

A STUDY ON THE PERFORMANCE OF E-BANKING AND ITS CUSTOMER PERCEPTION

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ABSTRACT

Purpose: The purpose of the study the performance of E-banking and its perception of the customers

Theoretical framework: TAM model has been used as a theory which can be applicable in

case of E-banking performance

Design/Methodology/Approach: The primary quantitative method has been and survey procedure has been conducted. Collected responses has been analyzed through graphical representation

Findings: It has been identified that E-banking can make the banking activities easier from the customers. AI and cloud computing can be used to improve the services of E-banking.

Research, practical work, and social implication: The study helps to highlight the importance of E-banking

Originality/ Value: The value of the study is that it gives a better understanding about the performance of E-banking and customer perception

Keywords: *Banking sector, E-banking, customer perception, Challenges of E-banking, importance of E-banking.*

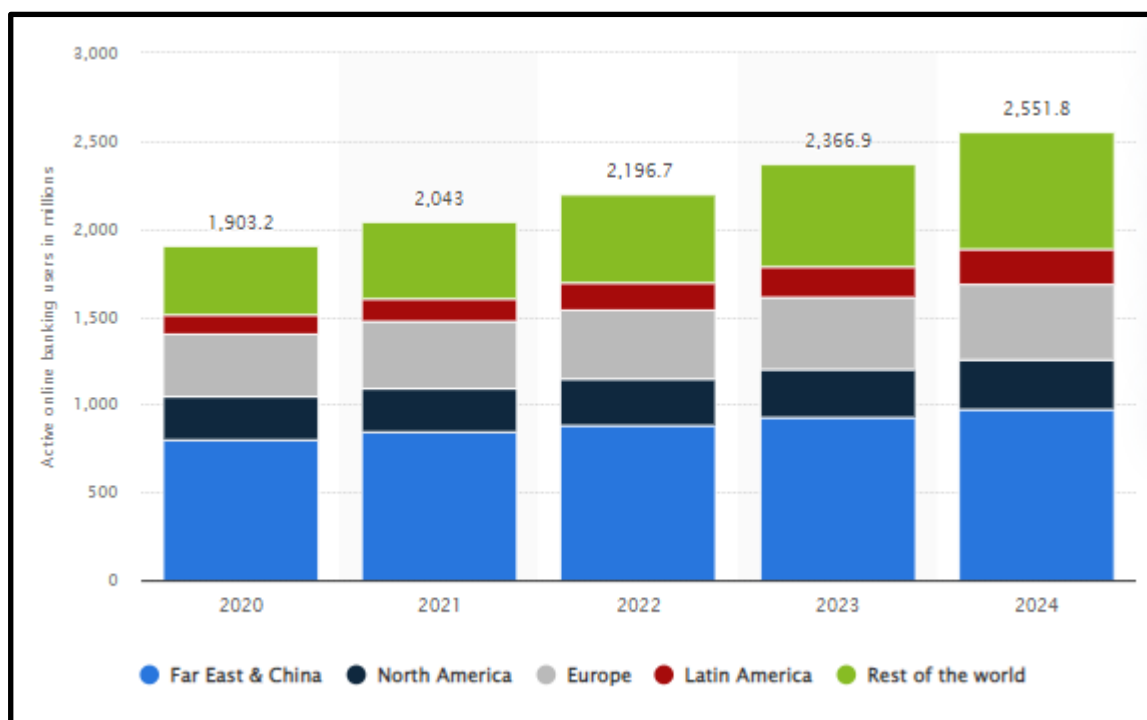
INTRODUCTION

This present research discusses the performance of E-banking and its customer perception. The background of the chosen study has been highlighted in this research along with the prime objective of the research. Argumentative and supportive literature has been provided regarding the selected topic. This study also sheds light on the chosen method in which the relevant data has been gathered related to the topic.

Background

E-banking also known as internet banking can be referred to as a product which is mainly made for the development of the concept of digital banking in the recent times. This has allowed people to have safe and secure banking provisions. With the help of E-banking, a customer can get access to their bank accounts at any time of the day. It has been identified that due to technological advancement e-banking facilities has been incorporated by many organisation for their easy-to-use nature. As per the opinion of Barker (2018), e-banking is the utilization of telecommunication networks and electronic networks that can help to convey different financial services and products. Additionally, through E-banking an individual can also acquire his bank records which can be beneficial for keeping a track of his banking activities from home. Therefore, it has been identified that E-banking makes it easier for the customer to access their banking activities.

