

“CUSTOMER’S PERCEPTION ON USAGES OF ELECTRONIC BANKING PRODUCTS AND SERVICES OF PUBLIC SECTOR BANKS IN INDIA”

ABSTRACT

The Indian Banking System has been operating successfully over the last two centuries. Several major banks in India are offering e-banking services. Thus, today, all the nationalized banks and private commercial banks are providing 24*7 banking (e-banking) services to their customers. The networks of these banks are connected all over India and abroad. Therefore, the objective of present work is an attempt to find out the extent of application of e-banking in Indian public sector banks and to evaluate the perception on usages of electronic banking products and services of public sector banks in India. This study is based on the survey and the data which is collected through the issue of questionnaire to the bank's customers.

INTRODUCTION

Banks are important in every country & have a significant effect in supporting economic development through efficient financial services. The Indian Banking system also plays a vital role in the process of economic growth & development. After the series of banking sector reforms in last few decades the Indian commercial banks have passed through certain developments and challenges. Immediately after the nationalization when, the Public Sector Banks spread their branches to remote areas at a rapid pace their main objectives was to act on behalf of the government to fulfill economic obligations towards the common man. Hence, public sector banks have begun to offer electronic banking services to improve the effectiveness of distribution channels through reducing the transaction cost and increasing the speed of services. Recently, electronic banking has become the way for the development of banking system, and the role of electronic banking is increasing in many countries. As electronic banking is becoming more prevalent, level of customer satisfaction is also changing the scenario of technological environment. Several innovative IT based services such as: Automated Teller Machine (ATM), internet banking, smart cards, and credit cards, mobile banking, phone banking, electronic fund transfer facility, etc., anywhere – anytime banking have provided number of convenient services to customers. Banks have to

deal with many customers everyday & render various types of services to its customers. It is a well-known fact that no business can exist without its customers. So, public sector banks should find new ways of making "Electronic products and services faster, useful & accessible for its customer."

OBJECTIVES OF THE STUDY:

This study has the following specific objectives that would be significant in order to come up with a useful data that would be the basis for analysis and drawing of the conclusions. Thus, the main objectives of this study are:-

- To find out the perception of the customers towards the usages, services, performance and quality of electronic products & services being provided by public sector banks.
- To examine the expectations/opinion of the bank customers in respect of their demographic profile.

METHODOLOGY OF THE STUDY:

1. **Universe of study:** The present study is based on the analysis of the e-banking products and services of Indian public sector banks and the universe of the present study is restricted to Delhi - NCR.

2. **Sampling:** In this study, "Convenience Random sampling" method is used. A sample of 40 respondents' has been selected for the study, in accessing electronic banking product and services of public sector banks.

3. **Data collection technique:**

- (a) **Primary Data:** This study is based on the survey and the data which is collected through the issue of questionnaire to the bank's customers.
- (b) **Secondary Data:** The secondary sources of data are from, Banks Annual Reports, Broachers of e-banking products and services, Reports of RBI on Internet Banking, various sites of banks on internet, Various books, articles, research papers published in leading research journals and magazines etc.

4. **Statistic tools:**

- (a) Parentage Analysis
- (b) Cross Tabulation
- (c) Mean

5. **Software used for Analysis:**

- (a) SPSS
- (b) MS. Excel

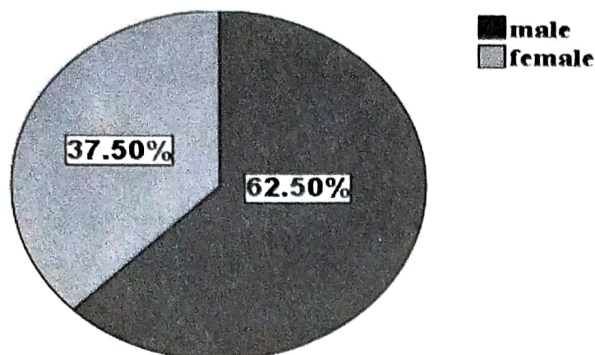
Data analysis and Interpretation:

I. Analysis of Demographic Profile of respondents (percentage analysis)

I. Gender-wise analysis

Gender	Frequency (f)	Percent (%)
male	25	62.5
female	15	37.5
Total	40	100.0

Gender of respondents

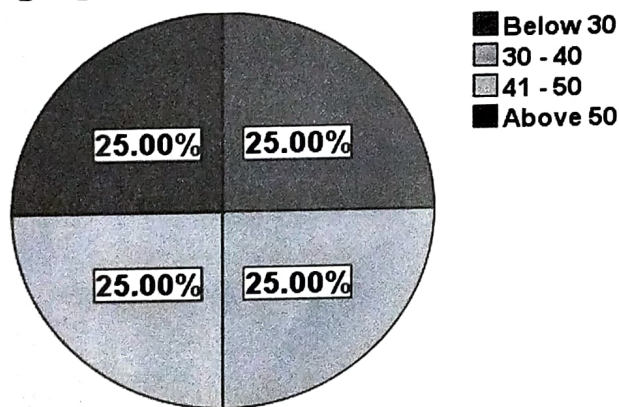


As per the above table & graph, it has been found that, out of 40 respondents 62.50% respondents comes under the category of male & 37.50% respondents comes under the category of female.

