

A study on the measurement of customer's opinion towards virtual banking offered by selected bankers in Vellore District

Dr.N.Satheesh Kumar

Guest Lecturer, Department of Commerce, Government Arts College for Men, Krishnagiri (India)

ARTICLE DETAILS

Article History

Published Online: 15 May 2019

Keywords

Banking Sector, Technology, Virtual Banking, Communication, Technology, Customer.

Corresponding Author

Email: mkrizhnaa[at]gmail.com

ABSTRACT

In a modern business world the technology plays vital role, the fast development service industry is very crucial on it. The banking business drastically promoting its technology oriented services in order to meet customer requirements with most effectively and economically. The customer expectation also changing in a significant manner, where they are eagerly shift to e-banking from traditional banking practices, and also they always ready to expose the high quality of service. Present study is descriptive in nature as the objective of this study is to measure customer's attitude and satisfaction towards virtual banking services offered by selected banks in Vellore District and respondents have been selected based on convenience sampling techniques. Finally it concludes that Virtual banking has changed the banking scenario most important factor of virtual banking is that it saves time and efforts.

1. Introduction

Banking sector is one which plays a very important role, when banks function effectively and efficiently economy of a country is bound to achieve good growth pattern which will significantly contribute to the development of the economy. The banking industry drastically improving operational efficiency across the world because of development of information and communication technology and this helps to banker to concentrate more on competitive advantage and product or services innovation. The technology makes users more users friendly and flexible in order to fulfil the customer requirement in modern era also it target changing face banking industry across the globe.

The banks should have capabilities of understanding customer needs and developing innovation products, the customer can satisfy based on the variety of services provided by banker and also the communication and services provided with uses of good technology, now days the virtual banking services becomes familiar which will helps bankers to communicate about their product or services and improving customer services on time. Due to the development of internet facility and innovative electronic products like computer, mobile phones, laptop the usage of virtual banking is rapidly increasing.

2. Statement of the problem

Innovation plays vital role in all types of business and product innovation brings major challenges to banking industry. Many times the innovation services offered by bankers will not accepted by customer due to technology unavailability and lack of awareness about the technology, the bankers have to focus on customer retention to survive for a long run with product innovation and services by using new business model and ideas. The banks need to concentrate more on the strategy to acquire more new customers and retain existing customer. Introducing new ideas in banking business now trending in business world, banking services providers started to use technology as main tool to make their product and services preferable choice to customer, the banking service provider

should understand the customer expectation and their opinion towards virtual banking before launch it. The present study is an attempt to measure the customer opinion towards newly introduced technology enabled banking services rendered by selected banks in Tamil Nadu with reference to Vellore District.

3. Objective of the study:

To study the socio-economic profile of the customers towards virtual banking offered by selected bankers in Vellore dist.

4. Review of Literature

Sathye (1997) reviewed the status of virtual banking in Australia. He opined that education would be a crucial factor for expanding virtual banking in Australia. He found that the customer expectation keep on changing day by day and banks should convince them about advantages of virtual banking and innovative product

Joseph, et. al. (1999), studied about the delivery of the bank services and influence of virtual banking and they found and conclude that the factors such as quality of service, continence, accuracy, compliant management, accessibility, customisation and feedback influencing the delivery system of banks by using virtual banking.

Jeevan (2000), observed that the virtual methods of banking enables to offer value added services with lowest cost. Changes in technology, competition and lifestyles have transformed bankingservices to nest level and banks in the present environment are looking for alternative ways to provide differentiated services.

Hasan (2002), found that higher branch network with good adoption techniques of virtual banking and offering more affordable services will helps banks to retain existing customer and attract new customer.

Ahasanul, et al, (2009), they studied about the factors determining perception of customer on E-Banking transaction

in Virtual banking. The result found that a transaction security is the main factors of determinates of consumers' perception about E-banking transactions.

Ramayah, et al (2010) studied about the awareness and satisfaction of customer s towards internet banking and they found that banks need to provided quality services to their customer in order to meet high competitive and do awareness about customer demand and right towards internet banking.

Udaya(2015), found that the information technology brings big changes in banking industry and its development also in increasing progress in the form of online banking or virtual banking which is used to replacing traditional banking system to modern system.

5. Methodology

This research is descriptive in nature as the objective of this study is to measure customer's attitude and satisfaction towards virtual banking services offered by selected banks in Vellore District. The data has been collected from primary and secondary source by self-prepared questionnaire. Which was circulated and their responses was recorded. Respondents have been selected based on convenience sampling techniques. The following statistical tools were used for analysis - Simple percentage analysis, weighted average.

6. Data Analysis and Interpretation

Table - 1 Age of the Respondents

Age (Years)	Respondents	Percentage
21 – 30	48	9.6
31 – 40	128	25.6
41 – 50	196	39.2
51 – 60	112	22.4
Above 60	16	3.2
Total	500	100

Source: Primary Data

The above table shows that Age of the Respondents and it is found that the Most of the respondents belongs in the age of 41 years to 50 years (39.2%) and 21 to 30 years (9.6%), 31 years to 40 years (25.6%), 51 years to 60 years (22.4%), above 60years(3.2%).

