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A Study on Consumer Perception towards E-Banking Services of ICICI Bank

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Abstract:

Electronic banking is the most inventive services offered by the banks. The transformation from traditional banking started from the use of automatic teller machines, (ATM), direct bill payment, electronic fund transfer (EFT) and the revolutionary online banking is being accepted by the customers with growing awareness and education. Many people are shifting to e-banking and are readily accepting the usefulness of this option. It allows customers to manage their accounts from any place at any time for minimum cost.

Electronic banking is the latest in the series of technology wonders in the recent part, involving use of internet for delivery of products and services. The electronic banking has been evolving the environment with the development of the world web. The development of information technology has been a big boon to banking industry. It has helped the banking industry in several ways, especially in improving its customer relations. Banking industry has undertaken various activities due to the introduction of electronic media in its operations.

Keywords: Time Saving, Improving customer relationship, Cost effective, Inventive and Effective services.

1. Introduction

Banks through internet has emerged as a strategic resource for achieving higher efficiency. More recently in India, the e-banking service is carried out in an effective way to highly satisfy the customers in this modernized world, hence we are waiting in a queue spending the precious time which will lead us to go backward hence the customers don't want to waste their precious time for waiting in a queue.

2. Internet Banking

Internet banking enables a customer to perform banking transactions through the bank's website. This is also called virtual banking or anywhere banking. It is like bringing the bank to one's computer at the place and time of one's choice. This can be very useful, especially for banking outside bank hours through internet access. The number of customers who choose online banking as their banking usually offers features like electronic bill payment. There are a growing number of banks that operate exclusively online due to cost advantage compared to traditional banks.

3. Objectives of the Study

1. To know the consumer perception regarding e-banking services provided by ICICI Bank.
2. To identify the problems involved in e-banking transactions.
3. To analyze the impact on various e-banking services provided to the customers.
4. To suggest the suitable measures for the problems faced by the customers.

4. Scope

Today the customer demands the bank's services for 24 hours. Now in this modern age the entire banking structure has been changed due to widespread internet technology. Now all the business like commerce, trade, import, export, purchase and sale of goods is relying upon electronic banking by using the advanced electronic technology the banking services are fast and economical.

5. Statement of Problem

Every time the users need to perform some transactions, he has to go to bank in person and do his necessary work, which may not be so feasible all the time, it may be a hard and hitting task for the users and bankers too. Online banking system provides enhanced

techniques for maintaining the required information up-to date which results in efficiency and customer's transactions are made easy when they adopt E-banking system.

6. Data Base and Methodology

The study is concerned with the customer perception towards e-banking services of ICICI Bank. The data is collected through pre-tested and well-structured questionnaire in Trichirappalli District in September 2015. Weighted Average score are calculated from the five point likert scale. Weights are given based on the ranks. The highest weight is given to first rank and the lowest weight is given to lowest rank. The sample size of the bank customers is 50. The data analyzed by using percentage method, Chi square method and other statistical tools. Data was presented in the form of tables.

6.1. Sampling Design

Convenient sampling method was used to collect the data.

6.2. Limitation

1. The data collection has been done from a limited geographical area. Hence the findings and conclusion has its own limitations.
2. Because of acute shortage of time and geographical restriction, no probability sampling technique has been used.

7. Review of Literature

A literature review is an evaluative report of information found in the literature related to selected area of study. The review should describe, summarize, evaluate and clarify this literature. It gives a theoretical base for the research and helps the author to determine the nature of the research.

- Jadhav Anil (2004) described various channels of e-banking services such as ATM, Telephone banking (Tele-banking), Mobile banking, Internet banking and its features. The focus is also given on e-banking opportunities, challenges and security aspects while performing the banking transactions on the internet. Comparison of public, private, foreign and co-operative banks and barriers to the growth of e-banking in India are also discussed. Finally the paper discusses an overview of the major private sector banks such as ICICI banks which provides e-banking services.
- Heber Raveendranath (2004) described that the advancements made in computing. Banks are developing alternative channels of delivery like ATM, telebanking, remote access, internet banking etc.
- Janeetal (2004) stated that Online banking requires perhaps the most consumer involvement, as it requires the consumer to maintain and regularly interact with additional technology (a computer and an Internet connection).
- Uppal R.K (2007) the study concludes that the customers of e banks are satisfied with the different e-channels and their services in the spread of e banking services. It also suggests some measures to make e banking service more effective in the future. The present study is mainly concerned with the Indian banking industry in general and particular those banks that are producing service through e-channels.
- 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.
- Uppal, R.K (2011) threw light on growth of information technology in various banks. The objective of this research is to analyze the extent of technological developments in various bank groups. Findings shows as compared to new private sector banks and foreign banks, in public sector banks very less IT has taken place. The maximum technology is taking place in new generation private sector banks and foreign.
- 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 author 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.

