

CONSUMER PERCEPTION AND SATISFACTION OF E-BANKING THROUGH MOBILE PHONES

-A Case Study on Syndicate Bank in Mysuru City

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Abstract:

Electronic banking or e- banking is the term describes all transactions takes place among companies, organisations and individuals and their banking institutions. Mobile banking is a subset of electronic banking which influences not only the banking business, but also the special conditions of mobile commerce. The paper deals with the consumer perception and satisfaction towards e-banking system through mobile phones with special reference to Syndicate bank of Mysore city of Karnataka. The study also focus with the awareness and factors not to use mobile banking. The data was collected from the primary source through structural questionnaire and the analysed with the help of various statistical measures like frequency, chart, chi square. Hence the study helps to the banks for further taking necessary steps to educate the customers regarding the new technology and other services offered by the banks.

Keywords: E-Banking, Consumer Satisfaction, Consumer Perception.

1. Introduction:

Now- a-days people are more educated than olden days. In a day by day there is more competitive changes in technological aspects, it leads to improve the e-banking services of various banks. Mobile phone usage has spread in a very broad manner both in developing and developed countries. Our day to day activities are handled through electronically, because of this, it is used regularly in home as well at the work place. E-Banking refers to the banking services provided by the banks over the internet. Some of these services include paying of bills, fund transfer, viewing account statement etc., banks also deliver their latest services over internet. Nowadays, you can also use internet banking on your mobile phones using a Wi-Fi or 3G, 4G connection. Internet banking and mobile banking has become the self service channel that allows banks to provide information and offer services to their customers with proper web services technology and mobile

services. Online banking helps the customers to manage their accounts at any time from any place for minimum cost.

E-Banking: The term e-banking refers to the provision of small banking products (e.g. current accounts, loans, financial advice) and services (e.g. receipt of deposits, payment of bills, account management, the provision of products and services in exchange for e-money). Chavan (2013) defined e-banking as an Internet portal through which customers can use different types of banking services. It can also be defined as the provision of banking products and services through electronic distribution channel.

Consumer satisfaction: The users of mobile banking can be recharged their mobiles through this customer satisfaction. They can to be pay electricity bills and credit card bills through this in mobile banking. The customers in mobile banking services are increasing day by day due to the security measures taken by the banks. The mobile banking customers have been satisfied due to the measures taken to this secure the mobile banking transactions. Customers can add as many beneficiaries in the list as they want. It saves huge of the amount of time which is incurred to add the beneficiary again and again.

Consumer perception: The perception is formed as a result of interpreting the experience. There is a growing interest in understanding the users' experience as it is observed as a larger concept than user satisfaction. From this perspective, assessing the user experience is essential for many technology based services.

1.1 Importance and E-Banking Services:

- a. **ATM:** ATM is a very popular service in this world. The Automated Teller Machine is an effective delivery channel, which play a vital role in consumer satisfaction and cost control of transaction of banks. ATM are emerging as the most useful tool to ensure "Any time Banking" or Any Time Money. ATM card is magnetic stripe card which operate with particular PIN Number. ATM card is Used for balance enquiry, Cash withdrawal Fast cash Updating of cash book, utility bill payments etc.
- b. **NEFT/RTGS:** NEFT means national electronic fund transfer system and RTGS means Real Time Gross Settlement System which enables an effective service, economical and reliable system of transfer of funds from bank to bank as well as from remitter's account in a particular bank to beneficiary's account in another bank across the country. It is useful to customers to transfer funds from one bank branch to another branch or another bank.
- c. **Internet Banking:** Internet banking is a retail banking which enables customers to operate his account from anywhere and anytime. Internet Banking provide Fund Transfer, Credit PPF Account, Request

Issue D.D., Request For loan, utility bill payments , Online bill payments, Online ticket booking, Online share trading, credit card payment, LIC premium payments, Online donation etc services are .

