

A STUDY ON CUSTOMER PERCEPTION TOWARDS E-BANKING IN AU SMALL FINANCE BANK

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ABSTRACT

To know differences in risk perceptions between banking clients using e-banking. Perception in terms of monetary, psychological and security risk among the client's victimization the Web has a lot of risk as the use of e-banking. The customer does not prefer to use electronic banking that they could get money fraudulently victimization this service, and are therefore very cautious about high-risk expectations throughout the transfer of money to and between the accounts. Analysis of differences in risk perceptions between banking clients using e-banking. Perception in terms of monetary, psychological and security risk among the client's victimization the Web has a lot of risk as the use of e-banking. The customer does not prefer to use the electronic banking services they could get from the bank.

I have checked many accounts in the AU Small Financial Bank in that some are current accounts, savings accounts, trust account, etc. and I ask them to use the e-banking services that is provided by the Bank. But they are afraid to use the e-banking services that the Bank donated because of fraud and error occurring during the transfer of funds. Can I explain the benefits of e-banking that they can assess the account form of your home, and make that they make the payment form of the work place no need to come to the branch for RTGS or NEFT.

Keywords: E-Banking, Convenience, Lower Banking Costs, Productivity, Mobility.

I. INTRODUCTION

E-banking refers to electronic banking. It is like e-business in banking industry. E-banking is also Called as "Virtual Banking" or "Online Banking". E-banking involves information. technology-based banking. Under this I.T system. The banking services are delivered by way of a Computer Controlled System. This system does involve direct interface with the customers. The customers do not have to visit the bank's premises.

The population services covered under E-banking include: -

1. Automated Teller Machines
2. Debit Cards
3. Electronic Funds Transfer (EFT) System
4. Internet banking
5. Mobile banking
6. SMS banking

Customer's access e-banking services using an intelligent electronic device, such as a personal computer, personal digital assistant, automated teller machine, Touch tone telephone. While the risks and controls are similar for the various e-banking access channels, this booklet focuses specifically on Internet-based services.

Growth of the Company / industry / Sector

E- Banking made the mobility of foreign funds and investment possible which turned world into global market and this market is growing so fast that it has almost abolished the effect of national boundaries.

Time taken by the banks in performing different transaction has been reduced, with this advancement competition among banks has also increased. Every bank is trying to use as much latest technological innovations in order to facilitate its customers.

About major Companies in the Industry

- HDFC BANK
- State bank of India
- ICICI bank limited
- Axis bank
- Kotak Mahindra bank
- IndusInd bank
- Bank of Baroda
- Yes bank
- Punjab national bank

Product Profile (Major Products)

1) ACCOUNT:

- Types of the saving account: -
- Tejaswini
- Samarth
- Pragati
- Sahyog
- Bachapan

2) DEPOSITE:

- Fixed Deposit
- Recurring Deposit

3) CARDS:

- Debit Cards Types of the debit cards: -
- RuPay Platinum
- RuPay classic
- Visa business gold
- Visa business platinum
- Visa Platinum
- Visa gold

4) LOANS:

- Auto Loans
- Commercial Vehicle loans
- Construction Vehicle Loans
- Tractors Loans
- Two Wheelers loans

5) INSURANCE:

- General Insurance
- Life Insurance
- Health Insurance

6) INVESTMENT:

- Mutual Fund
- Systematic investment plan

II. OBJECTIVE

- Determine the importance of reliability, convenience, speed, and security. Adopt customer provided online banking services.
- Investigate customer satisfaction with online banking.
- Determine customer perceptions about security, counterfeit transactions, ATM services, and so on.
- Identify the potential uses of electronic finance and its importance.

- **To Attract Customers**

one of the important objectives of e-banking is to attract customers. E-banking is helping the customers by providing online services. it is attracting the customers and making the banking system easier.

- **To Provide Liquidity**

E-banking helps to provide liquidity to the banks, because consumers do online transactions, which means there are no withdrawal of physical money. So, E-banking to provide liquidity.

