

# Customers Perceptions of Online Banking Service Quality of Public and Private Sector Banks in Tirupur District

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**Abstract:** The aim of this study is to identify the customer perception of factors that influence the adoption of online banking services in Tirupur district. The intent of theoretical model is given that conceptualize and various links, various factors affecting the online banking functions identify by the researcher. A total of 300 respondents in around Tirupur district were sampled for this study. The researcher made the various Factor analysis and rank correlation techniques are taking to the study the relationship of variables.

The influence model to be tested clearly that use of online banking is determined by consumer trust, social intention, trust in perceived risk, security perception, trust in internet banking, perceived easy usage, adoption of new technology. The customers want Pre intent knowledge on online banking.

The researcher can also to identify the determinants of those demographic factors and customers perceptions are systematically affect on the online banking. This paper concludes that understanding the factors that determining retains the customers who use the internet banking. These parameters that plays and procure new patterns of banking in the recent competitive scenario.

**Key words;** online banking, customer perception, service quality, public banks, private banks.

## CHAPTER - I

I. Introduction and Background of the online Banking;  
There is no surety that technology improvement will leads to consumer retaining. Because the customers accept and intentional behavior towards retaining the customers. The succeed of new technology can be determined by potential customers. Modern technology will leads to successful of retain the customers and rendering service through various electronic channels. The bankers are updating the technology and serve easy convert the technology to customers based. Technology has changed the nature and movement of consumer from traditional to online banking system. This study conducts to find out the customers perceptions of channel of convenience, information on online banking, risk of security, pre internet knowledge etc.

### I.1 E-commerce and internet banking;

E commerce and internet banking is nowadays prior by the many financial and banking institutions. Online banking and e- banking service is also known as providing services and products in banking for the helps to retaining the customers. The innovative internet service to provide to customers such as fund transfer, check balance and

access to account customers to home itself. The customers are getting knowledge of easy and speedy service knowledge through net banking. The financial products are transfer public and private internet network. Sometimes those internet banking may not be successful in all the time. The different banks gives variety of speed of transactions is determined by whether customer retain or not. They are give prefer services like speed and fast tranctions.The bankers are also introduce new innovative service, and for better services. Customers are expect feels satisfy and access account easy way. The bankers' gives friendly usage and low cost.

**Online banking;** online banking services enabled the cost efficiently and effectively to change traditional system. The customers without having visits in branches such as balance enquiry, accounts transfer, bill payments, and check balance as well manner.

### I.2 Theoretical Frame work

#### I.2.A.Online banking;

This is the one of the traditional phases in retail banking services. Online banking reduces the cost cutting activity and change the traditional system. The customers are without going to branches such as balance enquiry, bills

payments made ethically is the most likely perception of customers recent technology. In online banking the main problem faced by bankers are in the security and protect customers trust easily and helps to retain customers so well and good. The customers mainly dissatisfied in security needs. The customers are accept positively it will increase the product are succeed in bankers market.

## II. Statement of the problem.

There are numerous studies have brought and no observations taking by the many researchers on this online banking. There is public and private sector banks are both having highly competitive for retaining the customers. This study is to know the customers perception on service quality by the public and private banking companies. The researcher takes the two leading public banks like **SBI** and **CANARA** and also takes private banks viz., **ICICI, AXIS Banks**.

## III. Objectives of the study

1. To study and compare the online service quality perceptions of customers with public and private banks.
2. To analyze the customer's attitude about the online service quality towards the public and private sector banks.
3. To analyze the factors that determines the online service quality of customers.
4. To find out the online service quality to improve the customers perceptions by the banks in positive manner.

## IV. Hypothesis Development;

The main motto of this paper is to get knowledge about understanding of online service quality dimensions of customer's perception of public and private sector banks. This study deals of two public banks viz ., SBI,Canara Bank and private banks also deals with ICICI and AXIS.

This study deals with identify various factors determining the customers perception. Based on the dimensions we are examined the relationship among the hypothesis obtained.

**H0;** There is no significant of online service relationship between public and private banks.

**Ha1;** There is significant association relationship of online service between public and private banks.

**H02;** factors of online service quality of various attributes is positive relationships among themselves.

**Ha2;** Factors of online service quality of various attributes is negative relationship among themselves.

## IV.A. Concept of online banking;

The sign for home online banking services over electronic media from the 80s. With help of the home and mobile phone customers can have access their account easily.

They discover as well as improve their services to make them more cost effective manner. This is also low cost tool to use the customers.

The current scenario of development of information technology more and more people se online banking system.

Factors determining the online banking system;

1. EFFICIENCY
2. SECURITY AND PRIVACY
3. RELIABILITY
4. COMMUNICATIO
5. CUSTOMERS RESPONSIVNESS.

## IV.B. Research areas of online banking

This is the most current and recent advance technology like ATM cards, internet banking payments and fund transfer. The public and private banks are rendering online services to this area. This area includes both business and agriculture sector engaging their business. They are medium level-knowledge holder and account operating capacity own. Now days the many private banks concentrate on online banking system. This area utilize the in the online banking system well prospered manner after getting many apps customers are ease use of online .

