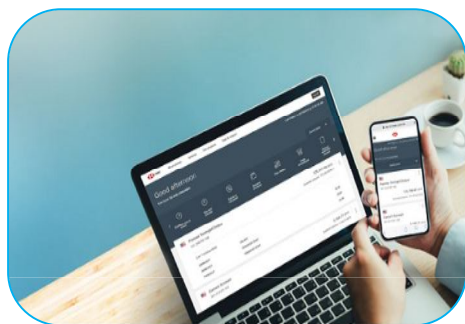




ISSN: 2249-894X  
 IMPACT FACTOR : 5.7631 (UIF)  
 UGC APPROVED JOURNAL NO. 48514  
 VOLUME - 8 | ISSUE - 8 | MAY - 2019



## A STUDY ON CUSTOMER PERCEPTION TOWARDS SERVICE QUALITY OF ONLINE BANKING SERVICES OFFERED BY BANKS WITH SPECIAL REFERENCE TOKANYAKUMARI DISTRICT

Dr. Joly Shalini N.<sup>1</sup> and Dr. Jegan K.<sup>2</sup>

<sup>1</sup>Assistant Professor of Business Management Studies, Infant Jesus College of Engineering, Keelavallanadu, Tuticorin.

<sup>2</sup>Senior Officer, Dalmia Cements Ltd.

### ABSTRACT:

The world is changing at an increasing rate and technology is considered to be the key driver for these changes around us. The wide use of internet and technology advancement in, technology-based systems, especially those related to the internet, are leading to fundamental changes in how companies interact with customers. Day by day

increasing change in technology world, it leads to improve e-banking services. Internet banking has many advantages over other traditional banking delivery methods. Internet banking provides banks with an increased customer base, cost savings, mass customization, product innovations, improved marketing, and communication. Our day to day activities are handled electronically and due to this acceptance of information technology at home as well as at workplace has been increased. Slowly but steadily, the Indian customer is moving towards new banking services like internet banking. In this paper a research on customer perception about the Online-banking is described.

**KEYWORDS:** Customer Perception, Internet Banking, Online-Banking, Information Technology.

### INTRODUCTION :

E-Banking furthermore called internet banking, is a result of Computer/versatile banking. Web banking uses the Internet as the transport channel by which setting aside cash activity is performed, for example, trading stores, taking care of tabs, seeing and checking financial balance adjusts, paying home credits, and purchasing money related instruments and

confirmations of store. An Internet banking customer gets to their records from a program—programming that runs Internet keeping cash programs occupant on the bank's World Wide Web server, not on the customer's PC. Net Banker portrays a certifiable Internet bank as one that gives account adjusts and some worth based capacities to retail customers over the World Wide Web. Web banks are generally called virtual, computerized, net, clever, or webbanks.

Banks Net-Banking offers you the comfort of carrying out banking transactions from the comfort of your house or office, 24x7. This means, you no longer have to

worry about standing in queues at the bank or worry about services not being available on a holiday or weekend. Banks are provides enormous benefits to consumers in terms of ease and cost of transactions, either through Internet, telephone or other electronic delivery. Electronic finance (E-finance) has become one of the most essential technological changes in the financial industry. E-finance as the provision of financial services and markets using electronic communication and computation. In practice, e-finance includes e-payment, e-trading, and e banking. The paper deals the consumers perception towards online-

banking services offered by banks with special reference to kanyakumari District of Tamil Nadu.

## REVIEW OF LITERATURE

**Ulun Akturan and Nuray Tezean (2012)<sup>17</sup>, “Mobile Banking Adoption of the Youth market; Preceptions and Intentions”** This study aims to investigate consumer’s mobile banking adoption in perception and integration of the Technology Acceptance Model (TAM) with work on perceived benefits and perceived risks. Collected data from 435 university students who were non – users but future prospects and analyzed by Structural Equation Modeling (SEM). It was found that perceived usefulness, perceived social risk, perceived performance risk and perceived benefit directly affect attitude towards mobile banking, and that attitude is the major determinant of mobile banking adoption intention. In addition, no direct relationship between perceived usefulness and intention to use, perceived ease of use and attitude, financial risk, time risk, security/ privacy risk and attitude was detected. This study reflects the perception of non-users and university students-potential future prospects-in an emerging country.

**Ulun Akturan and Nuray Tezean (2012),—Mobile Banking Adoption of the Youth market; Preceptions and Intentions** □. Preception and Intentions Marketing intelligence and planning Vol 30 ISSN 4, pp 444-459.

The main theoretical contribution of this research is the development of the risk –benefit model by extending TAM. Bank should rely on increasing the benefit perception of mobile banking. Simultaneously, decrease in social and performance risk should be promoted strongly. In the study, the adoption intention of mobile banking is tested by integrating TAM with perceived benefit and perceived risk- social risk, performance risk, financial risk, time risk, security risk and privacy risk.

## STATEMENT OF THE PROBLEM

Banks are increasingly adopting innovated technology, as a result it is essential for customers to understand its importance and be aware of the latest services introduced by the banking sectors. Though customer have appreciated that new banking services has enhanced customer convenience and comfort, at the same time, they feel that they are been exposed to unforeseen issues. Some of the problems identified in my research study are listed below:-

- Customers are unaware of the innovative services of Banks
- They are reluctant of availing new services, thinking it may be risky.
- Shortage of network coverage, lack of knowledge, insecurity, inconvenience in using mobile handsets, IT illiteracy.