8. Analysis and Interpretation

Age	No of Res Ponses	Annual Income	No of Responses	Educational Qualification	No of Responses	Occupation	No of Responses
<30 yrs	16	<200000	10	High school	9	Service class	8
30-40 yrs	15	200000-500000	16	Bachelor Degree	17	Business class	21
40-50 Yrs	12	500000-1000000	17	Master Degree	19	Professional	11
>50 yrs	7	Above 1000000	7	Doctorate	5	Others	10
Total	50		50		50		50

Table 1: Responses about the status of Age, Annual Income, Educational Qualification and Occupation level of the Respondents
Source: Primary Data

Table 1 reveals that out of the 50 respondents, 32% of the respondents belonged to the age of less than 30 years and 14% of the respondents were above 50 years. 34% of the respondents were earning the yearly income between 500000-1000000 and 14% of the respondents were earning the yearly income of above 1000000. Most of (36%) the respondents are educated with Master degree and 10% with Doctorate degree. 42% of the respondents are business men, 22% of them are professional who are working in colleges and corporate sectors, 16% of the respondents are those who are working in private or public sector undertaking and the remaining 16% of them are service men.

Responses about awareness	No of responses	Percentage
a) own accord	9	18
b) Advertisement in print media	10	20
c) Online advertisement	11	22
d) Through friends and relatives	5	10
e) Through bank officials	15	30

Table 2: Responses about the awareness of e-banking services
Sources: Primary Data

Table 2 exhibits that among 50 respondents 30% of the respondents came to know about e-banking services through bank officials, as they wish to reduce the waiting of the customers in the bank, 22% of the respondents got the awareness about online banking through online advertisement, 20% of the respondents are aware of e-banking services through advertisements in print media, 18% of them came to know on their own accord and remaining 10% of them got the awareness through friends and relatives.

Frequency	No of responses	Percentage
a) Less than 1 Year	4	8
b) 1-2 years	11	22
c) 2 Years- 3 Years	17	34
d) 3 Year- 5 Years	12	24
e) Above 5 years	6	12

Table 3: Responses about the frequency of using e-banking services
Sources: Primary Data

From table 3 it can be inferred that 34% of the respondents are availing e-banking services for the past 3 years, 24% of the respondents have been enjoying the e-banking services around 2-3 years, 22% of the respondents have been using online banking around 1-2 years, 12% of the respondents availing e-banking services more than 5 years and the least of 8% of the respondents benefited by e-banking services for the past one year.

E-Banking Channels	R1	R2	R3	R4	R5	WS	Mean score
a) Credit cards	14	6	9	12	9	148	2.96
b) Cash deposit machine	16	6	12	9	7	165	3.3
c) Customer care machine	13	11	10	9	7	164	3.28
d) Kiosk machine	6	12	13	8	11	144	2.88
e) Automatic teller machine	13	17	5	4	12	163	3.26

Table 4: Responses regarding preferences for E- Banking channels

Sources: Primary Data

Table 4 shows that out of 50 respondents most of them preferred Cash deposit machine through which the cash can be deposited quickly without waiting in the bank and it is more useful for working people to deposit the money without time delay, followed by the weighted score of 164 and 163 is given to customer care machine (where the doubts of the customers will be cleared) and ATM, but credit card and kiosk machine (where monthly statement and balance statement can be received) are least preferred by the respondents.

E-Banking Services	R1	R2	R3	Total scores	Overall rank
a) Internet banking	21	20	9	112	I
b) Mobile banking	9	17	24	85	II
c) Tele banking	10	23	17	73	III

Table 5: Preference of customers for e-banking services

Sources: Primary Data

Table 5 depicts that majority of the respondents prefer internet banking because it is easy to access. The second rank goes to mobile banking as it is convenient to access anytime and anywhere. The least rank is given to Tele-banking as the customers can only make enquiries through this, but cannot operate the funds.

