

CUSTOMERS' PERCEPTIONS ON ONLINE BANKING IN CHITTOOR DISTRICT OF A.P

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ABSTRACT

Today Internet Banking has become an integral part of banking system in India and global. Online banking is the banking services provided by the banks over the internet. The online banking services provide more services than traditional face to face banking. It is easy for banks and customers to have proper maintained records. Online banking services are more advanced in the current scenario and they are providing services like paying bills, requisition for loans, transfer of money, updates about accounts etc. In this paper an attempt has made to study the measure of perception of customers about their online banking in public and private sector banks.

Keywords: Online Banking, Customers, Perceptions, e-Banking & Internet

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Introduction

The banking sector plays an important role in the economic growth of a country. The internet in India has become a viable source to do many things, including transactions pertaining to payments. In today's fast moving world, people tend to transact on the internet than triggering the traditional styled offline transaction. Internet is considered as the relatively new channel for delivering banking services. In this internet age, internet banking is the most preferred choice of banking for the majority of customers. Whether the customer is an individual corporate body, the financial products and services have become available over the Internet, which has therefore become an important distribution channel for a number of banks. Customers access e-banking services through an intelligent electronic device, such as a Personal Computer (PC), Automated Teller Machine (ATM), Smart phones and Laptops. While the risks and controls are similar to the various e-banking access channels, customers' access to e-banking services depends on their perception predominantly. This study mainly deals with the measure of perception of customers about their online banking in public and private sector banks. In this paper an attempt has made to study the customer's perceptions on online banking in public and private sector banks.

Online Banking

Online banking is the banking services provided by the banks over the internet. The online banking services provide more services than traditional face to face banking. Banks can appeal to people to use online banking which saves a lot of time for its customers and the banks as well. It is easy for banks and customers to have proper maintained records. Online banking services are more advanced in the current scenario and they are providing services like paying bills, requisition for loans, transfer of money, updates about accounts etc.

Objectives of the study

The study mainly focus on the following objectives

1. To analysis the customer's perceptions on online banking with different educational background
2. To study the customer's inconvenience in online banking of public and private sector banks.

Methodology

The study aims to analysis the utilization of e-banking services providing by public and private sector banks in Chittoor District of Andhra Pradesh. Among the banks State Bank of India, Indian Bank and Andhra Bank in public sector, ICICI Bank, HDFC Bank and Kotak Mahindra Bank in private sector and purposively selected for the study. Two stage sampling procedure in considered for the selected of branches and customers. In the first stage, 12 branches are selected and in the second stage 360 customers from 12 branches (30 from each bank) are selected by the simple random sampling procedure.

Results and Discussion

The socio economic profile of the sample customers and analysis of customer's perception on online banking are analyzed and presented in the following tables.

Table – 1: Socio Economic Profile of the sample customers

Profile of the Customers		Frequency	Per cent (%)
Gender	Male	274	76.1
	Female	86	23.9
	Total	360	100.0
Education	Up to intermediate	142	39.4
	Graduation	134	37.2
	Above graduation	84	23.3
	Total	360	100.0

From the above table, it is clear that out of 360 samples 76.1 per cent are male respondents and females are 23.9 per cent. The table also reveals that majority of the sample respondents are up to Intermediate with 39.4 per cent followed by Graduations and above Graduation level with 37.2 and 23.3 per cents respectively.

Table - 2: Type of Inconvenience with e-banking channel

Inconvenience with Online banking	Frequency	Per cent (%)
website not open	68	56.7
Delay in transactions	54	45.0
Technical problems	52	43.3
Limited transaction hours	36	30.0
Others	39	32.5
Total	120	100.0

Source: Compiled from Sample data.

From the table - 2, it is evident that 56.7 per cent of the sample respondents stated that there is an inconvenience in online banking due to not open of the web site, 45.0 per cent of the sample respondents stated that there is a delay in transaction through online banking and 43.3 per cent of the sample respondents faced technical problems and 30.0 per cent of the sample customers are felt inconvenience due to limited transaction hours for NEFT and RTGS. The other 32.5per cent of the sample customers felt the problems like failed transactions, wrong debits and non remittances, login problems.

Relationship between Educational qualifications and Inconvenience with Online banking

Table -3 explains the association between educational qualifications and inconvenience with online banking faced by the customers. The respondent's educational qualifications are categorized into three group's viz., up to Intermediate, Graduation and above Graduation.

Table-3 : Inconvenience with online banking with Educational qualification wise

Chi-square value	p-value	Inconvenience with Online banking			Total
		Low	Moderate	High	
3.366 ^{N.S}	0.499				
Education	Up to Intermediate	49	37	56	142
		34.5%	26.1%	39.4%	100.0%
	Graduation	34	44	56	134
		25.4%	32.8%	41.8%	100.0%
	Above Graduation	23	25	36	84
		27.4%	29.8%	42.9%	100.0%
Total		106	106	148	360
		29.4%	29.4%	41.1%	100.0%

Source: Compiled from Sample data

N.S- Indicates not Significant

It is evident from the above analysis that 39.4 per cent of the customers who studied up to intermediate, 41.8 per cent of customers with graduation and 42.9 per cent of post graduates were expressed high level of inconvenience with online banking. From the χ^2 result, it is concluded that there is no significant relationship between level of education and the inconvenience with online banking.