Table - 2 Gender of the Respondents

Gender	Respondents	Percentage
Male	228	45.6
Female	272	54.4
Total	500	100

Source: Primary Data

From the table 2 Gender of the respondents shows that majority female of is 54.4 % and 45.6% are male respondents

Table - 3 Respondents Qualification

Qualification	Respondents	Percentage
SSLC	0	0
HSC	68	13.6

Degree	368	73.6
Diploma	64	12.8
Total	500	100

Source: Primary Data

Qualification of the respondents is analysed in the above table indicate that the respondents with HSC is around (13.6%), Degree (73.6%), and Diploma (12.8%). Most of the respondents belong to the Degree holder (73.6%).

Table - 4 Employment of the Respondents

Employment	Respondents	Percentage
Student	16	3.2
Services	312	62.4
Agriculture	44	8.8
Self-Employed	128	25.6
Total	500	100

Source: Primary Data

Table 4 expressed that the nature of the employment of sample respondents the majority found in the employment cadre of services(62.4%) followed by self-employed (25.6%), Agriculture (8.8%) and students (3.2%).

Table - 5 Monthly Income of the Respondents

Monthly Income	Respondents	Percentage
Upto 15,000	40	8
15,001 – 30,000	260	52
30,001 – 45,000	152	30.4
45,001 – 60,000	48	9.6
Above 60,001	0	0
Total	500	100

Source: Primary Data

Table above table shows that the income level of the respondents and it found that Rs. upto 15,000 (8%), the majority fall in the income level of Rs. 15,001 to Rs. 30,000 (52%), Rs. 30,001 to Rs. 45,000 (30.4%), Rs. 45,001 to Rs. 60,000 (9.6%).

Table - 6 Type of Bank of the Respondents

Type of Bank	Respondents	Percentage
Public bank	304	60.8
Private Bank	36	7.2
Both	160	32
Total	500	100

Source: Primary Data

It is observed that the majority of respondents (60.8) are having bank account in public sector bank, 7.23 % respondents are using private banking services and 32% of respondents are using both public and private

Table - 7 Banker of the Respondents

Customer of Bank	Respondents	Percentage
SBI	196	15.31

Indian Bank	284	22.19
Indian oversea bank	108	8.44
Syndicate bank	52	4.06
Corporation bank	60	4.69
Vijaya bank	32	2.5
Bank of baroda	44	3.44
Canara bank	96	7.5
Central bank of india	20	1.56
ICICI	56	4.38
Axis Bank	68	5.31
Dhanalakshmi bank	60	4.69
TMBL	72	5.63
HDFC	52	4.06
IDBI	32	2.5
KVB	28	2.19
LVB	20	1.56
Total	1280	100

Source: Primary Data

* Some of the respondents have accounts with more than one bank.

The above table 7 shows that the banker of sample respondents , the majority of score by Indian bank (22.19%), followed by SBI (15.31%), 8.44% for Indian overseas bank, 4.06% for Syndicate bank, corporation Bank 4.69% of respondents as bank customer, 2.5% for Vijaya bank, 3.44% for Bank of Baroda , 7.5% of customer belongs to Canara bank, 1.56% having bank account with Central bank of India, 4.38% for ICICI, 5.31% for Axis Bank, 4.69% of customer are in Dhanalakshmi bank, 5.63% for TNMB, 4.06% customer using HDFC, 2.5% for IDBI, 2.19% for KVB, 1.56% customer are LVB.

Table - 8 Choice of Bank (Reason)

	Respondents	Percentage
Traditional	72	10.17
Brand	36	5.08
Superior quality of service	72	10.17
Range of service	64	9.04
Technology	104	14.69
No Charge	88	12.43
Salary account	272	38.42
Total	500	100

Source: Primary Data

It is clear that the reason for choosing the bank, the respondents of 10.17% are Traditional, the respondents of 5.08% for Brand Name, the respondents of 10.17% for superior quality of service, for Range of service 9.04%, the respondents of 14.69% based on Technology, based on eservice charge is 12.43%, 38.42% are Salary account purpose.

Table - 9 Respondents Place of Accession of Virtual Banking

Accession for Place	Respondents	Percentage
---------------------	-------------	------------

Home	148	25.69
Office	404	70.14
Library	4	0.69
Friends and relatives	20	3.47
Total		100

Source: Primary Data

* Some the respondents use the banking at home and office.

The table 9 shows that the Accession for place, at home 25.69%, majority of customer using at office at 70.14%, 0.69% of them using in library, Friends and relatives place about 3.47%.

Table - 10 Preferred Channels of the Respondents

Preferred Channel	Respondents	Percentage
ATM	232	46.4
Virtual	176	35.2
Mobile	40	8
Branch	52	10.4
Total	500	100

Source: Primary Data

Form the above table it is observed that the ATM is preferred channel 46.4% and 35.2% preferred Virtual channel, the mobile channel preference is 8%, 10.4% preference goes to Branch channel.