Figure 1: Number of online banking customers worldwide : (Source: Statista, 2022)



From the above figure 1, the number of user's actively using online banking worldwide has been identified. It has been observed that in the Far East and China the number of online banking customers was 805 million in the year 2020 (Statista, 2022). Additionally, it has been also predicted that the number of users in the case of online banking will be increased day by day and in the year 2024, the number will reach 1 billion (Statista, 2022). For this reason, it can be concluded that the number of users in the case of online banking has been increasing as it can provide easier access to the bank for its customers. As per the opinion of Bitaab et al. (2020), some users fear using online banking due to fraud cases. Hence, this research helps to understand the perception of E-banking in the case of users.

Objective of the study

The main objective of the research is to study the performance of E-banking and customer perception.

Justification

Setting an objective can help to move forwards to collect necessary data regarding the research topic. Setting the objective for this research has been helpful to get insights about the perception of customers towards using E-banking.

Literature review

Concept and Importance of E-banking

E-banking can be defined as online banking activities by customers using electronic networks. In this context, Mani & Saraswathi (2022) opined that E-banking is an arrangement between the bank and any financial institution with its customers which allow encrypted transaction over the internet. E-banking can provide a customer with a number of advantages among which easier access to banking data is the most important one. The customer does not go to the bank for getting knowledge about any transaction which can help to save a lot of

time for the customer. The 24/7 availability and easy management of the transaction are the advantages of E-banking which can be done in an instant and secure way.

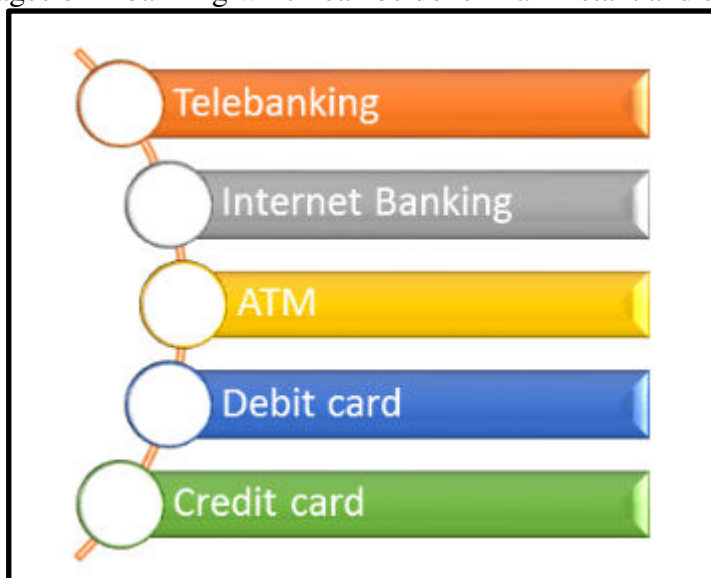


Figure 2: Modes of E-banking

(Source: Mani & Saraswathi, 2022)

Challenges faced by customers in the case of E-banking

It has been identified that along with the advantages E-banking has many obstacles that can create challenges for the customer. As per the opinion of Felix (2018), the main challenge faced by the customer in the case of E-banking is security issues. Due to the advancement of technologies, hackers hack important data of customers and use them for wrong purposes which can create problems for the customers. For this reason, some customers are afraid of using online transaction processes to avoid fraud cases. Technical issues can be arises that can also create problems in the case of E-banking. Hence, it has been identified that technical issues and online fraud are the main challenges faced by customers.

Recommendation for mitigating the challenges

In case of mitigating the challenges reading online fraud the banking sector needs to focus on the security purposes of the websites that can help to reduce the chances of data leakage. As stated by Ahmad et al. (2021), AI can be incorporated by the banking sector which can help to mitigate technological issues. The incorporation of AI can increase the efficiency of banking activities through online websites. In such a manner, the improvement of the sector can be achieved with the help of tactics and strategies of AI.

Theoretical underpinning

In the case of E-banking the TAM model can be incorporated which has two main perspectives such Perceived usefulness of technology and Perceived ease of using technology. The Perceived usefulness aspect states that customers and employees need to believe that E-banking can improve their banking activities (Rafique et al. 2020). On the other aspect, the Perceived ease of using technologies aspect stated that customers needs to believe that e-banking can make their banking activities effortless. Hence, the implication of this theory can help to change the perspective of the customer towards E-banking.