II: Age-wise analysis

Age Group	Frequency (f)	Percent (%)
Below 30	10	25.0
30 - 40	10	25.0
41 - 50	10	25.0
Above 50	10	25.0
Total	40	100.0

Age group of respondents

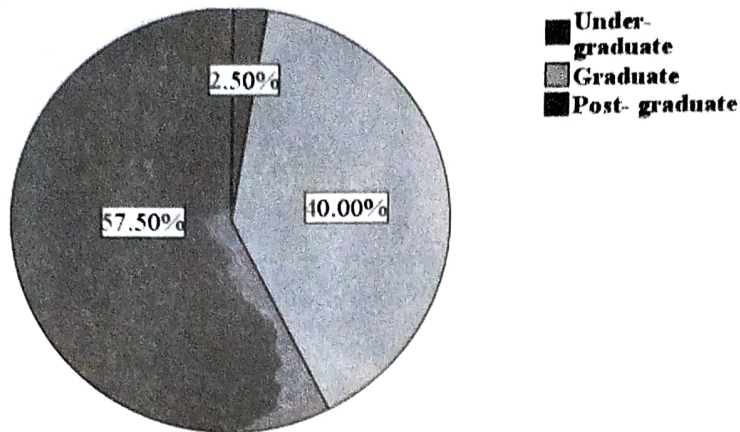


As per the analysis of age-wise data, represented in an above table, shows that, out of 40 respondents 25% of the respondents existed in each category of the age. It implies that as per as age is concerned, there a equal number of respondents' in each age group.

III: Qualification-wise analysis

Qualification	Frequency (f)	Percent (%)
Under-graduate	1	2.5
Graduate	16	40.0
Post-graduate	23	57.5
Total	40	100.0

Education background of respondents

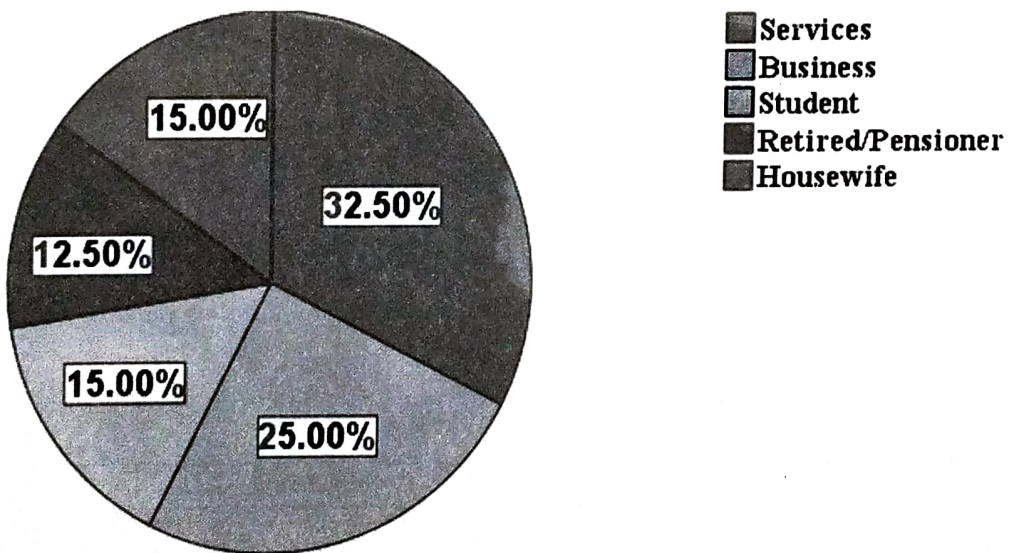


On the basis of analyzing above table & graph, it has being revealed that out of 40 respondents who are availing public sector bank's products & services, 2.50% of the respondents are under- graduates, 40% of the respondents are Graduates & 57.50% of the respondents are Post- graduates.

