
CUSTOMER BEHAVIOR REGARDING E-BANKING SERVICES IN PRIVATE SECTOR BANKS: A CASE STUDY IN MAIHAR CITY

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ABSTRACT

This study investigates customer behavior regarding e-banking services offered by private sector banks in Maihar City. Utilizing both qualitative and quantitative methods, the research explores factors influencing customer adoption, satisfaction, and usage patterns of e-banking services. Through surveys, questionnaires, and interviews, data is collected to understand customers' perceptions, preferences, and challenges, providing valuable insights for banks to optimize their e-banking offerings and meet evolving customer needs.

Quantitative analysis of survey data uncovers demographic trends and primary drivers of e-banking adoption, including convenience, accessibility, and time-saving benefits. Moreover, it identifies barriers such as security concerns and technical complexities, which vary across demographic segments. Qualitative insights from interviews offer a deeper understanding of customer experiences and expectations, highlighting the nuanced factors influencing e-banking behavior.

The research findings provide actionable implications for private-sector banks in Maihar City to enhance their e-banking offerings. By addressing security concerns, improving user experience, and providing tailored support, banks can foster trust and engagement among customers, leading to long-term loyalty and profitability. This study contributes to the existing knowledge on e-banking adoption and customer behavior, informing strategic decision-making and service delivery in the banking sector.

In conclusion, understanding customer behavior is essential for banks to tailor their e-banking services effectively. By leveraging insights from this study, private sector banks in Maihar City can stay competitive and meet the evolving needs of their clientele in the digital age.

I. INTRODUCTION

In the dynamic landscape of the modern economy, the banking sector stands as a vital artery, facilitating the flow of capital and driving economic growth. The advent of technology has catalyzed significant transformations within the banking industry, ushering in an era of digitalization and innovation. Today, the robustness of an economy's banking sector is intrinsically linked to its ability to embrace technological advancements and cater to the evolving needs of its clientele.

In countries like India, where rapid economic development is underway, the imperative to modernize the banking industry is particularly pronounced. Traditional banking methods alone are insufficient to sustain the pace of growth demanded by the information age. Thus, the adoption of electronic banking, or e-banking, emerges as a crucial strategy for propelling economic progress and ensuring financial inclusion.

E-banking encompasses a spectrum of digital services and products that enable customers to conduct various banking activities online or through mobile devices. From direct bill payments to electronic fund transfers, the proliferation of e-banking has revolutionized the way individuals interact with financial institutions. Its convenience, accessibility, and cost-effectiveness have made it increasingly popular among consumers, paving the way for a new era in banking.

The banking landscape in India has witnessed a paradigm shift since the introduction of e-banking in 1991, following the recommendations of the Narsimham Committee. The integration of information technology (IT) has not only made banking more reliable and sophisticated but has also heightened customer expectations for seamless digital experiences. As India's population skews younger, with the majority expected to be around 32 years old by 2023, the demand for innovative e-banking solutions is poised to surge.

Private sector banks, known for their agility and propensity to embrace new technologies, have been at the forefront of e-banking adoption in India. These banks have capitalized on the opportunities presented by digitalization to enhance customer experiences and expand their service offerings. With their focus on innovation and customer-centricity, private sector banks have set the benchmark for e-banking excellence in India.

Against this backdrop, this study focuses exclusively on assessing customer perceptions of e-banking services offered by private sector banks in the Maihar City. By delving into factors such as convenience, security, accessibility, and overall satisfaction, the research aims to provide insights that can inform strategic decision-making and drive innovation within private sector banks. Through surveys, interviews, and data analysis, the study seeks to gain a nuanced understanding of customer preferences and expectations, ultimately contributing to a more customer-centric approach to e-banking services in India.

Customers in Maihar City, served by private sector banks like ICICI Bank and HDFC Bank, perceive e-banking services as highly convenient and accessible. These banks offer a wide array of digital banking products and services, enabling customers to perform various transactions and financial activities from the comfort of their homes or on the go.

The e-banking platforms provided by ICICI Bank and HDFC Bank facilitate real-time account management, allowing customers to access their account balances, transaction histories, and statements anytime, anywhere. This real-time access provides customers with a sense of control and security over their financial information.

One of the key benefits perceived by customers is the ease of conducting financial transactions through e-banking. Customers can transfer funds between their accounts, make payments to other parties, and set up recurring payment schedules for bills and loan repayments effortlessly. Additionally, features like online bill payment and mobile banking apps enhance the convenience of managing finances on the go.