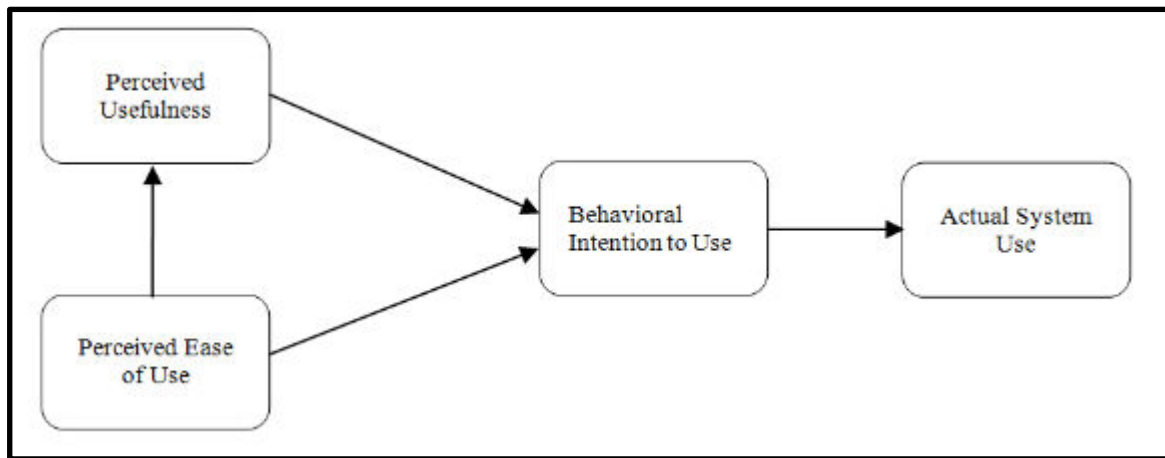


Figure 3: TAM model

(Source: Rafique et al. 2020)

Material and methodology

Research methodology is the process selected by the researcher to perform this research. As per the statement of Rashid et al. (2019), selecting suitable methods can help the researcher to gather necessary information related to the research objectives. In this present research, a primary qualitative research methodology has been chosen. As depicted by Boeren (2018), the primary quantitative research methodology is helpful to get insights from the chosen respondents regarding the research subject. In this research, a survey has been conducted which can be beneficial for gaining the perception of the respondents regarding E-banking. In order to conduct the survey the research has developed a questionnaire of 8 questions and sends those to 25 respondents who participated in the survey. The researcher sends a consent letter to the participants to seek their permission before sending the survey questionnaire. The survey has been conducted through Google Forms by maintaining ethical considerations.



Figure 4: Types of survey modes

(Source: Boeren, 2018)

The researcher has selected the survey method as it has several advantages. Conducting a survey is a much easier process and it can also help to reduce geographical barriers. As per the opinion of Mohsan et al. (2022), the survey can be performed through a computer or mobile device which can help to save a lot of time. On the other hand, conducting an interview is a time-consuming process. As per the statement of Lovari & Bowen (2020), conducting an interview is time taking and it also includes geographical barriers. Taking an interview is also a costly process and for this reason, the research has selected a survey method to conduct this research. The relevant data has been gathered from the survey response and the data has been analysed by the research through graphical representation.

