

An Empirical Study on Customer Perceptions of E-Banking Services: A Case Study of Visakhapatnam City

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Abstract:

The Indian banking sector has undergone significant transformations since independence, driven by new technologies, economic fluctuations, intense competition, and evolving customer expectations. Among these changes, electronic banking stands out as a prominent form of e-commerce globally. While various authors offer different definitions, a key understanding of e-banking combines electronic technology with traditional banking services. For this study, both primary and secondary data were utilized, with primary data collected from 200 individuals using a structured questionnaire. The analysis employed simple percentages to interpret the results. The findings revealed that 90% of customers are knowledgeable about e-banking, yet only 33% actively use these services. **Keywords:** E-banking, Internet banking, customer satisfaction.

I. INTRODUCTION

The Indian banking sector has experienced significant changes since independence, influenced by the introduction of new technologies, economic uncertainties, intense competition, and shifting customer demands. In today's fast-paced and competitive landscape, banks must understand and analyze customer perceptions and service quality needs. Achieving high levels of customer satisfaction and retaining a loyal customer base necessitates that banks provide quality services. Service quality is a crucial factor in establishing sustainable and satisfying relationships with customers. As defined by Parasuraman et al. (1992), service quality involves the customer's comparison between their expectations and the actual performance of the service provided. Customer satisfaction measures how well an organization's products and services meet customer expectations. The effectiveness of the banking sector relies heavily on its ability to deliver services to existing customers. In such a competitive environment, it is essential for banks to offer fast and efficient services. Electronic banking represents one of the most widespread forms of e-commerce globally. While various authors provide differing definitions, the essence of e-banking can be summarized as the integration of electronic technology with banking services. Specifically, electronic banking allows customers to conduct banking transactions electronically without the need to visit physical bank branches. It involves delivering banking and related services through extensive use of information technology, enabling customers to interact with their bank without direct physical presence (Rani, 2012). The significance of e-banking is growing daily, driven by technological advancements, lower costs compared to traditional transactions, and enhanced convenience. However, understanding the extent to which customers utilize e-banking services and their perceptions about these services is crucial for improving implementation and service delivery. Aiming to bridge this gap, this study focuses on customer satisfaction regarding e-banking services in Visakhapatnam city.

2. OBJECTIVES OF THE STUDY

1. To review the existing literature on the topic. 2. To analyze customer perceptions regarding e-banking services. ****Methodology of the Study**** This study utilized both primary and secondary data. Primary data was gathered from 200 individuals residing in Visakhapatnam through a structured questionnaire. The sampling method employed was convenient sampling, and the data was analyzed using simple percentages.

Limitations of the study

1. A primary limitation of the study is the small sample size. 2. The questionnaire addressed only a limited number of aspects related to e-banking.

3. LITERATURE REVIEW

Reddy and Reddy (2015) conducted research on customer perceptions and satisfaction regarding electronic banking in Khammam district. Using a self-administered questionnaire, they sampled 200 individuals and found that 70% of respondents expressed satisfaction with e-banking services. Mathivanan and Kavitha (2015) examined consumer perceptions of ICICI Bank services, utilizing a sample of 50 customers and structured questionnaires. Their study concluded that e-banking contributes positively to business growth. In a study by Srivastava (2007), customer perceptions regarding internet banking usage were analyzed with a sample of 500 participants. The findings indicated that factors such as education, gender, and income significantly influence internet banking usage. Singh and Gupta (2016) researched customer perception and satisfaction concerning public and private sector banking services, surveying 900 individuals across Punjab, Haryana, and Himachal Pradesh. Their study concluded that public sector banks are more effective than private ones in terms of tangibles, while private sector banks demonstrated greater reliability in service proficiency. Rani (2012) investigated customer perceptions related to e-banking in Forzepur district, with a sample size of 300. Using the ANOVA technique for data analysis, the study revealed that 60% of respondents had a positive view of e-banking, but only 52% actively used the service. M.E. Dodda Raju and Dr. T. Narayana Reddy (2014) conducted a study focusing on customer perceptions of e-banking services provided by public and private sector banks in Chittoor district, sampling 196 individuals. They concluded that demographic factors significantly influenced perceptions of e-banking services. Vinayagamorthy and Vinayagamorthy (2015) explored rural consumer perceptions of internet banking services in Salem district, using a sample of 100 people. Their study demonstrated that internet banking considerably enhances customer satisfaction. In another study by Giddaiah and Karamala (2014), explored customers' preferences in the usage of core banking services through a sample of 250 individuals from Nandyala town. The findings indicated that customers prioritized attributes such as convenience, availability, safety and security, and reliability.

