



CUSTOMERS PERCEPTION TOWARDS E-BANKING SERVICES - A SELECT STUDY OF SBI AND ICICI BANKS

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ABSTRACT

E-banking is also known as online banking or Internet banking. A system enables banking transaction like fund transfer, payment of loan and EMI's, withdrawal of cash with the help of internet. E-banking plays important role in the present banking facility, electronic banking is inferred to be safe and secured, compared with physical banking. With the competition and challenges in technology changed the fact of the banking sector. The purpose of the study is to emphasize the concept of e-banking. The study used the primary and secondary data. The various services offered by the banking such as mobile banking, debit card, credit cards, checks services. Today's globalization of e-banking is a significant aspect of the development of the banking sector by solving major issues challenges faced by the e-banking. The banking sectors can develop customers loyalty towards the banking sectors. The younger generation looks to see the convenience and benefits of e-banking. The pre and post payment instruments in the country are mostly paid by the mobile wallets. Most of the customers visit online and mobile technology for their banking needs more than offline. Hence, the customers perception is very positive towards e-banking services provided by both the banks i.e., SBI and ICICI.

Keywords: e-banking, Information technology, customer awareness, customer relationship management.

1.0 Introduction:

E-banking has become an important part of the banking system in India. Before the 1990's, the traditional model of banking i.e. branch-based banking was prevalent, but after that non-branch banking services were started. The credit of launching internet banking in India goes to firstly ICICI Bank. The Government of India enacted the IT Act, 2000 with effect from October 17, 2000, which provided legal recognition to electronic transactions and other means of e-commerce. The Reserve Bank of India (RBI) is monitoring and reviewing the legal and other requirements of e-banking on a continuous basis to ensure that e-banking would develop on sound lines and e-banking related challenges would not pose a threat to financial stability. To cope with the pressure of growing competition, Indian commercial banks have adopted several initiatives and e-banking is one of them. The competition has been especially tough for the public sector banks, as newly established private sector and foreign banks are leaders in the adoption of e-banking. Indian banks offer to their customers the following e-banking products and services. According to the Reserve Bank of India in its annual report 2020-21 stated that the payment systems recorded a robust growth of 26.2 percent in terms of volume on top of an expansion of 44.2 percent in the previous year.

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1.1. Concept of E-banking

In the late 1990s, many banks originate to view web-based banking as a strategic obligatory. As a way of maintaining their customers and building loyalty banks looked for web-based banking. Electronic banking is an umbrella term for the process by which a customer may perform banking transactions electronically without visiting a brick-and-mortar. Electronic banking services have actually started to develop only since 1995, when the Maryland Presidential Bank, an American bank, allowed bank accounts to be opened online. Electronic banking where the transactions and relationships between the bank and customers grow through electronic device instead of paper documents, the banking systems stated that deployment of retail or wholesale banking services over the internet is often referred to as e-banking. Generally banks uses electronic or satellite based computer device for ensuring promptness and accuracy in banking transaction. It has made banking transactions speedier, easy and comfortable. E-banking facilitates customers to avail various small and large value banking products and services through electronic channels. Internet banking comprises banking activities or services which can be available by the customers at any point of time and from any place with their convenience, it is also called personal computer banking, online banking, cyber banking, virtual banking, etc.

1.3. Internet Banking

It is clear that online finance will pick up and there will be increasing convergence in terms of product offering banking services, share trading insurance, loans, based on data warehousing and data mining technologies. Anytime anywhere banking will become common and will have to upscale, such up scaling could include banks launching separate internet banking services apart from traditional banking services.

1.4. Customer Awareness

Awareness among consumers about the e-banking facilities and procedures is still on the lower side in the Indian scenario. Banks are not able to disseminate proper information about the use, benefits and facility of internet banking. Less awareness of new technologies and their benefits is among one of the most ranked barriers in the development of e-banking.

2.0 Review of Literature

An attempt has been made to put forward a brief review of literature based on a few of the related studies undertaken worldwide in the area of e-banking as follows.