Results and discussion

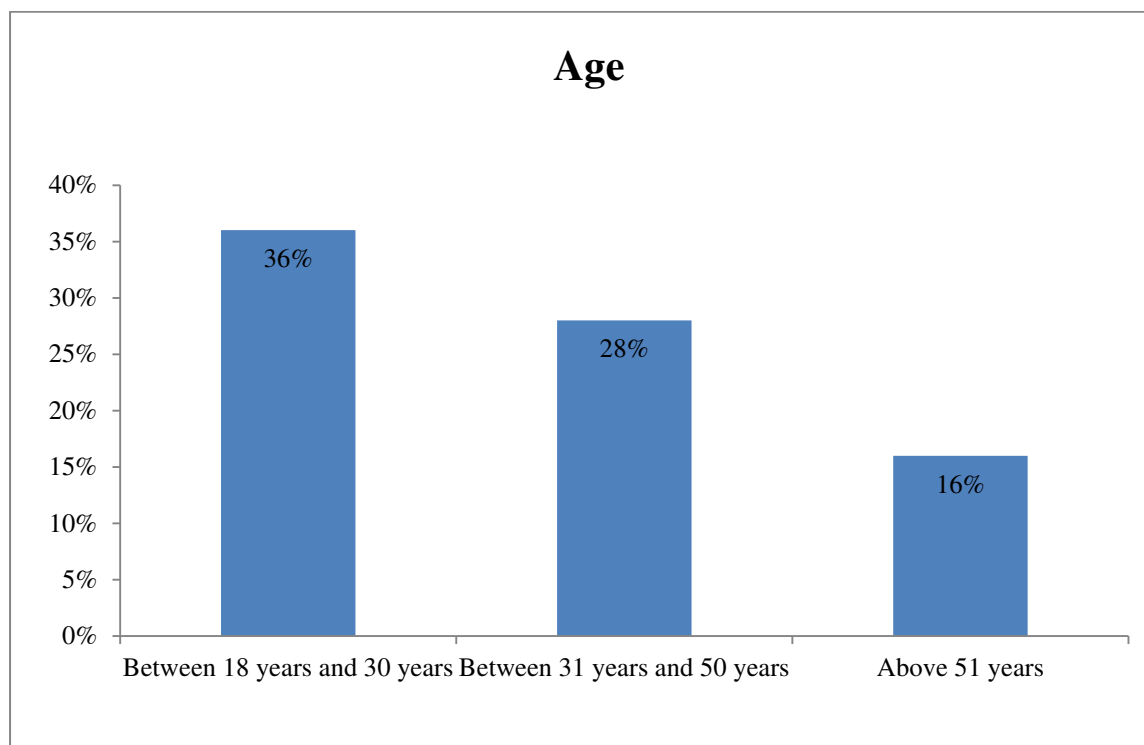


Figure 5: Demography on the basis of age

The above survey results, it has been observed that that 36% of the survey respondents come under the age group of 18 to 30 years of age. Additionally, it has been also identified that 28% of the respondents are between 31 to 50 years of age along with 16% of the survey respondents are more than 50 years. Hence, it has been concluded from the survey that individuals from all age-groups have involved in this survey to provide their insights.

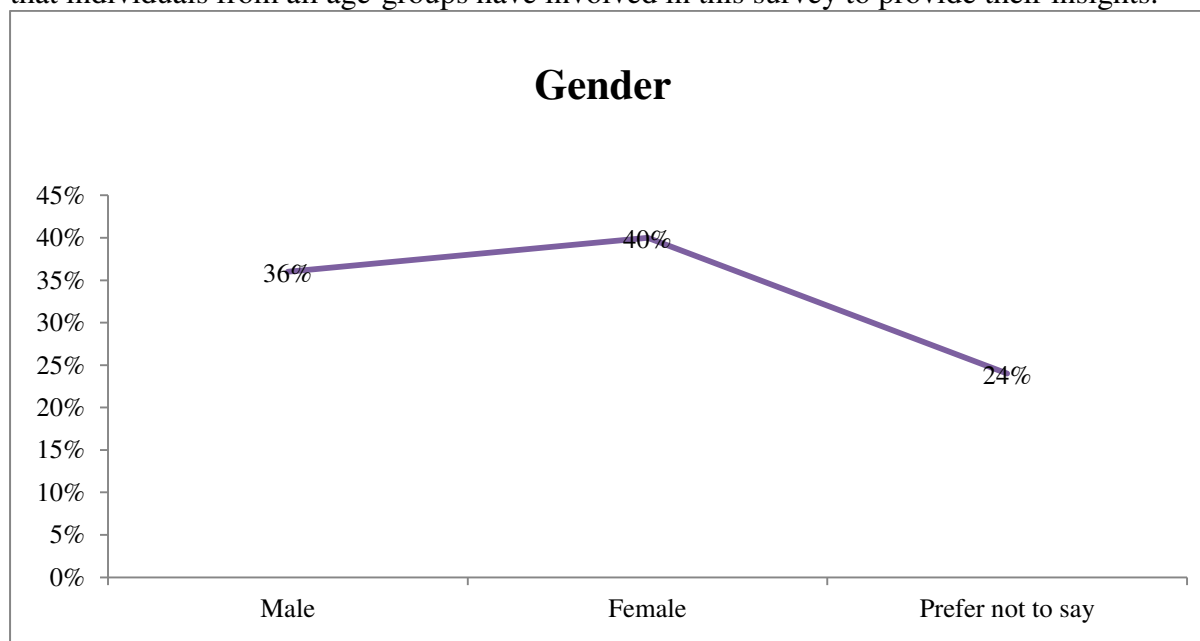


Figure 6: Demography on the basis of gender

The above survey results, it has been seen that 36% of the survey participants were male and the other 40% of the respondents were female. On the other hand, 24% of the respondents do not prefer to disclose their gender. Therefore, it has been identified that both male and female respondents showed interest to give their responses in the survey.

