

A STUDY ON THE CUSTOMER EXPERIENCE TOWARDS THE ONLINE BANKING SERVICES PROVIDED BY SBI WITH SPECIAL REFERENCE TO KOTTAYAM DISTRICT

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ABSTRACT

In the world of banking, the development of information technology has an enormous effect on development of more flexible payment methods and more user friendly banking services. Internet banking involves customers using the internet to access their bank account and to undertake banking transactions.

Internet banking is becoming more popular because of its convenience and flexibility. It is also known as online banking and it is an outgrowth of PC banking. Internet banking uses the internet as the delivery channel by which to conduct banking activity, for example transferring funds, paying bills, paying mortgages and purchasing financial instruments and certificates of deposits. Internet banking is a result of explored possibility to use internet application in one of the various domains of commerce. It is difficult to infer whether the internet tool has been applied for convenience of bankers or for the consumer's convenience. But ultimately it contributes in increasing the efficiency of banking operations as well as providing more convenience to customers. Without even interacting with the bankers, customers transact from one corner or country to another corner.

KEYWORDS: *Internet Banking, SBI, Customer Experience*

INTRODUCTION

With the expansion of internet usage, e- banking has been one of the most revolutionized components of today's economic growth. Internet Banking is powerful value-added tool to attract new customers and retain the existing ones. With the proliferation of internet and computer usage, the electronic delivery of e- banking service has become ideal for banks to meet customer expectations. Besides it helps in eliminating costly paper handling and teller interaction in the increasingly competitive banking environment. The potential competitive advantage of e- banking lies in the areas of cost reduction and satisfaction of consumer needs.

In this paper, an attempt is made to find out the level of satisfaction among customers while using internet banking with special reference to SBI customers. There are many forms of internet banking like Automated Teller Machine, tele-banking, smart card, debit card, e-cheque etc. But here only internet banking through banks website is considered. The study also attempts to compare the services provided State Bank of India to their customers.

OBJECTIVES

- To identify the perception of SBI customers towards the internet banking.
- To study the major factors influencing for internet banking.
- To study about various online transactions provided by SBI to their customers.

Hypothesis

Ho: There is no significance relationship between the annual income of SBI customers and their usage of internet banking services.

H1: There is significance relationship between the annual income of SBI customers and their usage of internet banking services.

RESEARCH METHODOLOGY

The study has been designed as an analytical one, based on primary and secondary data

Type of Data

For the study both primary and secondary data are collected and used

- **Primary Data:** The primary data has been collected from SBI customers through questionnaire.
- **Secondary Data:** The secondary data consist of data collected through magazines, journals, books, and internet.

Sample Design

A sample design will include a decision on the sample unit, sample size and the sampling methods.

- **Sampling Method:** Convenience sampling was adopted for this study.
- **Sample Unit:** Sample unit is SBI customers in A door town.
- **Sample Size:** 100 respondents were selected for the study.

Area of Study

Area of study restricted to Adoor town.

Tools used for the Study

For analysing the collected data following tools were used:

Tables, Graphs, Pie diagrams and Chi square.

LIMITATIONS

- Scope of the project was limited to Adoor town. The data was collected from 100 respondents only.
- This study has only limited time.
- Personal bias and prejudice of the respondents could have affected the result of study.
- There will be defaults in the primary data.

REVIEW OF LITERATURE

Ashima Tandon, Manisha Goel and Sunita Bishnoi (2016), in their study stated that Internet banking is regarded as a delivery channel, which over a period of time has gained recognition. With the help of internet banking the consumer has an access to number of services just at the click of a mouse. The study was based on the responses of 450 consumers surveyed in Delhi and National Capital Region to understand the consumer awareness towards internet banking and the respondents were selected from public, private and foreign sector banks. To achieve the objectives of the study a questionnaire with five-point Likert scale consisting of various aspects related to internet banking was designed and random sampling method was adopted to collect the responses. The results of the study indicate that the level of consumer awareness is higher in case of private and foreign sector banks in comparison to public sector banks. Public sector banks need to focus on their working in order to battle with the private and foreign sector banks.

Rakesh H M & Ramya T J (2014): In their research paper titled “A Study on Factors Influencing Consumer Adoption of Internet Banking in India” tried to examine the factors that influence internet banking adoption. Using PLS, a model is successfully proved and it is found that internet banking is influenced by its perceived reliability, Perceived ease of use and Perceived usefulness. In the marketing process of internet banking services marketing expert should emphasize these benefits its adoption provides and awareness can also be improved to attract consumers’ attention to internet banking services.

