

"A COMPARATIVE STUDY OF E-BANKING SERVICES IN PRIVATE AND PUBLIC SECTOR BANKS, ASSESSING ITS IMPACT ON CUSTOMER SATISFACTION"

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ABSTRACT

In true E -banking, any inquiry or transaction is processed online without Any reference to the branch (anywhere banking) at any time. Providing internet Banking is increasingly becoming a 'need to have' than a 'nice to have' services. Delivering superior service quality appears to be a prerequisite for success of Any service firms. As electronic banking becomes more prevalent, now-a-days Customers are evaluating banks based more on their "high-touch" factors than on their "high-tech" factors in most of the developing economy like India. The Operationalization of customer satisfaction in banking sector is somewhat hazy, And it should be operational zed along the same dimensions that constitute Service quality. Therefore, if the banking industry adopts the above mentioned Recommendations made by the researcher, it will certainly increase customer Satisfaction with e-banking services.

Keywords : E -banking, service, customers, banks, industry.

Introduction

E-Banking (or net banking / internet banking / on line banking) implies performing basic banking transaction by customers round the clock globally through electronic media. Alternatively electronic banking can be defined as "delivery of bank's services to a customer at his office or home by using electronic technology and this has resulted in conceptualization of virtual banking". In traditional banking, the customer has to visit the branch of the bank in person to perform the basic banking operations viz., account enquiry, fund transfer and cash withdrawal. The brick and mortar structure of a bank is essential to perform the banking functions. On the other hand, E-Banking enables the customers to perform the basic banking transactions by sitting at their office or at homes through PC or LAPTOP. The customers can access the bank's website for viewing their account details and perform the transactions on account as per their requirements. Thus, today's banking is no longer confined to branches. Customers are being provided with additional delivery channels which are more convenient and are cost effective to the banks. This has resulted in shrinking of geographical boundaries, easy reach to the clientele, reliable and secure services. The E-Banking services include Automated Teller Machine, Plastic Card Currency, Internet Banking and Electronic Clearing Services.

MEANING AND DEFINITION OF THE E-BANKING

The concept of electronic banking has been defined in many ways. Daniel (1999) defines electronic banking as the delivery of banks' information and services by banks to customers via different delivery platforms that can be used with different terminal devices such as a personal computer and a mobile phone with browser or desktop software, telephone or digital television. Pikkaraine n et al

(2004) define internet banking as an "internet portal, through which customers can use different kinds of banking services ranging from bill payment to making investments". With the exception of cash withdrawals, internet banking gives customers access to almost any type of banking transaction at the click of a mouse (De Young, 2001). Indeed the use of the internet as a new alternative channel for the distribution of financial services has become a competitive necessity instead of just a way to achieve competitive advantage with the advent of globalization and fiercer competition.

Intangible item "customer satisfaction". The increase translates into improved customer loyalty that in result in higher customer retention and growing organization value. Internet banking is a lower-cost delivery channel and a way to increase sales. Internet banking services has become one of the most important factors in the business economy today. E-banking is a major invention that has changed the business of banking. World over banks are reorienting their strategies towards new opportunities offered by e-banking. The recent trend shows that most 'brick And mortar' banks are shifting from a 'product-centric' model as they develop their new e-banking capabilities. PC banking, mobile banking, ATM, electronic funds transfer, account to account transfer, paying bills online, online statements and credit cards are the services provided by banks. Also the feature which is commonly unique to internet banking includes importing data into personal accounting software.

Some online banking platforms support account aggregation to allow the customers to monitor all of their accounts in one place whether they are with their main bank or with other Institutions. Banking through internet is considered as a complimentary Delivery channel for the

services rather than a substitute for the brick and Mortar banking branches. E-banking has increased the competition among the Banks and both domestic and foreign banks are offering more and more modern ways of e-banking. The banking industry in India like many other financial services industries is facing a rapidly changing market, new technologies, economic uncertainties, fierce competition, and more demanding customers; and the changing climate has presented an unprecedented set of challenges. In the current circumstances a question arises whether the customers are satisfied or not and what are the elements of retail banking in general e-banking in particular which lead to the satisfaction or dissatisfaction of customers.

The knowledge of current levels of satisfaction and in particular, the primary factors of satisfaction are beneficial to those in the industry, thereby allowing them to focus and further strengthen the key areas that lead to highly satisfied customers. E-banking services not only can create new competitive advantages, perhaps, but also can improve their relationships with customers for banks. Obviously, e-banking can offer better services required by corporations and individuals, it could be a strategic niche no matter for banks or their customers. Conceivably, how to implement e-banking successfully is becoming a critical management issue.