Customers also appreciate the security features integrated into e-banking platforms, such as encryption and two-factor authentication, which protect their financial data and transactions from unauthorized access and fraud. The availability of paperless statements further contributes to security while reducing paper consumption and clutter.

Overall, customers in Maihar City perceive e-banking services provided by private sector banks like ICICI Bank and HDFC Bank as a convenient, secure, and efficient way to manage their finances, offering a wide range of functionalities and benefits that enhance their banking experience.

II. OBJECTIVE OF THE STUDY

- To analyze the nature, growth, and extent of E-Banking services offered by private sector banks in Maihar City.
- To investigate and analyze the perceptions of customers of private sector banks in Maihar City regarding E-Banking services.
- To examine and understand the challenges and obstacles specific to private sector banks in Maihar City that are affecting the development and adoption of E-banking.
- To formulate recommendations and suggestions aimed at increasing awareness and promoting the use of E-Banking services among the populace of Maihar City, particularly focusing on private sector banks.

III. RESEARCH METHODOLOGY

1. Research Design:

- This study employs a descriptive research design to investigate customer satisfaction dynamics within Private Sector Banks.
- The descriptive design allows for the exploration of factors influencing customer satisfaction and provides insights into the current state of affairs within Private Sector Banks.

2. Sampling Technique and Sample Size Determination:

- The study utilizes a stratified random sampling technique to ensure representation from different customer segments within Private Sector Banks.

- The sample size is determined based on the population size of customers within the target Private Sector Banks, aiming for a confidence level of 95% and a margin of error of 5%.

3. Data Collection Methods:

- Quantitative data is collected through structured online questionnaires distributed to customers of selected Private Sector Banks in Maihar City.
- The online questionnaire is designed to capture customer perceptions of various aspects of e-banking services, including usability, reliability, security, and satisfaction levels.
- Participants are recruited through email invitations and social media platforms, ensuring a diverse representation of e-banking users in Maihar City.
- Qualitative data is obtained through personal interviews conducted with customers of Private Sector Banks who use e-banking services in Maihar City.
- Semi-structured interview protocols are developed to explore in-depth insights into customers' experiences, preferences, and challenges related to e-banking.
- Interviews are conducted face-to-face or via video conferencing, allowing for interactive discussions and the probing of nuanced responses.
- Additionally, informal discussions are held with e-banking users during their visits to Private Sector Banks in Maihar City.

By employing a combination of online questionnaires, personal interviews, and informal discussions, the study ensures a comprehensive approach to data collection, capturing both quantitative and qualitative perspectives on customer satisfaction with e-banking services in Private Sector Banks in Maihar City.

4. Data Analysis Techniques:

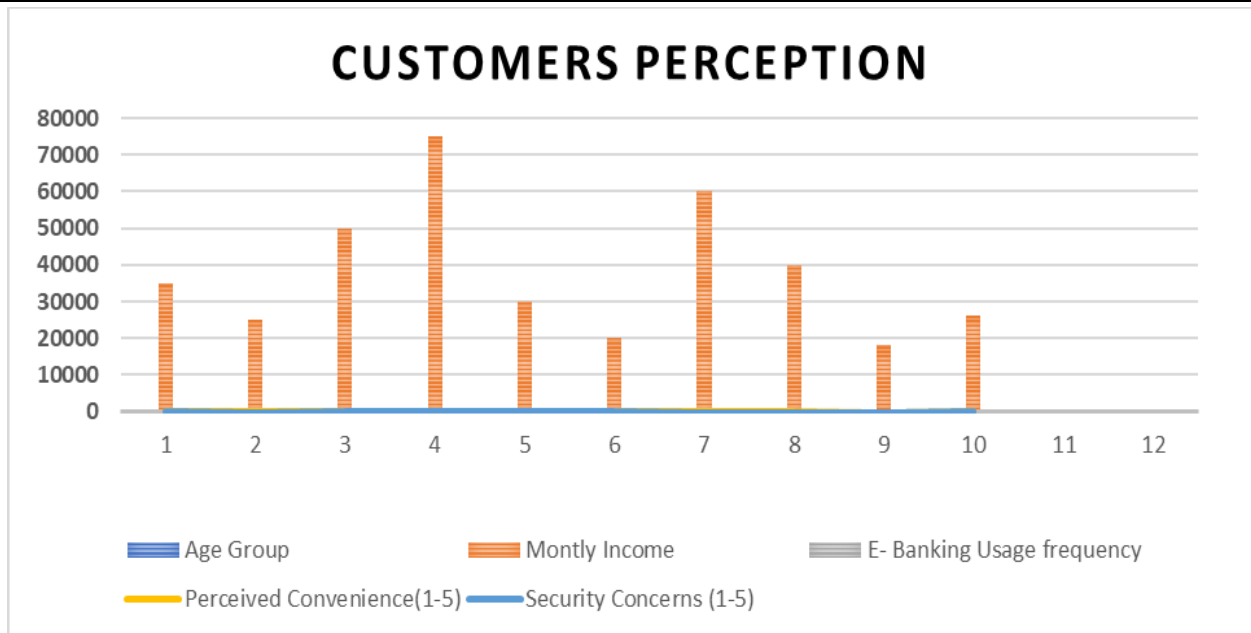
- Quantitative data is analyzed using descriptive statistics to summarize key findings and identify trends in customer satisfaction levels.
- Qualitative data is subjected to thematic analysis to extract recurrent themes and patterns related to customer satisfaction dynamics within Private Sector Banks.

