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## **Customer perception towards E-Banking services: A study with reference to Vijaya bank, Mysuru city**

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**Abstract**

This article brings out the measurement of customer perception towards E-Banking which becoming very popular and convenient method of dealing with banks now days. E banking denotes the provision of banking related service through extensive use of information technology without direct resource to the bank by the customer. The main objective of this research paper includes to understand the theoretical frame work and concept of E-banking services and to highlight the demographic profile of the customers and assess the motivational factors of customers influencing to adoption of E-banking services and also to analyze the satisfaction level of customers regarding e-banking services provided by Vijaya Bank, Mysuru city. In this article customer perception toward the usefulness and willingness to use e- banking are identified and measured. Customer satisfaction level towards the E- Banking has been identified. However E-Banking provides various e- channels for using banking services like ATMs, credit cards, debit cards, internet banking, mobile banking, electronic fund transfer (EFT), electronic clearing system etc. The study has conducted a survey through structured questionnaire targeting 50 customer's samples of Vijaya Bank Siddharthanagar Branch, situated in Mysore City.

**Keywords:** Customer Satisfaction, Perception, Demographic Profile, E-Banking Services

**Introduction**

At the beginning of the 21st century, banks across the world have become complex financial organizations that offered a wide variety of services to international markets. Supported by the technology, banks are working to identify new business places, to develop customized services, to implement innovative strategies and to capture new market opportunities. The emergence of new banking technology creates highly competitive market conditions, which have a critical impact upon customer behavior. Internet banking providers must, therefore, attempt to better understand their customers an attitude toward technology in general. If they succeed, banks will be able to influence and even determine customer behavior, which will become a major issue in creating competitive advantage. In the future companies are constantly looking for a way to make their services more attractive to customers in banking sectors.

Electronic banking is the latest in the series of technology wonders in the recent past, involving use of internet for delivery of products and services. The electronic banking has been evolving the environment with the development of the world web. Banks through internet has emerged as a strategic resource for achieving higher efficiency. More recently in India, the E-banking service is carried out in an effective way to highly satisfy the customers of the respective banks. As time factor, is very much important for all the people in this modernized world, hence we are waiting in a queue spending the precious time which will lead us to go backward. Hence the customers don't want to waste their precious time for waiting in a queue.

In banking industry, E-services are at revolutionary stage. Electronic based banking is replacing conventional banking system. Now, trend in banking has evolved from cash economy to plastic card economy. Fierce competition among banks along with the global forces has compelled the banks to adopt the technological changes to face the electronic age. It is also known as E-banking or internet banking or online banking which provides various alternative electronic channels to using banking services i.e. internet banking, mobile banking, ATM services, electronic fund transfer, credit card, debit card, and electronic

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clearing services etc. Among these services, ATM is the main channel of distribution to explored due to the increase in its popularity. Generally electronic bank means people think that is twenty four hours availability for money access through ATM, withdrawing or transferring money and saving accounts. The electronic bank service include like transferring money and checking your accounts and also replacing the paper transactions. Electronic fund transfer is done through the cards that will access to your account with the codes. Financial companies use ATM debit cards for this purpose. There are some consumer transactions that are covered by the EFT acts. Traditional banks offer many services to their customers, including accepting customer money deposits, providing various banking services to customers, and making loans to individuals and companies. Compared with traditional channels of offering banking services through physical branches, e-banking uses the internet to deliver traditional banking services to their customers, such as opening accounts, transferring funds, and electronic bill payment.

Technological innovations have been identified to contribute to the distribution channels of Banks. The electronic delivery channels are collectively referred to as Electronic Banking. Electronic Banking is really not a technology, but an attempt to merge several different technologies. Each of these evolved in different ways, but in recent years different groups and industries have recognized the importance of working together. Bankers now see a kind of evolution in their business, partly, because the world has taken a quantum leap in the use of technologies in the last several years

Banking sector is considered as heart of the financial structure in the world. It plays vital role in economic development of a nation. It is a system of trading money which provides a safe place to excess cash as deposits and supplies liquidity to the economy by loaning this money out to the needed business men for the growth of business and consumers. It is one of the oldest services in India. Internet banking provides a speedier, faster and reliable services to the customers for which they are relatively satisfied. Cost of internet banking form a fraction of costs through conventional methods. Rough estimates assume teller cost at Rs.01 per transaction, ATM at 45 paise banking at 35 paise, debit card at 20 paise and internet banking at 10 paise per transaction. The internet banking users is gradually increasing from 9 lakhs and expected to increase to 900 lakhs by 2025.