Inconvenience with Online Banking of different Banks

The inconvenience with online banking in public and private sector banks is shown in Table-4 and in Figure-1. The inconvenience with online banking is high in public sector banks when compared to the private sector banks.

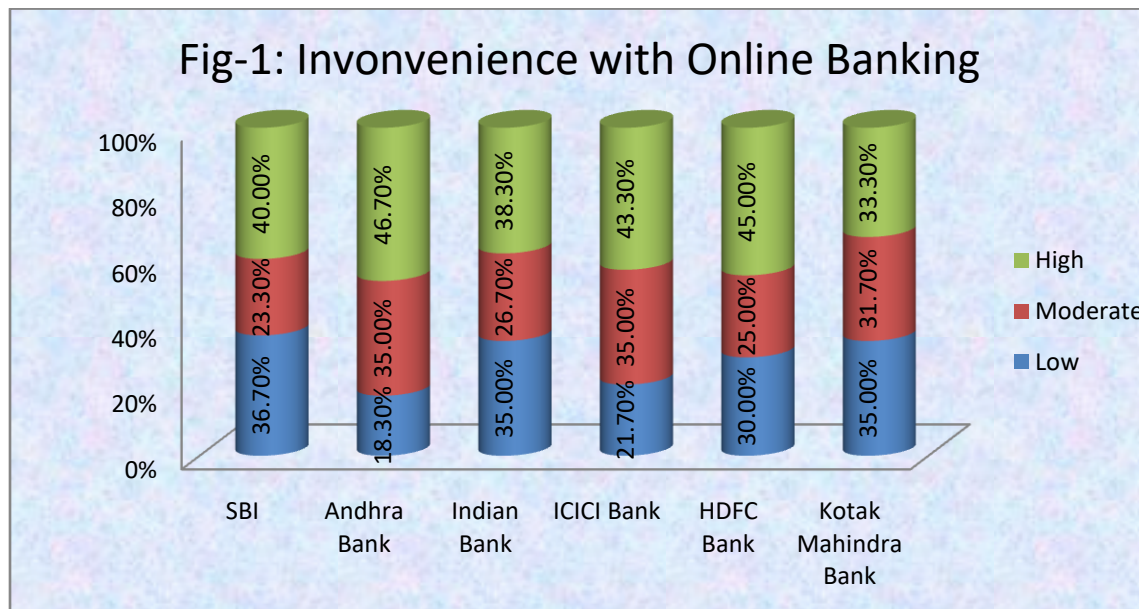
Table-4 Inconvenience with Online banking- Bank wise

Chi-square value	p-value	Inconvenience with Online banking			Total	
		Low	Moderate	High		
10.511 ^{N.S}	0.397					
Name of Bank	SBI	22	14	24	60	
		36.7%	23.3%	40.0%	100.0%	
	Andhra Bank	11	21	28	60	
		18.3%	35.0%	46.7%	100.0%	
	Indian Bank	21	16	23	60	
		35.0%	26.7%	38.3%	100.0%	
	ICICI Bank	13	21	26	60	
		21.7%	35.0%	43.3%	100.0%	
	HDFC Bank	18	15	27	60	
		30.0%	25.0%	45.0%	100.0%	
	Kotak Mahindra Bank	21	19	20	60	
		35.0%	31.7%	33.3%	100.0%	
	Total		106	106	148	360
			29.4%	29.4%	41.1%	100.0%

Source: Compiled from Sample data.

N.S- Indicates not Significant

From the table-4, it is evident that the customers expressed their opinions on the inconvenience with online banking in public sector the Andhra Bank is the highest percent (46.7%) followed by private sector banks the HDFC with 45 per cent, ICICI with 43.3 per cent and in public sector banks the SBI with 40 per cent followed by Indian Bank with 38.3 per cent. From the analysis it is concluded that the inconvenience with online banking is high in public sector banks than private sector banks. It is also observed the Kotak Mahindra Bank is performing better in respect to inconvenience with online banking when compared to other banks. From the χ^2 result, it is concluded that there is no significant association between different levels of inconvenience with selected public and private banks.



Conclusion

Today Internet Banking has become an integral part of banking system in India and global. The study based on only primary data collected from the customers of public and private banks. For this study 360 customers were selected from 12 branches of public and private banks in chittoor district of Andhra Pradesh. The analysis of results revealed that majority of the customers (nearly 40 per cent) faced inconvenience due to not open the web site problem, wrong

debits, login problems and etc. The results also revealed that there is no relationship between the level of education and inconvenience with online banking. Finally, it is concluded that the inconvenience with online banking is high in public sector banks than private sector banks.

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