

## **Customer's Perception Towards Internet Banking: A Study Of Sirsa City**

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**Abstract:** *Customer satisfaction is very essential in the age of globalization and cutthroat competition when the technology is developing with high pace and expectations of customers are rising. The objective of this study is to identify the customers' perception towards Internet banking and to analyze their satisfaction level due to Internet banking. The paper presents the analysis of 100 Internet banking customers having saving and current account in Sirsa City. The Percentages and frequencies have been applied for analysis to explore the results of the survey. Charts have also been prepared to depict data. It has been found that the mostly customers are from rural sector. All respondents are satisfied with the Internet banking service of their respective banks.*

**Keywords:** *Customer Satisfaction, Service Quality, Online Banking, Internet.*

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### **I. THE PRELUDE**

Internet (International Network) is a vast network of individual computers and computer networks connected to and communicate with each other using the same communication protocol – TCP/IP (Transmission Control Protocol / Internet Protocol). A network is created when two or more computers are connected. The Internet is the largest example of such a system. Internet is described as Information Superhighway, a way to reach innumerable potential destinations. The connected networks and host computers can be the destination. Indian banking sector is developing at an astonishing rate. On the other side, development of technology is uplifting the functioning and services of banking sector. Through the development and adoption of technology in banking sector, banking customers' expectation is increasing day by day. Consequently, the service providers are becoming further customer centric in their approach of providing services in order to provide customer satisfaction. The recent advancement in banking sector is Internet banking. Internet banking is related to the use of Internet as a remote delivery channel for banking services. At the fundamental level, Internet banking denotes setting up of a web page by a bank to give information about its product and services (Jasimuddin, 2000). At an advance level, it involves provision of other facilities such as accessing accounts, enabling integrated sales of additional products, funds transfer and access to other financial services such as investment and insurance.

### **II. LEARNING FROM PAST**

In India Private Banks implemented internet banking services very first time. It was apparent to them that the only way to stay linked to the customers at any place and anytime is by way of internet applications. They used the internet applications as a weapon of competitive advantage to spot the great monoliths like State Bank of India, Indian Bank etc. Private Banks in India are pioneer to explore the adaptability of internet applications in providing services to customers.

Safeena et al (2010)<sup>1</sup> studied the consumer's perspective on internet banking. The finding shows that the most important determinants of online banking adoption are perceived usefulness, perceived ease of use, consumer awareness and perceived risk and have strong and positive effect on customers to accept online banking system. Rao, K. Rama Mohana and Lakew, Tekeste Berhanu (2011)<sup>2</sup> explored the service quality perceptions of customers of public sector and private sector banks in the Visakhapatnam city, 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 along with a strong dissimilarity in service quality perceptions

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<sup>1</sup> Safeena. et al , "Customer Perspectives on E-business Value: Case Study on Internet Banking", JIBC, Vol. 15, No.1, April 2010.

<sup>2</sup> Rao. K. Rama. Mohana and Lakew. Tekeste Berhanu, "Service Quality Perceptions of Customers: A Study of The Customers' of Public Sector and Private Sector Commercial Banks in India", International Journal of Research in Commerce & Management, Volume No. 2 (2011), Issue No. 11 (November)

between customers of private sector and public sector banks. Santhiyavalli, G. (2011)<sup>3</sup> shed light on the customer's perception of service quality of the select branches of State Bank of India and major factors responsible for their satisfaction by using SERQUAL Model. The study indicates that among all five dimensions 'Reliability', 'Responsiveness', 'Empathy' and 'Tangibility' are the key factors which determines customer satisfaction. Dharmalingam, S. And Kannan, K. V. (2011)<sup>4</sup> discovered the service quality in retail banking in the Tamil Nadu, based on different levels of customers' perception by using three Private Banks, ie. ICICI, AXIS and HDFC Bank. Sample size was 240 respondents. The result concluded that customers' perception is highest in the tangibles area and lowest in the Product Variety area. Kaur, Jasveen and Kaur, Baljit, (2013)<sup>5</sup> discovered that there exists no significant difference in facilities determining the customers' usage of internet banking services of Public sector, Privatesector and Foreign Banks in India.

### **III. OBJECTIVE OF STUDY**

The main objective of this study is to find out the "customer perception towards Internet Banking."

