

COMPARATIVE STUDY OF CUSTOMERS ATTITUDE TOWARDS E-BANKING SERVICES OF IOB AND ICICI BANKS IN KANYAKUMARI DISTRICT

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Abstract

The world wise technology is growing very rapidly. The modern technology brings major changes in every sector including banking sector. Today every banking organization are using E- Banking for better customer services, Indian banking industry has suddenly witnessed a major boom. Being a globalized market, the customers seek and demand world class products. In today's global market, the competitive advantage lies in delivering high quality service to the customers. The need to achieve customer satisfaction lies in its ability to deliver products quickly and better to the customers. The purpose of this paper is to determine the Comparative Study of Customer Attitude towards E-banking Services of IOB and ICICI Bank in Kanyakumari District. It will help to the bankers to understand the customers need in better way.

Key words: Bank Customer Awareness and Satisfaction, Service Quality, Satisfaction.

Introduction

In banking industry e-banking services are revolutionizing the way business is conducted. E-banking models are replacing conventional banking system and almost of banks are rethinking business process designs and customer relationship management strategies. Competition among banks along with the universal forces has obliged the banks to adopt the technological changes such as internet banking, mobile banking, ATM services, electronic fund transfer, credit card, debit card, and electronic clearing services etc. which offers customers convenience, anywhere and anytime banking. This is a Comparative study aims at analyzing the Customer satisfaction towards the use of e-banking services in IOB and ICICI banks.

Statement of the Problem

Most of the Banks are computerized because of the development in technology. Due to the rapid growth in technology and new scientific inventions the banking field is developing every

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day. Banking being a service industry has lot of stake in customer satisfaction. An e-banking can hardly comprehend the customer's needs and wants. This problem leads to some questions. How for the customer's needs are fulfilled? What are their other requirements? How can the e-banking better serve the

customers are some of the research questions. This study aims to highlight the usage and the e-banking services rendered by IOB and ICICI banks in Kanyakumari District. Modern commercial banks besides performing the main function accepting deposits and lending money cover a wide range of financial service to customers and general public. Even though various services have been provided the customer have to wait one or two hours to withdraw money .But after the introduction of the e-banking services, they can do very perfectly. This is a great boon to the people. Though a model and decent start has been made in India, net banking has still a long way to go. Hence an attempt is made by the researcher to analyze how for the e-banking and its services are utilized by the customers in Kanyakumari District.

Concept of E-banking

E-banking has the potential to transform the banking business as it significantly lower transaction delivery cost. E-banking implies the provision of banking products and services through electronics delivery channels. E-banking has been around for quite some time in the form of ATM's and Telephone transactions for customers; internet offers faster access is more convenient and available around the clock irrespective of the customer's location. For banks, it is a much more efficient and cost saving channels.

E-banking is about providing traditional banking functions via the internet to perform e-banking the customer does not need to have any special software installed in the PC with just an internet connection the customer can correct to the banks secure, log in and do the necessary transactions at any time from just about anywhere. There are times when the bank customers want to know their bank balances or make urgent payment and a visit to a branch is not convenient. E-banking can solve these problems.

Indian Overseas Bank

Indian Overseas Bank (IOB) is a leading bank based in Chennai, India established in 1937. IOB had the distinction of simultaneously commencing operations in three branches at Karaikudi, Chennai, and Yangon (Myanmar). Since IOB aimed to encourage overseas banking and foreign exchange operations, it soon opened its branches in Penang and Singapore. Today, Indian Overseas Bank boasts of a vast domain in the banking sector with over 3300 domestic branches, three extension counters and six branches overseas as of 31.03.2012. IOB was the first bank to venture into consumer credit, as it introduced the popular Personal Loan scheme. In 1964, the Bank started computerization in the areas of inter-branch reconciliation and provident fund accounts. Indian Overseas Bank was one of the 14 major banks, which were nationalized in 1969. After nationalization, the Bank emphasized on opening its branches in rural parts of India. In 1979, IOB opened a Foreign Currency, Banking Unit in the free trade zone in Colombo. The Bank's IT department has developed software, which is used by its 1200 branches to provide online banking to customers. Indian Overseas Bank also has a 19 network of about 500 ATMs throughout India. Its International VISA Debit Card is accepted at all ATMs belonging to the Cash Tree and NFS networks. IOB also offers Internet Banking; it's one of the banks that the Government of India has approved for online payment of taxes.

Indian Overseas Bank offers investment options like Mutual Funds and Shares. It provides a wide range of consumer and commercial banking services, including Savings Account, Current Account, Depository Services, VISA Cards, Credit Cards, Debit Cards, Online Banking, Any Branch Banking, Home Loans, NRI Account, Agricultural Loans, Payment of Bills / Taxes, Provident Fund Scheme, Forex Collection Services, Retail Loans. IOB formulated its Web site during the month of February in 1997.

