



“A STUDY ON AWARENESS AND PERCEPTION OF CUSTOMERS TOWARDS ONLINE BANKING SERVICES WITH SPECIAL REFERENCE TO SBI ANGAMALY”

BY

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INTRODUCTION

Technology plays a significant role in banking industry. Today banking is one of the big financial institution continuously explores various fields of technology which enable services to give ease and better customer experiences. Online banking is also known as internet banking is an electronic payment system that enables customers of a bank or other financial institution to conduct a range of financial transactions through financial institutions website. Internet banking system allows individuals to perform banking activities at home via internet. Internet banking transactions states that customers use the internet to get access to their personal or business bank accounts at anytime, anywhere and to undertake banking transactions through the banks website without inconvenience. It allows their customers to do their banking transactions anytime and to undertake continuous control over their account.

Information technologies, the rise of smart phone usage and availability of strong network connectivity has paved the way for online banking systems. Rivalry and changes in technology and customer life style in the last 15 years have changed the banking industry. The changes that have taken place impose tough standards of competition and compliance. The main significance of online banking is that the people can access banking services at anywhere, anytime. This has become possible with the reach of mobile devices and further development in the technologies. Apart from reach of communication device, revolution in mobile technology like 2G, 3G, 4G are created more market where the potential people are adopting latest technologies. At basic level, internet banking involves providing information about banking products and services. At advanced level, it involves transferring of funds, accessing accounts and online banking services to the customers.

Electronic banking, also known as Internet banking or mobile banking is defined as the automated delivery of

new and traditional banking products and services directly to customers through electronic, interactive communication channels (Daniel, 1999; Sathye, 1999). E-banking provides services to both consumers and its banks. From the customer's perspective, e-banking allows customers to perform a wide range of banking transactions electronically via the bank's website 24/7. The emergence of new technology allows access to banking and banking services without physical connection to the bank premise by the customer. The banking through internet: concept of Automated Teller Machines (ATMs) is the best example. At present, ATMs are city oriented in our country. It is inevitable that ATMs will be widely used, in semi-urban and rural areas. Along with ATMs

many other reforms are also take part in the banking sector. E-banking gives consumers much more choice. Consumers will be less inclined to remain loyal. The electronic devices which perform interact with customers and communicate with other banking system is called electronic banking delivery channels. Online banking services are the most emerging and widely used form of development in the banking sector.

The online banking system will typically connect to or be part of the core banking system operated by a bank to provide customers access to banking services in place of traditional branch banking. Online banking offers greater convenience to customers in time saving in coming to a branch and convenience of being able to perform banking transactions even when the branches are closed. In 1998, ICICI introduced online banking to the customers for the first time.

Online banking system is differs in many ways from traditional banking. In online banking system the bank has a centralized database that is web enabled. All services of bank are interconnected through terrestrial or satellite links. It would be a borderless entity permitting anytime, anywhere, anyhow banking. In this new situation, the customer is defined as an end- user of bank's data processing system. From a bank's perspective, using the internet is more efficient than using other distribution mediums because banks are looking for an increased customer base. People are becoming more comfortable with banking online and they believe that it is necessary for all community banks to offer online banking services.

STATEMENT OF THE PROBLEM

Online banking is changing and developing with technology every day. Bank customers began to deal with internet banking with the increasing usage of the internet and social media.

The development and increasing progress in the information and communication technology have brought about almost all faces of life. In the Banking Industry it has been in the form of online banking.

The study is carried out with the objective of investigating customer perceptions regarding online banking and awareness. The primary feature of every bank is its customer service and their service quality. A customer always expects that the bank should come up to the level to full fill their needs. Service quality implies the expectations and satisfying needs of customers. So sometimes it is very difficult for both public and private to perform to their best of their abilities to retain to their customers. Many times it happens that the bank fail to satisfy

customers which can cause huge loss for banks. This study tries to find that, it is the technology that has really helped to customers by providing quality service in less time.

