



CONSUMER PERCEPTION TOWARDS E-BANKING SERVICES AMONG NATIONALIZED BANKS IN CHENNAI

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Abstract

E-banking services, also known as electronic banking services or online banking services, encompass a range of financial services and transactions that are provided through electronic channels, primarily over the internet. These services enable customers to access and manage their bank accounts, conduct financial transactions, and utilize banking services using digital platforms such as websites, mobile applications, and other online portals. Nationalized banks, on the other hand, are financial institutions that are owned and operated by the government of a country. In the case of India, nationalized banks refer to banks that were previously privately owned but were later taken over by the government under the nationalization policy. Consumer perception pertains to how individuals perceive and interpret information about products, services, brands, or any other aspect of the marketplace. It involves the formation of opinions, beliefs, and attitudes by consumers based on their experiences, knowledge, and interactions with various offerings. The aims of the study were to investigate consumer perception towards e-banking services level of awareness and satisfaction among the nationalized banks in Chennai. The methodology of this study involves primary and secondary data, employing descriptive and analytical methods. The primary data collection was conducted through the distribution of a well-structured questionnaire among a sample size of 100 individuals in and around Chennai. The study was analysed using statistical tools. Frequency analysis, Chi-square test, one-way ANOVA. The statistical analysis was conducted with the assistance of SPSS software. The study reveals creating awareness, satisfying customer needs, and embracing technological advancements to enhance consumer perception and satisfaction with e-banking services among nationalized banks in Chennai. By focusing on these aspects, banks can drive customer loyalty, foster trust, and ensure a seamless and convenient banking experience for their customers.

Keywords: E- Banking, Awareness, Satisfaction, Consumer perception, Technology

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1. INTRODUCTION

In recent years, the rapid advancement of technology has revolutionized the way banking services are delivered. E-banking, also known as electronic banking or online banking, has emerged as a prominent channel for customers to conduct financial transactions and access banking services conveniently and efficiently. Nationalized banks, as major players in the banking industry, have embraced e-banking platforms to cater to the evolving needs and preferences of their customers. Chennai, the capital city of Tamil Nadu in India, is a bustling metropolis known for its thriving banking sector. With a significant presence of nationalized banks, Chennai offers a diverse range of e-banking services to its customers. However, the success and effectiveness of these services ultimately depend on how customers perceive and embrace them.

CONSUMER PERCEPTION

Consumer perception plays a pivotal role in shaping their attitudes, preferences, and behaviors towards e-banking services. Understanding consumer perception is crucial for nationalized banks in Chennai to identify areas of strength and improvement in their e-banking offerings. It enables them to align their strategies and resources to meet customer expectations and enhance their competitive position in the market.

ADVANTAGES OF E- BANKING SERVICES

E-banking, refers to the provision of banking services through electronic channels such as the internet, mobile devices, and telecommunication networks. E-banking offers several advantages for both banks and customers. Here are some of the key advantages of e-banking services.

- One of the primary advantages of e-banking is convenience. Customers can

access their bank accounts and perform various transactions anytime, anywhere, as long as they have an internet connection. They can check their account balances, transfer funds, pay bills, and manage their finances without visiting a physical branch.

- E-banking services are available 24 hours a day, 7 days a week. Customers are not restricted by the working hours of the bank, allowing them to conduct transactions at their convenience, even during weekends and holidays.
- E-banking eliminates the need for customers to travel to a physical branch, wait in queues, and fill out paperwork. This saves time and reduces transportation costs. Additionally, many e-banking services offer lower fees and transaction charges compared to traditional banking services.
- E-banking provides customers with easy access to detailed information about their accounts, including transaction history, statements, and interest rates. This allows customers to monitor their finances more effectively and make informed decisions.
- E-banking enables fast and efficient transaction processing. Transfers between accounts, bill payments, and other transactions can be completed quickly, often in real-time, eliminating delays associated with traditional banking methods.
- E-banking systems employ advanced security measures to protect customers' financial information and transactions. Encryption, secure login credentials, and multi-factor authentication help safeguard sensitive data, reducing the risk of fraud and unauthorized access.
- E-banking services often integrate with other financial management tools such as personal finance software or budgeting apps. This allows customers to track their spending, set financial goals, and analyse their financial health easily.
- E-banking platforms often offer a wide range of additional services, including

online loan applications, investment options, insurance services, and credit card management. Customers can explore and utilize these services conveniently through the e-banking platform.

