

CUSTOMER PERCEPTION ON E BANKING SERVICE OF HDFC BANK

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ABSTRACT E- Banking is the most intensive service offered by the banks. In the present banking scenario, ebanking services have been replacing the traditional banking practices and the revolutionary ebanking is accepted by the customers with growing awareness and education. Many of people are shifted from traditional banking to e-banking services; it helps to build good relations with customers towards banking. The present paper was attempts understand the customer perception level on ebanking services of HDFC bank, for this purpose, a structured questionnaire was developed and the sample of 162 respondents was taken from the HDFC bank customers from the Hyderabad city only, and the tested by the ANOVAs by the using SPSS 20.0 Version. The ANOVAs analysis revealed that the relationship with different income group of respondents that the perception about the e-banking services offered by banks. The study revealed that education, gender and income play an important role in usage of online banking.

KEYWORDS: E-banking, customer perception, intensive service, traditional banking services

INTRODUCTION In the present scenario online services have become an added feature in the banking sector. Online banking or Internet banking allows customers to conduct financial transactions on a secure website. Credit goes to internet that provided ultimate ease to the customers at their door step. Online banking allows people to perform all the banking related activities such as money transfer, past transactional information, cash withdrawals and deposits etc with a just one click of a mouse. Clients can easily check the account balance every day just by visiting the website of their bank. This provides the place and time utility to people provided if one has Internet access. Online banking also eliminates unnecessary waste, which an organization incurs in the form of office supplies. This facet has also helped in meeting the social concerns. However, using internet for money transaction is never been free from risk. More importantly, security is always been an issue with Internet transactions. Despite several counter measures taken by the banks in the form of information encryption, firewalls, encoding etc but still reluctance prevails in relaying totally at



online banking especially in developing countries like India. This led to the foundation of this study. The core purpose of this research study was to figure out the most critical factors having an impact on consumer perception towards online banking in India with the help of Technology Acceptance Model (TAM)(Davis and Venkatesh, 1996; Davis et al., 1989).Online banking was introduced in the 80's but its growth across the globe took place in the 90's. Europe has been and still is the leader in Online banking technology and usage (Schneider, 2001). In Hyderabad city, many of banks introduce online banking. By introducing online banking, its help to build reputation and increasing the customers towards banks. Online banking, also known as internet banking, e-banking or virtual banking, is an electronic payment system that enables customers of a bank or other financial institution to conduct a range of financial transactions through the financial institution's website. The online banking system will typically connect to or be part of the core banking system operated by a bank and is in contrast to branch banking which was the traditional way customers accessed banking services. To access a financial institution's online banking facility, a customer with internet access will need to register with the institution for

the service, and set up a password and other credentials for customer verification. The credentials for online banking is normally not the same as for telephone or mobile banking. Financial institutions now routinely allocate customers numbers, whether or not customers have indicated an intention to access their online banking facility. Customer numbers are normally not the same as account numbers, because a number of customer accounts can be linked to the one customer number. Technically, the customer number can be linked to any account with the financial institution that the customer controls, though the financial institution may limit the range of accounts that may be accessed to, say, cheque, savings, loan, credit card and similar accounts.

REVIEW OF LITERATURE

Technology has always been a major driver of bringing changes and making things easier in timely manner. Technological breakthroughs have brought major changes especially from the last century. Internet is just one of the contributions of technology that has reshaped almost every aspect of our lives. Technology also changed banking of today from traditional banking to online banking. There can be different factors that influence the use of online banking. Adoption of online banking services can

be increased by the availability of quality internet connections like broadband (Al-Somali et al., 2009). But certain barriers exist that hinders the acceptance of online banking which differ from environment to environment. As according to the study of Laforet and Li (2005) perception of risks as well as computer and technological skills are the main factors causing obstruction in online banking acceptance. Internet banking services has not only reduced the operating costs to the banks but it also helped in increasing the customer satisfaction and customer retention (Polatoglu and Ekin, 2001), Safeena (2010) determined the consumer attitude on internet banking adoption. Finding shows that perceived usefulness, perceived ease of use, consumer awareness and perceived risk are the important determinants of online banking adoption and have strong and positive effect on customers to accept the online banking system. Rao, K. Rama Mohana and Lakew, Tekeste Berhanu (2011) examines the service quality perceptions of customers of public sector and private sector banks in the city of Visakhapatnam, India. The study reveals that the Reliability and Assurance dimensions of service quality scored the highest ratings while the Tangibles dimension got the lowest score. Moreover, the study found a strong

