

# Consumer Perception of Service Quality of Public Sector Banks in Coimbatore District

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**ABSTRACT:** Consumer perception is the basic for the success of any product or service. In this connection, this study aims to find out the consumer perception of e-banking services provided by the public sector banks in Coimbatore district. For this study 458 customers of various banks were selected as samples based on convenient sampling method. The data were collected from the respondents using interview schedules. This study focused on the consumer perception on e-banking, Internet banking, mobile banking, real time gross settlement, electronic fund transfer, NEFT, ECS. For analysis purpose percentage analysis and score ranking methods were used.

**Keywords:** Consumer Perception, e-banking services, Coimbatore district, banking services

## 1.1 Introduction

In banking sector the perception of customers may differ from customer to customer, place to place and time to time. Perception on service quality is elusive because of intangibility, heterogeneity, perishability, inseparability, ownership, quality measurement and nature of demand. In developed and developing countries the banking sector has become a major component of the economy. Competition among banks has intensified with increasing govt deregulation. So, banks are required to establish their uniqueness to differentiate with superior quality. Dr.M.Kanagarathinam and A. Sukumar says that ‘Service quality and consumer perception is one of the reasons for employees stress’ (2015<sup>1</sup>). So understanding the consumers’ perception will help to maintain stress free work environment also.

The current problem for the banking industry in India is to determine the dimensionality of service quality. This is because if service quality dimensions can be identified, service providers should be able to improve the delivery of customer perceived quality during the service process and have greatest control over the overall outcome. Moreover investigating the influence of the dimensions of service quality on customer’s perception should provide a better understanding of customer satisfaction and also help to specify the measure and to control customer perceived service quality. Service quality dimensions or attributes are those attributes that contribute to customer’s expectation and perception of service quality. So knowledge of these dimensions will lead to improving future service quality.

### 1.1.1 Traditional Banking Vs E-Banking

Basis of Difference	Traditional Banking	Internet Banking
Presence	Banks exist physically for serving the customers,	Internet banks do not have physical presence as services are provided online.
Time	It consumes a lot of time as customers have to visit banks to carry out bank transactions like — checking bank balances, transferring money from one account to another.	It does not consume time as customers do not have to visit banks to check bank balances or to transfer money from one account to another. Customers can access their account readily from anywhere with a computer and internet access.
Accessibility	People have to visit banks only during the working hours.	Internet banking is available at any time and it provides 24 hours access.

<sup>1</sup> A.Sukumar & M.Kanagarathinam (2015), ‘Stress Management among the Employees of Nationalised Banks in Coimbatore City’, ‘International Journal in Management and Social Science’, Vol.3, Issue-08, pp : 445 – 450.

Basis of Difference	Traditional Banking	Internet Banking
Security	Traditional banking does not encounter e-security threats.	Online banking is the tempting target for hackers. Security is one of the problems faced by customers in accessing accounts through internet.
Finance Control	Customers who often travel abroad cannot pay close attention and control of their finances.	Customers who often travel abroad can have greater control over their finances.
Expensive	Customers have to spend money for visiting banks.	Customers do not have to spend money for visiting banks. They can avoid bank charges that may be charged for certain teller transactions or when they pay bills electronically — directly from their account to the merchant. It helps to save money on postal charges.
Cost	The cost incurred by traditional banks includes a lot of operating and fixed costs.	Such costs are eliminated as the banks do not have physical presence.
Customer Service	In traditional banks, the employees and clerical staff of the bank can attend only few customers at a time.	In online banking, the customers do not have to stand in queues to carry out certain bank transactions.
Contact	Customers can have face to face contact in traditional banking.	Customers can have only electronic contacts.

## 1.2 Statement of the problem

E-banking draws a great attention in the banking industry. This is because e-banking reflects the internet. Several major banks in India are offering e-banking services. Thus e-banking becomes an important part of the Indian banking sector. So it is important to know the customers' perception of service quality of e-banking of the bank.

## 1.3 Objectives of the Study

The following are the objectives of the study.

1. To study the demographic background of the respondents.
2. To analyze the customers' perception of service quality of e-banking of the banks.