SIGNIFICANCE OF THE STUDY

In recent days, people are depending more on technology because of advanced technological up-gradation. Reforms in banking sector to empower and aware people financially and technically are definitely the footsteps towards the growth and development of the nation. Many people are still not aware of the developments in banking sector and face difficulties in accessing the banking services. Online banking services provides an opportunity for increasing technological knowledge among people and helps people to access banking services anytime, anywhere. The study is needed to find out the perception and provide awareness of consumers towards online banking services.

SCOPE OF THE STUDY

The study helps the customers to have a clear picture about the online banking services provided by the banks and the effectiveness of using internet banking platform. The scope of the study is limited to State Bank of India Angamaly. The sample size of the study is 100.

OBJECTIVES

- To study customer perception towards online banking services with special reference of State Bank Of India Angamaly
- To analyse the level of awareness of customers towards internet banking services.
- To analyse the online banking services provided by the bank.
- To analyse the promotion of banking services through online banking from the view of customers.
- To analyse problems faced by customers during online banking service process

METHODOLOGY OF THE STUDY

The structured questionnaire is used to collect the primary data. The survey was conducted among 50 respondents in State Bank of India Angamaly. Data which are not originally collected but rather obtained from the published or unpublished sources are known as secondary data. A sample of respondents among the public was selected by convenient sampling. Percentage analysis is used to analyse the data and tables are used for the presentation of data. Area of study is limited to 100 respondents in State Bank of India Angamaly and hence it cannot actually represent the whole population.

DATA ANALYSIS AND INTERPRETATION

TABLE 1.1 DEMOGRAPHY OF RESPONDENTS

Categories		Number of Respondents	Percentage
Gender	Male	26	26
	Female	74	74
	Other	-	-
	Total	100	100
Age	18-25	62	62
	25-29	20	20
	30-39	16	16
	Above 40	2	2
	Total	100	100
Educational Qualifications	School Level	14	14
	Graduate	42	42
	Post Graduate	38	38
	Other Professional Courses	6	6
	Total	100	100
Employment Status	Employed	32	32
	Unemployed	8	8
	Student	60	60
	Others	-	-

	Total	100	100
Annual Income of Family	Below 100000	74	74
	100000-500000	16	16
	Above 500000	4	4
	No income Category	6	6
	Total	100	100

Source: Primary Data

TABLE 1.2

BASIC INFORMATION REGARDING ONLINE BANKING SERVICES

Categories		No of Respondents	Percentage
Awareness of Online banking Services	Yes	100	100
	No	-	-
	Total	100	100
Usage of Online banking Services	Yes	100	100
	No	-	-
	Total	100	100

Source: Primary Data INTERPRETATION

Awareness and Usage of Online banking Services: Table shows that all the respondents are well aware of the online banking services and its existence.

Table 1.3

REASONS FOR USING ONLINE BANKING SERVICES

Reasons	Strongly Agree	Agree	Neutral	Disagree	Strongly Disagree	Weighted Average	Rank

Less costly than other banking services	59	26	10	5	-	29.27	I
Transaction procedures are simple and straight forward	56	24	18	2	-	28.9	II
Transactions are complex	16	14	30	34	6	20	X
Banks give enough information about online banking services	26	28	40	4	2	24.8	VII
I am well informed about online banking services	24	24	42	8	2	24	VIII
Personal data is protected during the banking process	20	38	34	6	2	24.53	VI
Walk in Contact is essential	14	28	34	22	2	22	IX
24/7 account accessibility	32	44	18	4	2	26.66	IV
More effective than other banking services	26	50	20	4	-	26.53	V

Banks will provide support if there is any problem	24	58	16	2	-	27	III
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Source: Primary Data INTERPRETATION

Table shows the reasons and satisfaction level of respondents to online banking services.

Online banking services are 'less costly than other banking services' is ranked as first with a weighted average as 29.27. Procedures for online banking transaction is simple and straightforward is ranked as second with a weighted average as 28.9. Support of banks in banking issues and 24/7 account accessibility is ranked third and fourth with weighted average as 27 and 26.66. Effectiveness and protection of personal data during online transaction process is ranked as fifth and sixth with weighted average as 26.53 and 24.53. Providing of enough information by the banks and level of knowledge of respondents is ranked as seventh and eighth with weighted average as 24.8 and 24. Walk in contact and complex transactions are ranked as ninth and tenth with weighted average as 22 and 20.