Arora and Sandhu (2018) examined the factors which were influencing customers' usage of electronic banking services. With the help of data collected from 600 customers and multiple regression analysis methodology, the study showed that the high usage for e-banking were in females, more educated, younger and middle income customers. The study results also show the significant and positive factors associated with e-banking usage were information, performance, self-interest, service quality, satisfaction, and experience.

D.N.V. Krishna Reddy (2015) this study was conduct on electronic banking. 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. In the banking Industry, it has been in the form of e-banking or online banking or internet banking.

Kalaiarasi and Srividya (2013) in their paper it is observed that online banking, an innovation to traditional branch banking system, is now used as a channel for delivering financial services by virtually all banks in India. Online banking provides improved convenience and customer service, however it is observed that Indian banking customers are reluctant to adopt online banking services. This study identifies the factors influencing adoption of online banking services using Roger's innovation diffusion theory. The perception of risk is a significant influence of adoption of new technology which is also included as one of the dimension along with Roger's innovation attributes. The findings of the study suggest that, the young users adopt online banking when it is suitable for their lifestyle and if the website is user-friendly. Online banking is not perceived as either relatively advantageous than other banking channels nor risky by young users.

Amini, Mustafa, Azizi, (2011) Consumers use innovative banking as it provides benefits comparison to traditional banking channels. The important influential factor indicates that consumers are having more ability to use computer, mobile and internet becomes user of innovative banking. Ease of use, perceived risk, and quality of internet were most significant variable. Some studies found perceived risk as an important factor. Regardless of the penetration of the internet, cost and quality of internet remains the most important factors for adoption of internet banking.

3.0 Research Gap

The review of literature clearly states that the earlier studies focused on various aspects of banks in terms of bank environment, retail banking, customers relationship, hence, the present study is taken up to an analyses customer perception towards e-banking services.

This study aimed to focus on customers perception towards e-banking services particularly on customers satisfaction.

4.0 Need for the Study

The present study may be useful to aware about the real perception aspects of customers towards the new mode of e-banking. Hence, the study is undertaken to analyses the customers perception aspects services provided by both public and private sector banks, with an upshot of SBI & ICICI banks as cases. There is subsequent need to understand the satisfaction level of e-banking customers at work place and what triggers satisfaction level.

Hence, it is important to educate the consumers and present the customer interest to the concerned bank officials.

5.0 Scope of the Study

The present study examined only few factors such as the customers perception towards the e-banking services and benefits of e-banking services. The study is considered demographic variables like customers age, gender, education, marital status, income level are influence the customers perception towards the e-banking service. It is customer overall decision making criteria based on benefits of e-banking services. The study is conducted in Nizamabad district, Telangana state.

6.0 Objectives of the Study

1. To study the socio-economic profile of the respondents.
2. To analyze the customers perception level of e-banking services of select banks.

6.1. Hypothesis

The following hypothesis is framed to prove the data analysis and interpretation.

- a) H_0 : There is no significant difference between perception level of e-banking services of SBI and ICICI banks.

7.0 Research Methodology

It is now proposed to present the research methodology for the present study.

7.1 Primary Data

The primary data collected thorough structure questionnaire.

7.2 Secondary Data

The secondary data has collected from printed sources like articles, books, magazines, Internet, and SBI and ICICI banks web sources.

7.3 Tools of the Analysis

The researcher has used percentage analysis, Chi-square test to test the hypothesis.

7.4. Sample Size

For the present study a total of 200 sample respondents were taken and from the SBI and ICICI bank each 100 respondents were taken.

8.0 Data Analysis and Interpretation

In this section data analysis and interpretation is presented. The data presented socio-economic profile of sample respondents and customer perception towards e-banking services.

8.1. Socio Economic Profile

It is now proposed to present the socio-economic profile of sample respondents includes Gender, Age, Marital status, Education status, Income and occupation.

8.2. Gender

It can be seen from the table 1.1 that, male respondents are representing at 76.5 percent where as female respondents are standing at 23.5 percent respectively.

