**A CUSTOMERS’ PERCEPTION AND COMPUTERIZED BANKING SERVICES A STUDY IN MADURAI CITY**

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Abstract

The E-Banking is altering the banking business and it having key effects on banking relationships. E-banking involves the use of computerized devices for the delivery of banking products and services. In other words, a booming ebanking solution offers e-banking products and services such as ATM (Automated Teller Machine), Cards- Credit card/Debit cards/Smart card, Mobile banking, Phone banking, Internet/online banking, Electronic Funds Transfer (EFT), Electronic Clearing Services (ECS), Electronic Data Interchange (EDI), D-mat account, Digital signature, Society for Worldwide Interbank Financial Telecommunication (SWIFT), Corporate Banking Terminals, Core Banking Solutions (CBS),and the like.

Now-a-days, customers are evaluating their banks based on the availability of high-ended technology services provided to them. Therefore, implementation of computerization in banking sector is enhancing the banking services. Many researchers have proved that the usage of technology gives a positive impact of customer satisfaction in the banking industry. But some researches proved that, the technology based banking services could not satisfy the need of the customers.

There might be possibilities of space between customers’ expectations and the actual service provided by computerized banking, which leads to customer dissatisfaction. Hence, there is a need to assess the impact of computerized banking practices and services, towards customer’s satisfaction.

KEYWORD – E-BANKING, CUSTOMER, PERCEPTION, COMPUTERIZED BANKING, MOBILE BANKING, INTERNET BANKING, SERVICES, SATISFACTION, PROBLEMS,

PREAMBLE

Banks today know, better than anyone, about the opportunities and the risks they face in an ever-changing competitive environment. In offering ecommerce products, banks have some key advantages over their potential competitors. E-commerce will create opportunities for the banks to build up their relationships with customers, by selling additional services to their business activities.

 Core banking is the service provided by a group of networking banks. Bank customers may access their funds and other transactions from any of the member branch offices. The current banking sector restructuring their thrust with transparency, efficiency and sustainability have formed a competitive environment by the emerging of private banks and the starting up of the new branches of foreign banks in India.

 To manage the competitors and to satisfy the customer expectations, the banks tried to reduce the operational cost. After a great deal of deliberations they introduced “Internet Banking”. The Banking system has been operating successfully over the last two centuries. All banks in India are offering e-banking services. With the Increasing Internet awareness among customers, increase in job of banks in e-business and the rising reach of the internet, e-banking has become an important part of the Indian banking sector. The use of most modern and advanced methods of computerized equipments in banking industries is called “EBanking‟. E-banking provides an opportunity for the banks to give solutions to manage the problems like saving the time and money, reducing/minimizing paper works, ending of waiting in queues, lack of communication, and lack of efficiency1.

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#### STATEMENT OF THE PROBLEM

 Customer satisfaction is uncertain and intangible. The genuine manifestation of the status of satisfaction will vary from person to person, product to product and service to service. The customer perceptions depend on the number of factors which combine as psychological, economic and physical factors. The quality of service is one of the major determinants of customer satisfaction, which can be enhanced by using IT enabled service. The banks in India are using computerization banking methods not only to better their own domestic processes but also to enhance the facilities and services to their customers. Particularly, in the banking areas, computerization is one of the most vital tools, because it offers many suitable choice of banking channels to the customers. It brings customer support, centricity, enhanced service quality and cost effectiveness of the banking services. Now-a-days, customers are evaluating their banks based on the availability of high-ended technology services provided to them. Therefore, implementation of computerization in banking sector is enhancing the banking services.

The computerized practices are a vibrant perception and what is good today may not be so in future. In the present situations, tremendous changes have been occurring in the banking sector. A few years back, banks concentrated only on accepting deposits and lending money. Now-a- days, they are giving more priority to Computerized Banking Services. Being a service industry, they need to focus on customer satisfaction. The electronic banking services help the banks to build up long term relationship but they hardly indulged in satisfying customer’s needs and wants. Some queries have to be answered: How far the customer’s needs are to be fulfilled by the banks? What are the expectations of the customers? How can the Computerized Banking sector enhance their services to the customers? This study aims to highlight the customer’s perception and their behavior levels towards the Computerized Banking Practices, rendered by various Commercial Banks in the Madurai City. The requirement of each customer may differ from person to person. So, it is necessary to recognize their multifarious needs and satisfaction. Some private banks canvass directly through mass marketing of banking services and stimulate a large level of competitions among banks. Hence, the present study made an attempt to analyze the customers’ perception and behavior towards computerized banking services in the Madurai City.