### **IV. RESEARCH METHODOLOGY**

Matching with the objectives of the present study, the relevant data has been obtained from secondary as well as primary sources. This study involves gathering of secondary as well as primary data. Primary data is collected by the way of questionnaire. A survey is conducted to gather primary data from the customers. Here the main emphasis is given on the customers to gather information as customers are the ones who use the service of Internet Banking and they are different from each other on various aspects. It helps us to know their acceptance and awareness in different services provided by Internet Banking .They are the one who use these services. Secondary data is collected by the way of available in printed form i.e. newspapers, magazines and from internet. Secondary data regarding their awareness and acceptance towards Internet Banking, other related factors are collected from the internet and other printed material like newspaper and magazines. Analysis of this research is mainly dependent on our primary data. We prefer primary data over secondary data because secondary data is collected from the books, newspapers or internet .But primary data is collected from the customers so it is up-to-date, adaptable example if our customer does not understand English we can translate in Hindi also.

Data collection: The final Questionnaire was prepared and distributed to the customers of different banks. The survey was conducted among 100 Internet banking customers of Sirsa City. Only saving and current account holders were included in the framework of analysis due to the fact that these customers have contacts with the banks regularly.

Tools Used for Data Analysis: Percentages and frequencies have been applied to conduct analysis of data. Charts have also been prepared to depict the data.

### **V. DATA ANALYSIS AND INTERPRETATION**

Data has been analyzed and interpreted on the basis of primary data of Internet banking users collected through a questionnaire.

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<sup>3</sup> Santhiyavalli. G, "Customer's perception of service quality of State Bank of India - A Factor Analysis", IJMBS Vol. 1, Issue 3, September 2011.

<sup>4</sup> Dharmalingam. S. and Kannan. K. V, "Customer Perception on Service Quality of New Private Sector Banks in Tamilnadu - an Empirical Study", JBFSIR Volume 1, Issue 5, 2011.

<sup>5</sup> Kaur. Jasveen and KaurBaljit, "Determining Internet Banking Service Quality & Customer Satisfaction in India shows", Tenth AIMS International Conference on Management, 2013.

Table No. 4.1  
 Preference Regarding Bank Account

Sr. no.	Particulars	Banks (%age)
A.	AXIS BANK	6
B.	HDFC BANK	6
C.	IDBI BANK	6
D.	PNB	48
E.	SBI	14
F.	ICICI	10
G.	CANARA	10

Source: Survey

Graph 4.1  
 Preference Regarding Bank Account

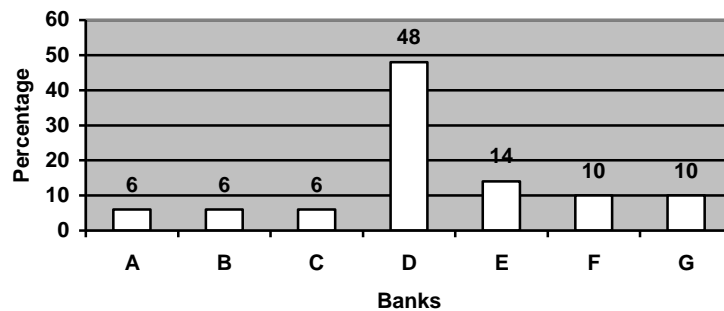


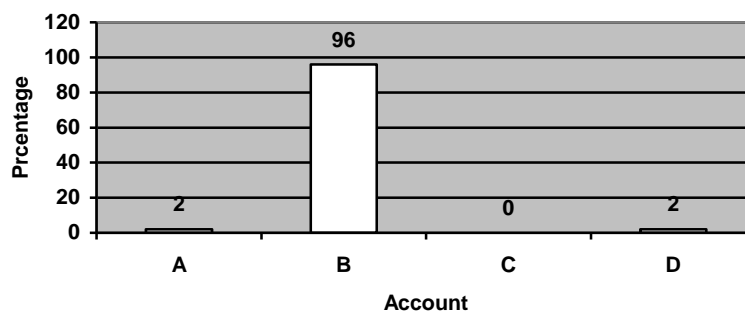
Table 4.1 and Graph 4.1 shows that mostly in rural areas we have public banks, 48 % of our respondent have account in public banks. Private Banks are in urban area and mostly Indian have more faith in the public banks.

Table No. 4.2  
 Preference Regarding Account Type

Sr. No.	Particulars	Percentage
A	Current	2
B	Saving	96
C	Loan	0
D	Demat	2

Source: Survey

Graph 4.2  
 Preference Regarding Account Type



It is apparent from the Graph 4.2 that 96 percent of the respondents have opened saving accounts while only 2 percent respondents opened current and Demat accounts in their banks. The number of the persons having loan account was nil.