8.3. Age

In the same table it can be seen different age group of sample respondents. Out of 200 respondents below 25 years respondents are representing at 39.5 percent, 26 years to 35 years respondents are 36.5 percent, 36 years to 50 years respondents are 16.5 percent, and above 50 years respondents are 7.5 percent respectively. The age group majority of respondents are below 25 years.

8.4. Marital status

Marital status of respondents are presented in the same table that, of out of 200 respondents, married respondents are 41.0 percent and unmarried respondents are 59.0 percent the majority respondents are unmarried.

8.5. Education

Of out of 200 respondents, below SSC respondents are standing at 11.0 percent, Intermediate respondents are 17.0 percent, Under Graduation respondents are 31.0 percent and Post Graduation respondents are 41.0 percent the majority respondents are having Post Graduation.

8.6. Annual Income

It can be seen from the table that, Annual income of the sample respondents. Out of 200 respondents below Rs.5,00,000 respondents are 38.0 percent, Rs.5,00,001- Rs.10,00,000 respondents are 39.0 percent, Rs.10,00,001-Rs.15,00,000 respondents are 16.0 percent, above Rs15,00,000 respondents are 7.0 percent. The majority respondents are Rs.5,00,001- Rs.10,00,000.

8.7. Occupation

Out of 200 respondents, Government employee respondents are 11.0 percent, private employee respondents are 37.5 percent, business respondents are 23.5 percent, students respondents are 18.5 percent and others respondents are 9.5 percent. The majority respondents are private employee.

Table 1.1
SOCIO ECONOMIC PROFILE

Demographics		SBI		ICICI		Total Respondents	%
		No of Respondents	Percent	No of Respondents	Percent		
Gender	Male	72	72.0	81	81.0	153	76.5
	Female	28	28.0	19	19.0	47	23.5
	Total	100	100.0	100	100.0	200	100.0
Age	Below 25 years	37	37.0	42	42.0	79	39.5
	26 years-35 years	34	34.0	39	39.0	73	36.5
	36 years-50 years	18	18.0	15	15.0	33	16.5
	Above 50 years	11	11.0	4	4.0	15	7.5
	Total	100	100.0	100	100.0	200	100.0
Marital Status	Married	46	46.0	36	36.0	82	41.0
	Unmarried	54	54.0	64	64.0	118	59.0
	Total	100	100.0	100	100.0	200	100.0
Educational Status	Below SSC	14	14.0	8	8.0	22	11.0
	Intermediate	22	22.0	12	12.0	34	17.0
	Under Graduate	34	34.0	28	28.0	62	31.0
	Post Graduate	30	30.0	52	52.0	82	41.0
	Total	100	100.0	100	100.0	200	100.0
Annual Income	Bellow 5,00,000	62	62.0	14	14.0	76	38.0
	500001-1000000	24	24.0	54	54.0	78	39.0
	1000001-1500000	11	11.0	21	21.0	32	16.0
	Above-1500001	3	3.0	11	11.0	14	7.0
	Total	100	100.0	100	100.0	200	100.0
Occupation	Government Employee	14	14.0	8	8.0	22	11.0
	Private Employee	33	33.0	42	42.0	75	37.5
	Business	11	11.0	36	36.0	47	23.5
	Student	26	26.0	11	11.0	37	18.5
	Others	16	16.0	3	3.0	19	9.5
	Total	100	100.0	100	100.0	200	100.0

Source: Primary data

9.0. Customer Perception Levels on e-banking Services

In this section, it is now presenting the customer perception levels on e-banking services. Perception levels are ranging from Internet banking, Mobile banking, Debit card, Credit card, Kisan Credit Card etc.

9.1. Internet banking

The use of internet has increased a lot in India. At the same time Internet banking also extended in the country. Internet banking also known as online banking, e-banking or virtual banking, is an electronic payment system that enables customers of a bank or other financial institution to conduct a variety of financial transactions through the financial institution's website.