#### SCOPE OF THE STUDY

 The study intends to examine the customer satisfaction through the perceived service quality, brand perception and perceived value in computerized banking services. The researcher has undertook the survey from the customers of public and private sector banks in Madurai City. This study examines the impact of computerized banking on customers’ perceptions and behaviour towards computerized banking services in the Madurai City.

####  OBJECTIVES OF THE STUDY

1. To identify the perception and behaviour of the respondents towards the use of computerized banking services in the study area.
2. To analyse the factors influencing the respondents to use computerized banking services in the study area.

**PERIOD OF THE STUDY**

The researcher started the field work of data collection during the period from July 2022 to December 2022.

**REVIEW OF LITERATURE**

 Sunith (2019), in her study entitled “Customer Satisfaction in E-Banking Services”, found that the conceptual model, that includes competency and efficiency of banking services, accurate and timely information, efficient web portal management as well as customer relationship management, demonstration and training of customers and economy of services determine the extent of satisfaction of E-Banking customers. The study aimed to identify most popular electronic banking services among customers. The study has also attempted to trace the extent of satisfaction of E-Banking customers. Hypothesis tests reveal that respondents are satisfied with the competency and efficiency of E-Banking services. Respondents again, are satisfied with accuracy and relevance of information provided by the banks and the management of web portal for EBanking services. They are, however, not satisfied with the management and quality of customer relationships offered by the banks. Respondents are also not satisfied with the information and guidance provided by the banks for E-Banking services. Again, respondents do not seem to be satisfied with the structure of fines and service charges followed by the banks, for E-Banking services. Hypothesis tests helped to identify some of the vulnerabilities that banks need to focus upon and improve to enhance customer satisfaction, build customer base and strengthen their loyalty. Again, it is said that retaining existing customers is easier than finding new customers. 3

Santhiya Ran and Saravanan (2018), in their study entitled “A Study on Customer Satisfaction towards Net Banking with Special Reference to General

Banking Customer in Coimbatore City”, evaluated and examined the level of satisfaction towards internet banking services. The question of how attitude towards the element of existing banking service might include customer decision to use internet banking has not been be investigated. As customers get educated, gets insight about modern banking; internet banking has enrolled as primary data concern for all leading and upcoming banks in India. The study provides an insight analysis on this aspect. This research will assist bank administration to ascertain a better understanding of customers’ satisfaction towards internet banking offered by the general bank customers in Coimbatore city. This study clarifies the kind of customer respondents, of more than the information on the level of satisfaction of internet banking customer. Basic assumptions are that only those customers who know how to use Internet have an access to Internet, and the study considered only the situation wherein banks provide Internet banking services. By grouping the variables, less than one relevant question may result in the proper implication for the bankers. 4

#### FORMULATION OF HYPOTHESES

* There is no significant association in the purpose of using internet banking and mobile banking with different Education qualifications, occupation, and income levels.
* There is no significant association between account holding in number of banks and he factors influencing the usage of computerized banking services.

#### METHODOLOGY

 The researcher discussed the functioning and services of Computerized Banking services with the officials of the bank employees located in the geographical area of the study after having identified the variables, the researcher started preparing the interview schedule. Preliminary interviews were conducted with the help of some selected customers and drafted the interview schedule

SAMPLE DESIGN

The study focuses on 8 banks out of which four are Public sector banks and another four Private sector banks. The required sample size is calculated: Sample Size: 384, Confidence Coefficient: 95% and Confidence interval: ± 5 per cent . The data required for the present study has been collected from the customers of selected public sector banks and selected private sector banks functioning in Madurai City limit only. As the selected banks have more number of branches in the study area, The Proportionate Random Sampling method has been followed to collect the sample from each selected banks. Totally 107 branches out of 8 selected banks and from each branch four customers have been selected randomly as sample for the purpose of obtaining required sample size. Hence, the total sample customers come to 428 from the respective banks in the study area. The details of the sample selected for the present study is in the below Table 1.

