

IMPACT OF E-BANKING CUSTOMERS SERVICE PROVIDE ON OPERATIONAL PERFORMANCE DURING COVID-19 PANDEMIC PERIOD IN INDIAN (WITH SPECIAL REFERENCE IN CHENNAI)

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ABSTRACT

In traditional banking, the products and services provided by bank branches are not adequate to meet the customer needs and desires. Customers are progressively more demanding with valuable services customized to their exact needs, at least cost and promptly done. It is possible by the use of Information technology in banking sector. In current scenario of E - Banking service plays a vital role in attracting new customers and retaining old customers. Without e-banking service no banks can survive in this competitive banking business during covid period. E-Banking means the provision of information about a bank and its services through a home page on the World Wide Web (WWW). E - Banking services provide customer easily to access the accounts, the ability to transfer their money between different accounts, and making payments or applying for loans through E - Channels. Electronic Banking is otherwise called as Internet Banking or Virtual Banking or Online Banking or Web Banking cash less world . E – Banking is the medium and latest delivery channel to be offered by the retail banks. It provided number of benefits to customer in term of easy to use and at least cost of transactions; it may be either through internet, telephone or other electronic delivery channels. Nationalization was a structural change in the performance of commercial banks which resulted in to the emergence of public sector banks. This study helps to know the operational performance and satisfaction level of customers towards e – banking services provided by nationalized bank in Chennai. Here E – Banking services includes ATM service, POS using debit card and credit services, mobile banking, EFT etc.

Keywords: E-Banking, EFT (G –pay, Paytm,) POS, ATM Service,

INTRODUCTION

Banks are among the integral parts of the complete financial systems. They function as the backbone of the economy. Indian financial system had its first bank established in 1786 and since all these times, there has been along journey of the banking service which can be divided in 3phases.

Period from the year 1786 to 1969 is marked as the first phase where the East India Company established Bank of Bombay (1804), Bank of Bengal (1809) and Bank of Madras(1843) as presidency bank which were later amalgamated in 1920. Also the Imperial Bank of India mostly for European shareholders was established as private shareholder bank.

In the second phase, the Imperial Bank of India was nationalized (as per the State Bank of India Act) with considerable services of banking precisely in rural and semi-rural areas. The so formed SBI played a major role as being an agent of the Reserve Bank of India and also facilitating the financial transactions for both Union as well as the state governments. During the tenure of Mrs. Indira Gandhi, the then Prime Minister, under the process of nationalization, 7 subsidiary banks of SBI were nationalized in 1969 and later 14 major private commercial banks experienced the same fate.

The third phase of Indian banking came up with more products and facilities by undergoing reforms in 1991, under the committee chaired by M. Narasimha which worked to liberalize the banking practices. This phase introduced new foreign banks along with ATM facilities along with phone and net banking. The system improved with giving more convenience and giving more importance to time instead of money only.

In current scenario, with rising population and their demands, the branches of the banks are alone not capable enough. It now involves continuous access to the information thus IT is of a great help. It gives stimulus to the banks to respond to the business and market changes along with directions from the RBI

and finance ministry. To the banks who perform multiple functions, IT provides them an advantage to facilitate work speedily and also provide e-banking service to this era to both domestic and global transactions at a very fast speed. It also reduces to cost of transaction and avoids hurdles of time and distance.

E-Banking Customers Service Provide on Operational Performance in covid-19 pandemic period

With the customers becoming modern and techno savvy, becomes important for the banks to adopt use of technology to fulfill their demands. Also, in a developing country like India, people see the use of technology as the deciding factor to certify a service as good or bad. Even the employees tend to have a smaller impact in banking service. Variation in services offered adds on to the rating of the service as banking no longer just deals with money but also the financial transaction information. And, customers at both the corporate as well as retail levels are equally important to the banks.