Table-1.2
Perception level on Internet banking services

Perception	SBI		ICICI		Total Respondents	%
	No. of Respondents	percent	No. of Respondents	percent		
Strongly Disagree	3	3.0	2	2.0	5	2.5
Disagree	5	5.0	8	8.0	13	6.5
Neutral	6	6.0	4	4.0	10	5.0
Agree	54	54.0	48	48.0	102	51.0
Strongly Agree	32	32.0	38	38.0	70	35.0
Total	100	100.0	100	100.0	200	100.0

Source: Primary data

The above table 1.2 reveals that the customer perception on Internet banking. On the overall, 51.0 percent of the respondents are agreed on internet banking services helpful to the customers and followed by 35.0 percent of the respondents said that they are strongly agreed on the same. Only 2.5 percent standing for strongly disagreed on the usefulness of internet banking facility. Both the banks SBI and ICICI customers are showing their perception towards internet banking services in the same direction. It can be concluded that, both bank customers are agreed on that internet banking services are useful to them.

9.2 Mobile banking

Mobile banking is the act of making financial transactions on a mobile device (cell phone, tablet, etc.). Advantages to mobile banking include the ability to bank anywhere and at any time.

Table-1.3
Perception level on Mobile banking services

Perception	SBI		ICICI		Total Respondents	%
	No. of Respondents	percent	No. of Respondents	percent		
Strongly Disagree	2	2.0	9	9.0	11	5.5
Disagree	14	14.0	11	11.0	25	12.5
Neutral	18	18.0	8	8.0	26	13.0
Agree	44	44.0	39	39.0	83	41.5
Strongly Agree	22	22.0	33	33.0	55	27.5
Total	100	100.0	100	100.0	200	100.0

Source: Primary data

It is now presenting the mobile banking services of the both banks in table 1.3 that, on the overall, 41.5 percent of the respondents are happy and agree on that mobile banking services are very convenient to the customers and only 5 percent of the respondents are strongly disagree on convenience of mobile banking services. It can be seen from the table, out of 100 respondents of SBI bank 22.0 percent respondents are strongly agreed, 44.0 percent respondents are agreed, 18.0 percent respondents are neutral, 14.0 percent respondents are disagreed and 2.0 percent respondents are strongly disagreed. In case of ICICI bank 33.0 percent respondents are strongly agreed, 39.0 percent respondents are agreed, 8.0 percent respondents are neutral, 11.0 percent respondents are disagreed and 9.0 percent respondents are strongly disagreed. It is observed from the above table majority of 44.0 percent and 22.0 percent respondents of SBI and 39.0 percent and 33.0 percent ICICI bank respondents are perception about Mobile banking. It can be said that, on the overall, both bank customers perception is similar.

9.3 Debit card

A debit card is a payment card that deducts money directly from a consumer's checking account when it is used. These are also called "check cards" or "bank cards," they can be used to buy goods or services; or to get cash from an automated teller machine or a merchant who'll let you add an extra amount on to a purchase.

Table-1.4
Perception level on Debit card services

Perception	SBI		ICICI		Total Respondents	%
	No. of Respondents	percent	No. of Respondents	percent		
Strongly Disagree	4	4.0	5	5.0	9	4.5
Disagree	9	9.0	11	11.0	20	10.0
Neutral	11	11.0	14	14.0	25	12.5
Agree	49	49.0	37	37.0	86	43.0
Strongly Agree	27	27.0	33	33.0	60	30.0
Total	100	100.0	100	100.0	200	100.0

Source: Primary data

It can be observed from the table 1.4 that, the perception levels on Debit card services that on the overall 43.0 percent of the respondents are agreed that debit card services are very useful and followed by 30.0 percent representing that they strongly agreed on the same. In case of SBI, 49.0 percent said they are agree and in ICICI 43.0 percent are agreed. Only 4.5 percent of the respondents are strongly disagreeing on the use of debit card services. It can be concluded that, in both banks customers are happy with debit card services.

9.4 Credit card

A credit card is a thin rectangular piece of plastic or metal issued by a bank or financial services company that allows cardholders to borrow funds with which to pay for goods and services with merchants that accept cards for payment.