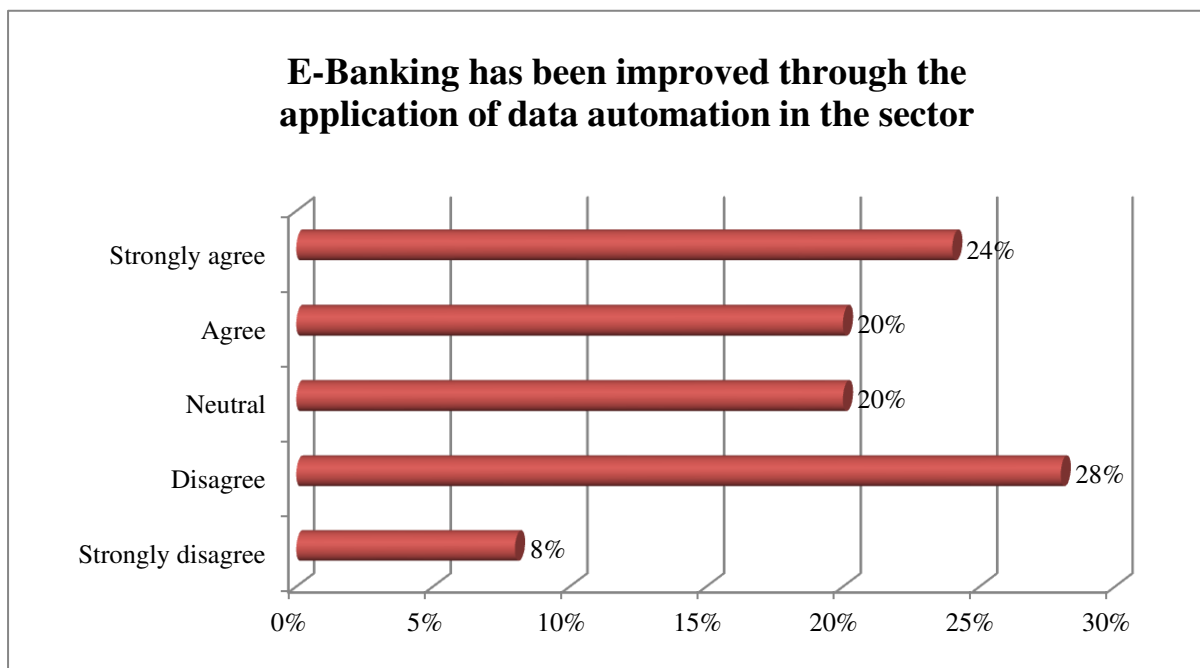


Figure 7: Demography on the basis of improvement of E-banking

The above bar graph reflects the responses of the participants regarding the improvement of E-banking through the application of data automation. In this case, 24% and 20% of the participants strongly agreed and agreed respectively with the fact that data automation improved the process of E-banking. However, 20% of the respondents showed neutral responses. Hence, it has been identified that the majority of the respondents gave their positive response reading improvement of E-banking through the application of data automation.

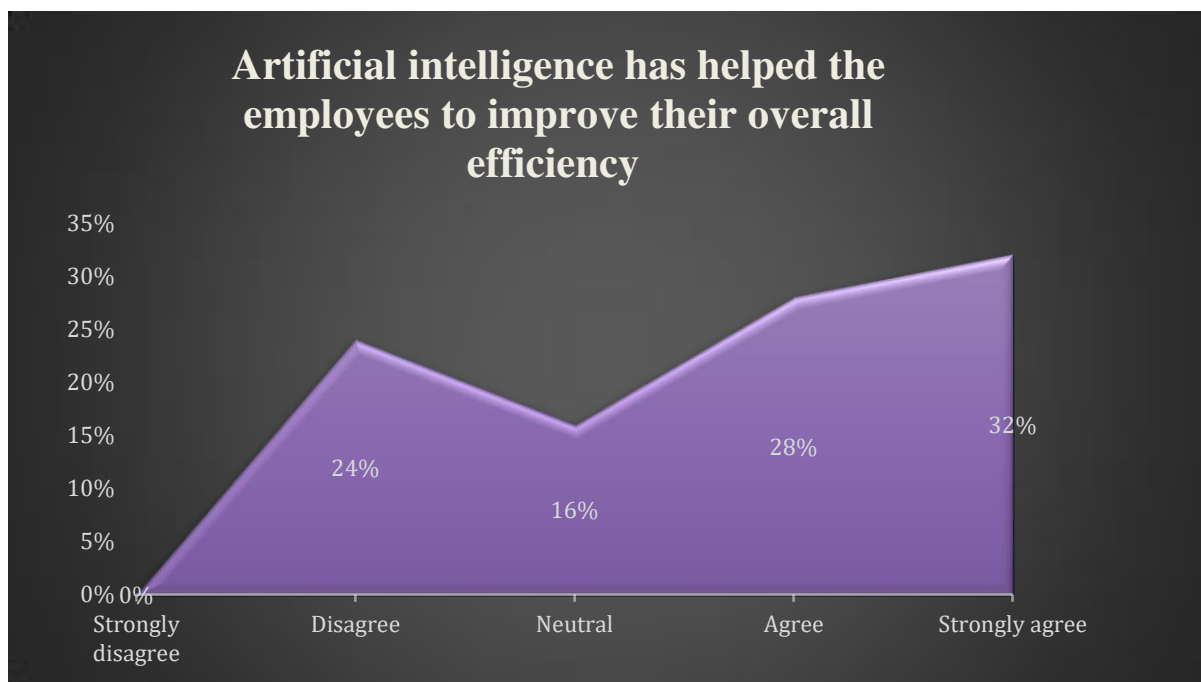


Figure 8: Demography on the basis of improving efficiency through AI

In the above figure the graphical representation highlights the effectiveness of AI in case of improving employee efficiency. 32% and 28% of the participants strongly agreed and agreed respectively with the fact that artificial intelligence can help to improve the efficiency of employees. However, it has been also identified that 16% of the participants gave neutral responses regarding this statement. Hence, the majority of the respondents gave a positive response related to the statement which can help to conclude that AI can improve the efficiency of employees.

