

IMPACT OF E-BANKING REGARDING SERVICE QUALITY TOWARDS CUSTOMERS : A STUDY

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ABSTRACT

Financial advancement and innovation unrest have permitted the improvements of new furthermore, more effective conveyance and preparing channels and additionally more creative products and benefits in managing in banking industry. Banking institutions are confronting rivalry not just from each other yet in addition from non-bank money related middle people and additionally from alternative sources of financing. Another key test confronting keeping money foundations today is the developing and changing requirements and desires of buyers couple with expanded instruction levels and developing riches. Buyers are ending up progressively observing and have turned out to be more associated with their money related choices. This study of banks focuses on the impact of the demographic variable i.e. gender, qualification and occupation on the perception of the customers towards e-banking service quality.

Key words : E-Banking, Customers, Banks

INTRODUCTION

Banks have for the most part been in the cutting edge of harnessing development to improve their items, administrations and efficiency. They have, over a long time, been using electronic and media transmission frameworks for passing on a broad assortment of noteworthy esteem included items and administrations. The transport stations join coordinate dial - up affiliations, private frameworks, open systems and so forth et cetera and the devices consolidate telephone, Personal Computers including the Automated Teller Machines, et cetera. With the unmistakable quality of PCs, straightforward access to Internet and World Wide Web (WWW), Internet is dynamically used by banks as a channel for getting rules and passing on their things and administrations to their customers.

Widely, the levels of keeping cash administrations offered through INTERNET can

be arranged into three sorts: (I) The Basic Level Service is the banks' locales which scatter information on different items and administrations offered to customers and people from open overall. It may find and solution to customers' request through email, (ii) In the accompanying level are Simple Transactional Websites which empower customers to exhibit their headings, applications for different administrations, inquiries for them adjusts, and so on et cetera, however don't permit any reserve construct exchanges with respect to their records, (iii) The third level of Internet keeping money administrations are offered by Fully Transactional Websites which empower the customers to take a shot at their records for exchange of assets, portion of different bills, purchasing in to various aftereffects of the bank and to execute purchase and offer of securities, et cetera. The above sorts of Internet keeping money administrations are offered by traditional banks, as an additional

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strategy for serving the customer or by new banks, who pass on dealing with a record benefits essentially through Internet or other electronic transport channels as the regard included administrations. A bit of these banks are known as 'virtual' banks or 'Web just' banks and won't not have any physical closeness in a country paying little heed to offering diverse saving money administrations.

From the perspective of overseeing saving money items and administrations being offered through Internet, E-Banking is essentially regular continuing managing an account administrations passed on through an electronic correspondence spine, viz, Internet. Regardless, in the process it has hurled open issues which have suggestions past what another movement channel would commonly consider and, from now on, has compelled controllers world over to watch this rising channel. A part of the unmistakable features of E-Banking are:

1. It ousts the customary land checks as it could interface with customers of different countries/lawful locale. This has raised the issue of purview of law/supervisory structure to which such trades should be subjected.
2. It has added estimation to different kinds of threats generally associated with dealing with a record, expanding some of them and hurling new danger control challenges.
3. Security of dealing with a managing an account exchanges, authenticity of electronic get, customers' assurance, et cetera., which have from the earliest starting point been stresses of the two lenders and supervisors have expected particular estimations given that Internet is an open area, not subject to control by any single master or gathering of clients.
4. It speaks to a crucial peril of loss of business to those banks who don't respond in time, to this new advancement, being the gainful and monetarily canny transport instrument of managing account administrations.
5. A new kind of contention has created both

from the present players and new players of the market who are not by any means banks.

The Regulatory and Supervisory stresses in E-Banking rise fundamentally out of the unmistakable features outlined out above. These stresses can be thoroughly tended to under three general characterizations, viz, (I) Legal and regulatory issues, (ii) Security and advancement issues and (iii) Supervisory and operational issues. Legal issues cover those relating to the area of law, authenticity of electronic contract including the subject of denial, openings in the legal/managerial condition for electronic exchange. On the point of domain the issue is whether to apply the law of the zone where access to Internet has been made or where the trade has finally happened. Related to this is the place the wage has been made and who should cost such wage. There are still no unmistakable reactions to these issues.