Responses	High	Moderate	Low
Hidden charges	Nil	2	48

Table 6: Responses regarding hidden charges for e-banking services

Sources: Primary Data

Table 6 portrays the hidden charges levied for e-banking services. The majority of 96% of the respondents said that the hidden charges levied for e-banking services is low, 2% of the respondents said that the charges levied is moderate and nobody said that it is high.

E-banking services	R1	R2	R3	R4	R5	Total score	Rank
a) E-ticketing	21	17	9	2	1	205	I
b) Recharging	16	14	5	8	7	174	III
c)E-shopping	23	17	-	6	4	199	II
d) Online payment	11	20	9	-	10	172	IV
e) E-tax	6	12	11	5	6	127	V

Table 7: Responses about usage of e-banking services

Table 7 analyzes the usage of e-banking services. The first rank is given to E-ticketing, second rank is scored by E-shopping as the customers need not take the risk of carrying money, followed by Recharging and On-line bill payment are awarded third and fourth rank respectively. E-tax is ranked the least because the respondent is paying the tax yearly once.

Type of fund transfer	No of respondents	Percentage
a) National Electronic fund transfer	19	38
b) Real time gross settlement	5	10
c)Inter bank mobile payment service	11	22
d)Fund transfer	15	30

Table 8: Responses regarding fund transfer facility

Sources: Primary Data

Table 8 shows the preference of the respondents regarding the fund transfer facility. 38% of the respondents prefer the National electronic fund transfer in which the funds can be transferred from one bank account to another bank account through online banking, the maximum amount of Rs.200000 can be transacted through NEFT. 30% of the respondents transacting the funds from one account to another account through fund transfer in the same bank. 22% of the respondents transfer the funds through Inter mobile payment

service in mobile banking and the remaining 10% of the respondents transferring funds through Real time gross settlement which is mainly useful for business men who are transacting more than Rs.200000.

Problems	SA	A	UD	DA	SDA	Weighted score	Mean score
a) Fear about the security	8	11	10	16	5	151	3.02
b) Lack of thorough knowledge of technology	3	5	-	23	19	80	1.6
c) Unsuitable location of ATM	2	1	5	17	25	88	1.76
d) Pseudo messages from the hackers to customers asking one time password	9	7	15	10	9	147	2.94
e) Limited number of Cash deposit machines	21	17	3	4	5	195	3.9

Table 9: Problems faced by the customers while using e-banking services
Sources: Primary Data

Table 9 examines the problems faced by the respondents, while using e-channels. It shows that a limited number of Cash deposit machines and fear about the security are the dominant problems faced by the majority of the respondents, pseudo messages from the unauthorized person to the customers asking OTP(One time password) is also yet another problem faced by the respondents, unsuitable location of ATM and lack of thorough knowledge about the security are the problems faced by the respondents with the mean score of 1.76 and 1.6 respectively.

Motivational factors	SA	A	UD	DA	SDA	Mean score
a)I-safe is an application enhances security	27	17	-	4	2	4.26
b) Easy accessibility	15	30	1	3	1	4.10
c) Time and money saving	18	19	3	6	4	3.82
d)Provide innovative and efficient services	32	9	1	5	3	5.04
e) Digital bank (unique feature of ICICI bank)	36	11	3	-	-	4.66

Table 10: Motivational factors influencing customers to prefer a selected channel
Sources: Primary Data

Table 10 analyzes the motivational factors encouraging the customers to prefer a selected channel. The strongest factor is providing efficient and innovative services with the mean score of 5.04 and the second is providing digital bank facility in which through pocket the customer can store the money. I-safe is an application enhances the security of the customers which is one of the motivational factors with the mean score of 4.26. Easy accessibility and time saving are the motivational factors which are attracted by the respondents with the mean score of 4.10 and 3.82 respectively.

Statements	SA	A	UD	DA	SDA	Total score
a) E-channels reduce the waiting time	18	22	-	4	6	192
b) E-channels have become essential	23	18	2	6	1	206
c) Low charges for fund transfer	29	11	3	5	2	213
d) E-channels ensure privacy	17	13	-	15	5	162
e) E- channel have bright future	13	18	2	10	7	170

Table 11: Responses regarding various aspects of e-channels
Sources: Primary Data

Table 11 shows the various aspects of e-channels. Most of the respondents said that low charges are levied for fund transfer, E-channel have become essential and reduces the waiting time and some of the respondents said that it ensure privacy and have bright future.

