A STUDY ON COUSTOMER KNOWLEDGEWITHREFERENCE TO VIRTUAL BANKING SERVICES IN THANJAVUR CITY

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Abstract

Indian Banking industry is witnessing a supreme opposition. To stay ahead, banks are coming up with buildup of services to attract customers. Services including 24-hours banking, Service at entrance step, Telephone banking, Internet banking, Extended Business Hours (EBH), With convenience, speed, competence and efficiency, these virtual banks, in effect have opened up a new world of possibilities and brought major changes in providing a broad range of services. Virtual banks are currently seen as a response with respect to the confront of design a new service channel that is fully secure, useful and which customers can with pleasure learn to use and trust it. Virtual banking, a powerful "value added" tool, has become the important tool for banks to draw and keep customers. Though, the aim of these services is to satisfy customers, there is a need to understand customer awareness, observation and the level of maintaining it. In the present Research work, attempts are made to measure these issues on four virtual banking services existing in the city banks.

Keywords: telephone banking, internet banking, extended business hours

Introduction

The aim of virtual banking services is to satisfy customers, present is a want to know customer attentiveness, awareness and significantly the level of satisfaction. In the present research work, attempts are made to determine the satisfaction level on four virtual banking services offered by banks customers of Thanjavur city only. These services include Automated Teller Machine (ATM), Telephone Banking, Internet Banking and Integrated Voice Response System (IVRS).

Objective of the Study

The objectives of this study are as follows

1. To measure the customers' knowledge and perception and the level of fulfillment with consideration to virtual banking services presented by the banks in Thanjavur city of Tamilnadu.

2. The present study aims to explore the major factors responsible for virtual banking based on respondents' perception on various virtual banking services.

Period of the Study

The study period is based on the secondary data collection from various available sources and from primary sources through a well-designed questionnaire. So the period of study differs from the data collection point of view. Minimum ten years of data and information was collected through feedback instant questionnaire for an empirical research work.

Data Collection

Two types of data were collected for study, such as primary and secondary. Primary data collection was entirely based on feedbacks from the sample respondents through a questionnaire. The mode of collection of data from secondary sources would be backed by available sources like journals, magazines, articles, news papers, periodicals, and from relevant useful websites. For primary data collection a 20-item 3-point Likert scale was developed. Items in the questionnaire covered four important services i.e., Internet Banking, Mobile Banking, Telephone Banking, IVRS, and ATM services offered by Indian banks. The questionnaire was administered inside the banks' branch premises. To maintain the heterogeneity in the sample, two different time periods in a day, morning and evening hours were chosen. Sample size for the study is 75 among them only 50 samples were found suitable for this study. The collection of data began in the month of July 2014 and was completed in November 2014.

Scope of the Study

The scope of the study is to fill the gap in the literature by focusing on the customer's preferences for virtual-banking. Findings of this study will be useful for the banking segment in assessing the force of virtual banking, in order to formulating suitable strategies for structure customers' reliability thereby enabling them to retain customers.

Limitations of the Study

Like other researches, this study suffers from the following limitations that should be considered carefully at the time of generalizing the findings of the study: Sample size is restricted only to Thanjavur city. The sample size may not adequately represent the national market. Another limitation is the study has use of only quantitative data to validate the study, excluding the qualitative data score. Many of the customers are not using virtual banking facilities till date or not aware of it. Time factor is a vital constraint in the study.

Data Analysis

In this study various factors like age, monthly income, qualification, nature of employment determined to know the overall idea about the users of the virtual banking services.

Table 1
Users of virtual banking services as per various parameters

	Age	Education	Gender	Occupation
Mean	2.44	2.18	1.3	3.16
Median	2.00	2.00	1.00	3.0
Std.D	1.19	.774	.478	1.29
Sk	.555	.496	.697	-.06
Error	.337	.337	.337	.337

The study revealed that age, income, qualification and nature of employment play an important role in usage of virtual banking services. From the table it can be concluded that the age group between 25 years to 35 years are the main users of virtual banking. The monthly average income of virtual banking users is between Rs. 15000 to Rs. 25000.The users of the virtual banking customers are mainly graduates and post graduates. The service holders are mainly the users of the virtual banking.

