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# Coustomer Knowledgeon Virtual Banking Services in Thanjavur Disrtict

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## ABSTRACT

Indian Banking industry is witnessing asupremeopposition. To stay ahead, banks are coming up with buildup of services to attract customers. Services including 24-hours banking, Service at door 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 now seen as acome back with to the challenge of designing 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 focal point for banks to attract and retain customers. Though, the aim of these services is to satisfy customers, there is a need to understand customer awareness, observation and outstandingly the level of satisfaction. In the present research work, attempts are made to measure these issues on four virtual banking services offered by banks in city.

## 1. INTRODUCTION

The aim of virtual banking services is to satisfy customers, there is a need to understand customer awareness, perception and importantly the level of satisfaction. In the present research work, attempts are made to measure the satisfaction level on four virtual banking services offered by banks customers ofThanjavur city only. These services include Automated Teller Machine (ATM), Telephone Banking, Internet Banking and Integrated Voice Response System (IVRS).

## 2. OBJECTIVE OF THE STUDY

The objective of this study is to measure the customers' knowledge and perception, the level of satisfaction with regard to virtual banking services offered by the banks in Thanjavur city of Tamilnadu. 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 andfrom 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 is going to be collected supported by the feedback collection against questionnaire for an empirical research work.

## DATA COLLECTION

Two types of data are going to be collected, such as primary and secondary. Primary data collection would entirely be based on feedbacks from the sample respondents through a questionnaire. The mode of collection of data from secondary sources would be backed by

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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. A total number of 50 samples have been chosen which is found to be suitablefor this study out of total 75 samples. The collection of data began in the month of May 2014 and was completed in June 2014.

## 3. SCOPE OF THE STUDY

The scope of the study aims 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 sector in assessing the impact of information technology and in formulating appropriate strategies for building customers' loyalty thereby enabling them to retain customers.

## 4. LIMITATIONS OF THE STUDY

Like most of the other researches, our study suffers from the following limitations that should be considered carefully at the time of generalizing the findings of the study:Sample size will be limited to customers of Chennai city only. The sample size may not adequately represent the national market.Another limitation in the methodology would be the 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 will play a vital constraint in our study.

## 5. DATA ANALYSIS

I have taken various parameters like age, monthly income, qualification, nature of employment to know the overall idea about the users of the virtual banking services.

**USERS OF VIRTUAL BANKING SERVICES AS PER VARIOUS PARAMETERS**

| | | AGE | EDUCATION | GENDER | OCCUPATION |
|---|---|---|---|---|---|
| N | Valid | 50 | 50 | 50 | 50 |
| | Missing | 0 | 0 | 0 | 0 |
| Mean | | 2.4400 | 2.1800 | 1.3400 | 3.1600 |
| Median | | 2.0000 | 2.0000 | 1.0000 | 3.0000 |
| Std. Deviation | | 1.19796 | .77433 | .47852 | 1.26749 |
| Skewness | | .555 | .496 | .697 | -.063 |
| Std. Error of Skewness | | .337 | .337 | .337 | .337 |
| Sum | | 122.00 | 109.00 | 67.00 | 158.00 |
| Percentiles | 25 | 1.7500 | 2.0000 | 1.0000 | 2.0000 |
| | 50 | 2.0000 | 2.0000 | 1.0000 | 3.0000 |
| | 75 | 3.0000 | 3.0000 | 2.0000 | 4.0000 |

**TABLE NO 1**

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 is the main users of virtual banking.The monthly average income of

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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.

**AWARENESS ABOUT THE VARIOUS VIRTUAL BANKING SERVICES BY THE RESPONDENTS**

| | | FREQUENCY | PERCENT | VALID PERCENT | CUMULATIVE PERCENT |
|---|---|---|---|---|---|
| Valid | Internet Banking | 1 | 2.0 | 2.0 | 2.0 |
| | Mobile Banking | 10 | 20.0 | 20.0 | 22.0 |
| | Telephone Banking | 15 | 30.0 | 30.0 | 52.0 |
| | 24 hours Banking | 15 | 30.0 | 30.0 | 82.0 |
| | Debit cum ATM cards | 9 | 18.0 | 18.0 | 100.0 |
| | Total | 50 | 100.0 | 100.0 | |

**TABLE NO 2**

**HYPOTHESIS TESTING**

I have taken two hypotheses 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 I have taken only75 samples for the purpose of study as many of samples are invalid for the purpose of study.

**COLLECTION OF SAMPLES FROM VARIOUS STATIONS**

| SL NO. | STATION | BANK DETAILS | TOTAL | VALID | INVALID |
|---|---|---|---|---|---|
| 1 | Medical College | Indian Bank | 15 | 12 | 03 |
| 2 | Old Bus Stand | SBI Bank | 13 | 08 | 05 |
| 3 | New Bus Stand | ICICI Bank | 20 | 11 | 09 |
| 4 | Balajinagar | Canara Bank | 15 | 09 | 06 |
| 5 | Kela vassal | HDFC Bank | 12 | 10 | 02 |
| 6 | Total | | 75 | 50 | 25 |

**TABLE NO 3**

Table No. 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.

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**SATISFACTION OF THE CUSTOMERS LEVELOFSATISFACTIONS**

| | | FREQUENCY | PERCENT | VALID PERCENT | CUMULATIVE PERCENT |
|---|---|---|---|---|---|
| Valid | Very Satisfied | 15 | 30.0 | 30.0 | 30.0 |
| | Satisfied | 17 | 34.0 | 34.0 | 64.0 |
| | Not Satisfied | 18 | 36.0 | 36.0 | 100.0 |
| | Total | 50 | 100.0 | 100.0 | |

**TABLE NO 4**

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

**STATISTICS**

| | INTERNET BANKING SERVICES | ATM BANKING | INTERGRADED VOICE | TELEBANKING SERVICES | LEVEL OF SATISFACTIONS |
|---|---|---|---|---|---|
| Mean | 3.2000 | 2.1800 | 2.2800 | 3.3800 | 2.0600 |
| Median | 3.0000 | 2.0000 | 2.0000 | 3.5000 | 2.0000 |
| Std. Deviation | 1.29363 | 1.25666 | 1.40029 | 1.21033 | .81841 |
| Variance | 1.673 | 1.579 | 1.961 | 1.465 | .670 |
| Skewness | -.035 | 1.188 | .683 | -.355 | -.113 |
| Std. Error of Skewness | .337 | .337 | .337 | .337 | .337 |
| Range | 4.00 | 4.00 | 4.00 | 4.00 | 2.00 |
| Sum | 160.00 | 109.00 | 114.00 | 169.00 | 103.00 |

**CHI-SQUARE TESTS**

| | VALUE | DF | ASYMP. SIG. (2-SIDED) |
|---|---|---|---|
| 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 NO 5**

Table No. 5 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 $\chi 2$ (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

## 6. 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

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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 people are inclined towards the manual banking, these can be turned to potential 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 individuals. So if consumer sees most of their colleagues or friends who surround him using virtual banking then it may influence his decision to follow virtual banking option.

## 7. CONCLUSION

Thus from the above study it is evident that due to the increase of various virtual banking services in banking scenario, 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 charges. Customer orientation through various innovative ways of virtual banking services is the need of the hour. When this is done, even the ultimate profitability of the banks will rise. Thus overall satisfaction of customers, employees and banks will touch the higher level. When investigating all the variables and the response by consumers, we can say that the perception of the consumers may be changed by awareness program, friendly usage, less charges, proper security, and the best response to the services offered.

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