
A STUDY ON THE CUSTOMER ACCEPTANCE OF E-BANKING INITIATIVES OF INDIAN BANK

Dr. D. Divya Prabha

Assistant Professor, KV Institute of Management and Information Studies
Coimbatore, Tamil Nadu

Abstract: Electronic banking is a development of the modern times and one of the most innovative modes of services offered by the banks to serve their customers better. To enhance the banking services offered to customers, banks started with the use of automatic teller machines, (ATM), direct bill payment, electronic fund transfer (EFT) etc. As customers prefer easy account management, the growth of online banking is seen as a benefitting strategy in the modern era. Different Banks in India have undertaken different activities due to the introduction of electronic media in its operations. This study analyses the customer acceptance of e-banking initiatives of Indian bank.

Keywords: Advertisement, Banks, Customer, e-Banking.

Introduction: The development of the World Wide Web (WWW) has brought significant changes in the way businesses are done all around the world. The banking industry is no exemption to this and banking through internet has emerged as a crucial resource for achieving higher efficiency in maintaining better customer relations. The e-banking services in India have seen a steady growth and are effectively implemented by private and public sector banks widely to satisfy the customers in this modernized world.

Among the different public sector banks, Indian bank is a premier public sector bank established in 1907 and is a forerunner in specialised banking. As a pioneer in introducing the latest technology in Banking, Indian bank has taken several e-banking initiatives like mobile banking, online fund transfers, banking lounge for 24 hour banking etc.

Scope of the Study: The study is about analyzing the customer acceptance of the e-banking services offered by Indian bank in Coimbatore District. This may help the bank to identify the real problems faced by customers and develop better strategies for improving the online banking services offered.

Objectives of the Study:

1. To study the customer perceptions regarding e-banking services provided by Indian Bank.
2. To identify the various problems involved in e-banking transactions.
3. To suggest the suitable measures for the problems faced by the customers.

Research Methodology: The area of the study is Coimbatore city only. Even though the population of the study is definite, for the purpose of this study, the data were collected from a sample of 100 customers using convenient sampling method.

Review of Literature: Several studies have been undertaken in the area of e banking and some of the reviews are as follows

Ziqi Liao (2002) in his study on e banking perceptions have identified that factors like accuracy, security, network speed, user-friendliness, user involvement and convenience were the most important quality attributes underlying perceived usefulness of e banking.

Divya Singhal and V. Padhmanabhan (2008) explores the major factors responsible for internet banking based on respondents' perception on various internet applications

Malika rani (2012) analyses the consumer perceptions and satisfaction towards the usefulness and willingness to use e- banking services

D. N. V. Krishna Reddy, Dr. M. Sudhir Reddy (2015) has analysed the consumer perception toward the convenience and willingness to use E-banking services

Dr. Sunita Bishnoi (2016) analyses the problems faced by customers while using e banking services and the results indicate that Connectivity problems and hacking of password are the major problems faced by consumers while using Internet banking services.

Analysis and Interpretation:

Table 1: Personal Profile of the Respondents

Age	No. of Respondents	Annual Income (In lacs)	No. of Respondents	Educational Qualification	No. of Respondents	Occupation	No. of Respondents
<30	32	<2	20	High School	18	Employed	16
30-40	30	2-5	32	UG	34	Business	42
40-50	24	5-10	34	PG	38	Service	22
>50	14	>10	14	Doctorate	10	Others	20
Total	100		100		100		100

Table 1 reveals that out of the 100 respondents, 32% of the respondents belong to the age of less than 30 years and 14% of the respondents were above 50 years. 34% of the respondents were earning the yearly income between 500000-1000000 and 14% of the respondents were earning the yearly income of above 1000000. Most of (38%) the respondents are educated with Master degree and 10% with Doctorate degree. 42% of the respondents are business men, whereas 16% of the respondents are employed in companies, while 20% of the respondents are involved in other kinds of occupation like brokering or just house wives etc.

Table 2: Responses about the Mode of Awareness of E-Banking Services

S. No.	Response about awareness	No. of Respondents	%
1	TV Advertisement	20	20
2	Advertisement in newspapers/magazines	18	18
3	Online advertisement	18	18
4	Through friends and relatives	17	17
5	Through Bank Officials	22	22
6	Others	5	5
	Total	100	100

Table 2 reveals that 20% of the respondents became aware of the e-banking through TV advertisement, 18% of them became aware through advertisement given in newspapers. 18% of them became aware through online advertisements, 17% knew about e-banking through their friends, while most of the customers came to know about the e-banking services, through the information given by their bank officials, whereas 5% of them came to know about e-banking services through other means like social media, on own accord etc.