Table - 2
Awareness about the various virtual banking services by the respondents

	Frequency	Percent	Valid %
Internet Banking	1	2.0	2.0
Mobile Banking	10	20.0	20.0
Telephone Banking	15	30.0	30.0
24 hours banking	15	30.0	30.0
Debit cum ATM	9	18.0	18.0
Total	50	100.0	100.0

Sources: primary data

Hypothesis Testing

Two hypotheses were framed for the study about the level of satisfaction about virtual banking:H0 = Customers are not satisfied with the virtual banking services; H1 = Customers are satisfied with the virtual banking services. A questionnaire comprising 50 questions about the level of satisfaction of the virtual banking services rendered by various commercial banks was prepared and 75 respondents were asked to rank these questions on a 3-point Likert scale of one to three. Very satisfied is ranked three, followed by satisfied, not satisfied with two and one respectively. Out of 75samples only 50 samples were used for the purpose of study as many of samples are invalid for the purpose of study.

Table -3
Collection of samples from various stations

Station	Bank details	N	Valid	Invalid
Medical College	Indian Bank	15	12	03
Old bus stand	SBI Bank	13	08	05
New bus stand	ICICI Bank	20	11	09
Balajinagar	Canara Bank	15	09	06
Kelavassal	HDFC Bank	12	10	02
Total		75	50	25

Sources: primary data

Table- 3 exhibits the true structure of data collection process which is taken as the base for drawing the empirical concluding remarks with the use of suitable and scientific statistical tool like Chi -square test. The reason behind selection of that specific tool is too underlined on the standard belief of testing the hypothesis already drawn in the methodology.

Table 4
Level of the customers Satisfaction

		Frequency	Percent	Valid %
Valid	Very Satisfied	15	30.0	30.0
	Satisfied	17	34.0	34.0
	not Satisfied	18	36.0	36.0
	Total	50	100.0	100.0

The above table shows the various reasons of satisfaction / dissatisfaction regarding virtual banking service

Level of virtual service

	Internet banking	ATM banking	Intergraded voice	Tele banking	Satisfactions
Mean	3.20	2.18	2.28	3.38	2.06
Media	3.00	2.00	2.00	3.50	2.00
Std. D	1.29	1.25	1.40	1.21	.818

Chi – square test

	Value	df	Sig.
Pearson Chi-Square	16.212[a]	12	.182
Likelihood Ratio	19.316	12	.081
Linear-by-Linear Association	6.077	1	.014
N of Valid Cases	50		

Table-4 shows the number of parameters fall under each level of satisfaction i.e. very satisfied, satisfied and not satisfied/lowest satisfied respectively. Now we have to test the hypothesis by the statistical tool χ_2 (Chi-square test) at 5% level of significance that whether customers are satisfied/not satisfied with the virtual banking services offered by various commercial banks

Suggestions

Now a day the public sector banks also introducing various virtual banking services in order to be contention with the private sector banks because a large section of Indian population still trusts the public sector banks for their day to day banking activities. In case of the

consumers who don't use virtual banking services, having all facilities at their disposal, technology is not the biggest issue. Even though these groups are liable towards the manual banking, these can be crooked to prospective customers, it is well proven thing, which says the surrounding influences the individual's behavior or in India only environment that surrounds the public determines the behavior and decisions of the persons. So situation of consumer sees the majority of their generation or friends who surround him using virtual banking then it may influence their decision to follow virtual banking option.

Conclusion

Thus from the above study it is evident that due to the increase in various virtual banking services provided by banking sector, the satisfaction level of customers increases day by day. Banks should introduce various innovative ways of virtual banking services in order to retain their customers with higher satisfaction level. At the same time there is the need that private sector banks should review their charges and rationalize them so that customers start getting the various virtual banking services at reasonable rates. Customer orientation through various innovative ways of virtual banking services is the need of the hour. When this is made possible, even the ultimate

profitability of the banks will rise. Thus overall satisfaction of customers, employees and banks will reach the higher level. When investigating all the variables and the response by consumers, we can say that the perception of the consumers may be misused by awakening program, forthcoming usage, less charges, proper safety measures, and the best comeback to the services offered.

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