- **To Boost Economy**

E-banking helps to boost the economy, because online transaction helps to maintain the cash in the economy, which would be use during recession of the economy.

- **A To Provide 24/7 Service**

The world economy is growing, people are doing business globally. it requires 24*7 banking service. E-banking doing the same, to provide 24*7 service. it is one of the important objectives of e-banking.

III. LITERATURE REVIEW WITH RESEARCH GAP

| Author / Researcher | Title of the Article/Study | Objectives, Outcome or Findings | Gap Identified |
|---|---|---|--------------------------------------|
| Uppal & Chawla (2009) | E-Delivery Channel-Based Banking Services. | An Empirical Study customer perception about e-banking services. | Research gap, sampling gap. |
| El-Sherbini El al. (2007) | Bank customer Behavior perspectives towards internet banking services. | Usage patterns and problem rising on its utilization. | Area of operation gap, sampling gap. |
| Van B., Paul, Veloso, Francisco M. and Oliveira, P., (2012) | A study of Innovation by Users in Emerging Economies: Evidence from Mobile Banking Services | The extent to which economies innovate, and whether these innovations are meaningful on a global stage. | Research Gap, Sample Design. |
| Reeti, Sanjay & Malhotra (2009) | Customers perception about banking services in an emerging economy. | The various determinants affecting the customers perception as well as attitude towards banking services. | Demographic gap. |
| Sathye, M. (2003) | Examined various factors affecting the banking services in India | Filling the gap in knowledge about Banking Landscape in India. | Research gap. |
| Bauer, Malike & Falik | Quality of E- banking | The empirical model | Trust, basics service quality, |

| | | | |
|---|---|--|--------------------|
| (2005) | portals have a significant impact on the consumers. | study validated a measurement model for web quality based on security. | responsiveness. |
| Laukkanam, Sinkkonen & Laukkanen (2008) | Segmenting bank Customers by resistance to mobile banking | The role of self- efficacy in bank customers risk perception towards the internet banking. | Psychological gap. |

IV. SCOPE OF THE STUDY

This study is descriptive and evaluative and examines the impact of various factors on customer satisfaction and dissatisfaction with online banking. This research measures the impact of Internet banking on the performance of AU SMALL FINANCE BANK. The scope of this study is confined to AU's small financial bank with an online banking facility.

V. RESEARCH METHODOLOGY

The present study was undertaken “Customer perception towards Operation & Customer service provided through E-banking”

- ▶ The study is about the mobile payments services in India. It is made to evaluate the security, identify the usage & categorize the various Mobile Payments Services.
- ▶ For identifying the relationship between the usage of the mobile payments services & the gender of the users, independent sample t test is performed on the primary data collected.
- ▶ This model is then used for evaluating the security of the mobile payments services. The secondary data is used to determine the variables (in this model) to measure the security of the mobile payments services.
- ▶ The Primary data collected has inputs to these variables, which evaluate the security. Thus, the secondary data is used to construct the conceptual model & primary data is used as an input in that model to evaluate the security of the mobile payments services.
- ▶ Primary Data Sources: Some data specifically was produced for the purpose of research, which was collected from various sources like
 - ▶ Online Survey Tools
 - ▶ One to One Questionnaire Requests
 - ▶ Personal E-mails
 - ▶ Social Networking Site Forums.

The Importance of E-banking in Business:

Businesses rely on efficient and rapid access to banking information for cash flow reviews, auditing and daily financial transaction processing. E-banking offers ease of access, secure transactions and 24-hour banking options. From small start-up companies to more established entities, small businesses rely on e-banking to eliminate runs to the bank and to make financial decisions with updated information. In an information-driven business climate, companies who do not use e-banking are at a competitive disadvantage.