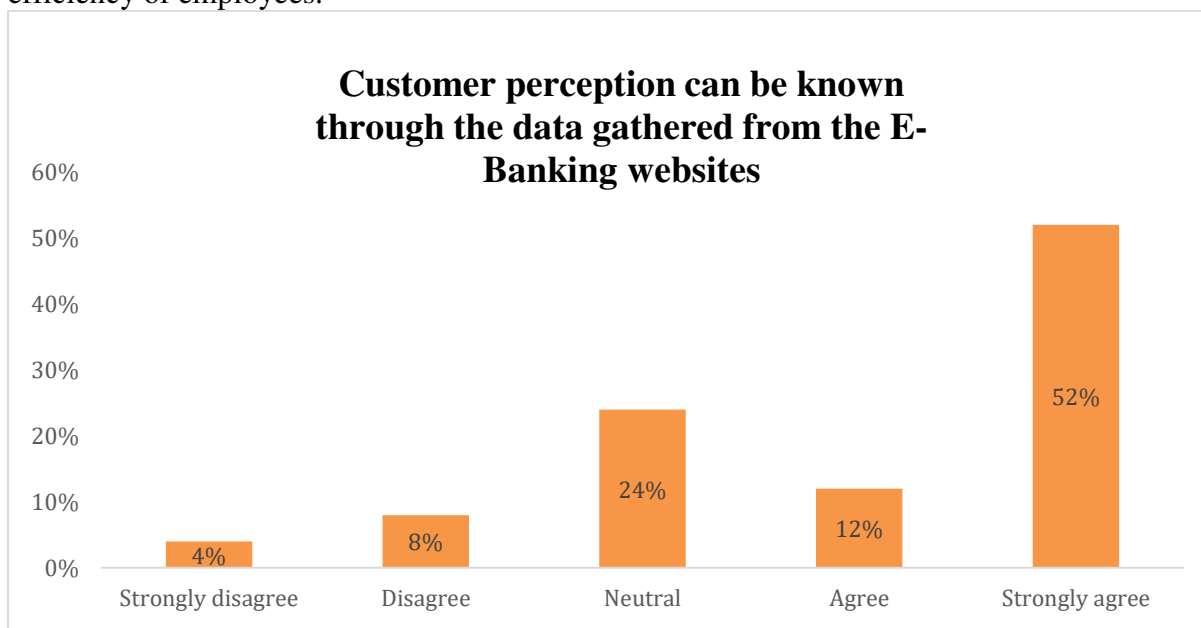


Figure 9: Demography on the basis of customer perception

The above graph reflects that 52% of the participants strongly agreed that banking websites help to understand customer perception regarding E-banking. Additionally, 12% of the respondents also agreed with the statement however, 24% of the participants gave neutral responses. Therefore, it has been identified that customer perception related to E-banking can be gathered through websites.