dissimilarity in service quality perceptions between customers of private sector and public sector banks. Dharma lingam, S. Anand Kannan. V. (2012) evaluated the service quality in retail banking in the Tamil Nadu, based on different levels of customers' perception regarding service quality. Data are collected from Three Private Banks, i.e. ICICI, AXIS and HDFC Bank. Sample size of this research is 240. The result indicates that customers' perception is highest in the tangibles area and lowest in the Product Variety area. Bahl, Sarita, (2013) determined that security and privacy issues are the big issue in e-banking. If security and privacy issues resolved, the future of electronic banking can be very prosperous. Qureshi, Zafar and Khan (2008) conducted a study to know the Customer Acceptance of Online Banking in Pakistan and found that perceived usefulness, and security and privacy are the predictor of customer acceptance.

OBJECTIVE The main objective of this study is to examine the perception level of customers HDFC bank in Hyderabad. In addition, the study's objective was accomplished through the following objectives:

- To study the Socio -economic structure of demographical respondents of HDFC bank
- To study the perception level of customers towards Ebanking services of HDFC bank
- To analyse the motivational factors influenced on customer perception towards HDFC bank
- To identify the problems faced customers towards E-banking services of HDFCB bank

TESTING OF HYPOTHESIS The following are the hypothesis designed with above objectives

- HO1 : There is no significant impact of source of information on demographic variables
- HO2 : There is no significant impact of E-banking services on demographic variables
- HO3 : There is no significant impact of demographic variables by problem faced via online service
- HO4 : There is no significant impact of by motivational factor on demographic variables

METHODOLOGY The study is concerned with the customer perception towards online banking services of HDFC

bank based on that, primary data and secondary data, the primary data were collected directly from the sample customers through a well devised questionnaire in Hyderabad city. Secondary data were collected from books, journals, research articles and magazines for the purpose of review of literature. Convenience sampling method is used for the study. The sample size of the bank customers is 162. The data analysed by using percentage method, ANOVAs method used for data analysis. Data was presented in the form of tables.

SAMPLING DESIGN Convenience sampling method used for the study. The study is conformed to only Hyderabad city and the sampling unit is selected from the different branches of banking industry in selected area. For understanding the influence of E - banking determinants on the customer's perception level towards selected banks. The researcher decided to select a sample size of 140 respondents from different branches of banking industries in selected area. The processing, classification, tabulation, analysis and interpretation of the data are done with the help of SPSS 20.0 Version, the followed statistical techniques have been applied depending on the nature of the data collected from the respondents, and ANOVAs was used.

LIMITATION

1. As the geographical area of the study is limited to Hyderabad area only, Hence the findings and conclusion has its own limitations.
2. A convenience sample method was used for the data collection, which makes the results not readily generalizable
3. The study carried out to understand the customer performance towards online banking of HDFC.

CONCLUSION Now days, E-banking services have become a major weapon for survival of banking industries. The major theme of the research was to study consumer perception on E-banking services towards HDFC bank in the Hyderabad city. There are four major objective and data collected with through questionnaire. It was analysed by the percentages and ANOVAs. As per the results 35% respondents from the 31-40 years group and 30% respondents from the 21-30 years group, followed with that 68% of the respondents belonged male and 32% of respondents belonged female, and 30% of respondents studied PG and with followed 23% of respondents studied degree, 37% of respondents working as a Private Employees, 33% are the students, and 32% of respondents earned Rs.20,001-

30,000 for month and 24% of respondents earned above Rs.40,001 respectively. The results of the ANOVAs from the HO1 found that there is a significant impact on demographical variable except income status by the source of information of HDFC E- banking services, followed with that HO2 found that there is a significant impact of Ebanking services on demographical variables respondents, HO3 found that there is a significant impact of demographical variable except education by the problems towards E- banking services, finally HO4 results indicated that there is significant impact of motivational factor on age group, gender and occupation, except Education and income status of respondents.

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