## 1.4 Scope of the study

The aim of the study is to assess the e-banking service of banks in Coimbatore District the efforts have been taken to identify e-banking facilities account holders how they are availing the facilities. The study also highlights the level of awareness of the customers regarding the various e-banking services. This study is also extended further to cover the influence of socio-economic variables on the awareness level of the customers. Moreover e-banking product-wise awareness level of the customers has also been studied.

## 1.5 Review of literature

**Kleiner, et al (1996)** opined that applications of modern technology helped service excellence, by improving operating processes and helping to gather and collate more information both about and for the customers, so that the banks can provide customers with better and more appropriate services.

**Fillotte, et al (1997)** stated that increased competition in the financial services sector has forced even the most reluctant institutions to analyze the opportunities offered by new technologies in the delivery of financial products.

**Fain and Roberts (1997)** proposed that the relative advantage is poor since online banking does not offer any task not previously available. They suggested that the tradition barrier in electronic banking arises as it is not the way consumers are accustomed to paying bills. Therefore, it may be that in internet and mobile banking the barrier exists among those consumers who simply prefer to deal directly with the bank instead of learning to use new technologies.

**Das, Abhiman (1997)** examined the efficiency of public sector banks nationalization using longitudinal data. The findings indicated that banks of SBI group are more efficient than the nationalized banks. The main source of inefficiency was found to be technical in nature than locative. It has concluded that inefficiency in public sector banks is mainly due to underutilization or wasting of resources rather than incorrect input combinations.

## RESEARCH METHODOLOGY:

The study was based on both primary and secondary data which were collected through various sources. In order to collect the primary data from the sample customers of Public Sector Banks, the interview schedule was developed. The secondary data were collected from journals, books, websites, and magazines. Study was conducted with sample of 458 customers Area of the study was Coimbatore District, so the sample customers were selected from Coimbatore district banks. The customers were

selected on the basis of convenient sampling method. Through Interview scheduler data were collected from the respondents. Collected data were analysed with the help of percentage analysis and score ranking method.

#### Analysis and interpretation:

**Table 1**  
**Demographic factors of respondents**

		No. of Respondents	Percentage
Age	<b>Below 30</b>	<b>146</b>	<b>31.9</b>
	31 - 40	145	31.7
	41 -50	130	28.4
	Above 50	37	8.1
Gender	<b>Male</b>	<b>403</b>	<b>88</b>
	Female	55	12
Area	Rural	145	31.7
	<b>Semi urban</b>	<b>165</b>	<b>36</b>
	Urban	148	32.3
Marital Status	<b>Married</b>	<b>331</b>	<b>72.3</b>
	Unmarried	127	27.7
Family Type	Joint Family	201	43.9
	<b>Nuclear Family</b>	<b>257</b>	<b>56.1</b>
Education	<b>Graduate</b>	<b>258</b>	<b>56.3</b>
	Professional	200	43.7
Occupation	<b>Self Employed</b>	<b>201</b>	<b>43.9</b>
	Government Employee	55	12
	Private Employee	91	19.9
	Professional	74	16.2
	Business	37	8.1
Account type	<b>Savings Bank A/C</b>	<b>440</b>	<b>96.1</b>
	Current A/C	18	3.9
Years of holding A/c	Up to 2 yrs	90	19.7
	3-5 yrs	19	4.1
	<b>Above 5 yrs</b>	<b>349</b>	<b>76.2</b>
Years of using e-banking	Less than 1year	165	36
	<b>1 – 3year</b>	<b>183</b>	<b>40</b>
	Above 3year	110	24
	Total	458	100

Source: Primary Data

The above table shows that 31.9% of respondents are in the age group of Below 30, 88% of respondents are male, 36% of respondents are in semi urban area, 72.3% of respondents are married, 56.1% of respondents are from nuclear family, 56.3% of respondents are graduates, 43.9% of respondents are self employed persons, 96.1% of respondents are having savings a/c 76.2% of respondents are having a account above 5 years and 40% of respondents are using e-banking facility between 1 to 3 years.