Table No. 4.3  
 Type of Internet Services Provided by the Bank

Sr. no.	Particulars	Percentage
A.	Check balance on line	29
B.	SMS provide by Banks about salary etc.	6
C.	Transfer of money	24
D.	Credit Cards/ATM Services	6
E.	Online bill payment	20
F.	Calculate loan payment	4
G.	Download loan application	7
H.	Demat Trading etc	4

Source: Survey

Graph 4.3  
 Type of Internet Services Provided by the Bank

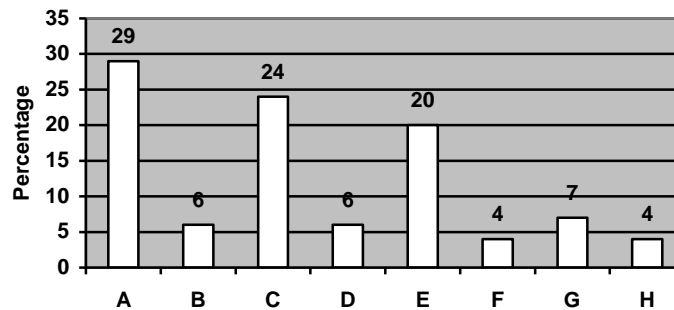


Table 4.3 and Graph 4.3 shows that though the banks provide many services but most of our people are aware of only three internet services i.e. to check the balance online (29.2 %), transfer of money (24.3%) and online bill payment (19.5%). The people who have good knowledge of computer they try to have more knowledge of internet services.

Table No. 4.4  
 Reasons for Availing Internet Banking

Sr.No.	Particulars	Percentage
A.	Convenient	32
B.	Safe and Secure	21
C.	Low Service Charge	19
D.	Online Shopping	15
E.	Curiosity'	13

Source: Survey

Graph 4.4  
 Reasons for Availing Internet Banking

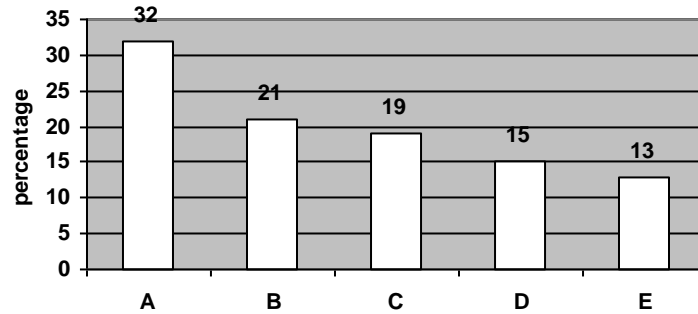


Table 4.4 and Graph 4.4 shows that the most important reason for availing the internet service is convenience (32%). This facility is provided 24 hrs of the day. A respondent does not have to use transport to go to bank at the working time. They can use this facility sitting at the home so time and money both are saved.

Table 4.5  
 Preference regarding Internet Banking Services

Sr. no.	Particulars	Percentage
A.	Seeking product and rate information	29
B.	Calculate loan payment information	6
C.	Download loan applications	24
D.	Download personal bank transaction activity	6
E.	Check balance on-line	20
F.	Apply for consumer loans or credit cards online	4
G.	Inter-account transfers	7
H.	On-line bill payments	4

Source: Survey

Graph No. 4.5  
 Preference regarding Internet Banking Services

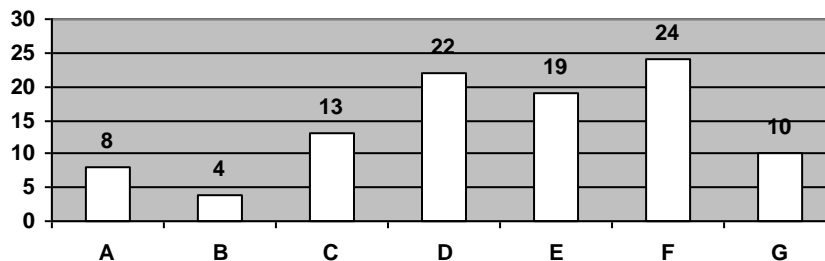


Table 4.5 and Graph 4.5 shows that according to our survey, the common internet banking services which our respondents use are inter account transfer (24%), the check balance online (22%) and apply for consumer loan and credit cards online.(19%) They find it more convenient as for few activities like to transfer account or just to check balance, they need not visit the banks and their routine work is not interrupted.