**TABLE-1**

**Sampling Plan**

|  |  |  |  |
| --- | --- | --- | --- |
| **S. No**  | **Name of the Bank**  | **Branches**  | **Sample Size**  |
| 1  | State Bank of India  | 24  | 96  |
| 2  | Indian Overseas Bank  | 21  | 84  |
| 3  | Canara Bank  | 17  | 68  |
| 4  | Indian Bank  | 17  | 68  |
| 5  | ICICI Bank  | 10  | 40  |
| 6  | Karur Vysya Bank  | 8  | 32  |
| 7  | Tamilnad Mercantile Bank  | 5  | 20  |
| 8  | City Union Bank  | 5  | 20  |
|   | Total  | **107**  | **428**  |

 Source: Computed data

 **Limitations of the Study**

 The major limitations were recorded by the researcher, especially while conducting the survey.

* The results of the study may not be applicable to the other parts of Tamil Nadu, as it is focused only in the Madurai City of Tamil Nadu.
* Respondents’ opinion may change from time to time and the responses are subject to variation, depending upon the situation and the attitude of the respondents, at the time of the survey.

 **PERCEPTION ON COMPUTERIZED BANKING SERVICES OF RESPONDENTS**

 Internet banking services make the transaction easier and faster for the customer. The purposes of using internet banking services by the respondents are given in Table, 2.

**TABLE -2**

**Usage of Internet Banking Services**

|  |  |  |  |  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- |
|  **Banking Services**  | **R1**  | **R2**  | **R3**  | **R4**  | **R5**  | **R6**  | **R7**  | **N**  | **Mean**  | **Std. Dev.**  | **Rank**  |
| Balance Enquiry  | 92  | 78  | 77  | 68  | 13  | 0  | 0  | 328  | 5.51  | 1.208  | I  |
| Funds Transfer between A/c’s  | 69  | 88  | 103  | 56  | 0  | 12  | 0  | 328  | 5.40  | 1.215  | II  |
| Downloading A/c’s information  | 50  | 81  | 40  | 95  | 62  | 0  | 0  | 328  | 4.89  | 1.378  | IV  |
| Bills Payment  | 116  | 37  | 81  | 29  | 19  | 46  | 0  | 328  | 5.21  | 1.761  | III  |
| Loan Applications  | 0  | 0  | 26  | 49  | 150  | 20  | 83  | 328  | 2.74  | 1.215  | V  |
| Investment Activities  | 0  | 0  | 0  | 32  | 27  | 210  | 59  | 328  | 2.10  | .803  | VI  |
| Other Value Added Services  | 0  | 0  | 0  | 0  | 103  | 39  | 186  | 328  | 1.75  | .904  | VII  |

 Source: Primary Data

 Table 2 clearly stated that the Balance enquiry secured the first rank with a mean score of (5.51), followed by Funds transfer between Accounts secured the second rank with a mean score of (5.40), Bill payments scored the third rank with a mean score of (5.21), Downloading accounting information holds the fourth rank with a mean score of (4.89) and Other value added services hold the final rank with a mean value of (1.75).