Features of e-banking in India:

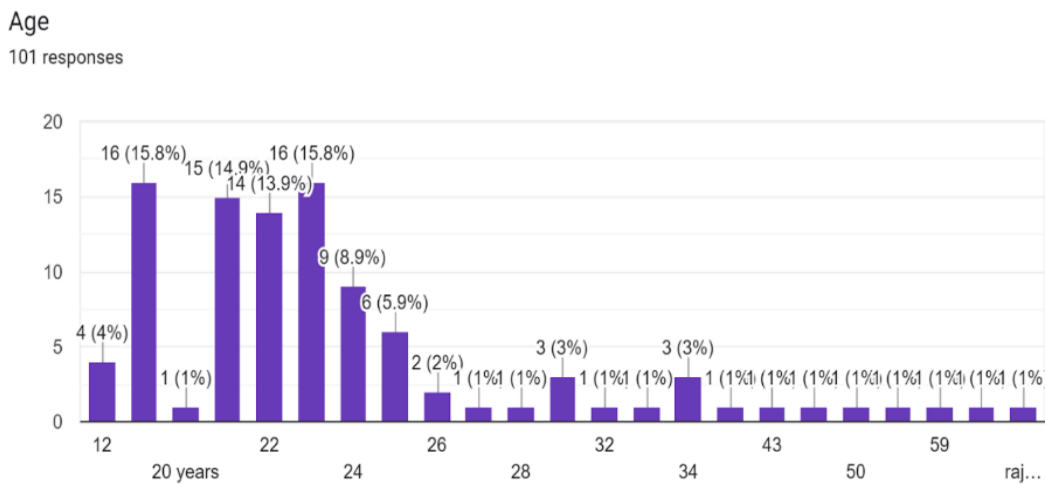
Online banking facilities offered by various financial institutions have many features and capabilities in common, but also have some that are application specific.

• A bank customer can perform some non-transactional tasks through online banking, including -

- viewing account balances
- viewing recent transactions
- downloading bank statements, for example in PDF format
- Viewing images of paid cheques.
- ordering cheque books

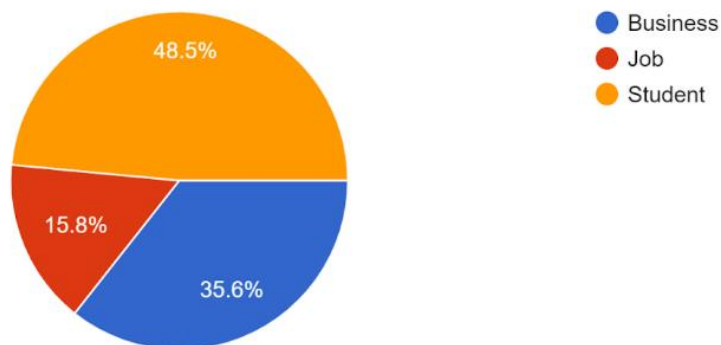
- download periodic account statements
- Downloading applications for M-banking, E-banking etc.
- **Bank customers can transact banking tasks through online banking, including –**
 - Funds transfers between the customer's linked accounts
 - Paying third parties, including bill payments and telegraphic/wire transfers
 - Investment purchase or sale
 - Loan applications and transactions, such as repayments of enrollments
 - Register utility billers and make bill payments
- **Financial institution administration**
- **Management of multiple users having varying levels of authority**
- **Transaction approval process**

INTERPRETATION



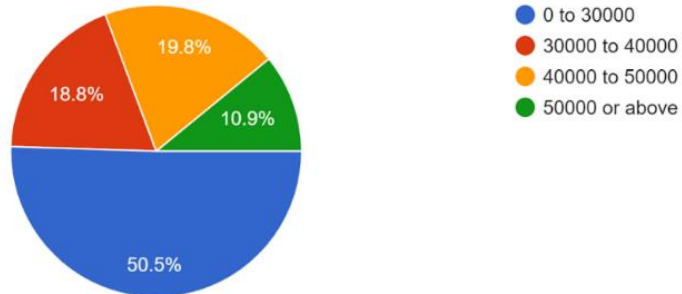
There was a total of 101 respondents. Of these, the majority of respondents i.e., 22% of respondents were aged 20 years and 30 years and above were the 1% respondents.