## OBJECTIVES

1. To identify the customer perception about the different type of Online-banking services offered by banks.
2. To analyze the major factors preventing customers from using new technology.
3. To analyze the level of satisfaction of various services rendered by the bank.
4. To give valuable suggestions to improve awareness and satisfaction about E-banking services offered by banks.

## SAMPLING DESIGN AND STATISTICAL TOOLS FOR ANALYSIS

Statistical techniques such as Percentage analysis, weighted average mean and Garrett ranking method were used for analyzing the data. Convenient sampling method was employed to select the sample respondents.

Totally 250 customers were selected conveniently from Banks of Kanyakumari District.

## SOCIO ECONOMIC STATUS OF THE RESPONDENTS

The socio economic status influences the customer’s attitude and customer awareness towards digital banking. Therefore the researcher analyzes the socio economic status of the respondents.

**TABLE 1: Socio Economic Status of the Respondents**

S.No	Demographic factor	No of respondents	Percentage
1	Gender:Male	135	54
	Female	115	46
	Total	250	100

2	Age	No of respondents	Percentage
	Up to 25 years	53	21.2
	26 - 35 years	58	23.2
	36 - 45 years	68	27.2
	Above 45 years	71	28.4
	Total	250	100

3	Education	No of respondents	Percentage
	Post graduate	71	28.4
	Graduate	64	25.6
	10 <sup>th</sup> pass	75	30.0
	Illiterate	40	16.0
	Total	250	100

**INFERENCE**

54 percentages of the respondents are males and 46 percentage of the respondents are females. 28.4 percentage of the respondents belong to the age group of above 45 and the least 21.2 percentage of the respondents belong to the age group of up to 25 years.

One third of the respondents have passed the 10<sup>th</sup> qualification.

**CUSTOMER PERCEPTION ABOUT THE BANKING SERVICE**

The table 2 reveals the results of Garrett ranking in terms of customer perception about the services rendered by digital banking

**TABLE 2: CONSOLIDATED RESULT OF GARRETT RANKING**

	E-Banking Services	Mean Score	Rank
1	Internet Banking	50.35	VI
2	Can-mobile	51.48	II
3	ECS	44.58	VIII
4	NEFT	49.36	VII
5	RTGS	51.35	III
6	Credit card and Debit card	51.86	I
7	Kiosk	50.60	IV
8	E-KYC	50.40	V

Source: Computed data

**INFERENCE**

Above table resulted that 51.86% of respondents have more awareness of ATM Banking or Debit & Credit card for their day-to-day activities or financial transactions, in the same way, 51.48% of respondents were in Can-mobile. 51.35% of respondents were preferred RTGS and ATM and ECS used only 44.58 % of respondents in research area.

**MAJOR FACTORS PREVENTING CUSTOMERS FROM USING INNOVATIVE SERVICE**

The following table 3 depicts about the factors that restrict customers from using new tech services.

**TABLE 3: WEIGHTED AVERAGE MEAN FOR MAJOR FACTORS RESTRICTING CUSTOMERS FROM USING NEW SERVICES**

Sl No	Opinion	Strongly agree(5)	Agree (4)	Neutra (3)	Disagree(2)	Strongly Disagree (1)	Total	Mean Score
1	Lack of direct interaction with staff	85 (425)	70 (230)	60 (180)	15 (30)	20 (20)	935	3.74
2	Unavailability of requested service	70 (350)	65 (260)	75 (225)	25 (50)	15 (15)	900	3.6
3	Poor internet connection	30 (150)	65 (340)	90 (270)	25 (50)	20 (20)	830	3.32
4	Lack of understanding of new service	90 (450)	95 (380)	25 (75)	20 (40)	20 (20)	965	3.86
5	Limited scope of personal advice	80 (400)	90 (360)	26 (78)	28 (56)	26 (26)	920	3.68
6	Uncertainty about additional service	98 (490)	80 (320)	20 (60)	26 (52)	26 (26)	948	3.79
7	Fear about security of transaction	95 (475)	90 (360)	21 (63)	20 (40)	24 (24)	962	3.84
8	No knowledge about computer	17 (85)	90 (360)	95 (285)	24 (48)	24 (24)	862	3.20
9	No internet in online transaction	40 (200)	47 (188)	98 (294)	40 (80)	25 (25)	787	3.24
10	HI-cost of mobile devices	15 (75)	90 (360)	95 (285)	24 (48)	26 (26)	794	3.27

Source: Computed data

**INFERENCE**

It is inferred that the factors which prevent customers from using innovative service, in that the first reason is lack of understanding of new service, the second position or reason is fear about security of transaction and the last reason is that there is no internet in onlinetransaction.

**SUGGESTIONS**

1. Bank must not only explain what role does innovative services play but also let them be familiar with the functioning and related technical words used for it.
2. Customers must be well informed about the overall security of computerized transaction by conducting workshops to prevent cyber threats and crimes.

3. Bank needs to inculcate positive and secure feeling towards customer in adopting more innovative service.
4. Motivating customers to adapt themselves in techno –world.

### CONCLUSION

Financial system in India has grown rapidly in the last three decades with stiff competition and advancement in technology, the service provided by the bank has become more easy and convenient. Based on the research conducted, it is evident that Tech based Banks are play a crucial role in developing a strong relationship with customers as well as trying to increase self confidence in adopting newly introduced services.

### REFERENCES

1. <http://WWW.rbi.org.in/scripts/bank links.aspx>
2. <http://WWW.iba.org.in/view membanks.asp>
3. [www.canarabank.com](http://www.canarabank.com)
4. [www.google.com](http://www.google.com)
5. [www.moneycontrol.com](http://www.moneycontrol.com)