



AWARENESS AND SATISFACTION AMONG THE CUSTOMERS OF SELECTED BANKS REGARDING ELECTRONIC BANKING AFTER DEMONETIZATION

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Research Guide

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ABSTRACT

Electronic banking refers to the use of internet as a remote delivery channel for banking services. It means any user connected to his bank through personal computer and a browser to his bank website to perform any of the banking functions. It is necessary to study in the changing environment banking industries adopt electronic banking system as a medium of operating in the market. In current position most of banking company are provide their services to their customers by using this electronic channels because of its relatively lower delivery cost, higher sales and potential for offering greater convenience for customers. In modern business environments, customers want better choice. They want the traditional range of banking services by the convenience of online capabilities and a stronger focus by banks on developing personal relationships with customers. The study is primarily to understand the customer perception and awareness level regarding electronic banking.

Introduction

Delivery of bank services to a customer at office or home by using Electronic Technology can be termed as Electronic Banking. The quality range and price of these electronic services decide a bank competitive position in the industry. With the introduction of the Electronic Banking and the opportunities it has provided, new products and services are emerging that are set to change the way we look at money and the monetary system. Apart from ATMs with enhanced functionality, there are Automated Loan Machines which can accept and process loan applications from customers. Smart Cards, which can store account balance and update the same periodically, can be useful to customers for payment of various types of utility bills and can function like electronic purses. It shifted towards a cashless society.

The implementation of Electronic Banking shall grow multifold from the since 2000. Customers are no longer forced to deal with banks during the limited hours when their branches are open for business. 24 Hour banking service, 7 days a week service are available from cash dispensing machines. For non-cash transactions the home-banking offers even greater advantages. Customers can do their banking not only when they want to do but also from the convenience, comfort, privacy and security of their homes by using internet. In fact the adoption of the Debit Card, Credit Card or Smart Card is likely to have the effect of gradually separating retail banking from bank notes and coins. As a result customers can be expected to demand more home-based banking. There has been talk for some time that physical cash, notes and coins, will become a thing of the past and digital cash, electronically held value, will become the norm. This may well be the case. Many non-cash payment systems are already in use. Telephone banking and bill payment are just a couple of examples. The emergence of e-commerce can throw open several opportunities for bank to participate in the settlement mechanisms and earn a handsome fee.

Literature Review

S.B. Sachdev and H.V.Verma (2004) described that today competition in Indian banking industry, customers have to make a choice among various service providers by making a trade-off between relationships and economies, trust and products, or service and efficiency.

Divya Singhal and V. Padhmanabhan (2008) described that Internet banking is becoming is increasingly popular because of convenience and flexibility. The present research work explores

the major factors responsible for internet banking based on respondent perception on various internet applications. The author also provides a framework of the factors which are taken to assess the internet banking perception.

Gbadeyan and Akinyosoye (2011) stated that the development and increasing progress are being experienced in the Information and Communication Technology. It has been brought about a lot of changes in almost all facets of life. In the Banking Industry, it seems in the form of online banking. And now replacing the traditional banking practice. Online banking has a lot of benefits which add value to customers satisfaction in terms of better quality of service offerings. But at the same time enable the banks gain more competitive advantage over other competitors. There are some associated risks identified in the study that seem to hinder the success of e-banking services and thus constitute major concern to both financial institutions and customers.

Objectives of the Study

The study is primarily to understand the customer perception and awareness level regarding electronic banking. The detail objectives of the study describe as follows.

1. To evaluate the satisfaction level of customer.
2. To analyses on customer responses on electronic banking.
3. To know the relevance of the electronic banking and demonetization.
4. To identify the role of electronic banking in development of Digital India.
5. To review the process of Electronic Banking.

Research Methodology

This research is based on primary and secondary data. The scope of the present study is to analyses the customer responses on Electronic Banking. The primary data has been collected from 600 customers from different demographic segments of selected public and private sector banks equally. The secondary data has been collected from internet and books.

Table 1- Demographic Profile of Customers

Demographic Factor	Public Sector Banks	Private Sector Banks	Total Frequency	Percentage
Gender				
Male	156	194	350	58.33
Female	144	106	250	41.66
Total	300	300	600	100.00
Age				
Below 25 years	66	78	144	24.00
25 to 40 years	133	117	250	41.67
Above 40 years	101	105	206	34.33
Total	300	300	600	100.00
Educational Qualification				
Under Graduate	22	27	49	8.16
Graduate.	193	177	370	61.67
Post Graduate	85	96	181	30.17
Total	300	300	600	100.00
Income				
Low	36	24	60	10.00
Medium	98	85	183	30.50
High	166	191	357	59.50
Total	300	300	600	100.00
Year of Experience				
Below 5 Years	219	204	423	70.50
Above 5 Years	67	78	145	24.17
Above 10 Years	14	18	32	5.33
Total	300	300	600	100.00

(Source: Data Collection)

Data Analysis

Table 2 – Score of Different Answer choices

Description	Score
Not at all aware	1
Slightly aware	2
Somewhat aware	3
Moderately aware	4
Extremely aware	5

The above table reflects the identification score while data collection from customers. The customers selected appropriate score as per their choices as mentioned below.