### Review of Literature

The lot of research has been conducted on E-banking services last few decades. The review includes studies pertaining customer satisfaction towards E-banking services

**Ramanigopal (2011)** the study focused on “customer perception towards internet banking services with special reference to Erode District” Banks today know better than anyone the opportunities and the risks they face in an ever-changing competitive environment. In offering e-commerce products, banks some key advantage over potential competitors ‘commerce would create opportunities for banks to strengthen their relationships with customers, sell additional services, and prevent encroachment on their business activities. Finally this study concludes on core

banking is the services provided by a group of networked bank branches.

**Kuchara (2012)** this study was conducted on “A Study on Customers 'perception towards Internet Banking at Ahmedabad City” a transactional medium. Internet Banking and Mobile Banking made it convenient for customers to do their banking from geographically diverse places. Theses paper also includes Internet banking has not been popularly adopted in India as expected. Being a savings based culture still, Indian consumers are cautious about their financial assets and banking service through electronic channels and the customer can access the data without any time and geographical limitation.

**Venugopal (2013)** this study was undertaken on “customers' perception on electronic banking a study on Tirupati area of Andhra Pradesh, India” the aim of this research article is to study the satisfaction levels in using of Internet Banking Services and to analyze the causes for not using of Internet Banking Services and also to determine the perceived importance of diverse Internet Banking Services in Tirupati area of Andhra Pradesh. This study also find out how other researchers previously did their studies. Then, empirical data was collected from bank customers in Tirupati town to achieve the research objectives. All bank customers in Tirupati area were considered as population of research interest in Tirupati.

**Verma (2014)**, this study was conducted on “Measuring customer satisfaction towards ATM services-A Comparative study of union bank of India and Yes Bank” This study aims at analyzing the satisfaction level of customers of Union Bank of India and Yes Bank based on various aspects related to ATMs. In this study, data will be collect from the way of survey from bank customers and later on will be analyze by statistical technique and tools like Descriptive Statistics, Percentage Method, and Ranking Method. The conclusion would be interpreted accordingly to the respondents opinion relates to E-banking services.

**Reddy (2015)** this study was conduct on “A Study On Customer's Perception And Satisfaction Towards Electronic Banking In Khammam District” The banking sector evolution are affected more than any other financial provider groups. Increased use of mobile services and use of internet as a new distribution channel for banking transactions and international trading requires more attention towards e-banking security against fraudulent activities. The development and the increasing progress that is being experienced in the Information and Communication Technology (ICT) have brought about a lot of changes in almost all aspects of life. In the Banking Industry, it has been in the form of E-Banking or Online Banking or Internet Banking.

**Bhat (2016)**, this study was undertaken on “Internet Banking: An Empirical Analysis of Indian Customers' Perspective” This articles contains the transformation has been largely brought about by a combination of factors, such as deregulation, liberalisation, competition and technological advancements. The most significant among these factors is advancement in ICT. The focus of this

study has been on the satisfaction of the respondents availing IB services. The primary data for the present study were gathered through a field survey, using structured interview schedules, from bank customers residing in DK district of Karnataka State. In the case of awareness of Internet Banking 71.4 per cent of the respondents is found aware of it.

### Objectives of the Study

The following are the major objectives of the study:

- To understand the theoretical framework and concept of E-banking services provided by the bank;
- To highlight the demographic profile of the customers of Bank;
- To assess the motivational factors towards adoption of E-banking services;
- To analyze the satisfaction level of customers regarding e-banking Services; and
- To offer findings and suggestions in the light of the study.

### Research Methodology

The data required for the present study has been collected from both primary and secondary sources. The primary data was collected from customers of Vijaya Bank situated in Siddarthanagar branch, Mysore city. A questionnaire was constructed for collecting primary data from customers of Vijaya Bank. A sample of 50 including both male and female was considered at random. The method of sampling used is systematic random sampling. The secondary data was collected from related research publications in books, journals and periodicals, dailies and reports available on the

chosen topic. And also collect information on website to develop theoretical background of customer satisfaction towards E- banking services and its challenges. The analysis of data is done using percentage and quantitative method for tabulations and represents the data using graphical methods.

### Analysis and Interpretation

#### Demographic Profile of the Respondent:

Table No. 1 represents the demographic profile of respondent.. Moderate number of 29 male respondents and 21 female respondents are using E – banking it represents that compared to female respondents highest number of male respondents they are adopting E- banking services. Based on age pattern of respondents majority of 44 respondents are youth and 06 respondents are adult. This data shows that young generation was using E- banking more compared to the adults, it shows that still adult generation has followed traditional banking practices and Educational qualification of the respondents 25 respondents belongs to post graduates and 18 respondents belongs to graduates and 07 respondents belongs to matriculation. In the context of occupation of the respondents majority 32.00 percent of the respondents are belongs to professionals and around 28.00 and 24.00 percent of the respondents are belongs to private employees and self employed. The higher number of post graduates respondents have adopted E-banking facilities compared graduated respondents. Majority 46.00 percent of the respondents or customers income level of between 15000 to 25000 this group of customers they access more E-banking services.