IV: Occupation-wise analysis

Occupation	Frequency (f)	Percent (%)
Services	13	32.5
Business	10	25.0
Student	6	15.0
Retired/Pensioner	5	12.5
Housewife	6	15.0
Total	40	100.0

Occupation of respondents

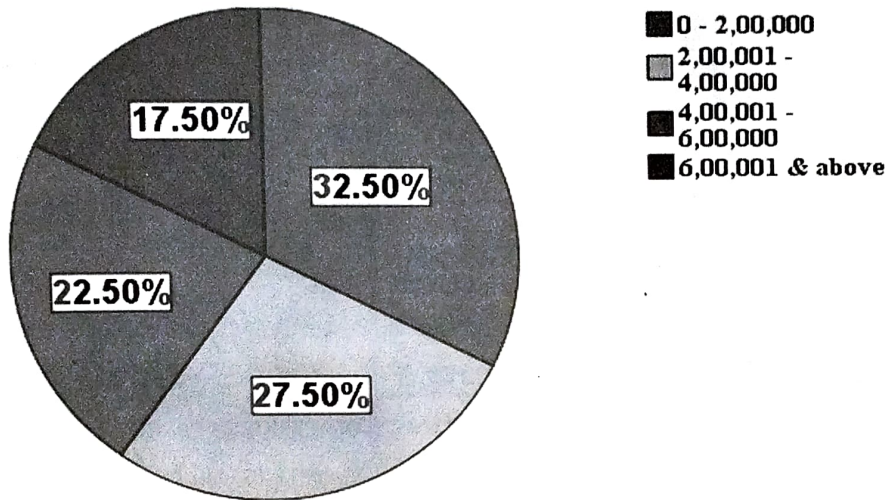


As per the above table & graph, it can be identified that out of 40 respondents 32.50% of the respondents are in the Services, 25% of the respondents are in the Business, 15% of the respondents are Students, 12.50% of the respondents are Retired/Pensioner, and 15% of the respondents are Housewives.

V: Annual Income - wise analysis

Annual Income	Frequency (f)	Percent (%)
0 - 2,00,000	13	32.5
2,00,001 - 4,00,000	11	27.5
4,00,001 - 6,00,000	9	22.5
6,00,001 & above	7	17.5
Total	40	100.0

Annual income of respondents



The data from table & graph recognized that, out of 40 respondents 32.50% of the respondents annual income lies between 0 - 2, 00,000, 27.50% of the respondents annual income lies between 2,00,001 - 4,00,000, 22.50% of the respondents annual income lies between 4,00,001 - 6,00,000, and 17.50% of the respondents annual income lies between 6,00,001 & above.

II. Analysis the rate given by respondents' on various parameters (Mean Score)

There are different parameters on the basis of which the analysis of respondents' view on electronic banking products and services has been evaluated the parameters' are studied on the basis of five scaling criteria i.e. 5= Highly Satisfied, 4= Satisfied, 3= Neutral, 2=Dissatisfied, 1= Highly dissatisfied.. In this regards 5-point Likert scale was used to get the response of the customer.

Table 1: Customer's view on Branch Banking Services

Parameters	Frequency (N)	Score (Mean value)
Behavior of the Staff	40	3.78
Time taken to process the transaction	40	3.38
Working Hours	40	3.65
Presentation and communication	40	3.58

Source: Authors own compilation from primary data

As per the analysis of table-1, it can be found that the mean value of the variable 'behavior of the staff' is 3.78, mean value of the variable 'time taken to the processing transaction' is 3.38, mean value of the variable 'working hours' is 3.65 and mean value of 'presentation and communication' is 3.58. It reveals that, the customer has given maximum score to 'behavior of the staff' and the minimum score is recorded for a variable 'time taken to process transaction'. In overall the customer's view on "Branch Banking Services" of the public sector banks is neutral. It has been concluded that the customers are more satisfied with the behavior of the staff of public sector banks in handling their problems & couriers, whereas they are less satisfied with the time taken to process for the completion of transaction.

Table 2: Customer's view on ATM Banking Services

Parameters	Frequency (N)	Score (Mean value)
ATM network Distribution	40	3.35
Continuous service (without any breakdown)	40	3.25
Ease of screen use	40	3.47
Security	40	3.70
General assessment about the services	40	3.37

Source: Authors own compilation from primary data

Data from the table-2 reveals that, the mean scores for the variables 'ATM network distribution' is recorded 3.35, 'Continuous service' 3.25, 'ease of screen use' 3.47, 'security' 3.70 and 'general assessment about the services' 3.37. The maximum score is verified for the variable 'security' and the least score customer has given to variable 'continues services'. It has been concluded that customers are more satisfied from ATM services and have trust on the public sector banks. Whereas they are less satisfied with the public sector banks ATM continuous services. It may be due to the shortage of cash in ATM especially on weekends & due to some technical problems or machine out of service etc.