Security of E-Banking trades is a champion among the most indispensable districts of stresses to the controllers. Security issues join request of grasping generally recognized front line slightest development measures for get the opportunity to control, encryption/unscrambling (Minimum key length et cetera), firewalls, check of cutting edge signature, Public Key Infrastructure (PKI) et cetera. The controller is also stressed over the security approach for the dealing with a record industry, security mindfulness and preparing.

The supervisory and operational issues fuse danger control measures, advance early system, Information development survey and re-working of operational procedures. The controller would moreover be stressed over whether the possibility of items and administrations offered are inside the regulatory structure and whether the trades don't camouflage unlawful assessment shirking undertakings.

The world over, national financial specialists and controllers have been keeping an eye on themselves to address the new challenges hurled open by this kind of dealing with a record. A couple of examinations have demonstrated the way that the cost of movement of keeping cash

advantage through Internet is a couple of times not as much as the ordinary transport procedures. This independent from anyone else is adequate reason behind banks to hurried to Internet and to pass on progressively of their organizations through Internet and at the most punctual opportunity. Not grasping this new advancement in time has the peril of banks getting pushed out of contention. In such a circumstance, the push of authoritative thinking has been to ensure that while the banks remain capable and shrewd, they should think about the perils included and have proper worked in securities, device and systems to manage the rising risks. It isn't adequate for banks to have systems set up, however the structures must be constantly climbed to changing and all around attempted developments, which is a generously more prominent test. The other edge is to give supportive authoritative condition to exact advancement of such kind of dealing with a record. National Banks of various countries have set up broad regulatory framework for E-Banking.

In India, too E-Banking has taken roots. Different banks have set up dealing with a record doors empowering their customers to get to workplaces like securing information, addressing on their records, et cetera. After a short time, still bigger measure of online administrations will be made open. Diverse banks will sooner than later, take to e-managing an account.

BROAD REGULARITY FRAMEWORK

It is essential to extend the current authoritative framework over banks to E-Banking as well. Such an approach would need to consider the game plans of both the Banking Regulation Act 1949 and the Foreign Exchange Management Act, 1999.

- Only such banks which are approved and overseen in India and have a physical closeness here should be permitted to offer E-Banking items to occupants of India.
- These items should be restricted to account holders just and should not to be offered in various locales.
- The organizations should simply offer

adjacent cash things and that too by components that are a piece of the neighborhood money installment frame works.

- The 'in-out' circumstance where customers in cross edge wards are offered dealing with a record benefits by Indian banks (or branches of remote banks in India) and the 'out-in' circumstance where Indian tenants are offered continuing managing an account benefits by banks working in cross-periphery regions are generally not permitted and this approach should be reached out to E-Banking as well.
- The existing exclusions for compelled purposes under FEMA i.e. where tenant Indians have been permitted to continue keeping up their records with abroad banks et cetera, would however be permitted trades.
- Overseas branches of Indian banks would be permitted to offer E-Banking organizations to their abroad customers subject to their phenomenal, despite the host chairman, the home chief concerning the supervisory approach outlined in the accompanying section.
- This extension of approach would apply to virtual banks too. Thusly, the two banks and virtual banks solidified outside the country and having no physical closeness here would not, for the present, be permitted to offer Internet administrations to Indian financial specialists.

REVIEW OF LITERATURE

Furstet. al. (2000) showed data on the amount of national banks in U.S. offering E-Banking and the things and organizations being publicized. Only 20 percent of national banks offered E-Banking in the second from last quarter of 1999. In any case, as a get-together, these "Internet banks" spoke to practically 90 percent of national keeping money framework resources, Banks in each size class and 84 percent of little store accounts. Offering E-Banking tend to depend less on eagerness yielding activities and focus

stores than do non-Internet banks. Similarly, Institutions with E-Banking defeated non-Internet banks in regards to profit.

