



CUSTOMER PERCEPTION TOWARDS E-BANKING SERVICES IN SELECTED PUBLIC SECTOR BANKS – A STUDY IN BALASORE DISTRICT OF ODISHA

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ABSTRACT

Banking is a highly information-intensive activity that relies heavily on information technology (IT) to acquire, process, and deliver information to all relevant customers. Banks used Internet technology as a strategic weapon to revolutionize the way they operate, deliver, and compete against each other. As a result, E-Banking was introduced as a channel where bank customers could perform their financial transactions electronically via their banks' Web sites. In this study, an analysis of the differences in risk perceptions between bank customers using E-Banking and those not using E-Banking was done and it showed that risk perceptions in terms of financial, psychological, and safety risks among customers not using the internet were more meaningful than those using E-Banking. Customers not preferring to use E-Banking thought that they would be swindled when using this service, and therefore, are particularly careful about high-risk expectations during money transfers from and between accounts. In the present paper, efforts have been made to study the satisfaction level of the customers as well as the perception of the customers towards E-Banking services rendered by the public sector banks in the Balasore district of Odisha.

KEY WORDS: *Information Technology, Customer satisfaction, Public Sector Banks, E-banking, Customer responsiveness*

1. INTRODUCTION

E-banking is an umbrella term by which a customer can carry out simple and advanced transactions electronically without a brick-and-mortar model. The term includes using ATMs, telephone transactions, and also a website which does not entail the physical presence of the customer in the physical environment of a bank. Though e-banking has been in India for over a decade now Internet has brought about unprecedented changes in the banking sector. There is a significant growth in e-banking and e-banking transactions which signals a huge increase in business potential opportunities. Banks need to have a long-term view of customer acquisition goals and expected business growth to build a long-term view of the server technology to be adopted. A recent study by the Boston Consulting Group (BCG) estimates that e-commerce spending would grow to \$60-70 billion in the next three-four years, from \$16-17 billion now. Further Indian digital banking survey conducted by the Boston Consulting Group, indicates that usage of Internet Banking and Mobile Banking had gone up but remains limited. The percentage of customers using internet banking with PSU bank accounts had gone up by 0.14 percentage points to 2.64 percent in 2015, while for Private bank accounts; the corresponding number had gone up by 0.33 percentage points to 24.21 percent.

The fast-advancing global information infrastructure including information technology and computer networks such

as the Internet and telecommunications systems enable the development of electronic commerce at a global level. The nearly universal connectivity which the Internet offers has made it an invaluable business tool. These developments have created a new type of economy, which many call the "digital economy". This fast-emerging economy is bringing with it rapidly changing technologies, increasing knowledge intensity in all areas of business, and creating virtual supply chains and new forms of business and service delivery channels such as E-banking.

Technology has become more accessible, cheaper, and easier to use, which has a major impact on the world's trade and commerce. With the introduction of the Internet and the World Wide Web, companies recognized IT as a tool to do business while consumers acknowledged it as not only an opportunity to purchase goods over the internet and services but also to obtain information. It has also changed the way of doing banking transactions. It creates new products, service market opportunities, and better service output. Technology adoption by the banks has enabled the use of different technology tools in banking, which enable the bank to reduce transaction costs, save money, and also save more time. It is categorized as electronic banking.

Only 37% of Indian Internet users come from the Top 10 cities i.e., Mumbai, Bangalore, Delhi, Calcutta, Chennai, Pune, Hyderabad, Ahmedabad, Surat, and Nagpur. Another day and another number. As per IMAI and I-cube, the



number of active Internet users (i.e., ones who log on to the Internet at least once a month) is now 32 million and the number who have used the Internet at least once stands at 46 million. The maximum of the person who is going on internet banking lies in the age bracket of 26- 35. But the rises in the age the level of users becomes low. For Electronic Banking, the numbers were even fewer as only 0.62 percent of PSU bank account holders used E-Banking in 2015 as compared to 0.55 percent in 2014 while Private Banks saw 11.73 percent of their customers use Electronic Banking, an increase of 2.05 percentage points. According to (Sahoo & Pati, 2020) it has been found that very few customers are there who are aware of the usage of ICT for availing banking services The reason is a lack of awareness and fear among customers. Though there is an enormous opportunity for growth in the banking sector due to the implementation of e-banking technology in India, again online banking poses natural barriers for banks such as KYC issues and the mandatory need to have an account. That ease of banking has not been provided yet and the banks need to be more stringent while dealing with money as a commodity.

