



CUSTOMER PERCEPTIONS TOWARDS VIRTUAL BANKING SERVICES OF SELECTED COMMERCIAL BANKS IN KRISHNA DISTRICT

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ABSTRACT

KEYWORDS:

*Customer Perception,
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The research is focused on examining the customer's perception towards virtual banking services of selected commercial banks in Krishna district. The present study is mainly based on primary data which has been collected through issue of questionnaire to 450 respondents residing in Krishna district by adopting convenient sampling method. The statistical tools like percentage analysis, weighted average score, ranking method and likert's five point scale are applied for data analysis and interpretation of the collected data. From the analysis, it is ascertained that around 45 percent people have positive perception and are satisfactory with virtual banking services. Still people of these areas are not using all virtual banking services frequently because they have very little more knowledge about computer and internet.

INTRODUCTION

The Indian banking has gone tremendous changes over a time and the entry of private and foreign sector banks has transformed the Indian banking both structurally and functionally. In this competitive banking environment, customer satisfaction is considered as most imperative for the success of banks. To attain a high level of customer satisfaction and to retain the customer base, it is important for the banks to deliver quality services to its customers. Tremendous progress in the field of information technology has reduced the world to a global village and it has caused drastically changes in the banking industry. In banking industry in the past, large queues could be observed for payment of utility bills or cash withdrawal/deposits. The banks are succeeded to reduce this queue through uses of latest technology, but still busy common people demand less time-consuming methods for banking transactions. In this regard, banks are going to utilize internet facility for customer's transactions this method will provide reduce paper work, and will give quick response to customer while they remain in their office or at home. The introduction of virtual banking has fetched massive developments in the banking industry. Such virtual banking services include Automated Teller Machines (ATMs), Shared ATM networks, Electronic Fund Transfer at point of sale (EFTPOS), smart cards, stored-value cards, phone-banking, internet and intranet banking.

REVIEW OF LITERATURE

Sai Akhilesh.P and Vinay CV (2015), attempted to make a comparative analysis of level of customer satisfaction towards service provided by YES Bank and UCO Bank in Warangal city. The researcher used convenient sample size of 30 customers and employees of respected banks. The researcher conclude that majority of customers more prefers to private sector banks because they maintain good relations with their customers and better equipped with modern infrastructure as compared to public sector banks.

Uday Singh Rajput (2015), examine that customer perceptions on E-Banking services and the study revealed that education, gender and income play an important role in usage of online banking. The researcher suggested that if skills can be up graded there will be greater will to use online banking by customers.

DNV Krishna Reddy and M Sudheer Reddy (2015), examine that consumer perception towards the convenience and willingness to use E-Banking services. To select a sample size around 200 respondents from public or private sector banks in Khammam District. The study concludes that around 70 percent of people have positive perception and are satisfied with E-Banking services.

Kesari Singh and Nitin Gupta (2016), analyzed relative customer satisfaction levels of public and private sector banks. A sample size of 900 customers from three northern region states viz. Punjab, Haryana and Himachal Pradesh was

selected for the primary survey. The researcher found that public sector banks were more cost effective than private while private sector banks were more reliable due to proficiency in service delivery than public sector banks.

P V Nandhini (2016), examined the customer satisfaction towards online banking in Coimbatore District. The study mainly based on primary data which was collected through issue of questionnaire to 200 respondents residing in Coimbatore district. The researcher applied simple percentage analysis, chi-square test analysis of the study. The author founds that online banking and uses as it minimize the work of customers in doing person-person without any waste of time and energy from place where you are.

STATEMENT OF THE PROBLEM

Indian banking activities is customer centric one. After economic liberalization the industry has start realizing the customer satisfaction. Thus, the question arises, weather the customer's are really satisfied about the banking services. Hence, banks need to roll out new products and services quickly and effectively using the latest technological equipments. So, that more transactions can be processed faster and more conveniently. The customer on the other hand enjoy the benefit of quick service delivery, reduced frequency of going to banks physically and reduced cash handling, which will give rise to higher volume of turnover. Though, the customers are also facing some problems during their interaction with the machines. Hence, with a view to get answer an attempt has been made to analyze the customer perception on commercial banking services.

OBJECTIVES OF THE STUDY

To find out answer for the question rise above, the following objectives were framed for the study.

1. To examine the perception of the customers towards virtual banking services of the selected commercial banks in Krishna district.

2. To Measure satisfaction level of customers towards e-banking services.
3. To offer suggestions to improve the standards of virtual banking services.