Table 3: Customer's view on Internet Banking Services

Parameters	Frequency (N)	Score (Mean value)
Page setup/menu flow	40	3.62
Ease of use	40	3.58
Speed of page loading	40	3.10
Variety of transaction	40	3.40
General assessment about the service	40	3.35

Source: Authors own compilation from primary data

As per the analysis of the table-3, it can be found that the customer's view on "Internet Banking Services" of the public sector banks is neutral. The maximum mean value is 3.62, which are related to the page setup/menu flow of the public sector banks Internet Banking Services & the minimum mean value is 3.10 which are related to the speed of page loading of the particular public sector banks web. It reveals that customers are more satisfied from the page setup/menu flow of the public sector banks Internet services, whereas they are less satisfied from the speed of the web page loading of the public sector banks. It may be due to the bad server services of the public sector banks.

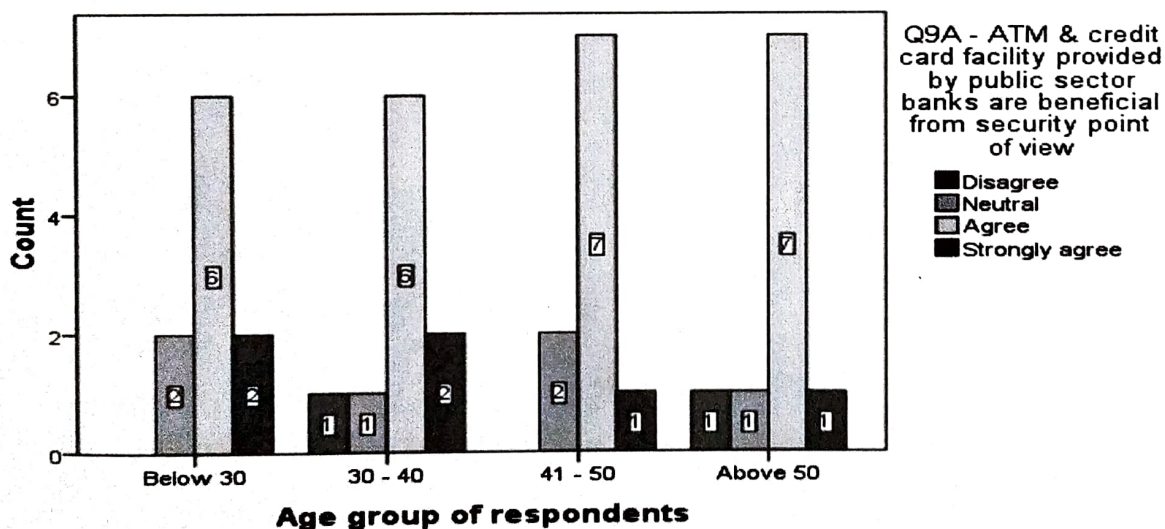
III. Respondents Satisfaction Level: (Cross - Tabulation)

Table 4: ATM cum debit card facility provided by public sector banks are beneficial from security point of view X Age

Age		ATM cum debit card facility provided by public sector banks are beneficial from security point of view				Total
		Disagree	Neutral	Agree	Strongly agree	
Below 30	Frequency	0	2	6	2	10
	%	.0%	20.0%	60.0%	20.0%	100.0%
30 - 40	Frequency	1	1	6	2	10
	%	10.0%	10.0%	60.0%	20.0%	100.0%
41 - 50	Frequency	0	2	7	1	10
	%	.0%	20.0%	70.0%	10.0%	100.0%
Above 50	Frequency	1	1	7	1	10
	%	10.0%	10.0%	70.0%	10.0%	100.0%
Total	Frequency	2	6	26	6	40
	%	5.0%	15.0%	65.0%	15.0%	100.0%

Source: Authors own compilation from primary data

Bar Chart



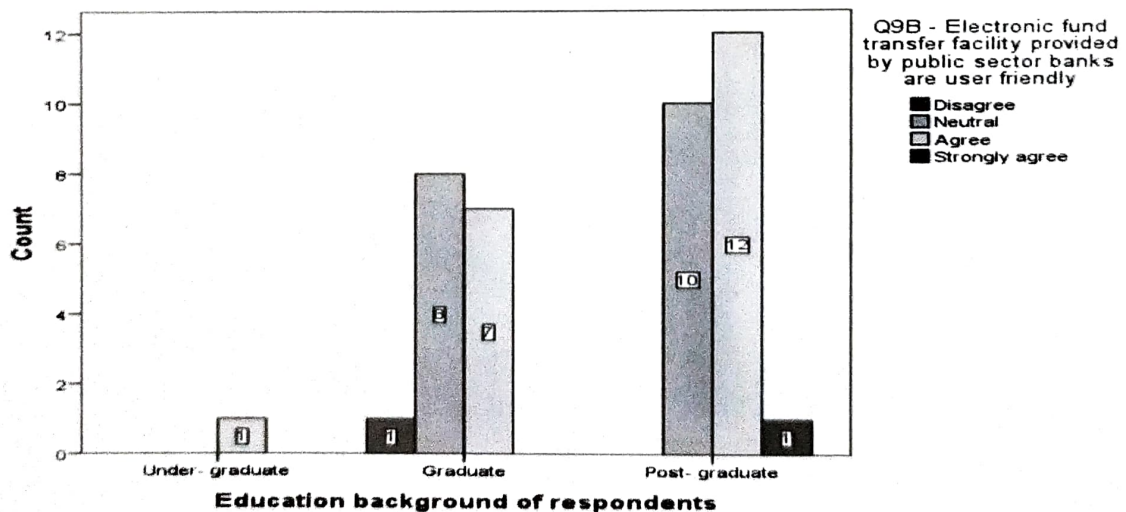
As per the analysis of the above data shown in Table -4 , It is found that the 60% respondents in the age group of 30 and below and between 30-40 feel that the above facilities are beneficial from security point of view. In the further analysis, it is revealed that 70% of the respondents in the age bracket 41-50 and above 50 feel the same. It is concluded that respondents above the age of 40 years are having more reliability on the security aspects of ATM cum credit Card facilities of the Public sector banks.