OBJECTIVE OF THE STUDY

- To examine the socio-economic profile of users of E-Banking services.
- To investigate the association between gender and the level of awareness regarding e-banking services among nationalized banks in Chennai.
- To assess the differences in consumer satisfaction factors related to e-banking services provided by nationalized banks in Chennai based on income levels.

HYPOTHESIS OF THE STUDY

- **H₀:** There is no significance difference between gender and the level of awareness regarding e-banking services among nationalized banks.
- **H₁:** There is no significance differences between consumer satisfaction factors related to e-banking services provided by nationalized banks in Chennai based on income levels.

LITERATURE REVIEW

Mano Ranjan Dash et.al (2012) investigated consumers' perception about internet banking: the case of Odisha. This study aimed to examine the factors influencing people's attitudes toward online banking and how these attitudes relate to their actual usage of online banking services. The data analysis was conducted using SPSS 16.0 software, utilizing factor analysis to assess consumers' perceptions of Internet banking in Odisha. The findings revealed that for Internet banking to be adopted as a substitute channel for financial services, banks should implement comprehensive awareness campaigns to educate customers about its numerous advantages. Additionally, banks need to address consumer needs, effectively compete with

intensified competition both within and outside the financial services industry, and continuously innovate by offering new products and services in response to technological advancements.

Priya and Subbalakshmi (2021) examined customers' perception towards e-banking services offered by HDFC bank in Chennai city. The objective of this study was to assess the impact of the quality of e-services provided to HDFC Bank customers in Chennai City. A descriptive and analytical approach was adopted, and data analysis involved percentage analysis, Garrett's Ranking technique, and factor analysis. The researcher aimed to evaluate customers' knowledge and experience with HDFC Bank. The findings indicated that e-banking services have become essential for smartphone owners due to their numerous benefits and user-friendliness. The researcher concluded that HDFC Bank's e-banking usage is satisfactory. The level of customer satisfaction and trust was positively influenced by the effectiveness and reliability of the security measures implemented by the bank to safeguard customers and the banking system against cybercrime.

2. RESEARCH METHODOLOGY

The methodology of this study involves the utilization of both primary and secondary data, employing descriptive and analytical methods. The primary data collection was conducted through the distribution of a well-structured questionnaire among a sample size of 100 individuals in and around Chennai. Non-probability convenient sampling was adopted for primary data from respondents for the acquisition of secondary data, various sources such as magazines, books, and journals were consulted. The collected data were subsequently analysed using several statistical tools. Frequency analysis was performed to examine the distribution

and occurrence of different variables. The Chi-square test was employed to assess the relationship between variables, while one-way ANOVA was used to explore potential differences between groups. The statistical

analysis was conducted with the assistance of SPSS software, which facilitated efficient data processing and interpretation.

ANALYSIS

Table -1 Demographical Profile of the Respondents

PROFILE	PARTICULARS	FREQUENCY	PERCENTAGE
Age	Below 20 Years	20	20
	21-30 Years	55	55
	31-40 Years	17	17
	More than 40 Years	08	8.0
Total		100	100
Education Qualification	School Level	10	10
	Graduation	60	60
	Other	30	30
Total		100	100
Occupation	Professional	59	59
	Self employed	4	4
	Home Maker	3	3
	Student	22	22
	Others	12	12
Total		100	100

Source: Primary & Computed Data

INTERPRETATION

The table shows the demographic information of the respondents. Among the 100 participants, the majority (55%) belong to the age group of 21-30 years. Additionally, 60 respondents (60%) have a

graduation level of education, and 59 respondents (59%) are classified as highly professional. The remaining participants fall into other age groups, education levels, and professional levels as indicated in the table.