RESEARCH METHODOLOGY

Scope of the Study:

So far as the geographical coverage of the study is concerned, it is confined only five selected commercial bank branches of Krishna district, Andhra Pradesh. No study of this sort has been conducted so far in the district for case study.

Source of Data:

This research falls under the category of descriptive research. Both primary and secondary data collection was made. To collect the primary data, elaborate questionnaire was designed, and widely circulated to the selected customers of different banks. In addition, the secondary data is collected from magazines, journals, books and websites.

Sample Size:

There are 688 bank branches and financial institutions in Krishna District. Out of this, 324 branches are situated in rural area, 148 in semi urban area and 216 branches are in urban area. SBI is the apex bank in the district having 170 branches.

This study was of an exploratory nature, the sampling method employed was stratified sampling. For the purpose of collection of data 90 customers are selected from each bank making the total to 450. Five major banks (such as Bank of India, SBI, ICICI, Andhra Bank and Indian Bank) were chosen. Another set of respondents targeted were the customers of the particular banks. The customers were bifurcated as professionals, businessman, students, housewife, self employed, retired (comprising 10 from each bank). The information regarding the number of branches and demographically selected units of population is presented as follows:

S.No	Branch /Area	Sample Size
Urban Branches:		
1	Vijayawada	50
2	Gudiwada	50
3	Machilipatnam	50
Semi-Urban Branches:		
1	Vuyyuru	50
2	Gannavaram	50
3	Nuzvid	50
Rural Branches:		
1	Tiruvuru	50
2	Nandigama	50
3	Hanuman Junction	50
Total		450

Tools for the Analysis:

The percentage to total, weighted average score, ranking method, correlation, chi square test and Likerts' five point scale have been applied to make data analysis and interpretation more effective.

ANALYSIS OF THE STUDY

[A] Customer Opinion towards Holding of Accounts:

The respondents were asked to mention the most important reasons are convenient location, prompt service,

sector, and branch network which were motivated them to open an account with respective banks. On the basis of responses collected, it can be interpreted that prompt service is the major factor for opening of an account in a bank (Table-I). Out of 450 respondents, almost 44.2 percent hold account in particular bank due to its prompt service.

Table-1: Distribution of Respondents According to Holding of Accounts with the Bank

Service / Customer	House wife	Student	Businessmen	Salaried	Retired	Total	Ranks
Convenient Location	37	32	30	14	25	138	II
Prompt Service	31	44	43	41	40	199	I
Sector whether public or private or foreign	14	-	2	4	9	29	IV
Branch Network	8	14	15	31	16	84	III
Total	90	90	90	90	90	450	100%

Source: Primary Data

The second important factor is convenient location as almost 30.67 percent of respondents hold accounts due to its convenient location. Branch network is third important factor for holding account. Almost 19 percent of respondents hold accounts in a particular bank considering its branch network. The least important factor is that whether bank is public, private or a foreign sector bank. Only 6.44 percent respondents consider this factor. An analysis of the strata shows that the main factor for holding account by housewives (27 percent) is convenient location while businessmen, students, salaried and retired people categories prefer prompt service being 22 percent, 22 percent, 21 percent and 20 percent

respectively. The salaried category mostly prefers to branch network factor for holding account i.e. 37 percent.

[B] Customers' Opinion towards Usage of ATMs:

Customers were asked to rank the usage of ATMs in terms timing of cash withdrawal, bank service to the holders, reasonable service charges, transaction evidence, easy to carry, avoidance of theft, easy to buy things, Facility of withdrawal at anyplace at anytime, status symbol and waiting time in lobby etc. on the five-point scale viz., Strongly Agree, Agree, No Opinion, Disagree, Strongly Disagree were multiplied by 5, 4, 3, 2, 1 respectively in order to get the total score.

Table-2: Distribution of Respondents Attitude towards Usage of ATM

S.No	Factors	SA	A	NO	DA	SDA	Total	Rank
1	Timing of Cash withdrawal	1210	540	-	90	28	1868	III
2	Bank service to the holders	760	180	84	214	118	1356	VII
3	Reasonable service charges	450	57	107	45	152	811	X
4	Transaction evidences are recorded	284	428	135	236	124	1207	VIII
5	Easy to carry	846	292	186	146	73	1543	V
6	Helps to avoid theft	310	180	219	-	270	979	IX
7	Helps to Buy things easily	450	472	405	100	57	1484	VI
8	Facilities withdrawal at anyplace at anytime	1575	90	186	56	22	1929	I
9	Status symbol	536	360	591	57	28	1572	IV
10	Reduced waiting time in lobby	1350	248	219	34	28	1879	II

Source: Authors Calculations

The table-2 reveals that the majority of the respondents prefer ATM for withdrawal of cash at anytime at any place as it has got the I Rank followed by reducing the waiting time in lobby II Rank, III Rank got to timing of cash withdrawal as well as least rank i.e. X rank got the reasonable service charges and so on. Time factor is the main concern as the term was very frequently used by customers during field study. Now day's customers have become extremely time

savvy, cost effective and sophisticated in the fulfillment of their needs. Customer demands full range of products and services with add on benefits.