Rao et. al. (2003) gave a theoretical examination of E-Banking in India and found that when diverged from banks abroad, Indian banks offering on the web benefits still have far to go. For web dealing with a record to accomplish a base sum, there must be sufficient number of customers and the satisfactory establishment set up.

Agarwal et. al. (2003) examined the piece of e-managing an account in e-vote based system. With the change of unique developments and secured electronic trade propels more banks and divisions were using Internet for esteem based and information medium. Exercises, for instance, E-SEVA and FSC's are the perspectives towards achieving sweeping e-organization.

Muralidharan, Venkatram and Krishnaveni (2013) inspected Customer satisfaction, a term from time to time used as a piece of advancing, is a measure of how things and organizations gave by an association meet or beat customer want. Customer dedication is described as "the amount of customers, or level of total customers, whose reported association with a firm, its things, or its organizations (evaluations) outperforms demonstrated satisfaction goals." Banking in India began in the latest numerous times of the eighteenth century. The essential banks were The General Bank of India, NOW which started in 1786, and Bank of Hindustan, which started in 1790; both are as of now old. The most prepared bank in nearness in India is the State Bank of India, which began in the Bank of Calcutta in June 1806, which immediately transformed into the Bank of Bengal. This was one of the three organization banks, the other two being the Bank of Bombay and the Bank of Madras, each one of the three of which were developed under assents from the British East India Company. For quite a while the Presidency banks went about as semi national banks, as did their successors. The three banks merged fit as a fiddle the Imperial Bank of India.

Singh and Srivastava (2014) endeavored to inspect the variables that impact web saving money selection. Utilizing PLS, a model is effectively demonstrated and it is discovered that web managing an account is impacted by its apparent unwavering quality, Perceived usability and Perceived handiness. In the promoting procedure of web keeping money administrations advertising master ought to stress these advantages its selection gives and mindfulness can likewise be enhanced to pull in shoppers' consideration regarding internet banking services.

RESEARCH METHODOLOGY

Research Objective

The main objective of this research project to find out the impact of E-banking regarding service quality towards customers in Sirsa. The objective of this study is to measure the customers' awareness, perception, and the level of satisfaction. The main logic behind the research study to find out the Service Quality of E-Banking, how it is effective for users etc. The main purposes of the project area as follows:

- To study the service quality & find out the effectiveness of E-Banking.
- To study service quality towards the accuracy and timely information provided by E-Banking.

Research Design

The type of research employed in this project work is exploratory cum descriptive. The exploratory research is used to define the problem and discover of new ideas while descriptive research used to data collection, cause and effect relationships.

Sampling Procedures

Simple non-random sampling and judgment sampling was used to collect data from 100 customers of various Indian banks. The data has been collected through questionnaire and through mail. The questionnaire was administered near the banks' branch premises in the Sirsa region.

Data Collection Method

The present study is based on primary data and is gathered through questionnaire method which is most reliable. For collection of secondary data research papers, journals and magazines were referred.

Research Hypothesis

H_{01} : There is no significant relationship between demographic variables i.e. gender, qualification, occupation and the perception of the respondents towards e-banking service quality.

On the basis of Gender**GENDER**

	Frequency	Percent	Valid Percent	Cumulative Percent
Male	46	46.0	46.0	46.0
Female	54	54.0	54.0	100.0
Total	100	100.0	100.0	

