

CUSTOMER PERCEPTION TOWARDS ADOPTION OF E-BANKING SERVICES DURING PANDEMIC TIMES: AN EVIDENCE FROM COIMBATORE

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ABSTRACT

Banking area is putting immense amount in digital drives to keep a strategic advantage and to deliver better services to the customers. By embracing digitalization, banking area offer sophisticated services to the customers anytime and anywhere. In this pandemic situation, sector banks have been concentrating in providing better services which has been a great challenge in satisfying the customer perceptions. Understanding their needs and satisfying the customers wants and adopting them to access the services are the main prospective of the banks in this COVID situation. By taking this as background, this research examine the adoption of E-banking services during this pandemic times. Researchers collected the data through primary as well as secondary sources. A convenient sampling method was used to collect data from 120 respondents. The study reveals that there is a significant relationship between Sector banks and Customer perception towards E-banking services during COVID situation.

KEYWORDS:

Banking, E-banking services, Customer's satisfaction, COVID, Digitalization.

1. INTRODUCTION:

The banking is an industry that handles money, credit, and other monetary exchanges. . Banks are offering investment accounts, endorsements of store, and financial records. Banks utilize these stores to make advances. These advances include home loans, business credits, and vehicle advances. Preferably, banks are exhausting yet they play important part of our lives. Exhausting because one has to wait for long hours in queue just to get cash or transfer money. If you hit back to your previous years, about 30 years ago, banking systems dealt with a lot of paperwork. Computers and internet were not advanced enough to run quickly. A lot has changed to date but a huge push to go digital came from the COVID-19 pandemic. This outbreak changed the outline of the entire banking industry by making it go digital.

Digital banking means converting all traditional banking services to digital banking services.. These banking services could be deposits, transfers, withdrawals, applying for various financial services, account handling, loan management, and bill payments. Digital banking eradicates the need for paperwork such as demand drafts, cashing cheques, or pay-in slips. We have got a complete liberty to perform all banking activities 24/7 without going to the bank. Digital banking services are accessible with stable internet connection and any electronic gadget like mobiles, laptops, or tabs.

Customers' influences towards the usage of e-banking have created an experience for computer and new technologies. In this pandemic, consumers feel that digital banking has made their life so simple that they don't want to visit banks personally. They can avoid personal contact, movement of people, and increase their time being at

home. E-banking services have provided many benefits that they can avail it 24/7 and access their financial transaction safely. These services have created trust and loyalty between the banks and customers.

1.1 OBJECTIVE OF THE STUDY:

- The main purpose of the study is to examine the relationship between E- banking services that fulfills the expectation of customers in this COVID pandemic.
- To determine the factors that influence customer's perception towards E-banking services.
- To understand the customers satisfaction and usage level of e-banking services.

1.2 SCOPE OF THE STUDY:

- This study will help to identify the effectiveness on usage of E-banking services.
- This study helps us to find out the consumers who have started to use E-banking in the recent period.
- The study will help the consumers to prevent themselves from COVID which is being very critical in the current situation.
- This study will help the consumers receive all banking facilities 24/7 through E-banking.

1.3 BENEFITS:

There is a significant advantage of money transfer as digital banking skips the hassle of issuing demand drafts or cheques. One can simply transfer money from one account to the other without visiting a bank from their homes. This ensures a low risk of COVID-19 and the liberty of transactions anytime and anywhere. Some options for online money transfers are IMPS (Immediate Payment Service), RTGS (Real-Time Gross Settlement), and NEFT (National Electronic Fund Transfer).

Apart from this, one has the facility of downloading e-bank statements at any point in time. These bank statements can be saved on mobile or laptops and can be accessed very easily. This prevents the need to visit banks and take printed copies of statements, which helps to prevent unwanted contact during the COVID-19 pandemic.

Bill payments can be well managed with digital banking by simply logging in to your bank account. All kinds of bills such as electricity, phone, gas, and television can be completed through digital banking. Mostly, some banks have auto-debit facility to pay bills automatically. For instance, HDFC bank has started a pre-paid mobile recharge facility as a part of the digital banking initiative. In addition to this, one can open a fixed deposit account within seconds, invest in mutual funds, and apply for loans and insurance policies as well.