Table-1.5
Perception level on Credit card services

Perception	SBI		ICICI		Total Respondents	%
	No. of Respondents	percent	No. of Respondents	percent		
Strongly Disagree	7	7.0	3	3.0	10	5.0
Disagree	17	17.0	14	14.0	31	15.5
Neutral	14	14.0	9	9.0	23	11.5
Agree	38	38.0	33	33.0	71	35.5
Strongly Agree	24	24.0	41	41.0	65	32.5
Total	100	100.0	100	100.0	200	100.0

Source: Primary data

It can be seen from the table 1.6 that the perception levels on usefulness of credit card services of both banks that on the overall 35.5 percent of the respondents are agreed credit card services are good and followed by 32.5 percent representing that they are strongly agreed on the same. Only 5.0 percent respondents are strongly disagreed on the above said issue. In case of SBI 38.0 percent and in ICICI 33.0 percent are agreed on credit card services are helpful. It can be observed that there is a difference between banks as per as credit card services. It can be draw a conclusion that both the banks customers are enjoyed credit card services.

9.5 Kisan Credit Card

The Kisan Credit Card scheme is a Government of India scheme which provides farmers with timely access to credit. The Kisan Credit Card (KCC) scheme was launched in 1998 with the aim of providing short-term formal credit to farmers and was created by NABARD.

Table-1.6
Perception level on Kisan Credit Card services

Perception	SBI		ICICI		Total Respondents	%
	No. of Respondents	percent	No. of Respondents	percent		
Strongly Disagree	8	8.0	3	3.0	11	5.5
Disagree	13	13.0	17	17.0	30	15.0
Neutral	15	15.0	14	14.0	29	14.5
Agree	36	36.0	35	35.0	71	35.5
Strongly Agree	28	28.0	31	31.0	59	29.5
Total	100	100.0	100	100.0	200	100.0

Source: Primary data

It is observed from the above table 1.6 that, out of 200 respondents 35.5 percent of respondents are agreed that kisan credit card services are providing by banks are very impressive where as only 5.5 percent of respondents are representing that they are strongly disagreed on the kisan credit card services provided by the banks. It is very interesting to see that both banks are same in case of the above said services. Hence, the customers perception on kisan credit card services are highly appreciated.

10.0 Findings

From the above observation the following findings are found. On the overall, 51 percent of the respondents are agreed on internet banking services helpful to the customers and followed by 35.0 percent of the respondents said that they are strongly agree on the same. In case of mobile banking 41.5 percent of the respondents are happy and agree on that mobile banking services are very convenient to the customers and only 5.5 percent of the respondents are strongly disagree on convenience of mobile banking services. The customers perception levels on Debit card services that, on the overall 43.0 percent of the respondents are agreed that debit card services are very useful and followed by 30 percent representing that they strongly agreed on the same. The perception levels on usefulness of credit card services of both banks that on the overall 35.5 percent of the respondents are agreed credit card services are good and followed by 32.5 percent representing that they are strongly agreed on the same. Out of 200 respondents 35.5 percent of respondents are agreed that kisan credit card services are providing by banks are very impressive where as only 5.5 percent of respondents are representing that they are strongly disagreed on the kisan credit card services provided by the banks.

11.0 Suggestions

Based on the findings the researcher has made the following suggestions. Internet banking should be facilitated in all the branches of SBI and ICICI banks. Private banks should give trust to their customer towards e-banking services provided by them as public sector a bank provides. The bankers should create user friendly environment for the employees and they must be capable of understanding the problems of their customers.

12.0 Conclusion

The internet banking is one of the most significant banking channels that allow consumers to do many transactions either financial or non financial through the banks websites. The various services offered by the banking such as mobile banking, debit, credit cards, checks services. Today's globalization of e-banking is a significant aspect of the development of the banking sector by solving major issues challenges faced by the e-banking. The banking sectors can develop customers loyalty towards the banking sectors. The younger generating is looks to see the convenience and benefits of e-banking. The pre and post payment instruments in the country are mostly paid by the mobile wallets. Most of the customers visits online and mobile technology for their banking needs more than offline. Hence, the customers perception is very positive towards e-banking services provided by both the banks i.e., SBI and ICICI.

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