Occupation
101 responses



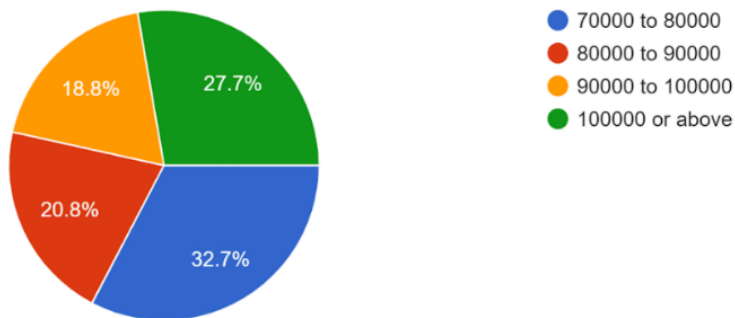
The above table shows the occupation of respondents. Out of 101 respondents the highest were in Students i.e., 48.5%, there were 35.6% Business makers and the number of respondents in Job were 15.8%,

Income
101 responses



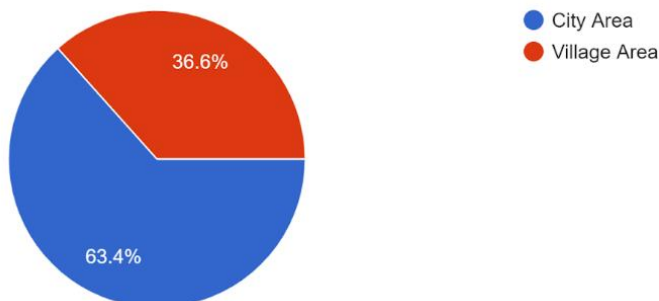
The table shows the monthly earnings of 101 respondents, 50.5% were earning less than 30 thousand annually, 18.8% were having annual income between 30000-40000 thousand, 19.8% were having annual income between 40000-50000 thousand and more than 50000 thousand were 10.9.% respectively.

Family Income
101 responses



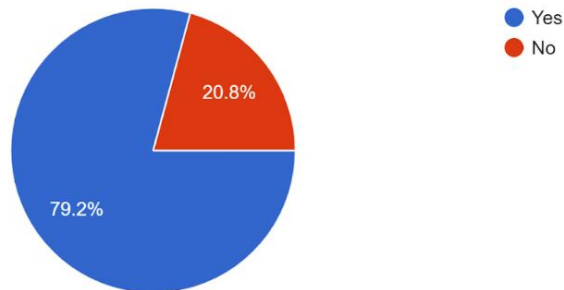
The table shows the monthly family income earnings of 101 respondents, 32.7% were earning less than 70-80 thousand annually, 20.8% were having annual income between 80-90 thousand, 18.8% were having annual income between 90-100 thousand and more than 1 lakhs were 27.7% respectively.

Location
101 responses



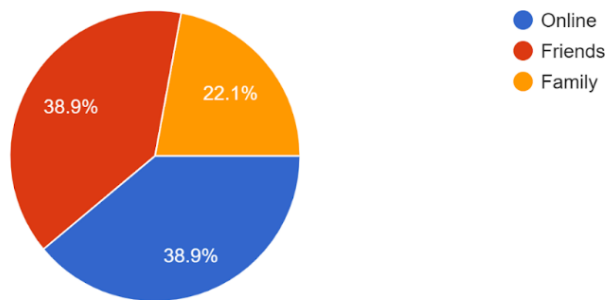
The table shows the location of 101 respondents, 63.4% were city area And 36.6% of population were from village area.