Now, almost all banks have adopted IT to provide better and affordable services to the users like, ATM facility, net banking, credit and debit cards etc are several easy to use services provided to the users by the banks. These services tend to add on to customer satisfaction which further reduces customer retention. The more such services are provided by the banks, the more is their value among the customers but this should be kept in mind that the technology based service provided by both private and public banks differ from each other where private banks beat the public sector ones. E-banking can be understood as the improvement over traditional banking system where the transaction costs have been minimized. The use of e-banking has added to the customers' satisfaction in a number of ways like:

- 1) Customers are able to handle their funds anytime and anywhere they want.
- 2) Banking and transactions are made by covid 2019 easy using e-banking technology.
- 3) Accessibility has been improved with the help of technology as customers can operate from both home and offices.
- 4) Direct contact with the bank is not necessary services can be accessed from anywhere.

OBJECTIVE OF THE STUDY

- To Study the various private and public banks based upon the E-Banking facilities offered by covid time.
- To Satisfaction gained by the customers through E- Banking during the pandemic situation.
- To Benefits given to the customers through the E- Banking facility.

REVIEW OF LITERATURE

One of the most essential and the most needed step when a research is begun is to have a nice and thorough look to the already done work and available knowledge about the interested field. It is marked as an important step as it provides all the available details. In this research, every related literature has been taken from journals, periodicals, and books etc which provide clear and authentic information which will be helpful in the study. Review of the literature has been done on the basis of various points under the study.

Mansoor et al., 2020). Demographic traits determined the occurrence of cognitive orientation such as values, beliefs and personal objectives resulted in a significant response toward an event within an environment (Shankar and Jebarajakirthy, 2019). There are multiple instances in literature where CMR theory is used to connect the mechanism of aspects of individual response and the quality of services.

Shankar and Jebarajakirthy, 2019; Sivapalan and Jebarajakirthy, 2017); however, usage in COVID-19 contributes into the CMR literature differently. The response to environment or an event (COVID-19 in case of this study) elucidates the loyalty of customers in e-banking, which can be termed as an addition in the theoretical aspects.

(Hussien and Aziz, 2020). There are four dimensions of EBSQ, namely, reliability, privacy and security, website design and customer service and support of e-banking. The first dimension, reliability in e-banking holds great importance as response of customers is crucial. Reliability is one of the factors which can influence responses, however timely processing of banking transactions with zero errors is often taken essentially in judging the reality of e-banking service providers.

(Blut et al., 2019; Liang and Pei-Ching, 2020; Saccani et al., 2021). The second dimension, privacy and security expresses the extent to which an e-banking user confidently shares personal information on an e-banking platform (Muturi et al., 2013). E-banking creates serious privacy issues for the users as there is no in-person interaction (Kim et al., 2009; Shankar and Jebarajakirthy, 2019). However, the trust factor surged toward service providers and the desired customer satisfaction response can be achieved through trust.

Krishnamoorthy, V. and R. Srinivasan (2019) threw light on the difficulty faced by the banks to retain their present customers. He said that the banks need to work upon the making new innovations in the product and the services offered to meet their expectations. Also they need to respond to the issues in a way

to develop trust and confidence in the customers.

RESEARCH GAP

It is observed that none of the review of the study touches the topics like analysis of e-banking services, commercial banks, consumer satisfaction through the e-banking, employees and customers views on e-banking, problems associated with e-banking and comparative study of private and commercial banks in India during covid-19. This study tries to find the answers of these gaps through this research.

HYPOTHESIS OF THE RESEARCH

Hypothesis 0 (Ho): There is no significant difference between the various internet banking facilities offered by theselected banks to its customers in India.

Hypothesis 1 (H1): There is a significant difference between the various internet banking facilities offered by the selectedbanks to its customers in India.

Hypothesis 0 (Ho): There is no significant difference between the E-banking facilities which are provided by public and private banks of India.

Hypothesis 1 (H1): There is a significant difference between the E-banking facilities which are provided by selected public and private banks of India.

Hypothesis 0 (Ho): The level of satisfaction of thecustomers is indifferent towards the various banks.

Hypothesis 1 (H1): The level of satisfaction of thecustomers is not indifferent towards the various banks.

Hypothesis 0 (Ho): The consumers are indifferent towards the various E-banking facilities provided by major banksin India.

Hypothesis 1 (H1): The consumers are not indifferent towards the various E-banking facilities provided by major banks in India.