[C] Customers' Opinion towards Working of ATMs:

Customers were asked to rank the working of ATM in terms of speed, space, maintenance, timely loading etc. on four point scales i.e. excellent, very good, good and poor.

Table-3: Distribution of Respondents Attitude towards Working of ATM

	BOI	SBI	ICICI	ABN	IB	TOTAL	percent
Excellent	9	14	16	13	10	62	14
Very Good	54	33	65	50	21	223	49
Good	13	28	5	18	46	110	24
Poor	14	15	4	9	13	55	13
Total	90	90	90	90	90	450	100

Source: Primary Data

Above table (Table-3) depicts that Majority of respondents i.e. 49 percent have ranked ATM services to be very good. But this area needs to concentrate as future banking will be highly dependent on cards. The problems faced by the customers are: (a) Low maintenance resulting in low processing speed; (b) timely loading of ATM is extremely essential as it is time consuming activity and customers today have to waste

time for such activities (c) customers get irritated when ATMs are temporarily out off service, (d) sometimes while transacting customers accounts get debited without withdrawal money due to technical problems which intern results in bouncing of customer from counter to counter for refund money, and (e) problems related to Pins i.e. non timely issuance, ATM blockage etc resulting in delays.

[D] Customer Perception towards Utilization of Online Banking Services:

Online Banking is seems to be very affective mode of fund transfer, payment of bills, booking of e-tickets, online

investment and online shopping at home/workplace. Customers are getting aware and sophisticated and are using the facility very judiciously.

Services/ Branch	BOI	SBI	ICICI	AB	IB	TOTAL	Percent
Bill Payment	4	13	5	9	7	38	8
Fund Transfer	45	41	47	36	34	203	45
Online Investment	5	9	13	7	15	49	11
Online Shopping	25	22	21	20	18	106	24
e-ticketing	11	5	4	18	16	54	12
Total	90	90	90	18	90	450	100

Source: Primary Data

From the above table (Table-4) it is highlights that out of 450 respondents, almost all bank customers would use online banking for transferring the funds (45 percent) while for online shopping (24 percent), e-ticketing (12 percent), online investment (11 percent), and least preference to Bill payments i.e. 8 percent. The majority of the e-banking customers are preferred to transfer the fund in all the selected banks. After the the customer perception concentrated on e-shopping but the customers does not have any interest to pay the bills through online banking services.

FINDINGS AND SUGGESTIONS

This paper has focused on appraising the customer perception about virtual and e-banking services. Prompt service is the main concern for respondents for holding accounts in a particular bank as 44.8 percent of respondents have shown their concern for the same, while convenient location is also considered important by 30.8 percent respondents. The fact that the bank is a public, private or foreign does not have a bearing on their decision to hold accounts in particular bank as only 6 percent respondents agreed to this. It was discovered that customers adopting e-banking services very leisurely such as ATM, home banking, use of payments cards to mention but a few. As per the study only 74.9 percent of people are aware about e-banking services. Here it can be founded that around 45 percent people have positive perception and are satisfactory with virtual banking services. Still people of these areas are not using all virtual banking services frequently because they have very little more knowledge about computer and internet. So they feel hesitation is using virtual and e-banking services.

Suggestion:

- ❖ The banks must provide more advertisements and to create awareness about services provided by them in rural areas so that the common people also can make use of online banking.
- ❖ The bank employees should maintain good and cordial relationship with their customers in terms of politeness and response while asking queries regarding their services.

- ❖ The bank must provide frequent updates to the customers of their online banking services.
- ❖ To procedure for usage of online banking must be in simple mode so that a common man can make easy use of it.
- ❖ The banks must provide speed server facility to increase frequent usage of online services by the customers fast of all services.

Now days, due to increase in competition, customer satisfaction is considered to be the most important thing in banking industry. So the bankers are in the position to apt to the information technology to change the way of service to attract customers and increase their satisfaction level. This study gives information about virtual banking services methodology; design and validation of questionnaire and factor analysis were used to enhance the reliability of findings.

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