



## A STUDY ON CUSTOMER PERCEPTION TOWARDS E-BANKING SERVICES OF ICICI BANK IN KANYAKUMARI DISTRICT

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### ABSTRACT

*In recent years, the banking industry around the world has been undergoing a rapid transformation. The deepening of information technology has facilitated better tracking and fulfillment of commitments, multiple delivery channels for online customers and faster resolution of issues. In India too, the wave of deregulation in the early 1990s has created heightened competition and greater risks for banks and financial intermediaries. Today, customers expect highest quality services from banks which, if fulfilled, could result in significantly improved customer satisfaction levels. This empirical research study mainly focuses on investigating the major factors that influence electronic banking customers satisfaction with the overall service quality of their banks. This study also helps in assessing the power of these factors in the context of online banking and would, therefore, help the bank management not only in improving the level of satisfaction but also strengthening the bond between the banks and their customers, thereby helping them to retain and/or expand their overall customer base.*

**KEYWORDS:** Customer Perception, E-banking, Service Quality, Satisfaction.

### INTRODUCTION:

In banking industry e-banking services are revolutionizing the way business is conducted. E-banking models are replacing conventional banking system and almost of banks are rethinking business process designs and customer relationship management strategies. Competition among banks along with the universal forces has obliged the banks to adopt the technological changes such as internet banking, mobile banking, ATM services, electronic fund transfer, credit card, debit card, and electronic clearing services etc. which offers customers convenience, anywhere and anytime banking. This study aims at analyzing the Customer Perception towards the use of e-banking services of ICICI bank.

### STATEMENT OF PROBLEM

Every time the users need to perform some transactions, he has to go to bank in person and do his necessary work, which may not be so feasible all the time, it may be a hard and hitting task for the users and bankers too. Electronic banking system provides enhanced techniques for maintaining the required information up-to-date which results in efficiency and customer's transactions are made easy when they adopt E-banking system.

## SCOPE OF THE STUDY

Today the customer demands the bank's services for 24 hours. Now in this modern age the entire banking structure has been changed due to widespread internet technology. Now all the business like commerce, trade, import, export, purchase and sale of goods is relying upon electronic banking by using the advanced electronic technology. Thus the banking services are fast and economical.

## MEANING OF AN ELECTRONIC BANKING

E-banking means conduct of banking operations through electronic means or devices, such as computers, telephones, mobile phones, ATM's and so on. E-Banking means the conduct of banking operations (i.e., the provision of banking products and services) by bankers through electronic tools or devices.

## ICICI BANK

ICICI Bank is an Indian multinational banking and financial services company headquartered in Mumbai. ICICI Bank was established by the Industrial Credit and Investment Corporation of India (ICICI), an Indian financial institution, as a wholly owned subsidiary in 1955. The parent company was formed in 1955 as a joint-venture of the World Bank, India's public-sector banks and public-sector insurance companies to provide project financing to Indian industry. The bank was initially known as the Industrial Credit and Investment Corporation of India Bank, before it changed its name to the abbreviated ICICI Bank. The parent company was later merged with the bank. The Bank and their subsidiaries offers a wide range of banking and financial services including commercial banking, retail banking, project and corporate finance, working capital finance, insurance, venture capital and private equity, investment banking, broking and treasury products and services. They offer through a variety of delivery channels and through their specialised subsidiaries in the areas of investment banking, life and non-life insurance, venture capital and asset management. ICICI Bank launched e-banking operations in 1998.

The E-Banking services have providing various services such as, Corporatenet banking, FX online, Online taxes, Internet Banking, Bill Pay, Smart Money order, Prepaid Mobile Charge, Trade MIS, Top Online Schemes, Salary Book, OnlinePayment, Speed money Transfer, Mobile Banking, Tele Banking and the like.

## REVIEW OF LITERATURE

Seranmadevi. R (2012), "Technology at Indian Banking Sector", his aimed to analyze the role of information technology (IT) in the Indian banking industry. Indian banks were investing heavily in the technologies such as automated teller machine (ATMs), net banking, mobile banking, tele-banking, credit cards, debit cards, smart cards, call centers, CRM data warehousing etc. It was essential to evaluate the impact of information technology on the performance of Indian banks in terms of extended value added services and customer satisfaction. Foreign banks and Private sector banks which took more IT initiative, were found to be more efficient and more competent force than public sector banks in India. The study revealed that technological innovations had enabled the industry to open up efficient delivery channels. It was said that IT had helped the banking industry to deal with the challenges the new economy posed. The article examines the views of banking customers on the implementation of IT in banks. According to the investigation, private and foreign banks used more IT related banking services than public sector banks.