## IV.C. Online banking dimensions;

There are several factors are playing in the customers perception of dimensions like Reliability, flexibility, security, ease of use with privacy, efficiency and acceptability.

### 1. Reliability;

Whenever the measuring the service quality of banking service, which is often customer process system of services failure in chance. So, bankers are creative confidential among the customers. The reliability is saving to understanding the services contributes by the bankers with loyalty and eradicate the failure of difference services of banks. The bankers are giving service to their customers like on counter services.

### 2. Flexibility;

Flexibility is main criteria for online banking will also decide to update of various information technology application and degrees of new updated technology. The customers' aims to higher chance will application of future of all varieties of online banking services.

### 3. Privacy;

The privacy policy is interaction between customers and banks gives servicing of bankers. The customers expect the personal services to improve high privacy for their transactions. Both the side. i.e. bankers and customers are does not work alone the use the personal information leaked out.

4. **Accessibility;** the services accessibility as reflected in the number of banking offers technology instances has transactions anywhere as long as customers access are easy access and use efficiency manner though through internet banking.
5. **Ease of use;** the customer online services are easily used by the user. All are user friendly at the same time with highly protected by the bankers. All type customers are easily access their account by own.

## CHAPTER -II

### REVIEWS OF LITERATURE;

1. **Dr. Leo Franklin and H. Arul (2014)** in their comparative study of public and private sector bank in Chennai city, it seems to be identified expectations (E), needs of customer and evaluate perceptions' of rendered by both the banks . They identified banking company and quality of service gabs between perception and expectations (P-E) of both sector banks.

2. **Dr.Sanjay singh and Dr. Partap Singh (2015)** they are observed the effectiveness of online banking in India., . They identified the factors like security and privacy, confidentiality, ease of use with protection of security. These factors are helps to Well-known of operations of E-banking transactions.

3. **Dr. Bhupendra Singh Hada (2016)** indicate in his paper the obtained knowledge of cost savings., His intentions gives the ideas of cost savings, innovative product, marketing the product conveniently. They identify only cost saved measures of online banking of customers..

4. **Dr. Hitesh Kapoor** has examined in his study on customer satisfaction and E- buying services, indicate the many innovative banks product have been launched on online banking. Customers are ease of use of accounts and getting information on banking sector through their PCs and cell phones.

5. **Dr. Biju John.M. (2017)** in his study of service quality in Indian banking reveals the ascertain the different dimensions of service quality. The service quality is developed by the basis of the customer satisfaction and their responsiveness.

6. **Raseanne Sabina Dsouza, Subhash Kizhakanveati Bhaskaran Pillai (2018), Ruey Fey Chen and Klaus Weiernair (2018)** in their study on Goa region based ,there is no significant differences of services between public and private sector banks with respect of demographic factors, income and occupation level. They identified sex factors were notified that influence of responsiveness, assurance of income, new valued and convenience usage of online banking.

7. **A. Durai pandi (2019)** obtained his study on comparative study on customer services of banks indicates the customers are more aware and lot of convenience of online banking products of services. They express are well delivery of services with loyalty from their product. All the products of online banking services are getting the computerization and home based operations self by the customers.

## CHAPTER - III

### VI. Chapterization;

The research is divided in to four categories. The first chapter deals with background of online banking and select area is presented. In chapter two related to review of literature. Third chapter deals with research methodology and fourth chapter deals the data collection and through Descriptive technique and analysis of data. Lastly fifth chapter completes the findings, conclusion and suggestions.

**Research methodology;** The purpose of the study is to know the online banking factors which affect the customers' perception. Both primary and secondary data collected for the purpose of the study.

**Research instruments;** Questionnaire was the main tool for collecting the primary data. The data collected from the primary sources were arranged sequentially and tabulated in the systematic manner. The sample size selected for the study includes customers is located in different areas of Tirupur District. . The non probability convenient sampling techniques was adopted to select the representative samples and due care was taken to see that the sample respondents are unbiased.

### Tools for the analysis;

The following statistical tools are used in the study for the purpose of analysis. Like percentage analysis, mean, standard deviation, T test, and spearman rank correlation, Mann Whitney test and kruskal wallis test.

## CHAPTER -IV

### VIII. Data analysis and interpretations

Demographic variables of samples;

TABLE NO 1.