d. **Mobile Banking:** Mobile banking services is provided by banks on request of customers. This service is provided with secure ID and password to customers mobile banking offer Fund transfer, immediate payments service, cheque book request, bill payments, mobile and DTH recharge, M Commerce transactions etc.

e. **SMS Banking:** This service is provided with the help of mobile phone of the customers. It offers balance enquiry, last three transactions statements, cheque status, Alert for password generations etc.

f. **Telephone Banking:** Bank provides this service with the help of telephone to customer's services is provided with secure ID and TPIN number. Telephone banking provides balance enquiry, last three transaction statements, cheque status enquiry, change of TPIN etc service.

g. **Cards Facility:** Banks provide different debit cards and credit cards facility. With the use of these cards customer can purchase, can make e-commerce transaction, and also can pay bills etc.

h. **Google Tez banking:** Google tez are connected to the bank accounts using Indian government Unified Payment Interface (UPI), which allows money to be moved from almost any bank account in India to any other account immediately. There are over 50 banks that are part of UPI.

i. **Paytm banking:** it does not use UPI, or at least primarily doesn't. When user installs paytm,he or she also have to create a paytm account .the account then becomes an e-wallet where certain amount of money can be kept, once the money is gone, has to be recharged using debit or credit or through paytm authorized recharge points.

1.2 Features of E- Banking:

a. **Security:** E- banking is considered to be secure, risk free and safe. Mobile banking helps to monitor your own bank account balance, transaction history effectively.

b. **Speed:** instead of going to the banks physically, with the help of 4G technology, the customers make the banking transactions through e banking in fraction of seconds, almost like a blink eyes, transactions are processed.

c. **Less expensive:** mobile banking is very less expensive and the bank provides these services in low cost or free of cost. Those checking and savings account that are offered by completely online banks usually have no fees at all.

d. **Automatically updated:** e- banking makes possible to the customers to carry out their transactions from anywhere, any place or at any time. All the transactions are automatically updated once the

transactions are established. This service is very fast, easy and convenient by each mobile or smart phone users.

e. **Efficiency:** gone are the days when visiting the bank was the only option to make transactions. Now time and technology has changed, banking provides amazing tools with the help of which can manage accounts with ease.

f. **E-statements:** there is no risk in looking for your past financial banking records, can quickly see into the accounts using e-banking. Most online banks try to be as paper-free as possible

Advantages of E-Banking:

a. **Fast and efficient:** funds get transferred from one account to another very fast. You can manage several accounts easily through internet banking. Online account is simple to open and easy to operate.

b. **Convenient:** it is quite convenient as you can easily pay your bills, can transfer funds between accounts etc., now you need not stand in queue to pay off the bills and also need not keep the receipts of all the transactions.

c. **24*7 services:** it is available all the time, i.e., 24*7.you can perform your task from anywhere and at anytime. Even in night when the bank is closed or on holidays the only thing need to have is an active internet connection.

d. **Safe and secure:** through e-banking, you can keep an eye on all the transactions and account balance all the time .this facility also keeps your account safe.

e. **Medium for endorsement:** it also acts as a great medium for the banks to endorse their products and services. The services include loans, investment options and many others.

Drawbacks of E-Banking:

a. **Security issues:** Worried about the safety of personal information and also Mobile banking users are at risk of receiving fake SMS and scams, misuse of password and the chances of unauthorized access to your account via hacking.

b. **Technological issues:** Transactions may not be complete due to network problem and also Fear of disconnection during transaction due to poor internet or in certain cases the fear of running out of battery.

c. **Lack of awareness:** those who lack awareness about the safety measures of online banking are easy target for hackers. You can get fraud calls from hackers saying they are calling from bank and need your online banking details.

d. **Impersonal:** absence of face to face interaction makes it more unaware of the persons. Thus people who feel more comfortable in making transactions through physical presence, e-banking are not a good option for them.

e. **Lack of trust:** still many customers are not comfortable or they do not trust online mode of services especially for money related transactions. People who are not the regular users of online transactions feel uncomfortable and they doubt with respect to the correctness of the transactions, as they require some kind of proof of transactions as receipt to verify their transactions.

f. **Difficult for first time users:** for the beginners, it is a complex mode, as customers find it complicated to access through banks website. While opening an account online, banks website requires a number of information and that seems like time consuming and inconvenient to first time users.