The rise in smartphone usage and the availability of network connectivity has paved way for mobile banking systems. Since everyone nowadays possesses a smartphone, one can download apps for various transaction purposes. Google Pay, Apple Pay, BHIM, SBI's Yoho, Payzapp and many more are gaining popularity amidst the COVID-19 outbreak.

1.4 LIMITATIONS OF THE STUDY:

- It has only covered the particular region which provides insufficient data.
- This study is analysed by respondents whose opinion can change over time.
- The sample size of the study is nearly 120, so the results cannot be measured as whole.
- The time taken for this study is limited.

1.5 RESEARCH METHODOLOGY:

In order to achieve the research objective the researcher collected the data through primary and secondary sources. The primary source includes information gathered through convenient sampling method. Structured questionnaire was distributed through Google forms. Secondary sources include internet, books, RBI reports, journals etc. Convenient sampling methods were used to collect data from 120 members in Coimbatore city.

- Area of study
- Sample Size
- Source of data
- Tools and techniques

1.5.1 AREA OF STUDY:

It's the area where the research falls into. This study is based on regional area. This study is focused on Coimbatore city.

1.5.2 SAMPLE SIZE:

The data of the study is collected from 120 respondents.

1.5.3 SOURCE OF STUDY:

This study uses primary data confined questionnaire have been prepared and collected from various consumers. Primary research is done to gather consumers data required for the research. Secondary data are collected from websites, journals, books, case studies, magazines.

1.5.4 TOOLS AND TECHNIQUES:

- ✓ Percentage analysis
- ✓ Chi-Square analysis

PERCENTAGE ANALYSIS:

Percentage analysis is one of the statistical tools which is widely used in analysis and interpretation of primary data. The formula to calculate percentage analysis:

$$\text{Percentage} = \frac{\text{No of respondents}}{\text{Total no of respondents}} \times 100$$

CHI SQUARE ANALYSIS:

Chi square is a statistical test commonly used to compare observe data with data one would expect to obtain according to specific hypothesis.

$$X^2 = \sum (O-E)^2 / E$$

2. REVIEW OF LITERATURE:

- **Sharma (2011)**; analysed the perception of E- banking services from banker's point of view, the study found that e banking services helps in improving the relationship between bankers and customers also improve the overall performance of the banks.
- **Yousafzai (2012)**; in the field of Internet banking the relative advantage is the individual's belief that Internet. Banking provides more economic benefits than the traditional ways of banking; Internet Banking allows the customer to access their banking accounts at any time and from any location. It provides tremendous advantage to the customer. The relative advantage has been identified as a major determinant of a customer's preference to use Internet Banking.
- **Jain et.al (2012)**; studied the role of Information technology of banking sector, the study highlighted that initially ATM was developed to distribute the cash without visiting bank branches. Now it enabled various services such as cash withdrawal, payment of utility bills, fund transfers, ticket booking, payment of online purchase, and getting balance statement etc.
- **Bansal (2015)**; In India, banking sector continuously invest in information technologies such as ATM, Internet banking, Mobile banking, Tele banking etc.,
- **Parimalarani (2016)**; observed in her study that the volume of card transaction had increased to many fold.
- **Gupta (2017) & Kavitha (2018)**; stated that majority of the customers used debit card for making payment. Many researchers have done in digital banking.
- **Gomachab.R (2018)**; study is based on impact of Mobile Banking on Customer Satisfaction and perception.
- **Pattan (2018)**; studied the customers perception towards E- payment system, the study highlighted that debit card have high credibility and are most popular kind of e- payment system.
- Various studies like studied made by **Krishna Reddy (2015), Sunith (2019), Mohan & Manikandan (2016)**; analysed the awareness, preference, and customer satisfaction towards digital banking. So far no other studies conduct on customer perception towards digital banking during COVID-19 lockdown period, hence the researcher fill the research gap through this study.
- **Girish, V (2020)**; study observes the impact of Covid-19 on Mobile Banking Services

- **Hasan Et Al;** The purpose of this study is to find out the determinants that mainly affect the customer service quality perception of internet banking amongst genders and different age groups. The research found that Web design, security, trust, product diversification, credibility, collaboration, access and communication strongly affect the customer perception about the quality of internet banking service.