TYPE OF RESEARCH, TOOLS & TECHNIQUES OF ANALYSIS

The nature of the research is explanatory and descriptive. The research helps to have a hold new findings and insights. An explanatory research is conducted at the beginning of the research to make the motive clear and defined. Taking of thedescriptive nature of the research, it is used to survey the design of the research and most importantly to ponder upon the behavior of the consumers. The data collected for the research purpose for this study is analyzed using statistical techniques like Chi Square test andZ test.

SAMPLING TECHNIQUE

The sampling technique used in the study is convenience and judgment sampling.

UNIVERSE OF THE STUDY

The universe of the study includes the population which is taken into consideration. In this study, the universe consists of:

- 1) All the public and private sector banks that are offering the e banking services to the customers.
- 2) All the customers who have availed this facility and are using every day.

SAMPLE SIZE

In this study the sample size taken of 400 customers. This sample of 400 customers consists of those of different age group, income group and profession. Randomly selected 10 banks in Chennai area and each banks 40 customers have been selected from each bank.

LIMITATION OF THE RESEARCH

This sector is fast growing and due to its vast size, it is practically impossible to cover every part of the sector. Thus the limitation of the study are: The study is made in some selected branches of the banks in India. Authenticity of the data collected from the people. There is no parameter which can assure that the respondents understood the actual meaning of the questions.

ANALYSIS AND INTERPRETATION THE RESEARCH

The researcher now analysis the data so collected as per the requirement of the study and uses the statistical tools like Z test and Chi square to analyze the data collected. The analysis is done in the following ways:

THE CUSTOMER'S PERCEPTION ABOUT ONLINE BANKING

The total respondents were 800 i.e. 400 from each private and public sector banks. In this research, a comparative study is made between the customers of private and public sectors in relation to the online banking.

Table 1: Distribution of respondents according to the bank type

| Types of Bank | N | % |
|---------------|-----|----|
| Public Banks | 200 | 50 |
| Private Banks | 200 | 50 |

| | | |
|--------------|------------|------------|
| Total | 400 | 100 |
|--------------|------------|------------|

Table 1 shows the distribution of the respondents as per the type of bank they use. Out of the total 400 respondents, 50% i.e 200 are from public and remaining 200 are from private sector. Therefore equal number of respondents representing both the sectors.

Table 2: Distribution of respondents as per their gender

| Gender | Private Banks | | Public Banks | |
|--------|---------------|-----|--------------|-----|
| | N | % | N | % |
| Male | 304 | 76 | 316 | 79 |
| Female | 96 | 24 | 84 | 21 |
| Total | 400 | 100 | 400 | 100 |

Table 2 shows the distribution of the respondents as per the gender. It depicts the number of male and female customers who use private and public sector banks. The shows that 79% males and 21% females constitute the customers of public banks and on the other hand the figures are 76% and 24% respectively for private sector banks. Hence, it is evident that male customers dominate the number of banking customers.

Table 3: Distribution of respondents according to age

| Age Group | Private Sector | | Public Bank | |
|-------------|----------------|-----|-------------|-----|
| | N | % | N | % |
| < 20 yrs | 0 | 0 | 12 | 3 |
| 20-30 years | 260 | 65 | 176 | 44 |
| 30-40 years | 112 | 28 | 140 | 35 |
| 40-50 years | 8 | 2 | 36 | 9 |
| 50-60 years | 20 | 5 | 20 | 5 |
| > 60 years | 0 | 0 | 12 | 3 |
| No Response | 0 | 0 | 4 | 1 |
| Total | 400 | 100 | 400 | 100 |

Table 3 shows the distribution of respondents on the basis of their age group. The major proportion of the respondents are from the age group of 20-30 years. They constitute 44% in public sector and 65% in private sectors banks. The second best proportion is of the age group 30-40 years which consists of 35% in public sector and 28% in private sector banks. Only 5% of population is of the age group 50-60 years in both the banks.

For the age group 40-50 years, there are only 9 in public sector and 2 in private sector banks. There were no

respondent for private banks in the age group of more than 60 years of age and only 1 for public sector banks. Also, only one person did not respond to the survey in public sector banks whereas the figure is zero for private sector banks. Thus, it is evident that majority of customers of both private and public sector banks are of 20-40 years of age group.