Satheesh Kumar N and Maliqjan N, (2015), "A Study on Level of Satisfaction Towards E- Banking Services in Krishnagiri", It is analysed that most of the customers are satisfied with e-banking services provided by their banks, however there is differences in the level of satisfaction, this is due to the low penetration of electronic banking services and low awareness among the public. Customers are interested in new technology as it provides convenience, and sparring less time for accessing banking services. The majority of the customers had positive attitudes towards technology. They use E-Banking mainly for withdrawals, fund transfer, inquiries about of outstanding balance and utilities or third parties payment. Customer aware to use E- Banking services due to its convenience. With regard to customers' satisfaction in

terms of e-service quality, the majority of E-Banking customers showed satisfaction with every factor of e-service quality. Fee charged for utilizing other banks ATMs makes them inconvenient. Finally it is concluded that customers are very much satisfied with e-banking services provided by the banks in Krishnagiri town.

### OBJECTIVES OF THE STUDY

- I. To analyse the socio economic background of the sample respondents.
- II. To analyse the satisfaction level of the customers while using e- banking.
- III. To study the problems faced by customers in e-banking.
- IV. To know the consumer perception regarding e-banking services provided by ICICI Bank.

### RESEARCH DESIGN

The present study is of Descriptive in nature. Sample size selected for the study was 50 respondents the ICICI banks in Kanyakumari District of Tamil Nadu State. Convenience sampling technique was adopted in the selection of the bank customers. For analyzing the data, percentages, Chi square method and Garrett ranking techniques were applied.

### LIMITATIONS OF THE STUDY

- The present study considers only the selected respondents in Kanyakumari District.
- The research work is based on the primary data which are collected from the selected respondents. Therefore the findings are not to be generalised.
- Due to the time constraint the researcher has selected ICICI Bank only for this study.

### RESULTS AND DISCUSSIONS

**Table 1: Demographic Variables of the Respondents**

VARIABLES		ICICI BANK	
		No of Respondents	Percentage
Age	Upto 20	02	04
	20-30	06	12
	30-40	19	38
	40-50	09	18
	50 and above	14	28
	<b>Total</b>	<b>50</b>	<b>100</b>
Gender	Male	37	74
	Female	13	26
	<b>Total</b>	<b>50</b>	<b>100</b>
Educational Qualification	SSLC	05	10
	HSC	09	18
	Graduation	28	46
	Post-Graduation	08	16
	<b>Total</b>	<b>50</b>	<b>100</b>
Occupation	Farmer	02	04
	Business	29	58
	Employees	18	36
	Student	01	02
	<b>Total</b>	<b>50</b>	<b>100</b>
Income Month Per	Less than 10000	04	08
	10000-20000	22	44
	20000-30000	16	32
	30000-40000	05	10
	40000-50000	03	06
	<b>Total</b>	<b>50</b>	<b>100</b>

Table No.1 shows demographics wise distribution of the respondents. It reveals that male respondents are higher than female respondents using e-banking services of ICICI bank. Majority of respondents using e-banking services in the age group of 30-40 and graduates were high as compared to other educational groups. Majority of the respondents were Business People for ICICI bank.

**Table 2: Purpose of Using E-banking**

Purpose	ICICI	
	No of Respondents	Percentage
Cash Withdrawal	34	68
Balance Check	09	18
Mini Statement	03	06
View Transactions	04	08
<b>Total</b>	<b>50</b>	<b>100</b>

Table 2 shows the purpose of using e-banking services by the respondents. Majority of the respondents use e-banking services for the purpose of Cash withdrawal.

**Table 3: Period of using E-banking services**

Period	ICICI	
	No of Respondents	Percentage
From 1 -12 months	27	54
From 1 - 2 years	07	14
From 2 - 3 years	11	22
More than 3 years	05	10
<b>Total</b>	<b>50</b>	<b>100</b>

Table 3 shows that majority of the ICICI bank customers to use e-banking service from more than 3 years.