Table 5: Electronic fund transfer facility provided by public sector banks are user friendly X Educational Qualification

Educational Qualification		Electronic fund transfer facility provided by public sector banks is user friendly				Total
		Disagree	Neutral	Agree	Strongly agree	
Under- graduate	Frequency	0	0	1	0	1
	%	.0%	.0%	100.0%	.0%	100.0%
Graduate	Frequency	1	8	7	0	16
	%	6.2%	50.0%	43.8%	.0%	100.0%
Post- graduate	Frequency	0	10	12	1	23
	%	.0%	43.5%	52.2%	4.3%	100.0%
Total	Frequency	1	18	20	1	40
	%	2.5%	45.0%	50.0%	2.5%	100.0%

Source: Authors own compilation from primary data

Bar Chart



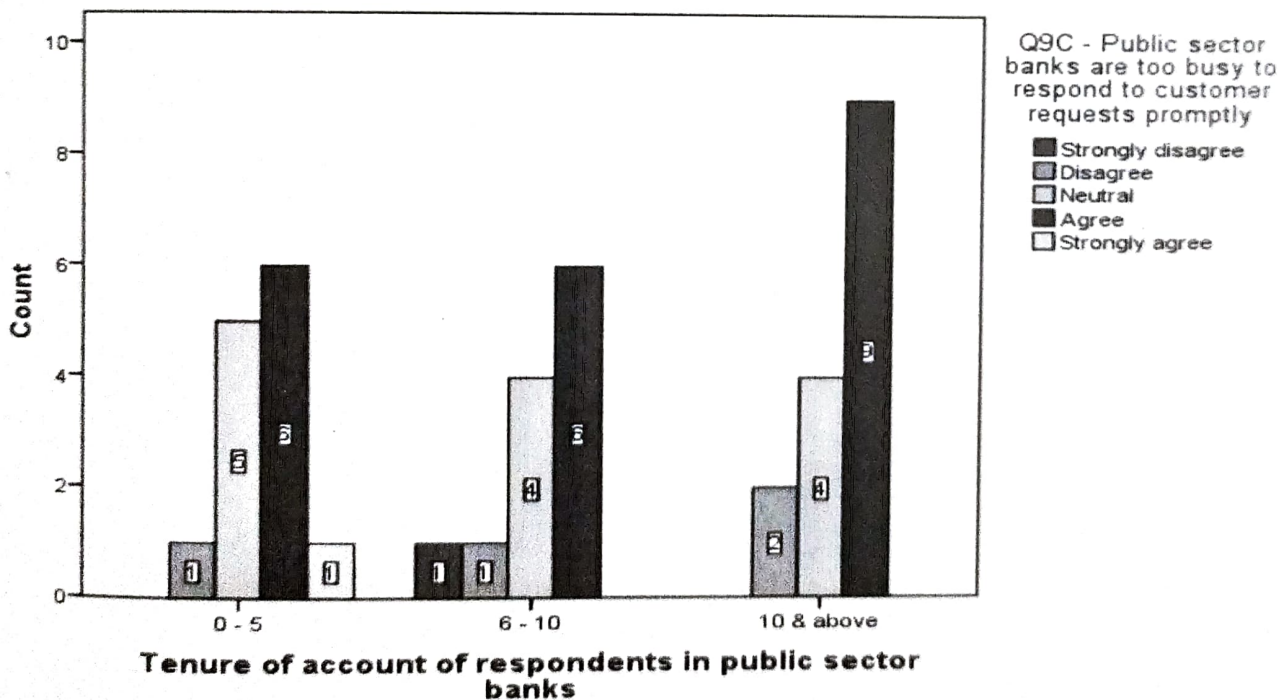
It is revealed in table-5 that the 100% of the undergraduates are agreed on the above statement. 50% of the graduate respondents are neutral towards the user –friendliness of EFT .52,2% of the Post-graduates feel that the EFT is user –friendly in nature. On the basis of above analysis, it is interpreted that the undergraduates are able to easily access EFT technology in banks as they are more tech –savvy.