Table 4: Distribution of bank customers based on their income

| Income (per month in Rs) | Private Bank | | Public Bank | |
|--------------------------|--------------|-----|-------------|-----|
| | N | % | N | % |
| < 20,000 | 88 | 22 | 148 | 37 |
| 20,000 -40,000 | 240 | 60 | 152 | 38 |
| 40,000 -60,000 | 64 | 16 | 64 | 16 |
| > 60,000 | 8 | 2 | 36 | 9 |
| Total | 400 | 100 | 400 | 100 |

Table 4 shows the distribution of the banking customers based on their monthly income.

Of all the respondents of the public sector bank, 37% have their monthly earnings less than Rs. 20,000 and 38% earn between Rs.20,000 to 40,000. 16% earn between Rs. 40,000 to 60,000 and only 9% have their earnings more than Rs. 60,000.

Speaking of the private sector banks, 22% of the respondents earn less than Rs. 20,000 and 60% have their monthly earnings between Rs. 20,000 to 40,000. 16% earn between

Rs. 40,000 to 60,000 and only 2 earn more than Rs. 60,000. Thus, it is evident that a large chunk of population earns between Rs. 20,000 to 40,000 as their monthly income.

Table 5: Distribution of respondents according to marital status

| Marital Status | Private Bank | | Public Bank | |
|----------------|--------------|-----|-------------|-----|
| | N | % | N | % |
| Unmarried | 164 | 41 | 128 | 32 |
| Married | 236 | 59 | 272 | 68 |
| Total | 400 | 100 | 400 | 100 |

Table 5 represents the data showing the marital status of the respondents. Among the customers of the public sector banks, 68% are married and 32% are unmarried. Now speaking of the private sector banks, 59% are married and 41% are unmarried.

Thus, it is clear that majority of the customers are married.

Table 6: Usage of E banking

| Response | Private Bank | | Public Bank | |
|-------------------|--------------|-----|-------------|-----|
| | N | % | N | % |
| Not using at all | 8 | 2 | 92 | 23 |
| Less than 6 month | 120 | 30 | 68 | 17 |
| 6 - 12 months | 28 | 7 | 12 | 3 |
| 12 - 18 months | 4 | 1 | 0 | 0 |
| > 18 months | 212 | 53 | 228 | 57 |
| No Response | 28 | 7 | 0 | 0 |
| Total | 400 | 100 | 400 | 100 |

Table 6 reveals the data relating to the usage of data by the respondents. In public sector, 23% did not use internet at all, 17% used for less than 6 months, just 3% for less than 1 year but a huge chunk i.e. 57% used internet for more than 18 months.

Speaking of the private sector banks, only 2% did not use internet at all, 30% used for less than 6 months, 7% for less than a year and very few (1%) between 12 to 18 months. A huge chunk (53%) said they used internet for more than 18 months and only 7% refused to respond to the survey. Thus, it is evident that maximum of the respondents use internet for more than 18 months.

Table 7 : Awareness & use of E banking services

| Services | Private Banks | | | | Public banks | | | |
|------------------|---------------|-----|-----------|----|--------------|----|-----------|----|
| | Aware | | Not Aware | | Aware | | Not Aware | |
| | N | % | Not Aware | % | N | % | Not Aware | % |
| ATM | 400 | 100 | 0 | 0 | 388 | 97 | 12 | 3 |
| Credit Card | 316 | 79 | 84 | 21 | 252 | 63 | 148 | 37 |
| Phone Banking | 220 | 55 | 180 | 45 | 196 | 49 | 204 | 51 |
| Mobile Banking | 188 | 47 | 212 | 53 | 268 | 67 | 132 | 33 |
| Internet Banking | 280 | 70 | 120 | 30 | 292 | 73 | 108 | 27 |

The Above the table 7 indicate that the awareness and use of E Banking services in the 100% fully aware of using the ATM Card for both the banks , and 21% Not aware the credit card users , and above the table

shows the less the 50% of the customer Un aware the use of e banking services.