3. ANALYSIS & INTERPRATION:

Data interpretation is the process of analysing and making sense out of a collection of data that has been processed. The collection may be present in various forms such as bar graphs, line charts, and tabular columns. In this study, to analyse the adoption of E-banking services by the consumers during this pandemic situation, the statistical tools are used in it. They are as follow:

- Simple Percentage method
- Chi square test method

3.1 DEMOGRAPHIC PROFILE OF RESPONDENTS:

BACKGROUND	FREQUENCY	PERCENTAGE
GENDER		
Male	75	62.5
Female	45	37.5
AGE		
18-25	24	20
25-35	40	33
35-45	25	21
45-55	21	17.5
Above 55	10	8
MARITAL STATUS		
Unmarried	53	44.2
Married	67	56
OCCUPATION		
Business	28	23
Corporate employee	35	29.2
Government employee	24	20
Housewife	18	15
Student	15	12.5
ANNUAL INCOME		
Upto 100000	59	49.2
100001-500000	27	22.5
500001-1000000	20	17
Above 100000	14	12
RESIDENTIAL STATUS		
Metropolitan	30	25
Rural	20	17
Semi urban	15	12.5
Urban	55	46
QUALIFICATION		
Higher graduation	20	17
Diploma	12	10
Graduate	30	25
Post graduate	58	48
BANK SECTOR		
Public sector bank	40	33
Private sector bank	80	67

DATA INTERPRETATION:

As presented in table (62.5%) of male customers were using digital banking. (33%) of young customers were in the age group of 25 to 35 years and they were using digital banking services and only (8%) of customers were above 55 years, so majority of the customer conducted are mid age customers. (56%) of respondents were married. During the lockdown period, majority (29.2%) of the corporate customers were accessing digital banking services. Majority (49.2%) of customer's annul income was Rs.1, 00,000 and another (22.5%) of customer's income were around Rs.1, 00,001 to Rs.5, 00,000. From the table it is clear that (46%) of the customers were from urban area and they accessed digital banking services during lockdown period, which is subsequently followed by 30% of metropolitan customer who accessed the banking transaction through digital banking system. When we consider the respondents based on their educational qualification (48%) of customers were postgraduate. (67%) of customers are maintaining their account in private sector bank and remaining (33%) of customers are maintaining their account in public sector bank. It was inferred that majority of the respondents are having their bank account with private sector bank and they used digital banking services during the lockdown to avoid physical bank services.

3.2 COMPARATIVE SIGNIFICANCE BETWEEN SECTOR BANKS AND CUSTOMER PERCEPTION ON INTERNET BANKING:

Particulars	Conve nience	Spe ed	Sec urit y	Ease of use	Qualit y of servic es	Total
Public sector bank	7	14	9	4	10	58
Private sector bank	21	11	19	6	19	62
Total	28	25	28	10	29	120

O	E	O-E	(O-E) ²	(O-E) ² /E
7	5.68	1.32	1.74	0.31
14	12.08	1.92	3.69	0.31
9	13.53	-4.53	20.52	1.52
4	5.31	-1.31	1.72	0.32
10	7.73	2.27	5.15	0.67
21	19.31	1.69	2.86	0.15
11	12.91	-1.91	3.65	0.28
19	14.46	4.54	20.61	1.43
6	8.26	-2.26	5.11	0.62
19	20.6	-1.6	2.56	0.12
			CV	5.72
			TV	9.49

CHI SQUARE VALUE: $X^2 = \sum (O-E)^2/E$

CV=5.72

Degree of freedom=(r-1) (c-1)

(2-1) (5-1)

(1) (4)

= 4

Table value= 9.49

HYPOTHESIS:

H₀: There is no significant relationship between the sector banks and consumer perception towards E-banking services.

H₁: There is significant relationship between the sector banks and consumer perception towards E-banking services.

Level of significance is 0.5% or 0.05%.