TABLE - 2

## Perception of the respondents based on the Reliability Dimension

S. No	Statement	SA	A	N	D	SD	Score	Rank
1.	Relevant and accurate information	0	0	111	237	110	917	3
2.	Updated information	0	18	111	147	182	881	4
3.	Accurate record	0	0	56	293	109	863	5
4.	More service attitude (Lowest service charges)	19	19	237	128	55	1193	1
5.	Restricts unauthorized access	0	36	127	239	56	1059	2
							4913	

(Source : Primary Data)

Note : SA - Strongly agree A - Agree N - Natural D - Disagree SD – Strongly Disagree

Above table indicates that e-banking service quality of sample respondents towards reliability more service attitude (Lowest Service Charges) with a score of 1193, closely followed by restricts unauthorised access with 1059, followed by relevant and accurate information with 917, updated information with 881, and the last preferred factor is accurate record with a score of 863. It is concluded that more service attitude (lowest service charges) stands high while all the other factors.

Table 3

## Perception of the respondents based on the Responsiveness Dimension

S.No	Statement	SA	A	N	D	SD	Score	Rank
1.	Prompt responses for online requests	0	0	148	237	73	991	5
2.	Connects immediately to bank accounts	0	18	221	145	74	1099	4
3.	Immediate help for problems or queries	109	0	128	183	38	1333	1
4.	Responsive demo and advertisement	0	0	222	200	36	1102	3
5.	Provides information with care and attention	0	36	200	184	38	1150	2
							5675	

(Source : Primary Data)

Note : SA - Strongly agree A - Agree N - Natural D - Disagree SD - Strongly Disagree

As per Table 4.2 the respondents fed that immediate help for problems or queries with a score of 1333, closely followed by provides information with care and attention with a score of 1150, followed by Responsive demo and advertisement secured a score of 1102, connects immediately to bank accounts with a score of 1099, and the last preferred factor is prompt response for online requests with a score of 991. It is concluded that immediate help for problems or queries.

Table 4

## Perception of the respondents based on the Security Dimension

S.No	Statement	SA	A	N	D	SD	Score	Rank
1.	No misuse of personal information	0	109	129	91	129	1134	7
2.	Safe with online transaction	0	36	36	275	111	913	12

S.No	Statement	SA	A	N	D	SD	Score	Rank
3.	Secure in providing personal information	0	109	147	129	73	1208	4
4.	ATMs have secure location	18	36	221	127	56	1207	5
5.	Multi-kind security control	0	54	111	256	37	1098	10
6.	Customers are satisfied with the security system of the e-banking service provides	0	0	220	182	56	1080	11
7.	E-banking service provides consider security as the most important issue of e-banking practices	0	127	160	97	74	1256	2
8.	E-banking service users have freedom from danger, risk and doubt about security	0	36	258	54	110	1136	66
9.	E-banking service believe that the banking infrastructure is reliable in correction erroneous transaction	0	19	202	200	37	1119	8
10.	Banks will compensate for any losses due to security reason or infringements	18	55	111	201	73	1118	9
11.	E-banking service users perceives that his bank information are secure and that nobody can access their accounts	0	127	147	128	56	1261	1
12.	Security factor is prime factor for adoption of e-banking services	0	36	293	73	56	1225	3
							13755	

(Source : Primary Data)

It could be observed from Table 4.3 the opinion of respondents e-banking service users perceives that his bank information are secure and that nobody can access their accounts with a score of 1261, closely followed by security as the most important issue of e-banking practices followed by customers are satisfied with the security system of the e-banking services providers secured a score of 1080, and the last factor safe with online transactions secured a score of 913. It is concluded that bank information are secure and that nobody can access their accounts.

Table 5

Perception of the respondents based on the Easy Use Dimension

S.No	Statement	SA	A	N	D	SD	Score	Rank
1.	Services systems are easy to use	0	18	93	217	130	915	5
2.	Easy navigation through web pages	0	75	164	146	73	1157	2
3.	Systems are clear and understandable	0	0	183	238	37	1062	4
4.	ATM location are reachable	18	145	18	148	129	1149	3
5.	Facilitates investment planning	128	36	73	184	37	1408	1
							5671	

(Source : Primary Data)

It could be inferred from Table 4.4 that facilitates investment planning secured a score of 1408, closely followed by easy navigation through web pages. Secured the score 1157, followed by ATM location are reachable secured the score 1149, systems are clear and understandable secured the score 1062, service systems are easy to use secured the least score 915, It is concluded that it facilitates investment planning.