2. Review of Literature:

The study was carried out the exhaustive review of literature relating the “Consumer Perception and Satisfaction of E-banking” of both National and International level. An attempt was made to summarise the important studies and works keeping in mind the relevance of the present study.

Sunil Kumar(2015) has done a study on consumer awareness and usage of e banking services. The result of this research was found to be that, the consumers are not frequently using these services but they have strong desire to use these services in future. The present study is being undertaken to analyse how the banks exploring the feasibility of using mobile phones as an alternative channel of delivery of banking services.

Chen, Lisa(2012) studied will increase our understanding in financial, accounting, management system, business administration and decision making related to the adoption of internet banking.

Bahl, Saritha (2013) determined that security and privacy issues are the big issue in e-banking. If security and privacy issues resolved, the future of electronic banking can be very prosperous.

Simplice A.Asongu, Nicholas M Odhiambo (2017): A study that enquire into the relationship between mobile banking & inclusive development that includes quality of growth, in equality and poverty. The conclusion that can be drawn out is that mobile banking application will play a supreme role in responding to the problems of deficient growth, inequality & poverty of the developing countries.

Dr.Rejikumar G, Sudharani Ravindran D(2012)in the in the journal of internet banking & commerce studied about the factors affecting the prolongation decisions of the early adopter of mobile banking services. The study proved that after choosing the new technology, the customer finds satisfaction in the quality frame work of the services.

3. Statement of the Problem:

E-banking offers various services to the customers and the facilities of internet banking services can be carried out from their comfort of their home/office with only the usage of internet. As the use of ATM is increasing day by day,it is important to study the customer preference towards use of ATM in Mysore city.

Identification of information needed to solve the problem, procedure for the collection of information, Proper recommendations and suggestions is required in E-banking services which help to check the accounts and do all the transactions through online 24*7 without any hurdles. They can transfer funds to other accounts maintained with any bank in the world, hence this study focuses on the different services of E-banking and customers' convenience towards it.

4. Scope of the Study:

In today's world customer demands the banks services for 24 hours. In modern era the entire banking field has been changed due to widespread internet technology. Nowadays all the business like commerce, trade, import, export, purchase and sale of goods is depending upon electronic banking by using the innovative technology. The study also highlights the level of awareness of the customers regarding the various e-banking services. Being the land of various banks it is important to develop an alternative service via mobile, so as to reduce cost and improve banking efficiency. Therefore the study is conducted only in Syndicate bank at Mysuru City.

5. Objectives of the Study:

1. To know the concept of Consumer Perception and awareness.
2. To identify the causes why customers are not using mobile banking.
3. To study the awareness of E-Banking among the customers of syndicate bank.
4. To study the customer perception and satisfaction about E-banking.
5. To identify the proper measures to overcome the problems of E-banking.

6. Hypothesis of the Study:

H₀: "There is no significant relationship between consumer perception and consumer satisfaction"

H₁: "There is a significant relationship between consumer perception and consumer satisfaction"

7. Research Methodology:

The research paper was carried out on the basis of primary and secondary data. An effort was made to collect the actual data about the "Consumer Perception and Satisfaction towards E-banking- A case study on Syndicate bank at Mysore City". From the both men and women respondents who are aware and the regular users of online banking. For this study the structured questionnaire was administered on the basis of convenient sampling method.

The paper was also based on secondary data as well as literature, reports, statistical figures and such other data are collected from books, journals, research papers and other published and unpublished documents of both national and international levels and websites are also visited. For this study the sample sizes were 500 and also the statistical tools were used like frequency, percentage and chi-square.