Occupation	NEFT	RTGS	IMPS	FUND TRANSFER	TOTAL
Service class	3	1	3	1	8
Business class	9	4	4	4	21
Professional	3	-	3	5	11
Others	4	-	1	5	10
Total	19	5	11	15	50

Table 12 Showing the Comparison between the Occupation and Usage of Electronic Fund Transfer Using Chi-Square Test

- Null hypothesis (Ho)

There is no significant relationship between the Occupation and usage of electronic fund transfer

- Alternative hypothesis (H1)

There is significant relationship between the Occupation and usage of electronic fund transfer

The calculated value of chi square at the degrees of freedom of 9 @ 5% level of significance is more than the table value. Hence the hypothesis is rejected.

9. Result

There is significant relationship between the occupation and usage of electronic fund transfer.

10. Suggestion

The customers should have thorough knowledge while they have transaction with other banks through internet.

Though lot of safety measures are taken by the Bank, the customers should keep their username and password confidential.

The customer should not send one time password to anybody else.

In case of mobile banking the fake messages are received by the customers by using the bank's name. So the customers should not consider these messages.

11. Conclusion

E-banking has become a necessary survival weapon. Today, the click of the mouse offers customers banking services at a much lower cost and also empowers them with unprecedented freedom in choosing vendors for their financial service needs. Banks have to upgrade and constantly think of new innovative customized packages and services to remain competitive. Banks have come to realize that survival in the new e-economy depends on delivering some or all of their banking services on the Internet while continuing to support their traditional infrastructure.

The rise of E-banking is redefining business relationships and the most successful banks will be those that can truly strengthen their relationship with their customers. Without any doubt, the international scope of E banking provides new growth perspectives and Internet business is a catalyst for new technologies and new business processes.

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APPENDIX

A STUDY ON CUSTOMER PERCEPTION TOWARDS E-BANKING SERVICES OF ICICI BANK

1. Personal details:

2. Kindly give your name, Mr/ Ms

3. Gender : a) Male b) Female

4. Age : a) Below 30 Years b) 30-40 Years c) 40-50 Years d) Above 50 Years

5. Occupation : a) Service class b) Business Class c) Industrialist d) Professional
e)Others

6. Annual income: a) Less than 200000 b) 200000-500000 c) 500000-10,00000 d)Above 10,00,000

7. Education Qualification : a) High school b) Bachelor's Degree c) Master's Degree d) Doctorate Degree

→ How did you come to know about e-banking services?

- a) Own accord
- b) Advertisement in print media
- c) Online advertisement
- d) Through friends and relatives
- e) Through bank officials

→ How long have you been availing the e-banking services?

- a) Less than 1 Year
- b) 1-2 Years
- c) 2-3 Years
- d) 3-5 Years
- e) Above 5 Years

→ Rank the following e-channels most preferred by the customer.

E-Banking Channels	R1	R2	R3	R4	R5
a) Credit cards					
b) Cash deposit machine					
c) Customer care machine					
d) Kiosk machine					
e) Automatic teller machine					

→ Which of the following online services you prefer more?

On line Services	Tick the appropriate column
a) Internet banking	
b) Telephone banking	
c) Mobile banking	

→ What do you feel about the hidden charges levied for e-banking services?

Particulars	High	Moderate	Low
a. Hidden charges			

→ Rank the following e-banking services provided by the bank considering their usage

E-banking services	R1	R2	R3	R4	R5
a) E-ticketing					
b) Recharging					
c)E-shopping					
d) Online payment					
e) E-tax					

→ Which specific electronic fund transfer have you been using?

Type of fund transfer	No of respondents
a) National Electronic fund transfer	
b) Real time gross settlement	
c) Inter bank mobile payment service	
d) Fund transfer	

→ In your opinion what are the problems faced by the customers while operating the transactions?

Problems	SA	A	UD	DA	SDA
a) Fear about the security					
b) Lack of thorough knowledge of technology					
c) Unsuitable location of ATM					
d) Pseudo messages from the hackers to customers asking one time password					

→ What are the motivational factors encouraging customers to prefer a particular e-channel (Rate accordingly)

Motivational factors	SA	A	UD	DA	SDA
a) I-safe is an application enhances security					
b) Easy accessibility					
c) Time and money saving					
d) Provide innovative and efficient services					
e) Digital bank (unique feature of ICICI bank)					

→ Rate the following statements related to statements about e-channels

Statements	SA	A	UD	DA	SDA
a) E-channels reduce the waiting time					
b) E-channels have become essential					
c) Low charges for fund transfer					
d) E-channels ensure privacy					
e) E-channels have bright future					