DATA INTERPRETATION:

In the above analysis, the calculated value is 5.72 is less than table value 9.49 at the level of significance of 5%. Hence, the null hypothesis is accepted. Thus there is relationship between sector banks and consumer perception towards E-banking services

3.3 UNDERSTANDING CUSTOMERS SATISFACTION LEVEL ON USAGE OF E-BANKING SERVICES:

PARTICULARS	PERCENT AGREED	PERCENT DISAGREE	NO OPINION
Convenience	78.00	4.00	18.00
Speed	64.00	4.29	31.71
Security	62.86	7.14	30.00
Procedure	50.29	7.43	42.49
Ease of use	58.57	16.86	24.57
Service cost	41.14	16.57	42.29
Reliability	73.71	3.71	22.57
Quality of services	59.43	6.57	34.00

DATA INTERPRETATION:

In the above table, it shows that majority of the customers (78%) agree that it is very easy to access banking services anywhere. They are very convenient to get adopted to the services. Besides, there were many participants (4%) who disagreed that it was difficult. In the perception of speed, as many as (64%) of respondents expressed that the speed of the ATM and processing time of payments through internet banking was fast while a few participants (4%) indicated that it took a longer time to pay money through the internet. Customers who moved to ATM took all the safety precautions like social distancing, sanitizers and mask to prevent themselves attacking from covid. In term of security, almost (62%) of the participants ensured that it was secure to pay money through e-Banking services and also believed that private information was protected when using e-Banking services. About the procedure of applying for internet banking, over (8%) of customers indicated that the procedure was complicated while (51%) felt that it was simple. In the perception of ease of use, a large percentage of the participants (57.14%) agreed that it was easy to use internet banking services. Many customers (42%) responded that the transaction fee was lower with e-Banking services than conventional banking. Furthermore, the majority of participants (71%) felt that transactions of internet banking were trustworthy, and only (3.71%) of the participants disagreed with it. Additionally, most of the customers (51%) indicated that the quality of internet banking service is better than conventional banking service.

4. FINDINGS

This study helps us to find that gender, marital status, education levels had significant influence on the customer perceptions of internet banking in Coimbatore city. However, there were differences in customers' views among ages, occupations, income levels, and frequency of using internet banking. These findings implied that bank managers should select the most effective marketing strategies for different groups of ages, occupations, income levels and frequency of use so that they can enhance the perception of customers about internet banking. Bank managers may design appropriate promotion programs or campaigns that can attract customers to use internet banking services and also increase the awareness of customers about internet banking.

In addition, the study also confirms that convenience, speed, security, ease of use and quality of service were positively related to customer satisfaction. Moreover, the research also found that there is significant relationship between sector banks and customer perceptions towards e-banking services. Today, in this pandemic period private sector banks are providing better digital services which help the customers to access it very conveniently. This information is useful for managers in making decisions to prioritize improving their current services in the areas to increase the satisfaction of customers.

The present study evident that, through correlation analysis it is identifies that there is a significant relationship between digital banking services and overall customer satisfaction. Customers were highly satisfied with services and processing time of payments during COVID lockdown period. Customers are highly satisfied with the

convenience, speed, security, reliability, procedure, ease of use and the quality of services. The majority of customers have adopted these services mainly during this pandemic. Most of the customers indicated that the quality of internet banking service is better than conventional banking service

5. SUGGESTIONS:

- The public sector bank should concentrate on providing better E-banking services and should satisfy the customer needs.
- The banking sector should provide awareness through campaigns in rural areas so that they could avail these services in this situation.
- The banks should take initiative to provide more services like mobile banking which can be easily accessible to the common peoples in rural areas so that they can do banking transactions without going to bank.

6. CONCLUSION:

This study helps us to understand that majority of the customers are satisfied by E-Banking services especially in this pandemic situation. Most customers felt that internet banking was convenient, there are many types of internet banking services for them to use and they can access them anywhere. Almost half of the customers felt that it was secured to pay money through internet banking and most of customers also believed that their private information was protected when using online transactions. This study was about adoption of E-banking services during the pandemic in Coimbatore city. Also, this study serves as a source of understanding for customers' priorities and focuses required from e-banking services to become satisfied from the online banking platforms during the lockdown. Additionally, it assists banks in strategic decisions making for improvements in the e-banking future of Coimbatore and manage COVID-19 and digitalization.

REFERENCES

Links

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