Sl.No	Variables	Classification	Frequency	Percentage
1	Gender	Male	227	75.67
		Female	73	24.33
2	Age	Below 20 years	34	11.33
		20-30 years	89	29.66
		31-40 years	123	41.00
		41 and above	52	18.01
3	Education	Schooling	48	16
		Graduating	136	45.33
		Post Graduating	64	21.33
		Professional	52	17.34
		graduating		

4.	Status of Marital	Single couples	118	39.33
			182	60.67
5	Occupation	Student	30	10
		Employed	68	22.66
		Business	138	46
		Service	64	21.34
6	Family Monthly Income	Below Rs.10000	36	12
		Rs.10001- 25000	72	24
		Rs.25001-35000	138	46
		Rs. 35001-50000	54	18
7	Banks	SBI	75	25
		CANARA	75	25
		ICICI	75	25
		AXIS	75	25
	TOTAL		300	100

The above table says majority of male respondents are used online services of banks. That may be highly difference between sex categories. Above 20 years customers are using online banking. Above Rs.10000 Income peoples groups are use online service of banks.

**TABLE NO 2**

S.n	Banks( Service Quality Dimensions)	Result	S.D/ Spearman's Rank Correlation	t- Value /	Accept/Reject Null Hypothesis
1.	SBI/CANARA	Highly Satisfied	1.89	2.26	Reject H0
2.	ICICI/AXIS	Highly Satisfied	6.07	4.48	Reject H0
3	SBI/CANARA	Satisfied	0.50	13.08	Accept H0
4	ICICI/AXIS	Satisfied	5.16	0.91	Reject H0
5	SBI/CANARA	Dissatisfied	0.15	-	-
6	ICICI/AXIS	Dissatisfied	0.23	-	-

The above table says that service quality is based on the following category like system availability, Customers need fulfillment, and Accuracy of accounts, Efficiency, security Correct Responsiveness easy to use, convenience, cost effective and easy contact with branches is divided in three parts by the researcher. Like highly satisfied, satisfied and dissatisfied. There are not highly differences of services shows private and public sector banks. Majority of the respondent of the public banks customer are highly satisfied with easy available of sites, accuracy of accounts, security, convenience and cost. At the same time they dissatisfied with response from branches and contact with branches.

The private sector banks customers are satisfied with over all service quality like accuracy of accounts maintenance, response from branches feels good. But they dissatisfied with security and cost wise.

**TABLE NO 3**

S. No	Banks(Perception)	Result	Kruskal Wallis Test(U.Critical Value)	U.stat(Take Small Value)	Accept/Reject Null Hypothesis
1.	SBI/CANARA	Highly Satisfied		14/11= 11	
2	ICICI/AXIS	Highly satisfied		2/22.5= 2	
3	SBI/CANARA	Satisfied		16/9.5= 9.5	
S. No	Banks	Result	Mann Whitney U test(Critical Value)	Mann Whitney Value	Accept/Reject Null Hypothesis (Accept > Calculated Value)
1	ICICI/SBI/ICICI	Satisfied / Dissatisfied /	2	9.36	Accept
2	AXIS/CANARA/axis	Satisfied / Dissatisfied / Dissatisfied	2	9.98	Accept

The above table says that E-Bankers perception tells us to public banks highly consistent for customers to the operations and customers related issue. But private sector banks are highly concentrated on new technology and operative convenience. So this study says some aspect convenience to public banks customers and some aspect strong in private bank customers.

## CHAPTER –V

### VIII.A. FINDINGS;

#### (A) Service Quality Dimensions;

Most of the public sector banking customers is highly satisfied with available of sites effective customer service and security wise. Most of the respondent of private banks customers are feels highly satisfied with efficiency of service, responsiveness of customers and easy to use the sites.

#### E- Banking Perception;

(B)General opinion of public bank customers are feels highly satisfied with operational issues. At the same time private bank customers are highly satisfied with customers' related to issues and operational efficiency.

### VIII.B.SUGGESTIONS;

Commercial banks are periodically checked up their product. They highly concentrate on innovative online product like mobile banking and home based services. Private bankers are extending their branches to rural side and give awareness of online banking services. All the bankers are concentrating on this service to local



customers in the way of their own language. Both of them check customers' reviews and feedback periodically. This helps us to increase the level of overall perception among customers.

### VIII. C. CONCLUSION

All the industry is striving to contribute update of their performance periodically. There is no excluding the banks also. There must be maintains a close relationship between bankers and customers through web technology. All the service industry concentrates on this service. Bankers are also improving their new product delivered to new ways of services.

Traditional bankers construct the human to human inter relationship. But online banking service quality creates the human to machine relationships. So bankers understand the customers' perception multidisciplinary, this is to attribute of online banking services of both of the public and private sector banks. This is to help to improve the customers' satisfaction and competitive advantage.

### IX. SUGGESTIONS FOR THE FUTURE SURVEY:

The researcher concentrate on only on service quality of elements of dimensions and perception. But online service quality of banks broader term. It extends this limit day by day. So all the financial institutions, insurance companies and share market follows these types of research in future.

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