Table No. 4.6  
 Duration of Using Internet Banking

Sr. no.	Particulars	Percentage
A.	Since last 6 months	24
B.	Since last 1 year	40
C.	Since last 2 Years	16
D.	More than 2 Years	20

Source: Survey

Graph 4.6  
 Duration of Using Internet Banking

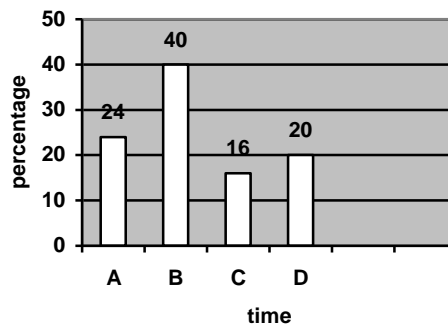


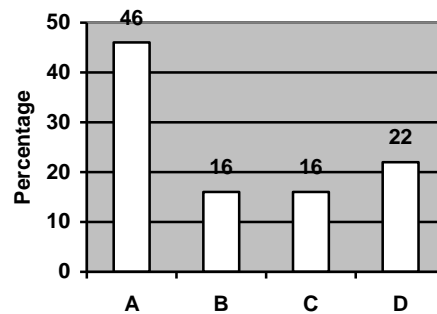
Table 4.6 and Graph 4.6 reflects that as per our survey most of our respondents i.e.40% are using internet banking since last 1 year .During this period only banking staff have started asking customers to use this facility and they are promoting it. Internet facilities are also increased in the villages as computers and laptops have become affordable.

Table 4.7  
 Satisfaction from Internet Banking Services

Sr. no.	Particulars	Percentage
A.	Convenience	46
B.	Cheapear	16
C.	Effective	16
D.	Safe to use	22

Source: Survey

Graph No. 4.7  
 Satisfaction from Internet Banking Services



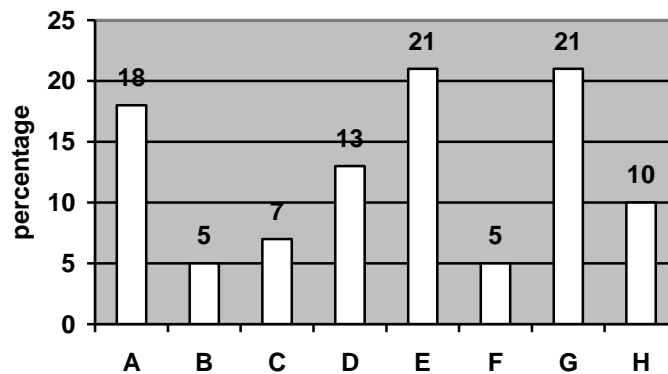
It can be depicted from Table 4.7 and Graph 4.7 that 46% of respondents is satisfied with internet banking services provided by their banks. They find it more convenient to use it. Their time are not wasted and they are saved from transport problems also .This time they can use, in some productive activities.

Table 4.8  
 Opinion of Respondent to Improve Acceptance of Internet Banking Amongst Customers

Sr. no.	Particulars	Percentage
A.	Aware users/customers	18
B.	Staff Should be Trained	5
C.	Improve connectivity (Attach mobiles provide electricity etc	7
D.	Educate them (school ,college and customers)	13
E.	Safe and secure	21
F.	Reduce charges	5
G.	TV(advertisement)/seminar/Newspaper/workshop etc.	21
H.	Site open clearly	10

Source: Survey

Graph 4.8  
 Opinion of Respondent to Improve Acceptance of Internet Banking Amongst Customers



It is evident from the Table 4.8 and Graph 4.8 that most of the respondents have the suggestion to improve the customer’s acceptance of internet banking by advertisement on TV, organizing seminar for them or conducting workshops. There services are safe but people have some myths about the safety as they do not have the full knowledge. Customers should be explained about the safety and security and proper method to use their services so that these customers will develop trust.

## V. CONCLUSION

The analysis of the study points out that greater part of the Customers in the Sirsa is using the internet banking services like checking balance, apply for consumer loan and credit cards online. Majority of customers’ preferred opening saving account in PNB. People are also aware and satisfied with the internet banking services provided by their banks. The most important factor behind using internet banking is that it is more convenient. The study also suggests that the internet banking services can also be improved by dealing customers with polite behavior and making personal contacts, providing some extra benefits to the users of this facility so that they won't switch to any other side.

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