Table -2 Usage And Perception of E-Banking Services among the Respondents

PERCEPTION	PARTICULARS	FREQUENCY	PERCENTAGE
Kinds of Account	Saving Account	50	50
	Current Account	10	10
	Recurring Account	20	20
	Fixed Account	20	20
Total		100	100
Type of Bank	MNC Bank	10	10
	National Bank	60	60
	Co – operative Bank	10	10
	Others	10	10

Total		100	100
Usage of E-Banking Services Transaction's	Personal Transaction	70	70
	Business Transaction	20	20
	Others	10	10
Total		100	100
E- Banking user Friendly	Internet Banking	20	20
	Telephone Banking	10	10
	ATM	70	70
Total		100	100
Convenient of E-Banking	Yes	90	90
	No	10	10
Total		100	100
E – Banking Activity	Tax Filling	30	30
	Purchase / Sold Financial Product	30	30
	Others	40	40
Total		100	100

Source: Primary & Computed Data

INTERPRETATION

According to Table 2, the data shows the usage and perception of e-banking services among the respondents. 50% of the respondents use a savings account, while 60% of them have their accounts with a national bank. 70% of the respondents use e-banking services for personal transactions only. When it comes

to user-friendliness, 70% of the respondents find the e-banking service at ATMs to be user-friendly. Furthermore, 90% of the respondents use e-banking services based on customer convenience. Lastly, 40% of the respondents use e-banking services for purposes other than personal transactions.

Table -3 The Association Between Gender and the Level of Awareness Regarding E-Banking Services Among Nationalized Banks In Chennai

H₀: There is no significance difference between gender and the level of awareness regarding e-banking services among nationalized banks.

Gender	Awareness of E- banking services among nationalised bank in Chennai		Total
	Yes	No	
Male	29	25	54
Female	28	18	46
Total	57	43	100

Source: Primary & Computed Data

Chi-Square Tests

Particular	Value	Df	Asymp. Sig (2 – side)
Pearson Chi-Square	.520 ^a	1	.471

*= 5% Level of Significance

a.0 cells (0.0%) have expected count less than 5. The minimum expected count is 19.78.

b. Computed only for a 2x2 table.

INTERPRETATION

Table - 3 presents the distribution of consumer awareness regarding e-banking services among nationalized banks in Chennai. The results indicate that 57% of the respondents have a positive awareness, while 43% of the respondents lack knowledge in this area. To investigate the association between gender and the level of awareness, a Pearson chi-square test was conducted with a significance level of 5%. The computed Pearson chi-square

value was found to be .520 with 1 degree of freedom. The resulting p-value for this test was .471, which is greater than the predetermined significance level of 0.05. Hence Null hypothesis is accepted and alternative hypothesis is rejected for this variable concludes that there is no significant association between gender and the level of awareness regarding e-banking services among nationalized banks in Chennai.

Table: 4 The Differences In Consumer Satisfaction Factors Related To E-Banking Services Provided By Nationalized Banks In Chennai Based on Income Levels.

Ho: There is no significance differences between consumer satisfaction factors related to e-banking services provided by nationalized banks in Chennai based on income levels.