Table 8: Satisfaction of customers using e banking services

| Category | N | Mean | SD | Z | Result |
|----------|-----|------|------|-------|--------|
| Private | 344 | 3.86 | 0.95 | -3.18 | ** |
| Public | 220 | 3.24 | 1.23 | | |

Table 8 shows the responses of the customers regarding their level of satisfaction in using the internet banking service in both public and private sector banks. When the mean scores were taken on a five point scale, the results came out to be 3.24 and 3.86 for public and private sector respectively. The results prove that the customers of the private sector banks are more satisfied with e-banking services as compares those of the public sector.

FINDINGS

The results of this research makes the banks aware of the apprehension of the consumers about the internet banking services provided to them. E-banking has become an important aspect of the banking service and through this study, the banks can put forward their plans accordingly to meet the expectations of the customers. Based on these results, following results can be put forward:

- ❖ Greater part of public and private sector customers were aware of the internet banking services provided but the respondents of private banks were more aware of the same.
- ❖ More than half of the customers of both the sectors of banks have been using the e-banking services for more than 18 months. Also maximum have received the information regarding the service by the customer executives.
- ❖ After going through the result of the study, it was seen that 73% of the respondents of the public sectors were aware of the internet banking service and 70% of those of the private banks were aware.
- ❖ Talking about the satisfaction level, as per the combined mean scores, private sector bank customers with a score of 3.94 came out to be more satisfied as compared to those of the public sector (3.34). This was evident from the Z test ($Z=3.78$, $p < 0.01$) that the significance level was quite high.
- ❖ On analyzing the degree of problem faced by the respondents, the results seemed neutral with 3.09 for public and 3.23 for the private banks but the difference on the basis of z test came out to be non-significant ($Z=1.15$, $p > 0.05$) but this was low for the public sector banks which means that the customers of the public sector were facing less problems as compared to those of the private sector banks.
- ❖ The study shows that the customers of both private and the public sector banks are satisfied with the internet banking services. Though they are not highly satisfied, but the difference in the mean score was non-significant ($Z = 0.234$, $p > 0.05$).

SUGGESTIONS

- ❖ Banks can motivate their customers to use the internet banking by making them aware of the utility of the internet banking service. If they feel it useful, they'll definitely go for the same. It was seen that maximum of the respondents came across this service through executives, so proper marketing should be done for the same.
- ❖ They second and one of the most important is the ease of use. If the customers do not find the e-banking useful, they'll not opt for it. Thus, the banks should work upon their websites and applications and make it user friendly. They can even organize camps to train the people the usage of their services offered.
- ❖ Keeping in mind the large number of internet scams, the people are reluctant to carry out their financial transactions online. Thus the banks should convince the customers about the security of their data and also take necessary measures to ensure trust, privacy and security of the customer's data to gain their confidence.

CONCLUSION

The objective of this study was to gain the insights on the customers' behavior and satisfaction in using the internet banking services. The researcher focused on various important factors that could affect the satisfaction of the customers in India. It was evident that factors like perceived usefulness, perceived ease of use, respondents' awareness, and problems faced, their trust, security and privacy etc did influence the customers' behavior towards internet banking.

The results showed that factors like usefulness and ease of use play an important in the usage of internet banking. Also factors like security and trust have a sort of discouraging impact on them. It was further noticed that private sector bank users were more satisfied with the internet banking use as compared to those of public sector.

Seeing the problems with the internet banking like card misplace, misuse of cards, inconvenience in using the e-banking service, both the bank respondents were neutral and the z test came to give non-significant results. But it was noted that the users of public sector banks were facing less problems as compared to those of the private sector banks.

The users of internet banking of both public and private sectors are satisfied with the services but not to a very high degree. This study will enable the Indian banking service to develop and plan their services accordingly.

A different type of finding was that the impact of recession was not seen on the e-banking which was evident with no such decline in the number users in the past years rather the users are increasing continuously seeing the benefits of the service to provide continuous solutions to the problems in a safe and secured manner. The average number of transactions for internet transactions are 7% per month as in 2011 which is an increased figure compared to last year.

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