4. RESULTS & DISCUSSIONS

1. To examine the relationship between family income and the awareness level of respondents concerning e-banking. ****Table 1: Relationship Between Family Income and Awareness Level**

FAMILY INCOME	YES	NO	TOTAL
< 2 LAKHS	68	4	72
2-4 LAKHS	66	7	73
4-6 LAKHS	34	6	40
>6 LAKHS	12	3	15
TOTAL	180	20	200

Source: Primary Data

The data from the table indicates that 180 respondents (90%) are aware of e-banking services, while only 20 respondents (10%) are not aware of them. 2. To analyze the frequency of e-banking service usage among respondents. **Table 2: Number of Respondents Using E-

Banking Services Frequently

FAMILY INCOME	YES	NO	TOTAL
< 2 LAKHS	38	49	87
2-4 LAKHS	21	45	66
4-7 LAKHS	5	28	33
>6 LAKHS	2	12	14
TOTAL	66	134	200

Source: Primary Data

Among the 200 respondents who are aware of e-banking services, only 66 (33%) actively use these services. One reason cited by the remaining respondents for not engaging with e-banking is a lack of education in this area, which leads to hesitation in using computers and the internet.

2. To study the loyalty of customers with bank?

TABLE 3. Showing the No. of Respondents Who are loyal towards bank

FAMILY INCOME	<1 YEAR	1-5 YEARS	5-10 YEARS	>10 YEARS	TOTAL
<2 LAKHS	35	37	0	0	72
2-4 LAKHS	12	64	2	0	78
4-8 LAKHS	2	32	1	0	34
>6 LAKHS	0	15	0	0	15
TOTAL	49	148	3	0	200

Source: Primary Data

The data from the table indicates that customer loyalty tends to last for only a limited period.

3. To assess the level of satisfaction with e-banking services.

Table 4: Number of Respondents Satisfied with E-Banking Services.

FAMILY INCOME	YES	NO	TOTAL
< 2 LAKHS	66	6	72
2-4 LAKHS	66	10	76
4-9 LAKHS	30	7	37
>6 LAKHS	12	3	15
TOTAL	174	26	200

Source: Primary Data

The data presented in the table shows that 174 respondents (87%) are satisfied with e-banking services, while 26 respondents (13%) expressed dissatisfaction. 4. To gather respondents' opinions on whether e-banking is a time-saving process.

Table 5: Respondents' Views on the Time-Saving Nature of E-Banking**

FAMILY INCOME	Very uncomfortable	uncomfortable	so-so	comfortable	Very comfortable	TOTAL
< 2 LAKHS	0	6	9	33	24	72
2-4 LAKHS	1	3	6	37	29	76
4-10 LAKHS	0	1	7	7	14	29
>6 LAKHS	0	1	6	4	12	23
TOTAL	1	11	28	81	79	200

Source: Primary Data From above data it is clear that 81+79=160 (80%) respondents view E-Banking as time saving process.28(14%) respondents are neutral. 12(6%) respondents have negative views.

6 . To know the opinion of respondents regarding E-Banking is Easy to use

TABLE 6. Showing respondent`s views regarding easy to use of e-banking services

FAMILY INCOME	Very uncomfortable	uncomfortable	so-so	comfortable	Very comfortable	TOTAL
< 2 LAKHS	4	5	7	38	18	72
2-4 LAKHS	0	2	18	35	21	76
4-11 LAKHS	0	1	7	13	16	37
>6 LAKHS	0	0	6	4	5	15
TOTAL	4	8	38	90	60	200

Source: Primary Data

From Table 6, the results indicate that 150 respondents (75%) believe that e-banking is easy to use. However, 38 respondents (19%) disagreed, citing their limited knowledge of computers and information technology, which makes it challenging for them to utilize e-banking services. 7. To understand respondents' opinions regarding the safety and security provided by e-banking.

Table 7: Respondents' Views on the Safety and Security Offered by E-Banking

FAMILY INCOME	Very uncomfortable	uncomfortable	so-so	comfortable	Very comfortable	TOTAL
< 2 LAKHS	0	7	8	10	47	72
2-4 LAKHS	0	0	7	7	62	76

4-12 L AKHS	0	0	0	2	34	36
>6 LA KH S	0	0	0	0	16	16
TO TA L	0	7	1 5	19	159	200

Source: Primary Data

From table 7 it is clear that $159+19=178$ (89%) respondents said E-banking provides safety & security. Only 7 (0.3%) respondents have negative views. Others are neutral on this.

5. CONCLUSION

With the increasing availability of technology, more people are becoming aware of and using e-banking; however, the proportion of users should strive to reach 100%. To achieve this, banks need to enhance their awareness campaigns and educate customers about potential frauds in internet banking and e-banking. This will enable customers to take necessary precautions and feel more secure while using these services.

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