2. LITERATURE REVIEW

Anita Singh and Timira Shukla (2016), “E-Banking: A Study of Employees’ Views on Its Efficacy”, this study concluded from the above study that there are many teething issues related to technology implementation in the banking sector. The public sector banks have earmarked budgets for employee training and development and have set up dedicated training centers but there is a gap between management view and employees’ views as elucidated in the discussion. In the era of increased competition, banks need to have efficient manpower that can keep pace with changing times. Training is an important sub-system in the banking organizational system, which has its prime objective of the development of employees at all levels, for contributing towards organizational effectiveness. The study has provided an insight into the employee expectations from the bank. **B. Raghavendra and P. Sravan Kumar (2016)**, “Customers Satisfaction towards Internet Banking Services (A Study Focused on Public Sector Banks in Rayalaseema Region)”, The study focused on select public sector banks and customer opinion from one region which has common social background resulting that the prompt response, confidentiality, web site design and ease of use factors that affect customer satisfaction. The customer’s gender, age, education, and income levels influence customer satisfaction. The usage of up-to-date information and technologies for customer communication enhances customer satisfaction. The study is limited to exploring customer satisfaction with internet banking services provided by banks and the effect of demographics on satisfaction. Future studies can focus on mobile banking, telephone banking, and support services provided by banks and include private banks for exploration. **Ramya T J and Dr. PSV Balaji Rao (2016)**, “A Study on Customer Satisfaction towards Private Banks with special

reference to Mysuru City”, the study indicates service and employee commitment are very important for customer satisfaction. This study focused on two important parameters like service and employee commitment. A structured questionnaire is distributed to customers to know their responses on employee commitment and service. From the study, it is very clear that the service has a major role in providing customer satisfaction. The banks have provided very good ATM facility, E-banking facility, phone banking facility, plastic money facility, good interest on loans, and other financial facilities which is satisfying customers. Employee commitment is also playing a major role in customer satisfaction, how employees respond to the problems of the customer is also very important for customer satisfaction but our study indicates somewhere the employees are failed to solve the problems of the customers. The problems identified in this research are the customers are finding a problem with locker facilities and employee commitment to solving customer satisfaction. Further research can be carried out in-depth to understand the factors influencing customer satisfaction towards private banks. **Ms. Fozia (2013)**, “A Comparative Study of Customer Perception toward E-banking Services Provided by Selected Private & Public Sector Bank in India”, this study has analyzed the overall perception of customers regarding the services of E-Banking. Age and occupation are the important demographic factors in the banks that have been used to measure the perception of the customers of e-banking services. E-Banking will be successful for banks only when they have a Commitment to e-Banking along with a deeper understanding of customer needs. This can come only when the bank has a very big base of customers, the best people, and a service attitude. Banks should concentrate on the above lines to have effective e-banking practices The study concluded that different age group of customers have different perception toward the e-banking services and the usage level of these bank’s customer is different so the bank should concentrate on all the age group of customers for betterment of e-banking banks. It has also been seen that different occupation groups of customers have different perceptions of e-banking services. There is a good number of customers in every group like a student, service class, business class, and professionals, which shows that they all are keenly interested in using the e-banking services. **Dr. K. Alagarsamy and S. Wilson (2013)**, “A Study on Customer Behaviour towards Banking Services with special reference to Public Sector Banks in Sivagangai District”, this study argue for the banking sector challenging and tough job for the bankers in retaining the existing customer base and winning a new customer. The bankers aim to make the customers comfortable and happy to achieve their targets. To achieve the highly challenging task of customer satisfaction bankers turn to technology for help. Bankers are not only satisfying the customer but should also trigger the attitude of the customers towards the bank. Each bank follows different procedures it is very difficult to follow the customers. Even though the customer is well educated time