Do you aware about E-banking of AU Small finance bank ?
 101 responses



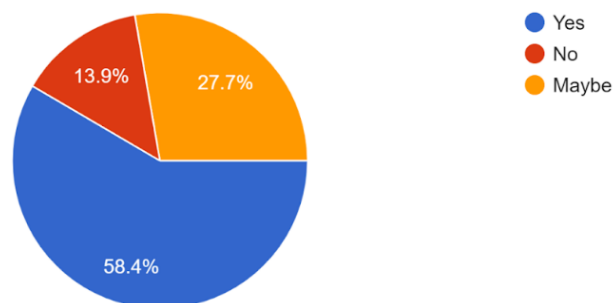
- The above table shows the awareness regarding E-banking of AU small finance bank.
- Out of 101 respondents 79.2% people are aware about E-banking of AU small finance bank and only 20.8% people are not aware.

If yes then source of information
 95 responses



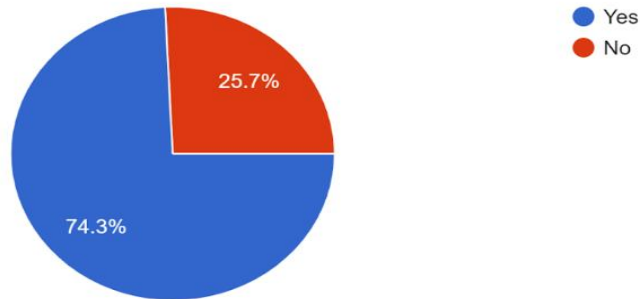
The table shows the source of information of 95 respondents, out of 38.9% from online mode, 38.9% aware by their friends and only 22.1% people are aware by their family.

Do you prefer E-banking AU Small finance bank
 101 responses



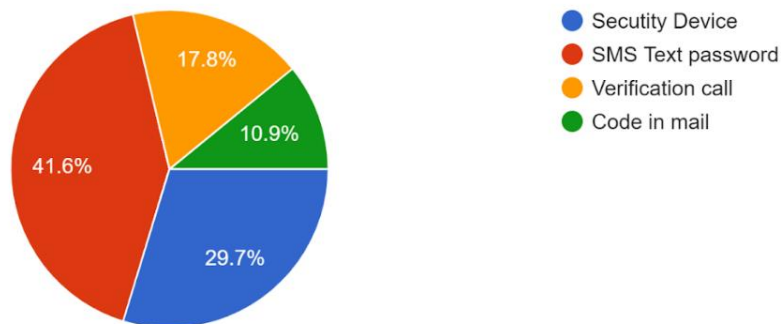
From the above graph, it can be concluded that out of 101 respondents 58.4% are prefer E-banking of AU small finance and 27.7% are not prefer this facilities and 13.9% people are not aware about that facilities.

Do you think E-banking is secure and safe ?
 101 responses



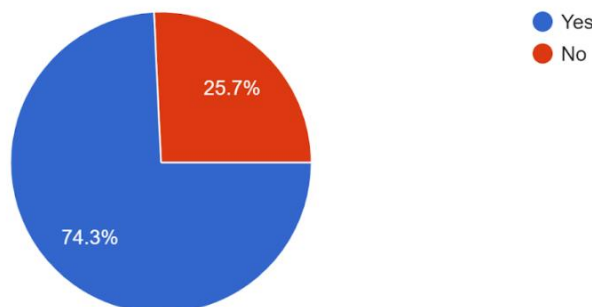
From the above graph, it can be concluded that out of 101 respondents 74.3% are E-banking is secure and safe, 25.7% are not prefer this is safe and secure.

Which of the follows do you prefer most for verification and authentication in E-banking ?
 101 responses



From the above graph, it can be concluded that out of 101 respondents 41.6% are suggest The SMS Text password and 29.7% respondents are suggest the security device and rest of respondents 17.8% and 10.9% are suggest that verification call and code in mail respectively.