**Table 1:** Demographic Profile of the Respondents

| SI . No. | Particulars                       | Frequency | Percentage |
|----------|-----------------------------------|-----------|------------|
| 1.       | <b>Age pattern ;</b>              |           |            |
|          | a) Less than 25 years.            | 22        | 44.00      |
|          | b) Between 25 to 30 years.        | 22        | 44.00      |
|          | c) Above 30 years.                | 06        | 12.00      |
| 2.       | <b>Gender;</b>                    |           |            |
|          | a) Male.                          | 29        | 58.00      |
|          | b) Female.                        | 21        | 42.00      |
| 3.       | <b>Educational qualification;</b> |           |            |
|          | a) Post graduate.                 | 18        | 36.00      |
|          | b) Graduate.                      | 25        | 50.00      |
|          | c) Matriculation                  | 07        | 14.00      |
| 4.       | <b>Occupation:</b>                |           |            |
|          | a) Private employee               | 14        | 28.00      |
|          | b) Government employee            | 08        | 16.00      |
|          | c) Self – Employed                | 12        | 24.00      |
|          | d) Professional.                  | 16        | 32.00      |
| 5.       | <b>Income Level;</b>              |           |            |
|          | a) Less than ₹ 15000              | 11        | 22.00      |
|          | b) Between ₹ 15000 to ₹ 25000     | 23        | 46.00      |
|          | c) Between ₹ 25000 to ₹ 35000     | 16        | 32.00      |

Source: Field Survey.

### Motivational factors of customers to adopt E- Banking Services:

Table No.2 depicts the motivational factor of customers to adopt E-banking services. All the respondents i.e. 100.00 per cent strongly agreed that bank is providing 24/7 hours access e- banking is one of the motivational factor of customer to adopt e-banking services. Among 60.00 and 40.00 per cent of the respondents were agreed and strongly agreed that bank provides better privacy maintained

services and e-banking adoption cost is less compared to the traditional banking services. Around 66.00 per cent and 60.00 percent of the respondents were strongly agreed with bank provide innovative e-banking services and security of transactions. Around 50.00 per cent and 56.00 per cent of the respondents were strongly agreed with bank provide quick ATM services and wireless e-banking services to the customer. To conclude, above motivational factors are influenced to adopt E- banking in the bank.

**Table 2:** Motivational factors to adopt E- Banking Services

| SI. No. | Motivational Factors        | Strongly Agree | Agree         | Neutral       | Disagree      | Strongly Disagree |
|---------|-----------------------------|----------------|---------------|---------------|---------------|-------------------|
| 1.      | 24/7 hours access           | 50<br>(100.00) | 00<br>(00.00) | 00<br>(00.00) | 00<br>(00.00) | 00<br>(00.00)     |
| 2.      | Privacy is maintained       | 20<br>(40.00)  | 30<br>(60.00) | 00<br>(00.00) | 00<br>(00.00) | 00<br>(00.00)     |
| 3.      | Adoption cost is less       | 10<br>(20.00)  | 20<br>(40.00) | 12<br>(24.00) | 04<br>(08.00) | 04<br>(08.00)     |
| 4.      | Innovative services         | 33<br>(66.00)  | 17<br>(34.00) | 00<br>(00.00) | 00<br>(00.00) | 00<br>(00.00)     |
| 5.      | Security of transaction     | 30<br>(60.00)  | 07<br>(14.00) | 08<br>(16.00) | 03<br>(26.00) | 02<br>(04.00)     |
| 6.      | Quick ATM services          | 25<br>(50.00)  | 25<br>(50.00) | 00<br>(00.00) | 00<br>(00.00) | 00<br>(00.00)     |
| 7.      | Wireless E-Banking services | 28<br>(56.00)  | 09<br>(18.00) | 08<br>(16.00) | 05<br>(10.00) | 00<br>(00.00)     |

Source: Field Survey.

**Customer's satisfaction relates to E-banking Services:**  
Table No.3 indicates satisfaction level of customers regarding E-banking services of the bank. Majority 50.00

per cent and 60.00 per cent of the respondents strongly agreed and satisfied with account statement and funds transfer e-banking services provided by the bank.