ICICI Bank

ICICI Bank is an Indian multinational banking and financial services company headquartered in Mumbai. ICICI Bank was established by the Industrial Credit and Investment Corporation of India (ICICI), an Indian financial institution, as a wholly owned subsidiary in 1955. The parent company was formed in 1955 as a joint-venture of the World Bank, India's public-sector banks and public-sector insurance companies to provide project financing to Indian industry. The bank was initially known as the Industrial Credit and Investment Corporation of India Bank, before it changed its name to the abbreviated ICICI Bank. The parent company was later merged with the bank. The Bank and their subsidiaries offers a wide range of banking and financial services including commercial banking, retail banking, project and corporate finance, working capital finance, insurance, venture capital and private equity, investment banking, broking and treasury products and services. They offer through a variety of delivery channels and through their specialised subsidiaries in the areas of investment banking, life and non-life insurance, venture capital and asset management. ICICI Bank launched e-banking operations in 1998.

The E-Banking services have providing various services such as, Corporate net banking, FX online, Online taxes, Internet Banking, Bill Pay, Smart Money order, Prepaid Mobile Charge, Trade MIS, Top Online Schemes, Salary Book, Online-Payment, Speed money Transfer, Mobile Banking, Tele Banking etc.

Review of Literature:

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.

Mr. Vijay Prakash Gupta & Dr. P. K. Agarwal (2013), in their research paper “Comparative Study of Customer Satisfaction in Public Sector and Private Sector Banks in India”. This paper gives with the introduction of liberalization policy and RBI's easy norms several private and foreign banks have entered in Indian banking sector which has given birth to cut throat competition amongst banks for acquiring large customer base and market share. Banks have to deal with many customers and render various types of services to its customers and if the customers are not satisfied with the services provided by the banks then they will defect which will impact economy as a whole since banking system plays an important role in the economy of a country, also it is very costly and difficult to recover a dissatisfied customer. Since the competition has grown manifold in the recent times it has become a herculean task for organizations to build loyalty, the reason being that the customer of today is spoilt for choice. It has become imperative for both public and private sector banks to perform to the best of their abilities to retain their customers by catering to their explicit as well as implicit needs. Many a times it happens that the banks fail to satisfy their customer who can cause huge losses for banks and there the need of this study arises. The purpose of this research article is to examine the customer satisfaction among group of customer towards the public sector & private sector banking industries in India. Study is cross-sectional and descriptive in nature. The researcher tries to makes an effort to clarify the Customer Service satisfaction in Indian banking Sector. Descriptive research design is used for this study, where the data is collected through the questionnaire. The information is gathered from the different customers of the two banks, viz., PNB and HDFC Bank located in

the Meerut Region, Uttar Pradesh. Hundred bank respondents from each bank were contacted personally in order to seek fair and frank responses on quality of service in banks. The service quality model developed by Zeithamal, Parsuraman and Berry (1988) has been used in the present study. The analysis clearly shows that there exists wide perceptual difference among Indian (public sector) banks regarding overall service quality with their respective customers, when compared to Private sector banks. Whereas the said perceptual difference in private banks is narrow.

Objectives of the study

- I. To analyse the socio economic background of the sample respondents.
- II. To analyse the satisfaction level of the customers while using e- banking.
- III. To study the problems faced by customers in e-banking.
- IV. To examine the impact of services quality dimensions on customer satisfaction in e- banking.

RESEARCH METHODOLOGY

Research Design

The present study is of Descriptive in nature. Sample size selected for the study was 100 respondents out of which 50 respondents were e-banking users of IOB Bank and 50 respondents were the ICICI banks in Kanyakumari District of Tamil Nadu State is the area chosen for this study. Convenience sampling technique was adopted in the selection of the bank customers. For analyzing the data, percentages and Garrett ranking techniques were applied.

Limitations of the Study

- The present study considers only the selected respondents in Kanyakumari District.
- The research work is based on the primary data which are collected from the selected respondents. Therefore the findings are not to be generalised.
- Due to the time constraint the researcher has selected Indian Overseas Bank and ICICI Bank only, for this study.

RESULTS AND DISCUSSIONS

Table 1: Demographic Variables of the Respondents

VARIABLES		TYPES OF BANKS			
		IOB		ICICI	
		No of Respondents	Percentage (%)	No of Respondents	Percentage (%)
Age	20-30	08	16	06	12
	30-40	17	34	21	42
	40-50	14	28	09	18
	50 and above	11	22	14	28
	Total	50	100	50	100

Gender	Male	31	62	37	74
	Female	19	38	13	26
	Total	50	100	50	100
Educational Qualification	SSLC	07	14	05	10
	HSC	13	26	09	18
	Graduation	22	44	28	46
	Post-Graduation	08	16	08	16
	Total	50	100	50	100
Occupation	Farmer	05	10	02	04
	Business	14	28	29	58
	Public Sector Employee	17	34	04	08
	Private Sector Employee	11	22	14	28
	Student	03	06	01	02
	Total	50	100	50	100
Income Per Month	Less than 10000	09	18	04	08
	10000-20000	19	38	22	44
	20000-30000	11	22	16	32
	30000-40000	08	16	05	10
	40000-50000	03	06	03	06
	Total	50	100	50	100

Table No.1 shows demographics wise distribution of the respondents. It reveals that male respondents are higher than female respondents using e-banking services of IOB and ICICI banks together. Majority of respondents using e-banking services in the age group of 30-40 and graduates were high as compared to other educational groups. Majority of the respondents were Public sector employees for IOB banks and Majority of the respondents were Business People for ICICI banks. Income level of IOB bank respondents are more compared to ICICI bank respondents.