Factors	Monthly Income			F – value 97, 2	Sig. Value
	Up to Rs.50,000	Rs.50,001 – Rs.1,00,000	Above Rs.1,00,000		
Consumer satisfaction factor	N = 44	N = 24	N =32	1.133	.326
	Mean	Mean	Mean		
	(SD)	(SD)	(SD)		
	15.1591	16.0000	16.2500		
E-banking services provided by nationalized banks in Chennai	3.66595	2.62099	3.22290		

*= 5% Level of Significance Source: Primary & Computed Data

INTERPRETATION

Table - 4 provides information on the differences in consumer satisfaction factors related to e-banking services provided by nationalized banks in Chennai based on income levels. The distribution of respondents according to income levels is as follows: 44% have an income up to Rs.50,000, 24% have an income ranging from Rs.50,001 to Rs.1,00,000, and 32% have an income above Rs.1,00,000. To assess the significance of these differences,

an analysis of variance (ANOVA) test was conducted. The computed F-value was 1.133, and the associated p-value (Sig. value) was found to be .326. As the significance value of .326 is greater than the predefined significance level of 0.05, Hence the null hypothesis is accepted and alternative hypothesis rejected, it concluded that consumer satisfaction factors related to e-banking services provided by nationalized banks in Chennai based on income levels is independent.

FINDING

- Among the 100 participants, the majority (55%) belong to the age group of 21-30 years.
- 60 respondents (60%) have a graduation level of education.
- 59 respondents (59%) are classified as highly professional.
- 50% of the respondents use a savings account.
- 60% of them have their accounts with a national bank.
- 70% of the respondents use e-banking services for personal transactions only.
- User-friendliness, 70% of the respondents find the e-banking service at ATMs to be user-friendly.
- 90% of the respondents use e-banking services based on customer convenience.
- 40% of the respondents use e-banking services for purposes other than personal transactions.
- Null hypothesis is accepted and alternative hypothesis is rejected for this variable there is no significant association between gender and the level of awareness regarding e-banking services among nationalized banks in Chennai.
- Null hypothesis is accepted and alternative hypothesis rejected, consumer satisfaction factors related to e-banking services provided by nationalized banks in Chennai based on income levels is independent.

SUGGESTION

The bank should create awareness among its customers about the availability of a round-the-clock helpdesk. This will enable customers to seek immediate assistance and have their queries addressed promptly. To encourage online transactions and promote the use of the mobile app, the bank can introduce attractive offers such as cashback or coupons. This will incentivize customers to use the app more frequently. The bank should focus on building trust with its customers by ensuring reliable service and addressing any server-related

issues promptly. This will help in making transactions more convenient and hassle-free. The bank can extend its service hours to accommodate the needs of aged customers, providing them with better assistance and support during their preferred times. Implementing robust security measures and notifying customers about transaction alerts can in still trust and ensure the safety of their financial transactions while using mobile app. Proper communication and awareness campaigns should be conducted to educate customers about the procedures and updates related to mobile app. This will empower customers to easily access and utilize the features of the service on their pocket-friendly devices.

3. CONCLUSION

Consumer perception towards e-banking services among nationalized banks in Chennai is favourable. To further enhance customer adoption and satisfaction with e-banking, it is recommended that banks undertake a comprehensive mass awareness campaign to educate customers about the numerous benefits of Internet banking. This will enable Internet banking to emerge as a preferred alternative channel for financial service delivery. Nationalized banks should also prioritize meeting customer needs and adapt to the increasing competition in the financial services sector, both from within and outside the industry. Continuous innovation and the development of new products and services in response to technological advancements are essential to stay ahead in the market. Furthermore, it is anticipated that Internet banking has the potential to evolve into a comprehensive platform offering a wide range of financial products, including insurance policies, pension funds, and stocks. This expansion of services can further enhance the value proposition of e-banking for customers. The study also

revealed that there is no significant difference between gender and the level of awareness regarding e-banking services among nationalized banks. Similarly, there were no significant differences in consumer satisfaction factors based on income levels. This suggests that nationalized banks in Chennai are effectively catering to the needs and preferences of customers across different gender and income segments. In conclusion, the study highlights the importance of creating awareness, satisfying customer needs, and embracing technological advancements to enhance consumer perception and satisfaction with e-banking services among nationalized banks in Chennai. By focusing on these aspects, banks can drive customer loyalty, foster trust, and ensure a seamless and convenient banking experience for their customers.

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