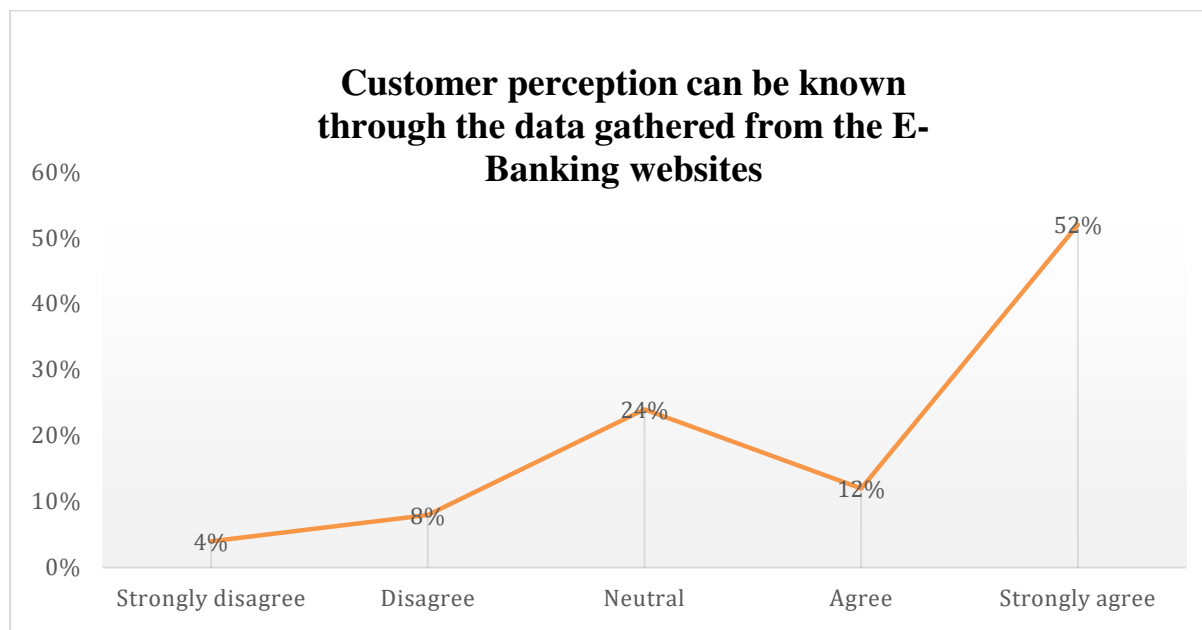


Figure 10: Demography on the basis of customer perception

The above pie chart, it has been seen that the majority of the respondents 48% and 20% of participants strongly agreed and agreed with the statement that clouds computing can help to improve the performance of E-banking. Hence, it can be concluded that the performance of E-banking can be improved by cloud computing.

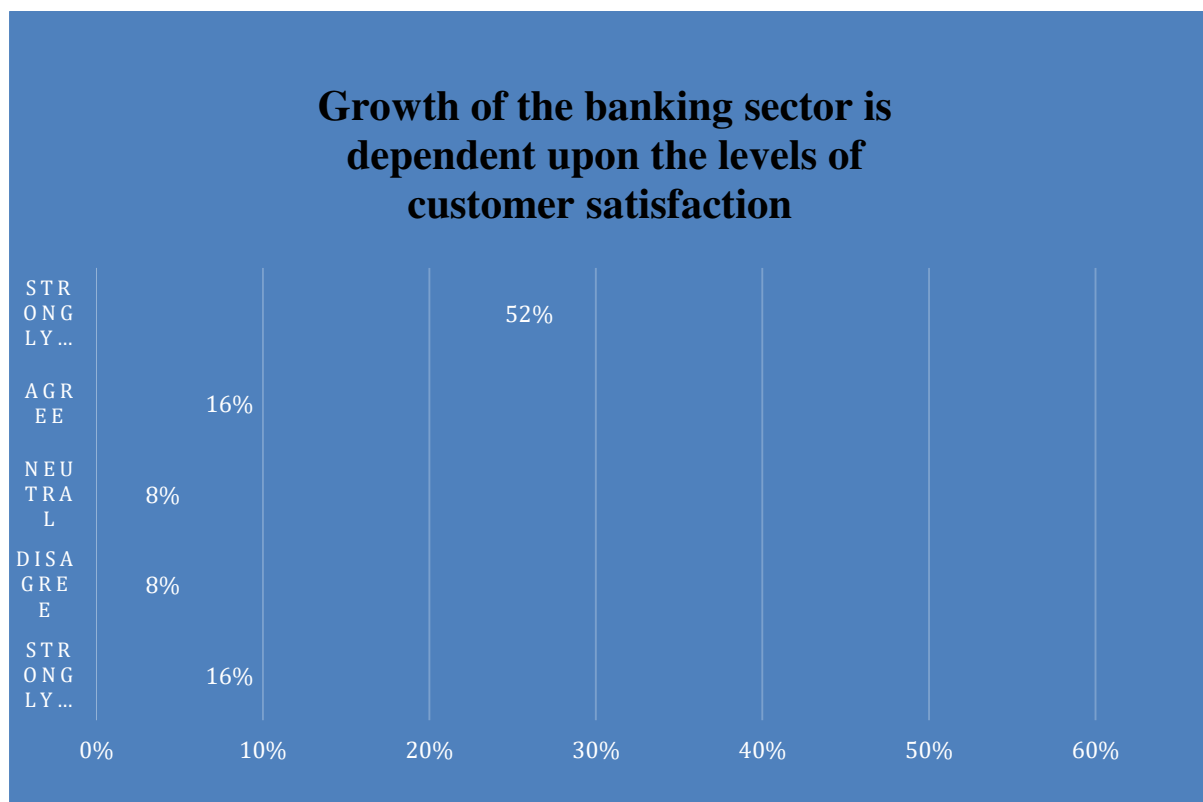


Figure 11: Demography on the basis of customer satisfaction and growth

The above bar diagram reflects that 52% and 16% of the survey respondents gave their support to the statement that the growth of the banking sector is related to customer satisfaction. Hence, depending upon the majority of responses it has been concluded that customer satisfaction is dependent on organisational growth.