Determining factors affecting customer satisfaction with e-banking is an essential part of a bank's strategy formulation process in an emerging economy like India. It has become imperative for both public and private sector banks to perform to the best of their abilities to retain their customers by catering to their explicit as well as implicit needs. Many a times it happens that the banks fail to satisfy their customer which can cause huge losses for banks. Therefore, the main purpose of the study is to know the e-banking services provided by the banks in the study area and this research study makes an attempt to analyze the overall satisfaction of the customer regarding the e-Banking transactions in the public and private sector banks.

OBJECTIVE OF THE STUDY

1. To study profile of the E-banking customers of the study banks
2. To analyze customer satisfaction towards various facilities provided by the E-banking.

HYPOTHESIS OF THE STUDY

1. Accessibility, Convenience, Privacy, Security, Design, Content, Speed And Fees and Charges have positive relationship with customer satisfaction.
2. The public and private sector banks customers have similar satisfaction with e-banking practices.

POPULATION OF THE STUDY

A population is the totality of an object under consideration. He population consists of customers, using e-banking services of public and private sector banks in Meerut district of Uttar Pradesh. In Meerut district almost, all the major banks have branches. As it was felt that it would useful to attempt a comparative study among public and private sector banks. One public and one private sector bank having the largest network of branches in the district were identified. The similarly of two banks from e-banking have been identified. In the district, public sector banks, PNB has large number branches (10 branches) as compared to other public sector banks. Similarly, among private sector banks located in the district, the Axis bank has large number of Branches (5) as compared to other private sector banks. Meerut branches have been selected as the selected units for the study.

SAMPLE

In Meerut branches of **PNB** and customers. In the same way, the branches of Axis bank their customers. Thus, the following formula has been used to estimate the population sample size Out of 216 samples in SBI, 114 and 102 samples were selected.

TOOL USED

Self made questionnaire used for study for collection of data.

Statistical Analysis

The statistical tests used in the analysis of data includes, Simple Mean Percentage, Chi-square test for analysis the data.

CONCLUSION

The study revealed that the respondents are of the opinion that the e-banking service providers have charged heavy charges for e-banking services. It is also inferred from the study customers of private sector banks has to pay high cost for transacting e-banking services as compared public sector banks.

Overall satisfaction of the customers shows that the e-banking service users have low satisfaction with e-banking services and the customer satisfaction with e-banking services in private sector banks (45 per cent) is better than that of public sector banks (36 per cent). The customers are moderately satisfied with ATM's services provided by the public and private sector banks with regard to accessibility, convenience and security of using ATM's services. The private sector bank customers have high level satisfaction as compared to public sector with regard to accessibility for using internet banking services.

The private sector bank customers have enjoyed high level of satisfaction as compared to public sector bank in respect of convenience in using internet banking services. All the bank customers have enjoyed high level of privacy while

using internet banking services. Both the public and private sector banks provide high security in internet banking transactions. With regard to design, content and speed of e-banking medium of internet banking, majority of the respondents in the public and Private sector banks have expressed low level of satisfaction.

Therefore, it is inferred from the study the design, content and speed of internet banking is not user-friendly, there is vast amount of scope for improvement in the design, Content and speed of the internet banking is needed. Nearly 38 per cent of the respondents in the public sector bank and 57.93 Per cent of the respondents in the private sector bank have reveled low level of satisfaction with fees and charges charged by the banks. Therefore, it can be concluded that the large number of customers in the private sector banks dissatisfied with fees charged for internet banking services as compared to public sector banks.

Majority of the respondents in the public sector bank and less than one-fourth of the respondents in the private sector bank have expressed low level of satisfaction with mobile banking services. Therefore, it can be inferred that the customers of private sector banks easily access mobile banking services than that of their counterpart, public sector banks.

While consider the convenience to use mobile banking services, majority of the respondents in the public sector bank and a minimum of 17 per cent of the respondents in the private sector bank have low level of satisfaction? Therefore, it is understood from the study that the public sector banks customers have much convenience for using mobile banking services as compared private sector Banks.

Study reveals that most of the respondents in the public and private sector Bank has satisfied with privacy aspect while using mobile banking services. Therefore, it is inferred from the study that the Indian banking sector provides high degree of privacy for mobile banking users. In security aspect of mobile banking, 40 per cent of the respondents each Have expressed medium level of satisfaction and 25 per cent and 31 per cent Have revealed high level of satisfaction. Therefore, it can be inferred that the Security is not a major factor which affects the customer satisfaction of mobile Banking users.

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