Table 2: Purpose of Using E-banking

Purpose	IOB		ICICI	
	No of Respondents	Percentage (%)	No of Respondents	Percentage (%)
Cash Withdrawal	37	74	39	78
Balance Check	03	06	04	08
Mini Statement	07	14	03	06
View Transactions	03	06	04	08
Total	50	100	50	100

Table 2 shows the purpose of using e-banking services by the respondents. Majority of the respondents use e-banking Services for the purpose of Cash withdrawal.

Table 3: Period of using E-banking services

Period	IOB		ICICI	
	No of Respondents	Percentage (%)	No of Respondents	Percentage (%)
From 1 -12 months	07	14	05	10
From 1 –2 years	04	08	07	14
From 2 –3 years	11	22	11	22
More than3 years	28	46	27	54
Total	50	100	50	100

Table 3 shows that majority of the IOB and ICICI bank use e-banking service from more than 3years.

Table 4: Factors influenced to use the E-banking IOB Bank and ICICI Bank

Variables	IOB		ICICI		
	Garrett's Mean score	Rank	Variables	Garrett's Mean score	Rank
Easy Banking	67.20	I	Easy Banking	65.38	I
Trust and Security	63.80	II	Convenience in use	64.13	II
Que avoidance	59.09	III	Fast cash withdrawal	60.77	III
Convenience in use	58.11	IV	Processing of transaction	60.26	IV
Faster Transaction	56.22	V	Stop payment	58.53	V
Processing of transaction	55.13	VI	Trust and Security	57.85	VI
Easy Availability Screen Language	50.21	VII	Que avoidance	54.30	VII
Fast cash Withdrawal	49.04	VIII	Faster Transaction	51.06	VIII
Stop payment	47.33	IX	Easy Availability Screen Language	45.69	IX

Above Tables specifies the factors influenced to use of both IOB and ICICI banks. It shows that for IOB banks respondents were the major Satisfaction of E-banking Services are satisfaction taking with the mean score of 67.20 for Easy Banking and the least Satisfaction is resistant with the mean score of 47.33 for Stop payment. And ICICI banks respondents were the major Satisfaction of E-banking Services are satisfaction taking with the mean score of 67.20 for Easy Banking and the least Satisfaction is resistant with the mean score of 45.69 for Easy Availability Screen Language.

Table 5: Problems faced while Operating IOB Bank and ICICI Bank

Variables	IOB		Variables	ICICI	
	Garrett's Mean score	Rank		Garrett's Mean score	Rank
Network problem	57.25	I	Network problem	55.18	I
Processing time	54.81	II	Insecurity	54.33	II
Lack of Operational Knowledge	49.05	III	Transaction takes too much time	51.46	III
Insecurity	48.61	IV	Processing time	59.65	IV
Transaction takes too much time	46.32	V	Lack of Operational Knowledge	48.22	V
Receipt not issued	45.33	VI	Receipt not issued	47.05	VI

Above Table mentions Problems faced by the customers while Operating IOB and ICICI Bank e-banking services. It is evident from the analysis that in case of IOB bank were reveals that the major problem of the Customer is Network problem with the mean score of 57.25 and the least problem is resistant with the mean score of 45.33. And in case of ICICI bank were reveals that the major problem of the Customer is Network problem with the mean score of 55.18 and the least problem is resistant with the mean score of 47.05.

Suggestions of the Study

1. It is observed that few of the respondents are not ready to believe the e-banking activities. It may be caused because of the lack of awareness of the available e-banking services and also as a result of literacy rate of the respondents. If they are believe the e-banking activities then it will increase the banking transactions and also improve e-banking technology.
2. E-banking services must be maintained properly by banks and it must always be in a proper working Condition.
3. Problems of technical nature resulting in debiting of customer account without dispensing of cash should be rectified.
4. Banks must ensure that the technology adopted by them is the latest and most efficient.

Conclusion

The study reveals that there are major differences in attitude of the IOB and ICICI bank customers towards e-banking services and Customer attitude towards IOB bank are more positive than ICICI bank. And view them as essential services. It is observed that the major motivational factors for the use of e-banking services are convenience, Trust and security both in IOB and ICICI Banks.

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