high technology banking services hesitate the customer for the transaction. For effective banking transactions, the banks should have good communication, soft skill must need. At every level of delaying with the bank the customer, the bank management needs to educate the employees on the banking activities and process. Universal banking procedures can help the customer for a better transaction. **M.E.Dodda Raju and Dr.T.Narayana Reddy (2014)**, "Customer Perception Study-Towards E-Banking Services Of Public and Private Sector Banks - With Special Reference to Chittoor District of Andra Pradesh", this research study has analyzed the overall perception of customers regarding the services of e-banking in Chittoor District of Andrapradesh. The study concluded that different age groups of customers have different perceptions toward the e-banking services and the usage level of these banks" customer is different so the bank should concentrate on all the age group of customers for betterment of E-Banking. It has also been seen that different occupation groups of customers have different perceptions of e-banking services. There is a good number of customers and there is a significant difference between the occupation of the customer and their perception of e-banking services. **Dr. Pinki Insan and Sapna Kumari (2015)**, "Customer's Perception Towards Internet Banking: A Study of Sirsa City", The analysis of the study points out that a greater part of the Customers in the Sirsa is using the internet banking services like checking balance, applying for consumer loan and credit cards online. Majority of customers" preferred opening saving accounts in PNB. People are also aware and satisfied with the internet banking services provided by their banks. The most important factor behind using internet banking is that it is more convenient. The study also suggests that the internet banking services can also be improved by dealing with customers with polite behavior and making personal contacts, providing some extra benefits to the users of this facility so that they won't switch to any other side. **P. V. Nandhini (2016)**, Customer Satisfaction towards Online Banking in Coimbatore District, nowadays, due to an increase in competition, customer satisfaction is considered to be the most important thing in the 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 levels. This study gives information about online banking and their services methodology, design and validation of questionnaire, and factor analysis were used to enhance the reliability of findings.

3. STATEMENT OF THE PROBLEM

The Internet is revolutionizing the way financial services are developed and provided to customers. The whole

financial landscape has transformed since the introduction of E-Banking. Innovative developments such as Internet banking have supplanted traditional service delivery routes, saving clients time, energy, and work paper. This study is an attempt to bring out the customers' perceptions of online banking services provided by public sector banks, in line with customer satisfaction, by taking into account the importance of information technology and computer networking, their pivotal role in the banking sector, and customers' preference for online banking services offered by the bank.

4. OBJECTIVES OF THE STUDY

- To measure the perception of the customers towards online banking services rendered by the selected public sector banks in the Balasore District of Odisha.
- To measure the level of customer satisfaction towards online banking services.
- To suggest the measures to strengthen the online banking services provided by the Public Sector Banks.

5. RESEARCH METHODOLOGY

The current research is based on both primary and secondary sources of information. Through a structured questionnaire, primary data was obtained from clients of three public sector banks: State Bank of India, Punjab National Bank, and Canara Bank. Secondary data was gathered from journals, periodicals, the Internet, and other publicly available sources. In this study, a convenience sampling approach was used to gather a sample of 400 customers in the Balasore District of Odisha to assess their degree of satisfaction with the above-mentioned public sector banks' online banking services.

6. DATA ANALYSIS & INTERPRETATION

The measure of Perception of Customers towards Online Banking Services The perception of the sample customers regarding the efficiency, fulfillment, trust, and responsiveness dimension has been analyzed with the help of a scaling technique. The above-mentioned perception dimension has been measured with the help of scores allotted to five statements related to four categories of dimension on a five-point scale viz SA-Strongly Agree (5), A-Agree (4), No-No Opinion (3), DA- Disagree (2) and SDA- Strongly Disagree (1)



A. Perception of customers towards efficiency dimension

Table 1: Perception of customers towards efficiency dimension

S. No.	Statements	SA	A	NO	DA	SDA	Total
1	Able to get on the website quickly	280	120	0	0	0	1880
2	Easy to find the need on the website	230	110	40	0	0	1770
3	Complete the transactions through bank's website quickly	190	210	0	0	0	1790
4	Using the bank's website does not require lot of effort	120	220	20	20	0	1580
5	Organisation and structure of online content is easy	135	170	95	0	0	1640
Total							8660

Source: Author's Calculation

It is observed from the above table that the perception of the customers on the statement that able to get on the bank's

website quickly gets the maximum score and using the bank's website does not require a lot of effort gets the least score.

B. Perception of Customers towards Fulfilment Dimension

Table 2: Perception of Customers towards Fulfilment Dimension

S. No.	Statements	SA	A	NO	DA	SDA	Total
1	Bank keeps the promises	150	180	60	10	0	1670
2	Site is always available for business	155	135	110	0	0	1645
3	Online transactions with the bank are always accurate	220	180	0	0	0	1820
4	Services delivered through bank's website is quick	130	180	90	0	0	1640
5	Bank's site makes accurate promises about the services	110	125	135	30	0	1515
Total							8290

Source: Author's Calculation

It is observed from the above table that the perception of the customers on the statement that online transactions with the bank are always accurate gets the maximum score and the

bank's site makes accurate promises about the services gets the least score.