**Table 3:** Customer's satisfaction relates to E-banking Services

| SI.No | E-Banking services         | Strongly Agree | Agree         | Neutral       | Disagree      | Strongly Disagree |
|-------|----------------------------|----------------|---------------|---------------|---------------|-------------------|
| 1.    | Account statement          | 25<br>(50.00)  | 10<br>(20.00) | 00<br>(00.00) | 10<br>(20.00) | 05<br>(10.00)     |
| 2.    | Funds Transfer.            | 30<br>(60.00)  | 10<br>(20.00) | 00<br>(00.00) | 05<br>(10.00) | 05<br>(10.00)     |
| 3.    | Demat Account statement    | 20<br>(40.00)  | 15<br>(30.00) | 05<br>(10.00) | 10<br>(20.00) | 00<br>(00.00)     |
| 4.    | Bills Payment              | 40<br>(80.00)  | 05<br>(10.00) | 00<br>(00.00) | 05<br>(10.00) | 00<br>(00.00)     |
| 5.    | Cheque Books               | 10<br>(20.00)  | 35<br>(70.00) | 00<br>(00.00) | 05<br>(10.00) | 00<br>(00.00)     |
| 6.    | Booking of E-Ticketing.    | 25<br>(50.00)  | 10<br>(20.00) | 05<br>(10.00) | 00<br>(00.00) | 10<br>(20.00)     |
| 7.    | TDS Enquiry                | 15<br>(30.00)  | 10<br>(20.00) | 05<br>(10.00) | 15<br>(30.00) | 05<br>(10.00)     |
| 8.    | Other value added services | 12<br>(24.00)  | 38<br>(76.00) | 00<br>(00.00) | 00<br>(00.00) | 00<br>(00.00)     |

Source: Field Survey.

Around 40.00 per cent of the respondents strongly agreed that the bank has provided better Demat account services. Majority 80.00 per cent and 70 per cent of the respondents strongly agreed and agreed and satisfied with bills payment and cheque books facilities provided by the bank. Among 76.00 per cent and 50.00 per cent of the respondents they were agreed and strongly agreed with the value added services and booking of E-ticketing services render to the customers. Around 30.00 per cent of the respondents equally strongly agree and disagree with the TDS enquiry services provided by the bank.

#### Findings of the Study:

##### The following are the major findings of the study

- Moderate number of 29 male respondents and 21 female respondents are using E – banking compared to female respondents highest number of male respondents are using E- banking services.
- In case of age pattern of respondents, majority of 44 respondents are youth and 06 respondents are adult. This data shows that young generation are using E-banking more compared to the adults, indicating adult generation has following traditional banking practices.

- In the context of occupation of the respondents, majority of 32.00 per cent of the respondents belongs to professionals and around 28.00 and 24.00 per cent of the respondents are belongs to private employees and self employed.
- All the respondents i.e. 100.00 per cent strongly agreed that bank provides 24/7 hours access e- banking services this is one of the motivational factor of customer to adopt e-banking services.
- Around 60.00 per cent and 40.00 per cent of the respondents were agreed and strongly agreed that bank provides better privacy maintained services and e-banking adoption cost is less compared to the traditional banking services.
- Around 50.00 per cent and 56.00 per cent of the respondents were strongly agreed with bank provide quick ATM services and wireless e-banking services to the customer.
- Majority 50.00 per cent and 60.00 per cent of the respondents strongly agreed and satisfied with account statement and funds transfer e-banking services provided by the bank.

- Majority 80.00 per cent and 70 per cent of the respondents strongly agreed and agreed and satisfied with bills payment and cheque books facilities provided by the bank.
- 76.00 per cent and 50.00 per cent of the respondents agreed and strongly agreed with the value added services and booking of E-ticketing services render to the customers.
- Around 30.00 per cent of the respondents equally strongly agree and disagree with the TDS enquiry services provided by the bank.

#### **Suggestions for the Study:**

##### **The following are the major suggestions for the study:**

- To provide more training to the employees and customers about the handling of the electronic banking procedures.
- To reduce the complex procedures in the electronic Banking.
- To improve usage of E-banking its necessary to focus should be given on appropriate network facility in the Mysore region.
- To organize training campaign for their customer to boost use of E- banking. Because Adult generation they still using traditional banking practices.
- Quick response to customers should be given while providing services through customers care services.
- Technology & security related issues should be handled very carefully to retain customers
- To encourage customers that E-banking is totally safe if you take necessary precautionary like protect your password from other.

#### **Conclusion**

The success of the banking sector wheather directly or indirectly depends on the customer as they have they are the backbone of the company with development of technology the customer expectations are raising relentlessly, competitive will survive who can respond to the customer needs faster and better than anyone, skilled staff square measure less with relation to electronic banking than manual banking and the decision creating is within the hands of prime management solely. The bank is trying to give quick services using E-Banking and E-banking also helps to bank reduce the cost of operation of banks.

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