Table-6: Public sector banks are too busy to respond to customer requests promptly X Tenure of account

Tenure of Account		Public sector banks are too busy to respond to customer requests promptly					Total
		Strongly disagree	Disagree	Neutral	Agree	Strongly agree	
0 - 5	Frequency	0	1	5	6	1	13
	%	.0%	7.7%	38.5%	46.2%	7.7%	100.0%
6 - 10	Frequency	1	1	4	6	0	12
	%	8.3%	8.3%	33.3%	50.0%	.0%	100.0%
10 & above	Frequency	0	2	4	9	0	15
	%	.0%	13.3%	26.7%	60.0%	.0%	100.0%
Total	Frequency	1	4	13	21	1	40
	%	2.5%	10.0%	32.5%	52.5%	2.5%	100.0%

Source: Authors own compilation from primary data

Bar Chart



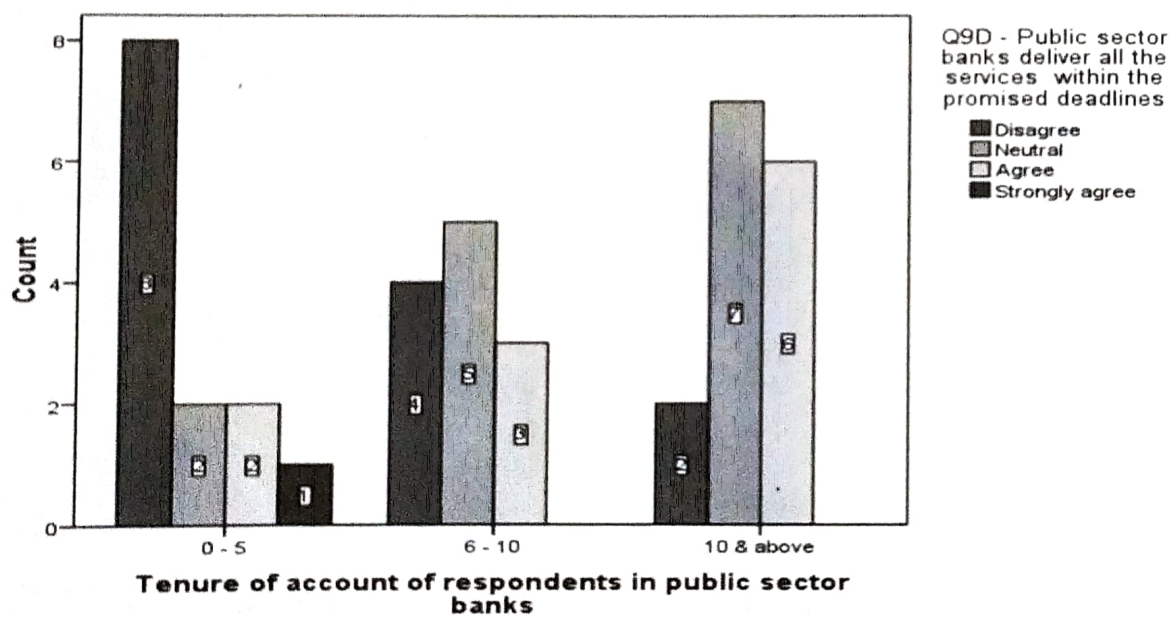
On the basis of the data as shown in Table-6, It is found that the 46.2% customers with the tenure of account between 0-5 years 50.0% customers between the tenure of 6-10 years and 60.0% with the tenure of more than 10 years feel that the public sector banks are too busy to respond to customer requests promptly. It is interpreted that the customers who are older than 10 years are having more problems with the banks in respect to customer query handling.