Factors Influencing the Customer to prefer Computerized Banking Services

**TABLE 3**

Factors Influencing the Customer to Opt Computerized Banking Services

|  |  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- | --- |
| **Influencing Factor**  | **HA**  | **A**  | **N**  | **DA**  | **HDA**  | **Mean**  | **Std. Dev.**  | **Rank**  |
| Easy to Opening all Accounts  | 132  | 212  | 56  | 27  | 1  | 4.03  | .868  | XII  |
| Speedy Access of Banking Transactions  | 248  | 156  | 11  | 10  | 3  | 4.48  | .742  | IV  |
| The cost of banking charges  | 102  | 224  | 33  | 65  | 4  | 3.83  | .993  | XIII  |
| Anytime Transactions.  | 229  | 187  | 3  | 6  | 3  | 4.48  | .675  | V  |
| Getting Transactions done at Anywhere  | 264  | 150  | 2  | 9  | 3  | 4.55  | .685  | II  |
| Instant Checking of Account Balance  | 268  | 142  | 9  | 5  | 4  | 4.54  | .721  | III  |
| Transfer of Payment or Funds between Accounts  | 194  | 219  | 0  | 10  | 5  | 4.37  | .721  | VIII  |
| Easy Bill Payment  | 305  | 109  | 7  | 5  | 2  | 4.66  | .625  | I  |
| Facilitate Online Shopping  | 213  | 196  | 11  | 4  | 4  | 4.42  | .689  | VI  |
| Less Risk and greater Security  | 39  | 202  | 134  | 49  | 4  | 3.52  | .849  | XIV  |
| Improved Service and provide Flexibility  | 164  | 212  | 39  | 13  | 0  | 4.22  | .779  | IX  |
| Aware of Various Schemes  | 199  | 211  | 7  | 6  | 5  | 4.39  | .695  | VII  |
| Online Information of Banking Products and Services  | 158  | 228  | 19  | 15  | 8  | 4.20  | .820  | X  |
| Downloading of Various Banking forms  | 161  | 220  | 21  | 19  | 7  | 4.19  | .840  | XI  |

Source: Primary Data

 Table 3 discloses the factors which influence the customers to prefer computerized banking services. Based on the mean score, many factors were highly agreed and a few were not agreed, and there is one factor which was neither agreed not disagreed by the respondents.

The factors which were highly agreed by the respondents are, ‘easy bill payment’ securing first rank with a mean score of (4.66), followed by ‘getting transactions done at anywhere’ securing second rank with a mean score of (4.55), ‘instant checking of account balance’ securing third rank with a mean score of (4.54) and ‘speedy access of banking transaction’ holding a mean score of (4.48) ranking fourth. The ‘cost of banking charges’ secured the thirteenth rank with a mean score of (4.48). It is observed from the above table that a majority of the respondents prefer computerized banking services.

#### SUGGESTIONS

 The following suggestions are given to enhance the computerized banking services provided by the banks to the customers.

* The banks should ensure the availability of undisrupted free network so as to facilitate the customers to do the transaction at the first attempt.
* Bankers should take necessary actions to create an awareness among the rural people about the advantages of using computerized banking services.
* The banks should bring down the cost per transaction, only then they can sustain the customers.
* The Bankers should enhance the computerized banking system, especially the online services provided to the customers and to make the online payment much easier.
* Government and the banking regulator should thoroughly explore the new risks and security challenges associated with the electronic payment systems to reduce the risks to a greater extent.
* To create an awareness of computerized banking services the bankers should give systematic educational campaign to the customers.
* Banks should initiate appropriate strategies to develop the new banking products and services so as to widening their service according to the customer choice, taste and preferences. The banks should make the efforts to earn the customers’ trust.
* Banks should take initiatives to educate their customers to avail more online/ e – delivery channels than having physical banking, which would ultimately reduce the operating cost. Banks should take initiative to increase the share of e – payments like ECS debits/credits, NEFT, RTGS etc., which would reduce the operating costs and banking would gradually migrate towards paperless/cashless transactions (Eco –Banking).

#### CONCLUSION

 Mostly customers transact with the banking institutions to handle their finance. While some of the customers have time to stand physically at the bank and seek information, some of them do not want to waste time by ensuring their physical presence at the bank premises. Consequently, the online banking service has come into the picture. The researcher has attempted to identify the customers perception towards computerized banking services offered by both the private and the public sector banks in the Madurai City. The success and failure of any business depends upon how far they satisfy the expectations of their customers. This study reveals the key issues faced by the computerized banking and the customers’ awareness about th availability of online services, the difficulties in foreign money transfer and about the non-user friendly website.

 However, addressing all these issues would bolster computerized banking services and enhance the number of customers using computerized banking service. Hence, this study would be an eye opener to make computerized banking service better. This study recommends the banks to ensure disruptionfree network, user friendly website, availability of service in regional language, reducing the transaction cost and so on. The prospective of computerized banking is based on how far the banks facilitate the customers by implementing the recommendations. Thus, this study would pave the way for further development in computerized banking service in the Indian Banking sector in general and in Madurai City in particular. The researcher is optimistic that the measures shall pave the way for greater success in offering customer services by modern banks.

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