-.851	1.452	2.254	-1.642	.074	18
Inter-Item Correlations	.048	-.543	.811	1.435	-1.482	.086	18

Source: Authors finding

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It is obvious the minimum and maximum mean, Range, and variance values for item means, item variances are positive. Maximum mean is witnessed for Item means is 4.642. Maximum variance is 2.313, maximum inter item covariance is witnessed is 1.452 and maximum inter-item covariance is found to be .811.

Demographic Variables: The frequency distribution of demographic variables is presented in the following table.

Table:3

Age		
	No of Responses	Percentage
Below 20 years	24	14.3
21-30 years	59	34.9
31-40 years	63	37.3
41-50years	19	11.2
Above 50 years	4	2.3
Gender		
Male	110	65.1
Female	59	34.9
Education		
SSC	19	11.3
Intermediate	31	18.3
Degree	45	26.6
PG degree	50	29.5
Above PG	24	14.3
Occupation		
Student	54	31.9
Govt employee	28	16.6
Private employee	67	39.7
Business	20	11.8
Income for month (in rupees)		
Below Rs.10,000	15	8.8
Rs.10,001-20,000	37	21.8
Rs.20,001-30,000	53	31.4
Rs.30,001-40,000	25	14.7
Above Rs.40,001	39	23.3
Total	169	100.0

The descriptive analysis of all the demographical variables is shown in the Table 4, from that more than 37% of respondents in the group of 31-40 years and 34% of respondents in the group of 21-30 years, followed by 65% of the respondents belonged male and 34% of respondents belonged female, and 29% of respondents studied PG and with followed 26% of respondents studied degree, 39% of respondents working as a Private Employees, 31% are the students, and 31% of respondents earned Rs.20,001-30,000 for month and 23% of respondents earned above Rs.40,001 respectively.

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A. Independent Sample T- Test

The Independent Samples *t* Test compares the means of two independent groups in order to determine whether there is statistical evidence that the associated population means are significantly different. The Independent Samples *t* Test is a parametric test.

Table:2 Group Statistics

Dimensions	select bank	N	Mean	Std. Deviation	Std. Error Mean
Source information	SBI Bank	85	3.6787	.67283	.08487
	ICICI Bank	84	3.7586	.62733	.08002
online services	SBI Bank	85	3.8548	.68680	.08573
	ICICI Bank	84	3.9900	.69499	.08869
E-banking services	SBI Bank	85	4.3684	.31653	.04484
	ICICI Bank	84	4.4265	.32613	.04635
problems faced with E-banking	SBI Bank	85	4.1274	.39766	.05402
	ICICI Bank	84	3.9778	.42738	.05865
motivational factor	SBI Bank	85	3.8784	.44768	.05814
	ICICI Bank	84	3.9394	.41524	.04563

The Mean, Standard Deviation and Standard Error Means of the SBI bank against the dimension of Source of information, are found to be 3.6787, .67283, .and .08487, and for ICICI bank with 3.7586, .62733, and .08002 respectively.

Similarly, the Mean, Standard Deviation and Standard Error Means of the SBI bank against the dimension of online services, are found to be 3.8548, .68680, and .08573, and for ICICI bank with 3.9900, .69499, and .08869 respectively.

With respect to E-banking services, the Mean, Standard Deviation and Standard Error Means of the SBI are found to be 4.3684, .31653and .04484, and for ICICI bank with 4.4265, .32613and .04484 respectively.

With regard to problems faced with E-banking, the Mean, Standard Deviation and Standard Error Means of the SBI are found to be 4.1274, .39766, and .05402 and for ICICI bank with 3.9778, .42738 and .05865 respectively.

With regard to motivational factor, the Mean, Standard Deviation and Standard Error Means of the SBI are found to be 3.8784, .44768 and .05814 and for ICICI bank with 3.9394, .41524 and .04563 respectively.

Since, there are differences in the mean values and Standard deviations in the responses of two study banks, with respect to different dimensions, Levine's for equality of variances and ' t' test for equality of means are conducted with the following hypothesis, and results are furnished in the following table.

Ho: There is no significant difference in the mean variances in the study banks with regard to the Source information, online services, E-banking services, problems faced with E-banking, problems faced with E-banking, and motivational factor.

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Table:3 Independent Samples Test

		Levene's Test for Equality of Variances		t-test for Equality of Means						
		F	Sig.	t	df	Sig. (2-tailed)	Mean Difference	Std. Error Difference	95% Confidence Interval of the Difference	
									Lower	Upper
Source information	Equal variances assumed	1.161	.289	-.851	145	.496	-.07823	.09211	-.26013	.10322
	Equal variances not assumed			-.851	144.987	.496	-.07823	.09211	-.26012	.10321
Online services	Equal variances assumed	.088	.085	-1.328	145	.186	-.26112	.19700	-.65012	.12722
	Equal variances not assumed			-1.329	143.675	.186	-.26112	.19620	-.64910	.12732
E-banking services	Equal variances assumed	1.139	.710	-1.427	145	.166	-.10924	.07620	-.26022	.04224
	Equal variances not assumed			-1.426	144.047	.166	-.10924	.07620	-.26024	.04241
Problems faced with E-banking	Equal variances assumed	.223	.438	-.484	145	.629	-.02631	.05432	-.13215	.08123
	Equal variances not assumed			-.484	145.000	.629	-.02631	.05432	-.13213	.08121
Motivational factor	Equal variances assumed	2.540	.217	2.920	145	.024	.16989	.05818	.05493	.28488
	Equal variances not assumed			2.918	142.872	.024	.16989	.05822	.05480	.28498

the ‘F’ values and ‘t’ values are found to be not significant with any of the dimensions like Source information, online services, E-banking services, problems faced with E-banking, problems faced with E-banking, and motivational factor the Null hypothesis is accepted.