Testing of the Hypothesis:**Personal Profile:****1. Age****Table No - 1**

Sl.No	Particulars	Frequency	Percentage
1	15-25	292	58.4
2	25-35	173	34.6
3	35-45	25	5
4	Above 45	10	2
Total		500	100

Primary source

From the above table reveals that the opinion about the above statement, 58.4 percent are 15-25,34.6 percent 25-35,5 percent and 2 percent 35-45 and above 45 respectively.

2. Gender:**Table No - 2**

Sl.No	Particulars	Frequency	Percentage
1	Male	175	35
2	Female	325	65
Total		500	100

Primary source

From the above table depicts that the opinion about the above statement, 35percent male and 65percent female respectively.

3. Annual Income**Table No - 3**

Sl.No	Particulars	Frequency	Percentage
1	10k - 15k	173	34.6
2	15k-20k	190	38.0
3	20k-25k	85	17.0
4	Above 25k	52	10.4
Total		500	100

Primary source

From the above table depicts that the opinion about the above statement, 34.6percent is 10k to 15k , 38 percent is 15k to 20k ,17percent are 20k to 25k and 10.4 percent are above 25k.

4. How do you rate your experience of E-Banking?**Table No - 4**

Sl.No	Particulars	Frequency	Percentage
1	Very much satisfied	225	45
2	Satisfied	175	35

3	Not satisfied	90	18
4	Can't say	10	2
Total		500	100

Primary source

From the above table depicts that the opinion about the above statement 45percent very much satisfied, 35percent satisfied, 18percent and 2percent not satisfies and can't say respectively.

5. How frequently do you use E-Banking services?

Table No - 5

Sl.No	Particulars	Frequency	Percentage
1	Daily	120	24
2	Weekly	130	26
3	Monthly	75	15
4	As and when required	175	35
Total		500	100

Primary source

From the above table depicts that the opinion about the above statement 24percent daily, 26percent weekly, 15percent and 35percent monthly and as and when required respectively.

6. Why do you avail E-banking?

Table No - 6

Sl.No	Particulars	Frequency	Percentage
1	24*7 business hours	111	22.2
2	Saving time and speed	100	20
3	Easy to use	200	40
4	Privacy	89	17.8
Total		500	100

Primary source

From the above table depicts that the opinion about the above statement 22.2percent 24*7 business hours, 20percent saving time and speed, 40percent and 17.8percent easy to use and third privacy respectively.

Analysis of Hypothesis:

H₀ - "There is no significant relationship between Consumer Perception and Consumer Satisfaction"

H₁: "There is significant relationship between Consumer Perception and Consumer Satisfaction"

Table No. 07

Frequency and Percentage of Response about the Statement – H₁

Sl.No	Statement		SA	A	CS	D	SD	Test Statistics
1	Account information and balance enquiry	F	280	102	26	38	54	$\chi^2=438.4$ p=.000
		%	56	20	5	8	11	

2	e-payments	F	225	170	20	40	45	$\chi^2=335.5$ p=.000
		%	45	34	4	8	9	
3	Account to account transfer	F	140	137	49	110	64	$\chi^2=69.66$ p=.000
		%	28	27	10	22	13	
4	Statement request (by mails,fax,sms)	F	197	125	39	82	57	$\chi^2=159.28$ p=.000
		%	39	25	8	16	12	
5	Clear instructions	F	172	145	77	44	62	$\chi^2=123.18$ p=.000
		%	35	29	15	9	12	
6	Expensive	F	90	60	50	125	175	$\chi^2=104.5$ p=.000
		%	18	12	10	25	35	
7	Do you think Online banking eventually will reduce manual banking	F	182	120	78	65	55	$\chi^2=108.58$ p=.000
		%	36	24	16	13	11	
8	Offers opportunities to provide additional services	F	110	165	90	87	48	$\chi^2=72.98$ p=.000
		%	22	33	18	17	10	
9	Does not having bank account or credit card creates difficulty	F	208	104	33	71	84	$\chi^2=172.66$ p=.000
		%	42	20	7	15	17	
10	Are you overall satisfied with your experience of online banking	F	167	113	73	94	53	$\chi^2=76.32$ p=.000
		%	33	23	15	18	11	