**Table 4: Responses about the awareness of E-banking services**

Responses about awareness	No of Respondents	Percentage
Own accord	08	16
Advertisement in print media	11	22
Online advertisement	09	18
Through friends and relatives	05	10
Through bank officials	17	34
<b>Total</b>	<b>50</b>	<b>100</b>

Table 4 exhibits that among 50 respondents 34 percentage of the respondents came to know about e-banking services through bank officials, as they wish to reduce the waiting of the customers in the bank, 18 percentage of the respondents got the awareness about online banking through online advertisement, 22 percentage of the respondents are aware of e-banking services through advertisements in print media, 16 percentage of them came to know on their own accord and remaining 10 percentage of them got the awareness through friends and relatives.

### **Socio Economic Characteristics and Level of Satisfaction on E-banking Services**

In this research a careful analysis is done to find whether there is any significant relationship between the Customer Satisfaction of E-banking and the socio-economic factors such as age, sex, education, occupation and income. The null hypothesis formed to test whether there is any significant difference

between the Customer Satisfaction Level of E-banking and Socio-economic factors. The null hypothesis is tested with the help of chi-square Test.

**Table 5: Socio Economic and Level of Satisfaction on E-banking Services**

Character	Calculated Value	Degrees of freedom	Table Value	Result
Age	31.78	12	21.02	Accepted
Sex	38.23	6	3.84	Accepted
Income	20.17	12	21.02	Rejected
Education	33.05	9	16.91	Accepted
Occupation	20.59	9	16.91	Accepted

From the above table it is clear that there is no significant difference between level of satisfaction and socio-economic factors of Income. But there is a significance difference between Customer Satisfaction of E-banking and the Socio- economic Factors such as age, sex, education, and occupation of respondents.

**Table 6: Factors Influenced to Use the E-banking Services**

Variables	Garrett's Mean Score	Rank
Easy Banking	65.38	I
Trust and Security	64.13	II
Que avoidance	60.77	III
Convenience in use	60.26	IV
Faster Transaction	58.53	V
Processing of transaction	57.85	VI
Easy Availability Screen Language	54.30	VII
Fast cash withdrawal	51.06	VIII
Stop payment	45.69	IX

Above tables specifies the factors influenced to use of ICICI banks. It shows that for ICICI banks respondents were the major Satisfaction of E-banking Services are satisfaction taking with the mean score of 67.20 for Easy Banking and the least Satisfaction is resistant with the mean score of 45.69 for Easy Availability Screen Language.

**Table 7: Problems Faced while Operating ICICI Bank**

Variables	Garrett's Mean Score	Rank
Network problem	55.18	I
Insecurity	54.33	II
Transaction takes too much time	51.46	III
Processing time	59.65	IV
Lack of Operational Knowledge	48.22	V
Receipt not issued	47.05	VI

Above table mentions Problems faced by the customers while Operating ICICI Bank's e-banking services. It is evident from the analysis that in case of ICICI bank the major problem of the Customer is Network problem with the mean score of 55.18 and the least problem is receipt not issued with the mean score of 47.05.

#### SUGGESTIONS OF THE STUDY

- It is observed that few of the respondents are not ready to believe the e-banking activities. It may be caused because of the lack of awareness of the available e-banking services and also as a result of

literacy rate of the respondents. If they believe the e-banking activities then it will increase the banking transactions and also improve e-banking technology.

- E-banking services must be maintained properly by banks and it must always be in a proper working Condition.
- Problems of technical nature resulting in debiting of customer account without dispensing of cash should be rectified.
- Banks must ensure that the technology adopted by them is the latest and most efficient.
- Proper training facilities have to be provided to the staff's, so that they can give valid answers to the customers.
- Staffs have to update their knowledge, for that bank has to take necessary actions.
- The bank has to inform the customers to frequently change the PIN numbers.

## CONCLUSION

E-banking has become a necessary survival weapon. Today, the click of the mouse offers customers banking services at a much lower cost and also empowers them with unprecedented freedom in choosing vendors for their financial service needs. Banks have to upgrade and constantly think of new innovative customized packages and services to remain competitive. Banks have come to realize that survival in the new e-economy depends on delivering some or all of their banking services on the Internet while continuing to support their traditional infrastructure.

The rise of E-banking is redefining business relationships and the most successful banks will be those that can truly strengthen their relationship with their customers. Without any doubt, the International scope of E-banking provides new growth perspectives and Internet business is a catalyst for new technologies and new business processes.

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