Less costly: Out of all respondents 59 percent strongly agree that online banking is less costly than other banking services. 26 percent agreed and 10 percent shows a neutral opinion. 5 percent disagrees on the reason that online banking is less costly.

Procedures are simple and straight forward: 56 percent strongly agrees that procedures are simple and straight forward in online banking. 24 percent agrees, 18 percent shows neutral response and 2 percent disagrees with the statement.

Transactions are complex: Among all respondents 16 percent strongly agrees that transactions are complex. 14 percent agrees and 30 percent shows neutral response. 34 percent disagrees that online banking transactions are complex. 6 percent strongly disagrees that transaction procedures are complex.

Provides enough information: Out of all respondents, 26 percent strongly agree that banks provide adequate information about online banking services. 28 percent agrees and 40 percent tends to be neutral. 4 percent disagrees and 2 percent strongly disagrees with this reason.

Knowledge level: 24 percent respondents are very well informed about online banking services. 24 percent agrees that they have better knowledge level about online banking services. 42 percent shows a neutral opinion on this reason. 8 percent disagrees and 2 percent strongly disagrees that they are well informed about online banking services.

Protection of personal data: 20 percent strongly agree that all personal data are protected during the banking process. 38 percent agrees and 34 percent shows a neutral opinion on this reason. 6 percent disagrees and 2 percent strongly disagrees that personal data are protected during the banking process.

Walk in contact: 14 percent strongly agrees that walk in contact is essential in completing banking process. 28 percent agrees and 34 percent tend to be in neutral opinion. 22 percent disagrees and 2 percent strongly disagree in the reason that walk in contact is essential in completing banking transactions.

24/7 account accessibility: 32 percent strongly agrees that 24/7 account accessibility is possible in online banking. 44 percent agrees and 18 percent have neutral on this reason. 4 percent and 2 percent of respondents disagree and strongly disagree on this reason.

Effective than other banking services: 26 percent strongly agrees that online banking is effective than other services. 50 percent agrees and 20 percent neutrally agrees with this. 4 percent respondents disagree that online banking services is effective.

Support services from bank: 24 percent strongly agree that banks will provide enough support, if there is any problem in online banking services. 58 percent agrees and 16 persons tend to be in neutral. 2 percent disagree that banks will provide support, if there is any problems in online banking services.

Table 1.4

ONLINE BANKING WEBSITE EXPERIENCE LEVEL

Experience Level Statements	Strongly Agree	Agree	Neutral	Disagree	Strongly Disagree	Weighted Average	Rank
Information is clear and easy to understand	12	54	30	4	-	24.93	I
Easily find what I'm looking for	16	44	34	6	-	24.33	IV
Website Includes all the information I needed	10	52	36	2	-	24.66	III
Works well technically and appropriately	10	42	34	14	-	23.2	V
Website meet my needs	14	48	34	4	-	24.8	II

Source: Primary Data INTERPRETATION

Table shows the experience level of respondents while using online banking websites. Websites information is clear and easy to understand is ranked as first with a weighted average 24.93. Website meet the needs is ranked as second and website includes all information is ranked third with weighted average as 24.8 and 24.66. The statement easily find what respondents look is ranked as fourth and website works well technically is ranked as fifth with weighted average 24.33 and 23.2 respectively.

Information is clear and easy to understand: out of all respondents, 12 percent strongly agree with this statement. 54 percent agrees and 30 give a neutral opinion. 4 percent disagree with the statement that information is clear and easy to understand.

Possible to find easily: 16 percent strongly agrees that it is easy to find information from website. 44 percent agrees and 34 shows neutral opinion. 6 percent disagrees with this statement.

Website includes all information needed: 10 percent strongly agrees that website includes all information needed. 52 percent agrees and 36 percent tends to show neutral opinion. And 2 percent disagrees that websites includes all the information.