VIII. LIMITATION

A. As the geographical area of the study is limited to Hyderabad area only, Hence the findings and conclusion has its own limitations.

B. A convenience sample method was used for the data collection, which makes the results not readily generalizable

C. The study carried out to understand the customer performance towards E-banking of Public and private banks in Hyderabad city.

D.

IX. CONCLUSION

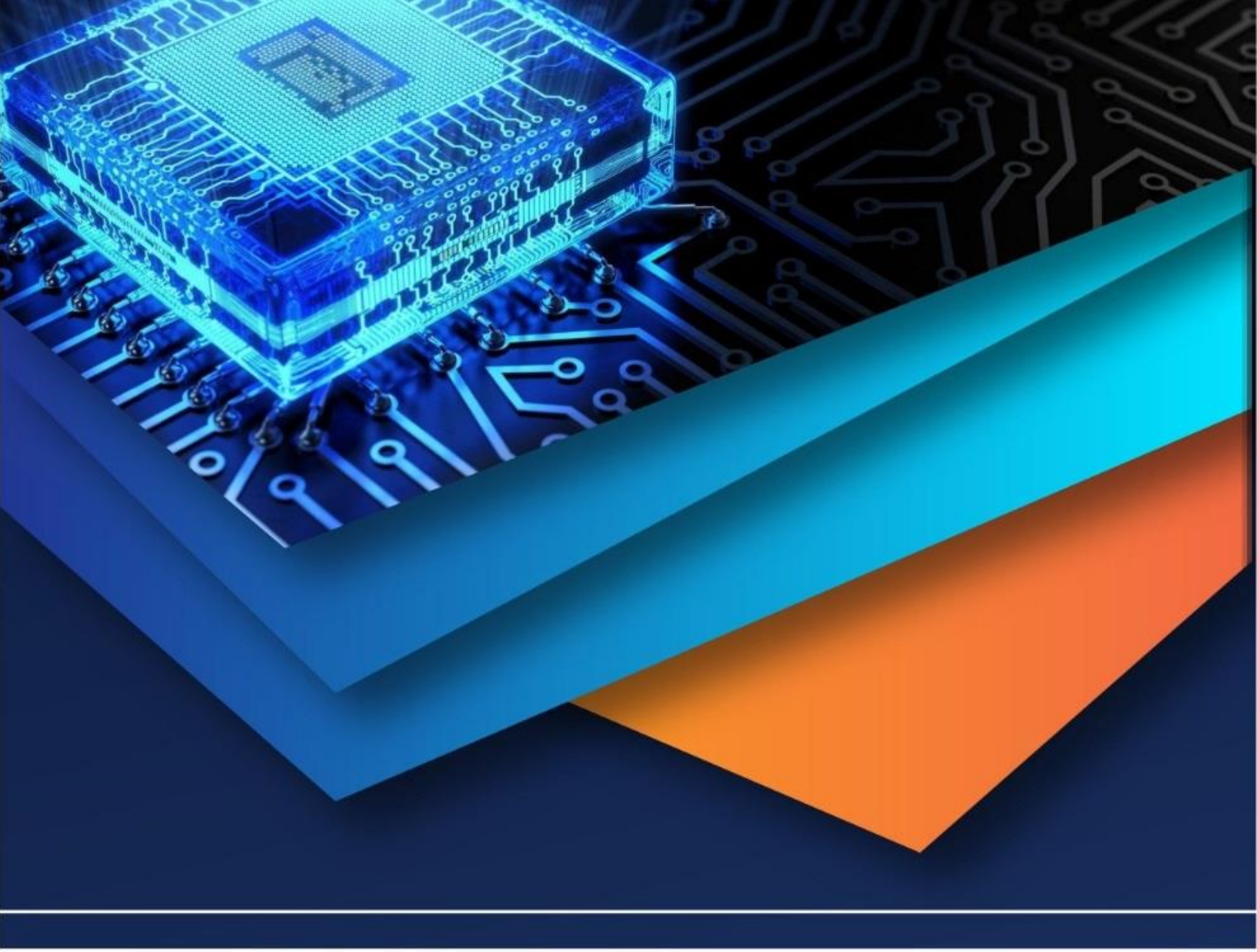
The major theme of the research was to study consumer perception on E-banking services towards Public and private banks in the Hyderabad city. There are four major objective and data collected with through questionnaire. It was analysed by the percentages and Independent sample t- test . As per the results 37% of respondents in the group of 31-40 years and 34% of respondents in the group of 21-30 years, followed by 65% of the respondents belonged male and 34% of respondents belonged female, and 29% of respondents studied PG and with followed 26% of respondents studied degree, 39% of respondents working as a Private Employees, 31% are the students, and 31% of respondents earned Rs.20,001-30,000 for month and 23% of respondents earned above Rs.40,001 respectively.. The results of the Independent sample t- test from that there are no significant difference between public and private banks with respect all dimensions of E- banking services. finally no difference were found in the perceptions of customers of public and private banks.

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