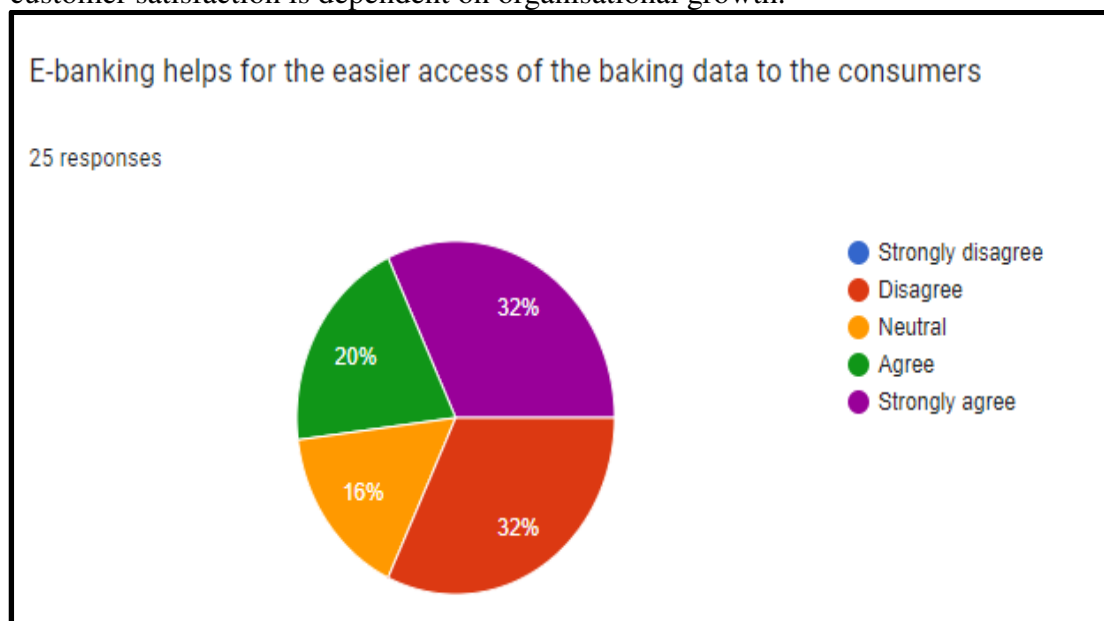


Figure 12: Demography on the basis of easier access to banking data through E-banking

The above pie chart reflects that 32% and 20% of the participants gave their positive response regarding the fact that E-banking can provide easier access to the banking data. For this reason, the customer can easily know about their banking activities from anywhere and at any time.

Conclusion

From the above research, it has been observed that E-banking is advantageous for customers to get access to the bank and its activities. It has been also identified from the research the rate of using online banking has been increasing day by day. The importance and challenges of using E-banking have been discussed in this research. The perception of customers regarding E-banking has also been mentioned in this study. The survey has been performed in this research by including 25 participants to get their insights about E-banking performance. Graphical representation has been provided and analysis to conclude the objective of the research.

Limitations of the study

This research helps to discuss the performance of online banking and the perception of the customers. The importance of online banking in the case of customers has been identified in this study. However, the research lacks in providing detailed research on the importance of E-banking. This present research also fails to provide the required information regarding the challenges of E-banking faced by customers.

Suggestions for future work

The research has selected the primary quantitative method for gaining necessary information regarding the research subject. However, in the future secondary qualitative research methodology can be selected which can be beneficial for collecting topic-related data from the previous research. This can be helpful in future to gain more detailed data regarding the perception of customers towards E-banking.

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Appendix

Appendix: Survey Questions

1. What is your age?
 - Between 18 years and 30 years
 - Between 31 years and 50 years
 - Above 51 years
2. What is your gender?
 - Male
 - Female
 - Prefer not to say
3. E-Banking has been improved through the application of data automation in the sector
 - Strongly disagree
 - Disagree
 - Neutral
 - Agree
 - Strongly agree
4. Artificial intelligence has helped the employees to improve their overall efficiency
 - Strongly disagree

- Disagree
 - Neutral
 - Agree
 - Strongly agree
5. Customer perception can be known through the data gathered from the E-Banking websites
- Strongly disagree
 - Disagree
 - Neutral
 - Agree
 - Strongly agree
6. Performance of E-Banking can be further improved with the help of cloud computing
- Strongly disagree
 - Disagree
 - Neutral
 - Agree
 - Strongly agree
7. Growth of the banking sector is dependent upon the levels of customer satisfaction
- Strongly disagree
 - Disagree
 - Neutral
 - Agree
 - Strongly agree
8. E-banking helps for the easier access of the banking data to the consumers
- Strongly disagree
 - Disagree
 - Neutral
 - Agree
 - Strongly agree