Work well technically: 10 percent strongly agrees that websites work well technically. 42 percent agrees and 34 shows neutral opinion on this statement. 14 percent disagrees that it works well technically.

Website meets needs: 14 percent strongly agrees that the site meet all the needs. 48 percent agrees and 34 percent shows neutral opinion. And 4 percent disagree that website meet all needs of respondents.

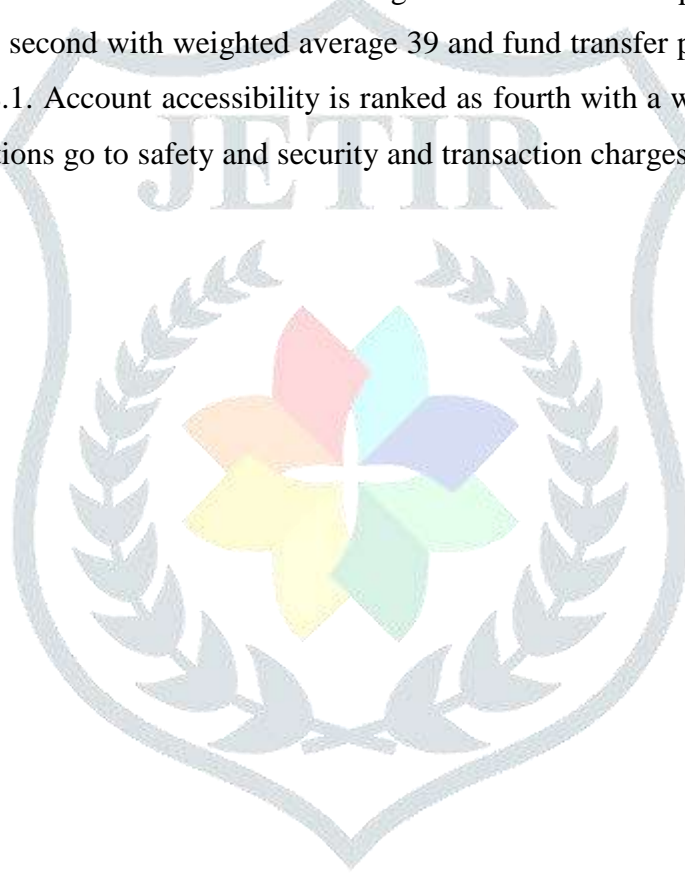
TABLE 1.5**USERS RESPONSE TO FACTORS INFLUENCING ONLINE BANKING**

Factors	High	Moderate	Low	None	Weighted Average	Rank
Safety and Security	52	42	6	-	37.1	V
Convenience	74	24	2	-	39.3	I
Transactions Charge	46	42	12	-	36.1	VI
Fund Transfer	60	38	2	-	38.1	III

Account Accessibility	60	34	6		37.8	IV
Speed and Efficiency	70	28	2	-	39	II

Source: Primary Data INTERPRETATION

Table depicts the information regarding the user's response to the factors which influence online banking services. The factors which considered for analysing the response are safety and security, convenience, transaction charge, fund transfer, account accessibility and speed and efficiency. In overall responses, respondents give first rank to the convenience with a weighted mean of 39.3. Speed and efficiency in using online banking is ranked as second with weighted average 39 and fund transfer processing is ranked as third with a weighted average 38.1. Account accessibility is ranked as fourth with a weighted average of 37.8. And the last two positions go to safety and security and transaction charges with a weighted average of 37.1 and 36.1 respectively.



Safety and Security: In table 4.11, safety and security is considered as the second factor in using online banking services. 52 percent of respondents are highly influenced with the safety and security factor, 42percent are moderately influenced and 6 percent have a very low influence on safety and security.

Convenience: Convenience is ranked as the first factor in using online banking services. 74 percent of respondents are using online banking because of its convenience. 24 percent is moderately influenced. And 2 percent shows a low influence on convenience factor.

Transaction charge: 46 percent are highly influenced by the factor transaction charges. 42 percent is moderately influenced and 12 percent shows a low influence on transaction charges.