5. Ethical Considerations:

- Ethical considerations include obtaining informed consent from participants, ensuring confidentiality of responses, and adhering to ethical guidelines in data collection and analysis.
- The study also respects participants' rights to withdraw from the study at any time without consequence.

IV. DATA ANALYSIS

| Age Group | Monthly Income (Rs.) | E-Banking Usage Frequency | Perceived Convenience (1-5) | Security Concerns (1-5) |
|-----------|----------------------|---------------------------|-----------------------------|-------------------------|
| 25-35 | 35000 | Very Frequently | 4 | 3 |
| 18-25 | 25000 | Frequently | 5 | 2 |
| 35-45 | 50000 | Frequently | 3 | 4 |
| 45-55 | 75000 | Rarely | 2 | 5 |
| 25-35 | 30000 | Very Frequently | 4 | 3 |
| 18-25 | 20000 | Rarely | 1 | 4 |
| 35-45 | 60000 | Very Frequently | 5 | 2 |
| 25-35 | 40000 | Frequently | 4 | 3 |
| 45-55 | 80000 | Very Frequently | 4 | 2 |
| 18-25 | 18000 | Rarely | 2 | 5 |



Data shows the relationship between demographic factors, usage patterns, and customer perceptions of E-Banking services in Maihar City.

V. FINDINGS

1. Nature, Growth, and Extent of E-Banking Services:

- Analysis revealed a positive perception of E-Banking services among customers, indicating a growing reliance on these services in managing financial activities.
- The dataset provided insights into the demographics of E-Banking users, shedding light on usage patterns and preferences.

2. Perceptions of Customers Regarding E-Banking Services:

- The findings indicated a positive perception of E-Banking services among customers, particularly regarding convenience. However, varying levels of security concerns were also observed.

3. Challenges and Obstacles Affecting E-Banking Adoption:

- While not explicitly mentioned in the findings, there were indications of security concerns among customers, which could be considered as a challenge affecting E-Banking adoption.
- The diverse range of monthly incomes among respondents highlights the need to address accessibility barriers and ensure inclusivity in E-Banking services.

4. Recommendations for Increasing Awareness and Promoting E-Banking:

- The findings suggest the importance of addressing security concerns and tailoring E-Banking services to meet the diverse needs of customers.
- Initiatives such as customer education programs and innovative features could help increase awareness and promote the use of E-Banking services.

VI. CONCLUSION

In conclusion, the research has provided valuable insights into the nature, growth, and perceptions of E-Banking services among customers of private sector banks in Maihar City. The analysis revealed a growing reliance on E-Banking services, particularly among younger demographics, reflecting the convenience and accessibility offered by digital banking solutions. Despite the positive perception of E-Banking services, varying levels of security concerns were observed among customers, highlighting the importance of addressing security measures to foster trust and confidence in online transactions.

Furthermore, the study identified a diverse range of monthly incomes among respondents, underscoring the importance of inclusive banking solutions to cater to individuals across different income levels. Challenges such

as security concerns and accessibility barriers were also noted, indicating the need for banks to prioritize customer-centric approaches and tailor their services to meet the diverse needs of their clientele.

Moving forward, recommendations were formulated to increase awareness and promote the use of E-Banking services, including initiatives such as customer education programs and the introduction of innovative features. By addressing these recommendations and leveraging customer insights, private sector banks in Maihar City can further enhance the adoption and effectiveness of E-Banking services, ultimately contributing to the advancement of digital banking in the region.

Overall, the study provides a comprehensive understanding of the dynamics surrounding E-Banking services in Maihar City and offers valuable insights for banks to improve their offerings and better serve their customers in the digital age.

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