Source: Survey Data

Impact of Gender E-Banking Regarding Service Quality towards Customers

Statements	F	Sig.
E-Banking Service is accessible via Internet Banking, mobile banking & ATM	.311	.578
Online purchase of Goods & Services including Online Payment is easier.	.450	.504
It reduces the waiting time to receive service	.296	.588
It provides convenient location of service facility	.273	.603
E-banking explains the service itself	3.663	.059*
It assures customers that the problem will be handled.	1.102	.296
It provides the up to date information	.645	.424
E-Banking provides effective medium of promotion of various schemes.	.333	.565
Transfer of funds is easier through E-banking.	.166	.685
E-Banking provides more Punctuality, Transparency & Accountability	.048	.826
Transfer of funds is faster as compared to manual banking system	.401	.528
It is trusted by young generation most	6.395	.013*
E-Banking increases the reputation of the banks	1.998	.161
It provides accuracy in Billing	.064	.802
It provides service at the designated time	.026	.873
E-Banking is necessary for the development of new economy of India	.022	.881
Response of service through E-Banking is very Quick & Prompt	3.056	.084
E-Banking ensures physical security of the Transaction	1.179	.280
Password facility provides confidentiality to transaction	.268	.606
E-Banking provides 24*7*365 days service to customers.	.230	.632

Source: Survey Data

*Significant at 5% level of significance (Tabulated value .05)

Statistical Analysis

The analysis for the questionnaire was divided into two parts viz, descriptive inferences and statistical interferences. Descriptive inferences indicated the frequency distribution and statistical inferences emphasized on frequency, percentage and one way ANOVA.

DATA ANALYSIS AND INTERPRETATION

Analysis of the impact of the demographic variable on the perception of the customers towards e-banking service quality. This section is divided into three sections i.e. (a) gender (b) qualification (c) occupation.

INTERPRETATION

The table depicts that as compared to the male respondents females are having more likeliness towards e-banking services.

ANOVA table depicts that after using the ANOVA test it was being analyzed that out of the 20 statements only 2 statements have significant impact with respect to the gender as an independent factor. It was concluded that as compared to males, females are having more inclination towards e-banking services. This table

also shows that the e-banking service are more trusted by young generation and having the F-value (6.395) which is significant at 5% level of significance as compared to the statement i.e e-banking explains the service itself. The difference comes out to be significant therefore it is concluded that

Null hypothesis is rejected and hence there is significant relationship between age and the perception of the respondents towards the e-banking service quality.

On the basis of qualification
Qualification

	Frequency	Percent	Valid Percent	Cumulative Percent
Under Graduate	2	2.0	2.0	2.0
Graduate	22	22.0	22.0	24.0
Post Graduate	76	76.0	76.0	100.0
Total	100	100.0	100.0	

Source: Survey Data

Impact of Qualification E-Banking Regarding Service Quality towards Customers

Statements	F	Sig.
E-Banking Service is accessible via Internet Banking, mobile banking & ATM	.104	.901
Online purchase of Goods & Services including Online Payment is easier.	.137	.872
It reduces the waiting time to receive service	1.600	.207
It provides convenient location of service facility	5.452	.006*
E-banking explains the service itself	.247	.781
It assures customers that the problem will be handled.	.146	.864
It provides the up to date information	3.929	.023*
E-Banking provides effective medium of promotion of various schemes.	.232	.793
Transfer of funds is easier through E-banking.	2.265	.109
E-Banking provides more Punctuality, Transparency & Accountability	3.514	.034*
Transfer of funds is faster as compared to manual banking system	.784	.459
It is trusted by young generation most	1.221	.299
E-Banking increases the reputation of the banks	3.008	.054*
It provides accuracy in Billing	1.479	.233
It provides service at the designated time	1.060	.351
E-Banking is necessary for the development of new economy of India	1.119	.331
Response of service through E-Banking is very Quick & Prompt	1.754	.178
E-Banking ensures physical security of the Transaction	2.662	.075
Password facility provides confidentiality to transaction	2.385	.097
E-Banking provides 24*7*365 days service to customers.	.413	.663

Source: Survey data

*Significant at 5% level of significance(Tabulated value .05)

Interpretation

The table depicts that as compare to the graduate and under graduate respondents post graduate respondents are having more likeliness towards e-banking.

ANOVA Table depicts that after using the ANOVA test it was being analyzed that out of the 20 statements only 4 statements have significant impact with respect to the qualification as an independent factor. It was concluded that as compared to graduate & under graduate, post graduate are having more inclination towards e-

banking services. This table also shows that the e-banking service are provided more convenient location of service facility the F-value (5.452) which is significant at 5% level of significance as compared to the statement i.e e-banking increases the reputation of banks. The difference comes out to be significant therefore it is concluded that Null hypothesis is rejected and hence there is significant relationship between qualifications and the perception of the respondents towards the e-banking service quality.