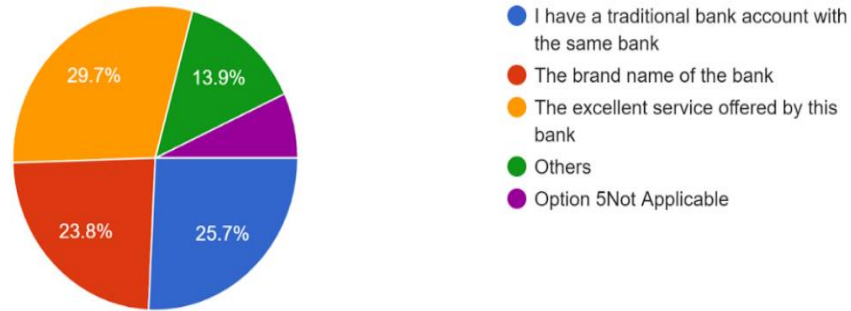
Do you have a bank account for which you interact with your bank mostly through a WWW browser?
 (If yes, we refer to this type of bank account as an Internet bank account)
 101 responses



From the above graph, it can be concluded that out of 101 respondents 74.3% are go through WWW browser, 25.7% are not go through that browser.

What was the single most important reason that you chose this particular bank as your Internet bank? (please choose one)

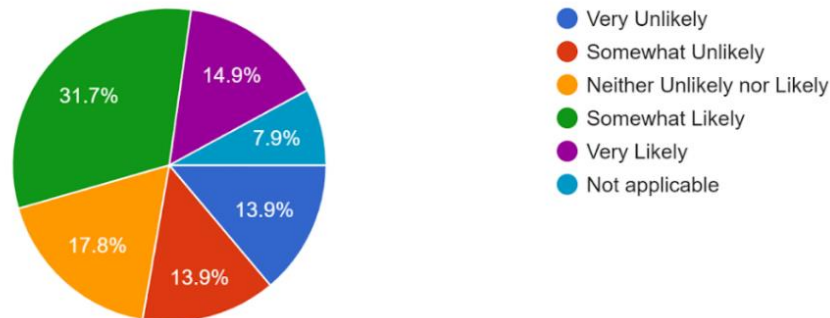
101 responses



From the above graph, the respondents 25.7% are strongly agree with the traditional bank account and excellent service offered by bank and 19.7% are agree with the brand name of the bank and 13.9% have other options.

How likely is it that you will open an Internet bank account within the next 12 months?

101 responses



From the above graph, the 31.7% of respondents are going to open new account when 17.8% respondents opening their accounts if they will get some schemes and 14.9% peoples are going to open the account in the bank.

VI. CONCLUSION

Most customers are satisfied with the e-banking services provided by the Bank. The customer is aware of the various e-banking services provided by the Bank. The study reveals that users of e-banking distribution channels have a strong positive perception of the technology used in the banking sector, which is reflected in their adoption and use, while non-users clearly demonstrated their disinterest and ignorance in the use of different technology driven banking channels. The study also identifies four perceptive factors such as convenience, perceived risk, speed of operations and accessibility that affect the adoption of ATMs where convenience, speed of operations and accessibility are positively associated with the adoption of ATMs while the perceived risk has a negative influence. In the case of Internet banking also, four perceptive factors have been identified in which the factors "convenience" and "profitability" have a strong positive influence and the "perceived risk" and the "contact personality".

VII. SUGGESTION

- For the adoption of e-banking, it is necessary that banks offering this service make consumers aware of the availability of such a service and explain how it adds value to their banking needs.
- Banks should provide security and confidentiality while providing services through e-banking.
- Since the Bank's clients submitted a good response to a fixed deposit due to high interest rates.
- Maximum customer want more ATM machine in different area.

- Most of customer should aware about the cybercrime.
- Spread awareness about to not to share otp.
- Staff should explain the e-banking service in order to raise awareness.
- Many e-banking services are still not offered by the Bank.
- The commercial Bank should spend the amount of Lage to effectively launch these services

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