Table 3: Period of Usage of E-Banking Services

S. No.	Period of Usage	No. of Respondents	%
1	Less than 1 year	8	8
2	1 to 2 years	26	26
3	2 to 3 years	35	35
4	3 to 5 years	19	19
5	Above 5 years	12	12
	Total	100	100

Table 3 reveals that a majority 35% of the customers are using the e banking services from a period of 2 to 3 years, while 8% of the customers are new to this concept and they have been using it for less than a year. Most of the businessmen (12%) have been using e-banking services for more than 5 years as they feel that using e-banking helps them to do business easily and faster.

Table 4: Motivational Factors for Using E Banking Services

S. No.	Motivational Factors	No. of Respondents	%
1	Convenience of banking	29	29
2	Eliminates time wastage	23	23
3	Saves money	5	5
4	Instant updates available	8	8
5	Hassle free payments	16	16
6	Ensures privacy	14	14
7	Enhances security	4	4
8	Others	1	1
	Total	100	100

When customers were asked about the factors that motivated them to use the net-banking, a majority of 29% of the customers' indicated that it is convenient to make transactions through net-banking. 23% of the customers feel that time is saved while using net banking as they need not go to the bank. 16% of the customers feel that payments can be made quickly and easily without any paper documents to be filled, while 14% of the customers feel that with passwords we can ensure privacy in the cash transactions which may not be possible in a bank.

Table 5: Preference of Customers for E-Banking Services

S. No.	e banking services	No. of Respondents	%
1	Tele-banking	18	18
2	Internet banking	38	38
3	Mobile Banking	44	44
	Total	100	100

Table 5 reveals that a majority of 44% of the customers use mobile banking services, while 38% of the customers use internet banking and 18% of the customers use tele-banking services.

Table 6: Responses Regarding Preferences for E-Banking Services

S. No.	Usage of E-Banking Services	No. of Respondents	%
1	e-ticketing	18	18
2	e-cheques	12	12
3	e-shopping	27	27
4	Online tax payment	15	15
5	Online share trading	21	21
6	Recharging	6	6
7	Others	1	1
	Total	100	100

Table 6 shows the analysis of the respondents' preference towards e-banking services. Majority (27%) of the respondents use net-banking services to buy products online, while people interested in share business (21%) use e-banking services when they engage in purchase and sale of shares. 12% use e cheques for money transfers, while 15% of the respondents pay taxes online. 18% of the customers use net-banking or mobile banking to buy cinema tickets online.

Table 7: Problems Faced by the Customers While Using E-Banking Services

S. No.	Problems Faced While Using E-Banking Services	No. of Respondents	%
1	Connectivity problems	12	12
2	Higher banking charges	16	16
3	Chances of fraud	15	15
4	Bank staff not responding promptly to the problems in using e banking	12	12
5	Remembering the ID and password	8	8
6	Network problems	32	32
7	Lack of knowledge about e-banking channels	4	4
8	Others	1	1
	Total	100	100

Table 7 analysis the problems faced by customers while they are doing net-banking, a majority of the customers (32%) reported that due to sudden disruptions in the networks, there is always a risk and doubt of incomplete transaction. 16% of the customers feel that the banking charges are higher for the e-banking services offered. 12% of the customers felt that in case of any doubts regarding the usage of net-banking, the bank officials do not respond properly as the customers feel that they are ignorant of the facts. 15% of the customers feel that the networks in India are not reliable and there are chances that our money may be misused or misappropriated by intruders.

Suggestions:

1. Long term banking customers have to be encouraged and rewarded for using e banking services.
2. More awareness (through training programs) has to be created among the bank officials regarding e-banking technicalities, so that they are able to answer the queries of the customers.
3. The banking charges can be reduced, which will be a motivational factor for the new customers to do net banking.
4. Making the sites more customer-friendly will benefit the customers.
5. Proper awareness and trust should be created in the minds of the customers towards e-banking facilities offered by the bank.

Conclusion: The marketing mantra of “Customer is a King” is no more on papers, as it has become a reality. A customer centric approach in the delivery of banking services is the need of the hour. In this environment of competition, only the best can survive. Therefore usage of modern technology for serving the customers better is highly imperative. The success of Internet banking not only depends on the technology, but also to a large extent on the attitude of the customers using the service and also the involvement of the bank staff in taking this facility direct to the customers. This will decide on how far the customers reap the benefits from Internet banking services.

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