Table 3 – Awareness on Various Banking Services – Public Sector Customers

Particulars	1	2	3	4	5	Mean
Deposit Collection	6	4	12	155	123	4.2833
Issuing Draft	17	16	19	136	112	4.0333
Funds Transfer	1	1	3	129	166	4.5267
ECS Payments	2	3	4	142	149	4.4433
ATM Services	0	0	2	54	244	4.8067
Tax Payments	18	22	34	132	94	3.8733
Safe Locker	22	42	33	91	112	3.7633
Granting Loan	12	11	32	134	111	4.0700
Educational Loan	11	11	34	134	110	4.0700
Housing Loan	11	11	32	135	111	4.0800
Mutual Fund	32	48	70	111	39	3.2567
Investment Advice	72	62	74	66	26	2.7067
Online Services	22	42	36	122	78	3.6400
Mobile banking Services	8	11	27	132	122	4.1633
Credit card services	19	39	30	101	111	3.8200
Demat Services	68	44	55	94	39	2.9733

(Source: Data Collection and Analysis)

The above table reflects the score optioned from public sector customers regarding awareness of various banking services. The lowest scoring given to Investment advice, Demat Services and Mutual Fund by the public sector customers of selected geographic region.

Table 4 – Awareness on Various Banking Services – Private Sector Customers

Particulars	1	2	3	4	5	Mean
Deposit Collection	7	5	19	144	125	4.2500
Issuing Draft	22	32	17	134	95	3.8267
Funds Transfer	0	0	1	119	180	4.5967
ECS Payments	1	4	5	162	128	4.3733
ATM Services	0	0	1	69	230	4.7633
Tax Payments	11	18	42	134	95	3.9467
Safe Locker	9	21	33	101	136	4.1133
Granting Loan	6	7	19	143	125	4.2467
Educational Loan	7	9	11	140	133	4.2767
Housing Loan	5	4	14	142	135	4.3267
Mutual Fund	11	14	35	126	114	4.0600
Investment Advice	19	18	30	156	77	3.8467
Online Services	6	7	12	144	131	4.2900
Mobile banking Services	0	0	7	187	106	4.3300
Credit card services	11	7	18	157	107	4.1400
Demat Services	19	22	21	132	106	3.9467

(Source: Data Collection and Analysis)

The above table reflects the score optioned from private sector customers regarding awareness of various banking services. The lowest scoring given to Investment advice, Issuing Draft and Demat Services by the private sector customers of selected geographic region.

Table 5 – Satisfaction through various Banking Services – Public Sector Customers

Particulars	1	2	3	4	5	Mean
Collecting deposits	22	34	52	118	74	3.6267
Granting loans	26	32	49	129	64	3.5767
Agency functions	56	48	68	89	39	3.0233
Customer utility service	48	42	51	99	60	3.2700
Technological service	11	22	46	126	95	3.9067
CRM	22	21	42	121	94	3.8133
Safe vault facilities	34	32	41	131	62	3.5167
Fund transfer service	13	27	31	141	88	3.8800
Online banking	11	9	23	151	106	4.1067
Grievance handling	19	12	25	141	103	3.9900

(Source: Data Collection and Analysis)

The above table reflects the score optioned from public sector customers regarding satisfaction level of various banking services. The lowest scoring given to Agency Function, Customer Utility Services and Safe Vault Facilities by the public sector customers of selected geographic region.

Table 6 – Satisfaction through various Banking Services – Private Sector Customers

Particulars	1	2	3	4	5	Mean
Collecting deposits	19	22	32	134	93	3.8667
Granting loans	11	9	21	156	103	4.1033
Agency functions	21	20	34	121	104	3.8900
Customer utility service	34	31	42	134	59	3.5100
Technological service	4	9	13	154	120	4.2567
CRM	12	9	23	146	110	4.1100
Safe vault facilities	9	12	36	141	102	4.0500
Fund transfer service	2	3	11	132	152	4.4300
Online banking	3	3	6	141	147	4.4200
Grievance handling	5	6	4	156	129	4.3267

(Source: Data Collection and Analysis)

The above table shows the score optioned from private sector customers regarding satisfaction level of various banking services. The lowest scoring given to Customer Utility

Services, Collecting deposits and Agency functions by the private sector customers of selected geographic region. Therefore it seems that the differentiate opinion from public and private sector electronic banking customers.

Findings and Conclusion

The study was conducted among the customers who are aware and using electronic banking. Both the public and private sector customers benefited from electronic banking after demonetization. There was positive impact after demonetization in regards of electronic banking. The Internet is a name of the wonderful system that we can use through the computers, the amazing thing about Internet is that Internet quickly exploded into our daily life. The study reflects slight difference into the awareness of customers from public and private sector after demonetization. But considering the satisfaction level, it is point which should be take further study. Because there was huge difference in satisfaction level of customers.

The developments, in the Indian context, have made it possible to apply Electronic Technology to each banking transaction like cash receipts, cash payments, transfer of funds, payment of utility bills, payment of dividends and interests thereby moving society towards electronic banking. The combination of the falling cost of computer power and the growth of the multimedia. Electronics have liberated, that bank and their customers from the traditional constraints of Time and Place. Electronic banking is using electronic means to transfer funds directly from one account to another. Electronic banking is a system that enables bank customers to access accounts and general information on bank products and services through a personal computer or other intelligent device. Electronic banking has had a noticeable impact on bank performance.

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