Table - 11 Respondents opinion towards continuous use of Virtual banking

	Respondents	Percentage
Definitely Yes	340	68
Probably Yes	104	20.8
Don't Know	56	11.2
Total	500	100

Source: Primary Data

The respondents opinion towards continuous use of Virtual banking shows in the above table, the majority of customer (68%) says Definitely yes , 20.8% says to Probably Yes to use, for 11.2% of customer says don't know regarding continuous uses of virtual banking.

Table -12 PREFERRED CHANNEL FOR BANKING TRANSACTION

S.No	Channel	Weighted Average Score	Rank
1	ATM	31.44	1
2	Virtual Banking	27.84	2
3	Mobile Banking	21.36	3
4	Branch Banking	19.36	4

Source: Primary Data

The above table show that the preferred channel for banking transaction "ATM Channel" ranked with first by mean score of 31.44. "Virtual banking channel" was ranked second

with mean score of 27.84. "Mobile banking channel" was ranked third with mean score 21.36. "Branch Banking channel" was ranked fourth with mean score 19.36. It is evident that most of the respondents gave top priority to "ATM Channel" for supporting preferred channel for banking transaction.

7. Findings

- Age analysis of the study shows that respondents in the age group of 41-50 are higher than rest of the age groups, which accounts for 39.% and female respondents are more than male respondents', female constitute 54.4% of the total 500 respondents. Degree holders constitute to an aggregate of 73.6 per cent among the respondents.
- The analysis on employment shows that most of the respondents are in 25.6 % are Self-Employed. Income analysis of the respondents' shows that 52% of the respondents' have monthly income of Rs.15,001-Rs.30,000;
- Respondents preference and choice for public or private sector banks or both was inquired, for which 60.8 percent of the respondents' have preference and have chosen Public sector banks
- Access to virtual banking by the respondents have stated that 70.14 % in office, 25.69 per cent at home. Preference of channel for withdrawing of money or for cash transactions, most of the respondents 46.4 % have mentioned that ATM and virtual have been the second choice for 35.2 per cent of the respondents.

- Ranking of the channel of service among the respondents has been asked, the respondents have ranked ATM as their first, second rank was scored by Virtual Banking, The score being 31.44 and 27.48 respectively, mobile and branch banking has scored third and fourth. Analysis of factors influencing the adoption of virtual banking presents that all age is one of the factor that influences the adoption of virtual banking in the study area, however, to be specific, 192 respondent are neutral and 168 have agreed that age influence the adoption of virtual banking.

8. Conclusion

Banking services has come a long way from brick and mortar to paperless transactions, anything and everything is available on-line. Bank customers themselves prefer most of the transactions online starting from making payments of the utility bills to booking of tours, dining, shopping, etc. Virtual banking is crucial in India with increasing literacy rate. Younger generation population with computer literacy has higher percentage of users as compared to aged people. Virtual banking has changed the banking scenario most important factor of virtual banking is that it saves time and efforts. With more concern and enthusiasm at different levels of the management and involving the customers in the implementation process would not only help the transition but also encourage setting up of a platform for the further changes and improvement in banking sector.

Reference

1. Sathye M (1999), "Adoption of virtual banking by Australian consumers: an empirical investigation", *International Journal of Bank Marketing*, Vol.17, No.7, pp.324-334.
2. Joseph et. al., (1999), "Service Quality in the banking Sector-the Impact of Technology on Service Delivery", *International Journal of Bank Marketing*, Vo.17, No.4, pp.182-191.
3. Jeevan M.T. (2000), "Only Banks-No Bricks, Voice and Data", retrieved from <http://www.voicendata.com/content/convergence/trends/100111102.asp>.(20) Sept, 2016)
4. Hasan.I (2002), "Do Virtual Activities Add Value? The Italian Bank Experience", Working Paper, Federal Reserve Bank of Atlanta, New York University
5. Jasimuddin, S. (2004). "Saudi Arabia Banks on the Web." [Online] Available at: <http://www.arraydev.com/commerce/jibc/0103-02.htm>. [Accessed 3 April, 2012]
6. Mishra A. K., (2005), "Virtual Banking in India Part-I" retrieved from www.banknetindia.com/banking/ibkg.html (15Sept.2016).
7. AhasanulHaque, Ahmad ZakiHj Ismail and Abu Hayat Daraz, (2009), "Issues of E-Banking Transaction: An Empirical Investigation on Malaysian Customer Perception", *Journal of Applied Sciences* 9(10):Pp.1870-1879.
8. Kheng, Mahamad, Ramayah (2010), the Impact of Service Quality on Customer Loyalty: A Study of Banks in Penang, Malaysia. *International Journal of Marketing Studies* Vol. 2, No. 2; November 2010.
9. Uday Singh Rajput, (2015), Customer Perception on E-Banking Service, *Pacific Business Review International*, Vol.8, Issue.4, October 2015, pp.85-94.