Shilpi Khandelwal (2013): In his research titled on “E Banking: Factors of Adoption in India” This paper present the last decade has witnessed a drastic change in the economic and banking environment all over the world. With the economic and financial sector reforms introduced in the country since early 1990s, the operating environment for banks in India has also undergone a rapid change. Increasingly, more and more people are switching to electronic platforms for executing financial transactions. Internet banking has brought about a 360 degree change in the entire banking industry. The wider usage of cell phone and internet certainly seems to be playing a role in blurring physical boundaries, and unlocking a whole new world of opportunities for banks in tapping newer customer segments and in recording greater volume of transactions. For the banks, technology has emerged as a strategic resource for achieve in higher efficiency, control of operations, productivity and profitability. For customers, it is the realization of their anywhere, anytime, anyway banking dream. This has prompted the banks to embrace technology to meet the increasing customer expectation and face the tough competition. This research paper is focused on what are the drivers that drive consumers towards adoption of E banking. How consumers have accepted internet banking and how to improve the usage rate were the focus of research area in this study.

Ms. Fozia (2013): The purpose of this paper is to determine the customer’s perception toward the e banking services. A total of number of customer taken for the study is 196. Analysis of variance technique is employed to study the significant relationship between the occupation and customer perception of e-banking services and significant relationship between the age and customer perception of e-banking services. The result of the study clearly shows that different age group of customer and different occupation group of customers have different perception toward the e-banking services. The results also propose that demographic factors impact significantly internet banking behaviour, specifically, occupation and age. Finally, this paper suggests that an understanding about the customer’s perception regarding the e-banking services of public and private banks it will help to the banker to understand the customers need in better way.

DATA ANALYSIS

Table 1: Problems Faced while using Internet Banking

Particulars	Often	Rarely	Never	Total
Not providing information	10	40	26	76
Not being able to maintain security	5	42	29	76
Not giving fast response	12	35	29	76
Leaving operations unfinished	10	41	25	76
Internet banking can be tampered by others	8	36	32	76
Waiting for long time or conducting of transactions	8	41	27	76

10 % often face problem due to the lack of information provided, 40% rarely and 26% never face such problem. 5% often face security issues, 42% rarely and 29% never faces. 12% often face problem due to the unavailability of fast response by banks, 35% rarely and 29% never. 10% often face problem due to operations left unfinished, 41% rarely and 25% never faces. 8% often face problem due to the tampering of internet banking by others, 36% rarely and 25 % never face. 8% often face problem as they have to wait for long time for conducting transactions, 41 % rarely and 27 % never face.

38.2% of the respondents use online fund transfer, 10.5% respondents use card to card fund transfer, 5.3% respondents use request for issue of cheque books, 13.2% use online ticket booking for travel by road, rail and air, 10.5% respondents use utility bill payment, 18.4% use balance enquiry and 3.9% use request for issue demand draft. 88.2% of the respondents are satisfied with the internet banking services provided by SBI and 11.8% of the respondents are not satisfied with the internet banking service provided by SBI. 31.6% of the respondents have the opinion that service charge is fair, 43.4% have moderate opinion and 25% respondents have the opinion that service charge is unfair.

Testing Hypothesis

Hypothesis

Ho: There is no significant relationship between the annual income of the SBI customers and their usage of internet banking service.

H1: There is significant relationship between the annual income of the SBI customers and their usage of internet banking service

Test Statistics	Level of Significance	Degree of Freedom	Calculated Value	Table Value	Result
Chi-square	5%	4	5.55	9.488	Accept Ho

We accept the null hypothesis and reject the alternative hypothesis that there is no significant relationship between the annual income of the SBI customers and their usage of internet banking service.

SUGGESTIONS

- The internet banking services provided by SBI should tackle the security concern issues.
- Other services in addition to online fund transfer provided by SBI should be made more attractive to customers.
- Internet banking should be made more aware among the senior members of the society.

- Above all, the websites or applications should ensure high level security.
- The service charges should be lowered in order to make the online transactions more attractive.

CONCLUSIONS

From the study it can be concluded that there has been higher satisfaction level of SBI customers towards internet banking, also various factors have been studied which influenced respondents to use internet banking and among them majority of them used internet banking as they had a traditional bank account, also awareness of internet banking services provided by SBI were studied and among them online fund transfer was the one which the respondents were highly aware of, thus it can be concluded that internet banking has been proved to be a boon for the banking industry.

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