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A STUDY ON CUSTOMER PERCEPTION AND SATISFACTION LEVEL OF E-BANKING WITH SPECIAL REFERENCE AT THUCKALAY TOWN

ABSTRACT

The application of information technology in the banking sector is an excellent opportunity for any kind of industry. E-Banking is a viral word spreading over the world. E-banking has changed the banking industry and made a major impact on banking relationships. E-banking is a concept which will enable anyone to conduct business with a bank from the comforts of the home/office. A web customer can shop on any website but payment will be made through e-banking. Banking is now no longer confined to the branches where one has to approach the branch in person to withdraw cash, to make deposits, a cheque request and to get the statement of accounts. In E-banking, enquiry for any kind of transaction is processed online without any reference to the branch at anytime. Providing internet banking is increasingly becoming a "need to have" than a "nice to have" service. The study aims at evaluating the level of awareness on e-banking services among the customers of banks. The researcher also focuses to identify the various factors influencing the usage of e-banking services. It also measures the level of satisfaction of e-banking services among the customers. Convenience sampling technique is used for the study to collect primary data. The primary data is collected through well structured questionnaire which is used to collect data. The secondary data is collected through books, journals magazines, theses and websites.

Keywords: ***e-banking, customers, service, banks, satisfaction, awareness***

INTRODUCTION

Over the last few decades information technology has played an important role in Indian economy. It has affected all the industries especially the banking industry and has provided a way for the banks to differentiate their products and services. The traditional way of financial services delivered to customers are had been used by the banks for more than 200 years. It has been replaced by the advent of multiple technologies and applications. The reason was the numerous key advantages that banks gain by providing electronic banking services. In this way they had lower transactions cost, 24 hours trading, more extended business territory and also increased efficiency in daily banking processes. The banking sector is also facing very stiff competition nowadays. In order to succeed such competition they must offer a wide array of products with the latest technology. At present many banks and financial institutions are actively developing new electronic banking products for their customers throughout the world. The key players of banking industry are its customers and all the efforts made by the banks are to satisfy the desirable needs of the customers. The entry of internet affected our daily life and the most dimensions of our lives such as education, communication, business etc were overshadowed by this novel phenomenon. One of these dimensions is to handle banking affairs through the internet. In India ICICI bank was the first bank which offered this delivery channel by kicking off its online services in 1996. Following this bank, some other private sector banks like Citibank, IndusInd Bank, HDFC and Times Bank (now part of HDFC bank) started offering internet services in 1999. In July 2001 State Bank of India launched its internet services.

Other public sector banks like Bank of Baroda, Allahabad Bank, Syndicate Bank and Bank of India also rolled its internet services during the same period. Recently banks in India offer full transactional websites to their customers. One can conduct a variety of transactions through internet banking facility which includes account summary, statement of banking transactions, funds transfer between accounts, status of loan applications, balance enquiry, utility bill payments, mini statement facilities, SMS alerts, cheque book request, cheque status enquiry, stop cheque request, credit card payments and facilities to contact account managers etc.

TECHNOLOGY IN INDIAN BANKS

The Indian banking system had gone through a series of crises and consequent bank failures. Though the growth of the Indian banks was quite slow during the first half of this century, it has recorded rapid progress only after its independence. Some factors are responsible for such progress are planned economic growth, increase in money supply, growth of banking transactions, guidance by the Reserve Bank of India, nationalization of top banks etc. Entry of technology in the Indian banking industry can be traced back to the Rangarajan Committee report back in 1980s. Banks started computerizing the front-end operations through Advanced Ledger Posting Machines (ALPMs). With the use of technology, the speed of the banking operations has been enhanced and the error in calculations has been reduced. Some banks like State Bank of India concentrated on the back office automation. Simultaneously clearing house operations were also computerized are duly supported and facilitated by the Magnetic Ink Character Recognition (MICR) technology for speedy reading/sorting of cheques. In the second phase, the concept of Total Branch Automation (TBA) was started by the banks. This automated the front-end and the back-end operations within the same branch. The network/backend infrastructure was decentralized which meant that each branch had its own server, banking applications databases and other supporting hardware and software. In the third phase during the nineties the banking sector witnessed various liberalization measures. New private sector and foreign banks emerged and equipped with the latest technology. These banks opted for a different model of having a single centralized database through a network infrastructure instead of having multiple databases for all their branches. These banks offered a whole new array of banking and financial products and services at minimal costs.

Technology became a key differentiator for the new private sector banks. It can be said that it is the technological superiority that helped the very existence and development of these banks. These developments opened the industry to severe competition and forced the public sector banks to embrace the new technologies in a big way for protecting their franchise value and maintaining their market share. At this stage, there was a wide and clear difference in the technological status of the techno savvy private sector banks. It can be said that the very survival of the private sector banks vested in the hands of their technological superiority.