Fund Transfer: Fund transfer is the third ranked factor which influenced for using online banking. 60 percent respondents are using online banking services because of easy fund transfer, 38 percent are going on neutral opinion and 6 percent has a low influence on fund transferring.

Account Accessibility: 60 percent are satisfied with the account accessibility, 34 percent shows neutral opinion and 6 percent shows a low influence on account accessibility.

Speed and Efficiency: 70 percent shows a high satisfaction and influence on speed and efficiency of online banking services. 28 percent are moderately and 2 percent shows a low influence on online banking services.

TABLE 1.6
SATISFACTION LEVEL OF BANKING SERVICES

Attributes	Personalised Services		Customer Services		Computerised Banking	
	No of	Percentage	No of	Percentage	No of	Percentage

	Respondents		Respondents		Respondents	
Highly Satisfied	12	12	28	28	46	46
Satisfied	66	66	60	60	38	38
Neutral	20	20	10	10	14	14
Dissatisfied	2	2	2	2	2	2
Highly Dissatisfied	-	-	-	-	-	-
Total	100	100	100	100	100	100

Source: Primary Data INTERPRETATION

Table shows satisfaction level of banking services.

Personalised Services: 12 percent are highly satisfied with the personalised services provided by the bank. 66 percent are satisfied. And 20 percent shows a neutral opinion and 2 percent are dissatisfied with the personalised services provided by the bank.

Customer Services: 28 percent are highly satisfied with the customer services, 60 percent are satisfied. And 10 percent shows a neutral opinion and 2 percent are dissatisfied with the customer services provided by the bank.

Computerised Banking Services: Out of all respondents, 46 percent are highly satisfied with computerised banking, 38 percent are satisfied. And 14 percent shows a neutral opinion and 2 percent are dissatisfied with the computerised banking services.

TESTING OF HYPOTHESIS

CHI-SQUARE TEST

Hypothesis:

H₀: There is no significant relation between educational qualifications and satisfaction level of respondents towards online banking services.

H₁: There is a significant relation between educational qualification and satisfaction level of respondents towards online banking services.

1. ANALYSIS OF EDUCATIONAL QUALIFICATION AND PERSONALISED SERVICES CONTINGENCY TABLE

Educational Qualification	Personalised Services					Total
	Highly Satisfied	Satisfied	Neutral	Dissatisfied	Highly Dissatisfied	
School Level	3	6	5	0	0	14
Graduate	3	34	5	0	0	42
Post Graduate	5	26	5	2	0	38
Other Course	1	0	5	0	0	6
Total	12	66	20	2	0	100

Source: Primary Data

RESULT TABLE

Degree of Freedom	12
Level of significance	0.05
Table value	21.026
Calculated value	3.3139
Result	Accepted

The calculated value 3.3139 is less than 21.026. So we accept null hypothesis and reject the alternatives. Therefore, there is no significant relationship between educational qualification and satisfaction level of respondents.

2. ANALYSIS OF EDUCATIONAL QUALIFICATION AND CUSTOMER SERVICES CONTINGENCY TABLE

Educational Qualification	Customer Services					Total
	Highly Satisfied	Satisfied	Neutral	Dissatisfied	Highly Dissatisfied	
School Level	8	6	0	0	0	14
Graduate	8	26	8	0	0	42
Post Graduate	10	24	2	2	0	38
Other Course	2	4	0	0	0	6
Total	28	60	10	2		100

Source: Primary Data

RESULT TABLE

Degree of Freedom	12
Level of significance	0.05
Table value	21.026
Calculated value	1.156
Result	Accepted

The calculated value 1.156 is less than 21.026. So we accept null hypothesis and reject the alternative. Therefore, there is no significant relationship between educational qualification and satisfaction level of respondents.