Note: F-Frequency; %-Percent; SA-Strongly agree, A-Agree, CS-Can't say, D-Disagree, SD-Strongly disagree

H₁

	Sl. No	Perception	Frequency	Percentage
H₁	1	Strongly agree	1771	35
	2	Agree	1241	25
	3	Can't say	535	11
	4	Disagree	756	15
	5	Strongly disagree	697	14
	Total responses of all Statements			5000
Chi square (χ^2)				1020.092
P				.000
Df				4

Note: p = Significance level, df = Degree of freedom, χ^2 = Chi square.

From the responses for all the statements from the above table no. 6 clearly indicates that “There is a significant relationship between Consumer Perception and Consumer Satisfaction”. It was found that 1771 responses are strongly agreed and 1241 responses be agreed and making a total of 60 percent of responses are agreement. Chi square test revealed that the tested value of 1020.092 was found to be significant at .000 levels. Further, it is clear that the tested value is significantly higher than the table value. Thus it indicating “There is a significant relationship between Consumer Perception and Consumer Satisfaction.” **Therefore the results indicate that the null hypotheses be rejected and accept the alternative hypotheses.**

8. Major Findings of the Study:

1. The study shows that the younger generation are using electronic banking more when compared to the older generation because older generation are not used to the innovative technology.
2. Many consumers are aware of the e-banking, but only few are actually using it.
3. 24*7business hours is the main benefit which e- banking users have seen among other options.
4. Most of the respondents who lie below 20-30 are using e-banking services.
5. It is found that time saving and less cost, tend to influence the bank customers, intention to continue using this e-banking site in the future.
6. Most of the consumers prefer e-banking for quickness.
7. It is found that consumers not having bank account or credit card create difficulty.
8. As per the study online banking eventually it reduces the manual banking.
9. The respondents preferred ATM, Online banking, mobile banking and sms banking for their financial transactions.
10. As per the study consumers are satisfied with the bank services through mobile banking.

9. Major Suggestions of the Study:

1. To increase the awareness among people, syndicate bank should advertise and conduct special awareness programs to make e-banking services more popular among the customers.
2. Syndicate bank should maintain proper system of maintenance for e-banking.
3. Banks should provide proper training and implement the proper measures relating to safety and security issues.

4. Banks should take necessary steps to create awareness among rural people about the banking services through mobile banking.
5. To improve usage of E-banking its necessary to focus should be given on appropriate network facility in the Mysore region.
6. To encourage customers that E-banking is totally safe if you take necessary precautionary like protect your password from other.

10. **Conclusion:**

E-banking has become a necessary survival weapon. Today, the click of the mouse offers customers banking services at a much lower cost and also empowers them with unprecedented freedom in choosing vendors for their financial service needs. Banks have to upgrade and constantly think of new innovative customized packages and services to remain competitive. Banks have come to realize that survival in the new e-economy depends on delivering some or all of their banking services on the Internet while continuing to support their traditional infrastructure. The result of the study shows that the usefulness, awareness, perception and satisfaction about the use of e-banking. Majority of the consumers are aware of the e-banking services in Mysore .e-banking technology is highly useful to customers as well as banks and other organizations to increase the productivity, efficiency, service quality of banks, and expansion of banks globally. The banks further have to take necessary steps to educate the customers regarding the new technology and other services offered by the banks. The result of the study shows that customers are using only few facilities of various e-banking services. The research report is useful to know the consumer awareness of e-banking system and what types of risk involved in e-banking system.

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