**Table 6**  
**Perception of the respondents based on the Accessibility Dimension**

S.No	Statement	SA	A	N	D	SD	Score	Rank
1.	E-banking services provided by the banks allows easy Access to transaction data both recent and historical	0	0	93	200	165	844	13
2.	E-banking services practices involves consistency of performance and dependability	0	18	147	256	37	1062	12
3.	Employee of e-banking services providers posses the Required skill and knowledge to perform the service	19	0	275	127	37	1202	9
4.	Politeness, respect, consideration and friendliness of contact personal	0	127	221	110	0	1391	4
5.	E-banking service providers making the effort to understand the customer needs	109	54	221	56	18	1554	1
6.	Quick response and the ability to get help if there is a problem or question	18	127	240	73	0	1464	3
7.	Provision of caring and individualize attention to customers provided by call centers or web administrators	0	109	203	128	18	1319	8
8.	E-banks provide sufficient notice to the user and suggest alternatives for them to complete their transaction within the closure hours in case of urgent needs	19	146	148	108	37	1376	5
9.	E-bank provide power backup and data recovery system to avoid interrupted transaction in the case of power failure	0	0	258	90	110	1064	11
10.	Banks provide 24 hours e-based monitoring and assistance for e-banking services that needs immediate assistant	0	36	185	181	56	1117	10
11.	E-banks have more inter personal interaction with customers throughout the service delivery process which may avoid miscommunications between the users and the service providers	18	75	274	54	37	1357	6
12.	E-banks provide help desk services and online help facilities and customers services officers are friendly when addressing complaints	0	145	167	110	36	1337	7
13.	E-banks provide customer feedback services	109	54	200	95	0	1551	2

(Source : Primary Data)

It is seen from Table 4.5 that e-banking service providers making the effort to understand the customer needs secured the maximum score 1554, followed by e-banks provide customer feedback services secured the score of 1551, e-banking services practices involves consistency of performance and dependability secured the score of 1062, services provided by the banks allows easy access to transaction data both recent and historical secured the least score of 844. It is concluded that service providers making the effort to understand the customer needs.

**Table 7**  
**Perception of the respondents based on the Efficiency Dimension**

S.No	Statement	SA	A	N	D	SD	Score	Rank
1.	Access and contact	18	18	220	146	56	1170	5
2.	Care and speed of using the websites	18	0	328	75	37	1261	4



3.	Staff	0	163	148	129	18	1372	3
4.	Speedy supply of information	109	0	220	93	36	1427	2
5.	Standardized services	109	54	147	130	18	1480	1
							6710	

(Source : Primary Data)

It is noted from Table 4.6 that standardized services secured a maximum score of 1480, followed by speedy supply of information secured the score of 1427, staff secured the score of 1372, care and speed of using the websites secured the least score of 1261, access and contact secured the score of 1170, It is concluded that e-banking service quality is standardized services.

#### Findings:

1. The above table shows that 31.9% of respondents are in the age group of Below 30, 88% of respondents are male, 36% of respondents are in semi urban area, 72.3% of respondents are married, 56.1% of respondents are from nuclear family, 56.3% of respondents are graduates, 43.9% of respondents are self employed persons, 96.1% of respondents are having savings a/c 76.2% of respondents are having a account above 5 years and 40% of respondents are using e-banking facility between 1 to 3 years.
2. In the perception of the sample respondents on service quality reliability dimension more service attitude (Lowest service charges) secured the highest score of 1193.
3. In the perception of the sample respondents on service quality responsiveness dimension immediate help for problems or queries secured the highest score of 1333.
4. In the perception of the sample respondents on service quality security dimension e-banking service users perceives that his bank information are secure and that nobody can access their accounts secured the highest score of 1261.
5. In the perception of the sample respondents on service quality easy use dimension facilitates investment planning secured the highest score of 1408.
6. In the perception of the sample respondents on service quality accessibility dimension e-banking service providers making the effort to understand the customer needs secured the highest score of 1554.
7. In the perception of the sample respondents on service quality efficiency dimension standardized services secured the highest score of 1480.

#### Conclusion

It can be concluded that the perception of the respondents towards e-service quality of the banks were good and it shows that Lowest service charges, Immediate help for problems, Easy use of banking service, Accessibility, Effort to understand the customer needs were highly effective were the results of e-service of the bank. The consumer perception shows that they were have high perception on the above mentioned services. Rest of the services provided by the bank needs some improvement.

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