3. ANALYSIS OF EDUCATIONAL QUALIFICATION AND COMPUTERISED BANKING SERVICES CONTINGENCY TABLE

Educational Qualification	Computerised Banking Services					Total
	Highly Satisfied	Satisfied	Neutral	Dissatisfied	Highly Dissatisfied	

School Level	12	2	0	0	0	14
Graduate	16	16	8	2	0	42
Post Graduate	16	20	2	0	0	38
Other Courses	2	2	2	0	0	6
Total	46	38	14	2	0	100

Source: primary data

RESULT TABLE

Degree of Freedom	12
Level of significance	0.05
Table value	21.026
Calculated value	15.9736
Result	Accepted

The calculated value (15.9736) is less than (21.026). So we accept null hypothesis and reject the alternative. Therefore, there is no significant relationship between educational qualification and satisfaction level of respondents.

TESTING OF HYPOTHESIS

ANOVA

Hypothesis:

H₀: There is no significant relationship between usage barriers and willingness to pay service charge.

H₁: There is a significant relationship between usage barriers and willingness to pay service charge.

ANALYSIS ON USAGE BARRIERS AND WILLINGNESS TO PAY SERVICE CHARGE

Willingness to Pay Service Charge	Usage Barriers				Total
	Insufficient and complex transactions	Server Issues	Lack of Safety and Security	Inconvenient to make deposits	
Willing to pay charge	0	14	0	0	14
Can pay the charge, if it provides better feature	8	28	4	4	44
Can pay if its only once in a year	2	18		2	22
Wouldn't use online banking with service charge	0	18	2	0	20
Total	10	78	6	6	100

Source: Primary Data

RESULT TABLE

Degree of Freedom	(3,12)
Level of significance	0.05
Table value	3.490
Calculated value	24.07
Result	Rejected

The calculated value 24.07 is more than the table value 3.490. Therefore we reject the null hypothesis and accept the alternative hypothesis. So there is a significant relationship between usage barriers and willingness to pay service charge.

CONCLUSION

Our economy is facing a wave of change with modern technologies penetrating into all sectors of manufacturing, trading and services which are now giving makeover for economy. This makeover is creating a great effect on banking sector today. The nature of banking transaction is moved from the long queue at the bank counter to small screen that fits our hand. Banks began to use emerging technologies to provide better qualities services to customers at less cost and greater speed. Electronic banking is a new face of banking made it convenient for customers to make their transactions from any geographically diverse place. The banks now removed their traditional ways and introduced modern concepts in their services. Internet banking provides alternatives for faster delivery of banking services to wide range of customers.

From the study “**A Study on awareness and perception of customers towards online banking services with special reference to SBI Angamaly**” states that by the increasing development of technology in banking industry, there is a huge rise in the usage of online banking services in our country. Mostly everyone are now aware about the online banking services provided by their bank and by the introduction of better features in their services, it will increase the satisfaction level of the customers. But still there is so many issues and barriers which need to be covered up and thereby makes a increase in the satisfaction level of customers.

Customers are corner stone of the success of banking activities. Customer awareness has a significant impact on interest to use online banking. Consumers are interested because they have heard about it from somewhere and think that E- banking allows them to do banking transactions anytime. If banks take more efforts in reaching out to consumers and give information about online banking, then more consumers will use online banking services. Technology is now enabling consumers to do their banking transactions just by clicking on mobile or by sending SMS. So this is acting as a pull factor to increase adoption of online banking services.

The study analysed the overall customer perception on online banking services. The study also reveals that different age group of customers has different perception towards e-banking services and the usage levels of customer are different. Bank should educate the senior citizens about usage of internet banking services.

SUGGESTIONS

- The banks should come forward with more meaningful advertisements and awareness campaigns among customers regarding online banking services.
- Banks should try to win customers confidence by providing adequate security transactions and the bank staff must know all the facilities of online banking so they can say about.
- Governments should provide adequate regulatory frameworks that will ensure customer protection and security transactions.
- Software should be updated in such a way that the complaints like network failure can be minimized.
- Broadcast and print media, outdoor media have to be exploited to reach people of all ages because advertisement is the important source of creating awareness and it influencing the people in a better way.
- Banks should encourage the usage of E-banking services by giving incentives, because by using it, banks and customer can save time and money.
- Banks should hold demonstration and provide training to customers to explain about its usage, effectiveness etc, for the usage of all types of E-banking services.
- Creation of customer awareness and education for technology adoption is necessary in rural areas.

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