Table -7: Public sector banks deliver all the services within the promised deadlines X Tenure of Account

Tenure of Account		Public sector banks deliver all the services within the promised deadlines				Total
		Disagree	Neutral	Agree	Strongly agree	
0 - 5	Frequency	8	2	2	1	13
	%	61.5%	15.4%	15.4%	7.7%	100.0%
6 - 10	Frequency	4	5	3	0	12
	%	33.3%	41.7%	25.0%	.0%	100.0%
10 & above	Frequency	2	7	6	0	15
	%	13.3%	46.7%	40.0%	.0%	100.0%
Frequency		14	14	11	1	40
%		35.0%	35.0%	27.5%	2.5%	100.0%

Source: Authors own compilation from primary data

Bar Chart



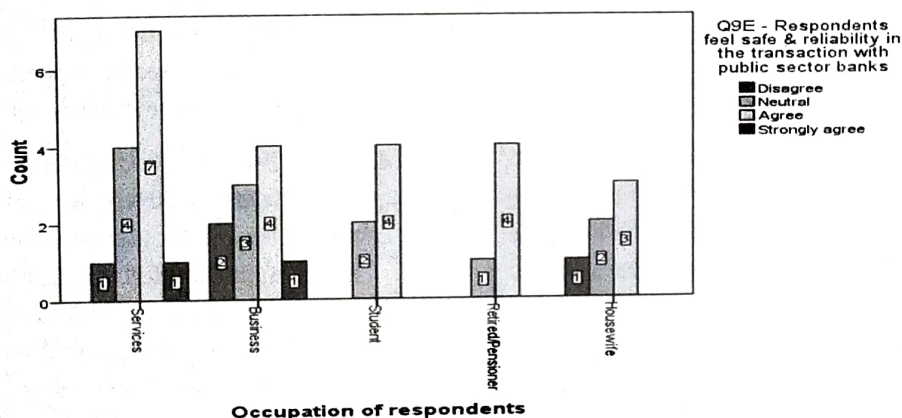
In the Table-7, it is found that the 61.5% customers having an account with the bank for tenure between 0-5 years are strongly dissatisfied with the public sector banks delivering all the services within the promised deadlines. In the case of customers having an account between 6-10 years, 41.7% are neutral and 46.7% customers having an account for more than 10 years are neutral. It is interpreted that the new customers do not feel the banks to be credible in respect to the services being provided before deadlines.

Table 8: Respondents feel safe & reliability in the transaction with public sector banks X Occupation

Occupation		Respondents feel safe & reliability in the transaction with public sector banks				Total
		Disagree	Neutral	Agree	Strongly agree	
Services	Frequency	1	4	7	1	13
	%	7.7%	30.8%	53.8%	7.7%	100.0%
Business	Frequency	2	3	4	1	10
	%	20.0%	30.0%	40.0%	10.0%	100.0%
Student	Frequency	0	2	4	0	6
	%	.0%	33.3%	66.7%	.0%	100.0%
Retired/Pensioner	Frequency	0	1	4	0	5
	%	.0%	20.0%	80.0%	.0%	100.0%
Housewife	Frequency	1	2	3	0	6
	%	16.7%	33.3%	50.0%	.0%	100.0%
Frequency		4	12	22	2	40
%		10.0%	30.0%	55.0%	5.0%	100.0%

Source: Authors own compilation from primary data

Bar Chart



In the table-8, it is shown that 53.8% Service class customers feel that the transaction with the public sector banks is safe and reliable. 40.0% Business class customers feel the same .66.7% Students agrees with the above statement while 80.0% retired /pensioners and 50% housewives feel the same. On this basis, it is easily interpreted that the retired and the pensioners find public sector banks safe and reliable.

FINDINGS:

1. Out of 40 respondents 62.50% respondents comes under the category of male & 37.50% respondents comes under the category of female.
2. Out of 40 respondents who are availing public sector bank's products & services, 2.50% of the respondents are Under- graduates, 40% of the respondents are Graduates & 57.50% of the respondents are Post- graduates.
3. Out of 40 respondents 32.50% of the respondents are in the Services, 25% of the respondents are in the Business, 15% of the respondents are Students, 12.50% of the respondents are Retired/Pensioner, and 15% of the respondents are Housewives.
4. Out of 40 respondents 32.50% of the respondents annual incomes lies between 0-2,00,000, 27.50% of the respondents annual income lies between 2,00,001 - 4,00,000, 22.50% of the respondents annual income lies between 4,00,001 - 6,00,000, and 17.50% of the respondents annual income lies between 6,00,001 & above.
5. In respect of the "Branch Banking Services" of the public sector banks, the maximum mean value is 3.78 which are related to the behavior of the staff & the minimum mean value is 3.38 which are related to the time taken by public sector banks to process the transaction. It reveals that

customers are more satisfied with the behavior of the staff of public sector banks in handling their problems, whereas they are less satisfied with the time taken by public sector banks to process the transaction. It may be due to the usage of less advanced technology.