C. Perception of Customers towards Trust Dimension

Table 3: Perception of Customers towards Trust Dimension

S. No.	Statements	SA	A	NO	DA	SDA	Total
1	Bank misuse the personal information	0	0	175	127	98	877
2	Have confidence in bank's service	90	117	109	45	39	1374
3	Site launches and runs quickly	12	29	23	198	138	779
4	Feel safe in my transactions with the bank	143	177	27	31	22	1588
5	Bank name is well known and has good reputation	293	107	0	0	0	1893
Total							6511

Source: Author's Calculation



It is observed from the above table that the perception of the customers on the statement that bank name is well known and has good reputation gets the maximum score and the bank's

site launches and runs quickly gets the least score. Although customers feel safe in making the transaction the bank scores the second highest.

D. Perception of Customers towards Responsiveness Dimension

Table 4: Perception of Customers towards Responsiveness Dimension

S. No.	Statements	SA	A	NO	DA	SDA	Total
1	Website design is aesthetically attractive	149	222	29	0	0	1720
2	Give prompt responses to requests by e-mail or other means	102	98	112	48	40	1374
3	Bank is easily accessible by telephone	92	148	89	40	31	1134
4	Quickly resolves the problems encounter with online transactions	98	109	149	24	20	1441
5	Customer service representatives available online	17	30	47	159	147	811
Total							6480

Source: Author's Calculation

It is observed from the above table that the perception of the customers on the statement that bank website design is aesthetically attractive gets the maximum score and the

customer service representatives available online get the least score.

E. Satisfaction level of the Customers towards Online Banking Services

Table 5: Level of Customers' Satisfaction

S. No.	Satisfaction Level	No. of Responses	Percentage
1	Highly satisfied	91	22.75
2	Satisfied	107	26.75
3	Moderate	181	45.25
4	Dissatisfied	13	3.25
5	Highly Dissatisfied	08	2

Source: Author's Calculation

It is observed from the above table that most of the customers have a moderate level of satisfaction with online banking services rendered by the banks. Even though the majority comes under the moderate level fair majority of the customers are satisfied with the online banking services rendered by the selected public sector banks.

7. SUGGESTIONS

A. Awareness level about internet banking is very less among customers. So, banks have to conduct customer meetings regularly to educate the customers on internet banking. The bank can also distribute booklets containing information about the new schemes and it can be distributed directly to the customers.

B. Introduction of core banking should be speeded up because the size of the bank is considered an important factor in choosing internet banking.

C. Organization structure has to be changed to accommodate IT experts to give training in computers to the employees.

D. The call center concept has to be brought down to the STD booth level in these aspects an ordinary person may have to utilize the internet banking services.

E. Banks can also extend more loan facilities to buy computers which in turn will increase the internet usage level among the customers of our banks.

F. An exclusive TV channel or program for public sector banks can be opened to educate customers regarding internet services and their utilization.

G. The banker is expected to serve the customers without any delay for quarries and it is advisable to follow time management principles consistently.

H. Bank should provide proper security to the E-banking transactions as well as should provide sufficient training



programs on recent technology to the employees to update themselves.

I. It is crucial for customers to have faith in the system as technology continues to expand and for banks to maintain sophisticated levels of security to sustain client confidence. Banks must thus install computer security-related hardware and software, such as firewalls, encryption tools, and virus scanners.

J. Customers were not using all of the online banking services provided by the bank because of different reasons such as lack of know-how regarding the method of using services, doubt about the safety and security of these services, etc., the customers must be apprised of the online banking services provided by bank and details on the usage of these services along with the security-related issue should be displayed inside the bank in detail. There should be a 24x7 helpline to assist the customers with online banking services. Through this, the bank can increase the satisfaction level of their customers.

8. CONCLUSION

The banking business is evolving, and online banking is having a significant impact on banking relationships. Online banking is rapidly being seen as a "need to have" service rather than a luxury. Because it is the most affordable means to provide financial services, net banking is becoming more of a standard than an exception in many industrialized countries. Fully functional online banking will probably become as prevalent as automated teller machines as more banks find success online and as more clients utilize their sites. The way the whole banking industry operates has been changed by online banking services. It has improved the speed and decreased the cost of bank transactions in addition to making them easier. Banks have made significant investments to build up these facilities. The capacity of a bank to convince clients to convert to online banking determines the success of online banking. Customers need to be trained on how to utilize every new technology because they are only familiar with the conventional banking system. An increased level of awareness among the customers leads to increased preferences. Today's customers are not satisfied with care and courtesy alone, they expect concern and commitment. Therefore, a customer-centric approach is the need of the hour. In this competitive environment, not the oldest, not the strongest and not the first can survive, but only the "Best" can survive. Therefore, the usage of modern technology for better service is imperative. Overall, online banking boosts operational effectiveness, lowers costs, and provides a platform for customers to get value-added services, meeting all the requirements for a thriving banking sector.

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