On the basis of occupation:**Occupation**

	Frequency	Percent	Valid Percent	Cumulative Percent
Service Man	3	3.0	3.0	3.0
Business Man	5	5.0	5.0	8.0
Student	90	90.0	90.0	98.0
Others	2	2.0	2.0	100.0
Total	100	100.0	100.0	

Impact of Occupation E-Banking Regarding Service Quality towards Customers

Statements	F	Sig.
E-Banking Service is accessible via Internet Banking, mobile banking & ATM	.141	.935
Online purchase of Goods & Services including Online Payment is easier.	.324	.808
It reduces the waiting time to receive service	.964	.413
It provides convenient location of service facility	.587	.625
E-banking explains the service itself	.957	.416
It assures customers that the problem will be handled.	1.201	.314
It provides the up to date information	1.551	.206
E-Banking provides effective medium of promotion of various schemes.	.480	.697
Transfer of funds is easier through E-banking.	.955	.417
E-Banking provides more Punctuality, Transparency & Accountability	1.210	.310
Transfer of funds is faster as compared to manual banking system	1.524	.213
It is trusted by young generation most	.054	.984
E-Banking increases the reputation of the banks	.710	.549
It provides accuracy in Billing	.583	.628
It provides service at the designated time	.648	.586
E-Banking is necessary for the development of new economy of India	1.239	.300
Response of service through E-Banking is very Quick & Prompt	.474	.701
E-Banking ensures physical security of the Transaction	.220	.882
Password facility provides confidentiality to transaction	1.254	.295
E-Banking provides 24*7*365 days service to customers.	.272	.845

Source: Survey Data

*Significant at 5% level of significance(Tabulated value .05)

Interpretation

Table depicts that as compare to the service man & business man, student respondents are having more likeliness towards e-banking.

ANOVA Table depicts that after using the ANOVA test it was being analyzed that out of the 20 statements no statement have significant impact with respect to the qualification as an independent factor.

Null hypothesis is accepted and hence there is not significant relationship between occupation and the perception of the respondents towards the e-banking service quality.

CONCLUSION

It is concluded that out of the three demographic variables studied and all have significant impact perception of the responses towards e-banking service quality.

- Consumer perceptions are positive towards E-Banking but still they feel it is difficult to use.
- The discoveries demonstrates that all respondents have more noteworthy level of stress in regards to trust, don't have certainty to make any huge budgetary exchanges over web and have less fulfillments from E-Banking administrations E-Banking is providing effective services.
- E-Banking saves lots of time and money of consumers but still they afraid of doing transactions through E-Banking due to lost in transferring.
- E-Banking providing accurate and timely information to consumers.
- The demographic is representing majority of users are .
- Lack of framework security worry as the prime purposes behind moderate appropriation of E-Banking.
- The connections created could be utilized as a door for conveyance of item data. These measures could help in quick development of clients to E-Banking condition bringing about impressive investment funds in working expenses for banks.

SUGGESTIONS

- Banks should provide enough knowledge to consumers because due to lack of knowledge they feel difficult to use.
- Banks should provide assurance to consumers towards the safety of their transferring of transactions through internet banking.
- Banks should concentrate on redesigning their websites so that they could feel comfortable while using e-banking.
- Banks should focus on problems of consumers regarding internet banking and try to solve as soon as possible.
- Banks administration should fabricate a solid framework security to pull in clients and build up their trust.
- Banks should expand their capacity to control and deal with the different dangers inalienable from e-exchange action. Banks should execute greater security to limit hazard and increment client verification, for example, individual recognizable proof number, review trial for exchange.
- Banks ought to introduce solidified working frameworks programming and firewalls ought to be arranged to the higher security settings steady with the level of assurance as indicated by client necessity.

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