6. In respect of the "ATM Banking Services" of the public sector banks, the maximum mean value is 3.70 which are related to the security of the ATM services & the minimum mean value is 3.25 which are related to the ATM continuous services. It reveals that customers are more satisfied from ATM services of the public sector banks from security point of view & they had trust on the public sector banks, whereas they are less satisfied with the public sector banks ATM continuous services. It may be due to the shortage of cash in ATM especially on weekends & due to some technical problems.
7. In respect of the "Internet Banking Services" of the public sector banks, the maximum mean value is 3.62 which are related to the page setup/menu flow of the public sector banks Internet services & the minimum mean value is 3.10 which are related to the speed of page loading of the particular public sector banks web page. It reveals that customers are more satisfied from the page setup/menu flow of the public sector banks Internet services, whereas they are less satisfied from the speed of the web page loading of the public sector banks. It may be due to the bad server services of the public sector banks.
8. In respect of the "Customer Service Representatives" of the public sector banks, the maximum mean value is 3.45 which are related to the positive approach of the public sector bank's staff for solving customer problem in order to satisfy them & the minimum mean value is 3.25 which are related to the customer's general assessment about the customer service representatives of the public sector bank. It reveals that customer's are more satisfied from the positive approach of the staff of the public sector banks for solving customer problems such as easy clearance of demand drafts, cheques, etc., whereas they are less satisfied from the overall general assessment about the customer service representatives. It may be because they are unable to understand and reply the customer's queries correctly & they take time in answering the call in respect to the customer's problem.
9. In respect of the "Overall Banking Services" of the public sector banks, The maximum mean value is 3.90 which are related to the customer's perception regarding

the security of the public sector banks in respect of the ATM & credit card facility & the minimum mean value is 2.97 which are related to the fact that whether the public sector banks deliver all the services within the promised deadlines. It reveals that the customer's are more satisfied from the ATM & credit card facility of the public sector banks in respect of the security & they feel safe & reliability in making transactions with public sector banks, the customer's also agree that the electronic fund transfer facility provided by public sector banks are user friendly, whereas they are less satisfied from the public sector banks of not delivering the services within the promised deadlines & they also have the view that public sector banks are too busy to respond to customer requests promptly.

10. 60% respondents in the age group of 30 and below and between 30-40 feel that the above facilities are beneficial from security point of view. In the further analysis, it is revealed that 70% of the respondents in the age bracket 41-50 and above 50 feel the same. It is concluded that respondents above the age of 40 years are having more reliability on the security aspects of ATM cum debit Card facilities of the Public sector banks.
11. The 100% of the undergraduates are agreed on the above statement. 50% of the graduate respondents are neutral towards the user -friendliness of EFT .52.2% of the Post-graduates feel that the EFT is user -friendly in nature. On the basis of above analysis, it is interpreted that the undergraduates are able to easily access EFT technology in banks as they are more tech -savvy.
12. 46.2%customers with the tenure of account between 0-5 years 50.0% customers between the tenure of 6-10 years and 60.0% with the tenure of more than 10 years feel that the public sector banks are too busy to respond to customer requests promptly. It is interpreted that the customers who are older than 10 years are having more problems with the banks in respect to customer query handling.
13. 61.5%customers having an account with the bank for tenure between 0-5 years are strongly dissatisfied with the public sector banks delivering all the services within the promised deadlines. In the case of customers having an account between 6-10 years, 41.7% are neutral and 46.7% customers having an account for more than 10 years are neutral. It is interpreted that the new customers do not feel the banks to be credible in respect to the services being provided before deadlines.

14. 53.8% Service class customers feel that the transaction with the public sector banks is safe and reliable. 40.0% Business class customers feel the same .66.7% Students agrees with the above statement while 80.0% retired / pensioners and c50% housewives feel the same. On this basis, it is easily interpreted that the retired and the pensioners find public sector banks safe and reliable.

LIMITATIONS:

- The sample size is small due to the time constraint.
- The respondents are reluctant in filling up the questionnaire & in giving their response.
- As we have selected the sample on the basis of convenience sampling method so, the findings can't be generalized to the whole population who are having account in public sector banks.
- The scope of the study is restricted to public sector banks of Delhi NCR.

SUGGESTIONS:

1. To retain a customer, the public sector bank has to introduce innovative electronic products & services in order to enhance the customer services and to build their trust upon them.
2. It is advisable that public sector banks should associate them more with the technology and good infrastructure facilities to provide timely and efficient services to the customers.
3. The public sector banks should try to make more use of the latest technology so; they can reduce the time for processing the transaction of the customers.
4. In order to provide continuous ATM services the public sector banks should expand their ATM network distribution channel & they should ensure that there is an ample fund in their different ATM's.
5. For understanding & replying the customer's complaints and queries promptly, an efficient

grievances redressal cell should be formed.

6. Employees should be trained on technical and behavioral aspects, so that public sector banks can deliver quick and prompt services within the promised deadlines.
7. Public sector banks should try to establish their branches in every possible area. This would help them to create more accounts and give more reach to the banks.
8. To develop the social banking environment, public sector bank's officials should maintain good relationship with their customers by responding to their requests promptly.

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