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Impact of Customer Knowledge towards Virtual Banking in Kanchipuram

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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 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 a come 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 of Kanchipuram 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 following objectives are given below

- To measure the customers' knowledge and perception, the level of satisfaction with regard to virtual banking services offered by the banks in Kanchipuram City.
- To aims of the study to explore the major factors responsible for virtual banking based on respondents' perception on various virtual banking services.

3. 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 is going to

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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 available sources like journals, magazines, articles, news papers, periodicals, and from relevant useful websites. 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 suitable for this study out of total 75 samples. The collection of data began in the month of December 2015 and was completed in January 2016

4. 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.

5. 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.

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
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

Sources: Primary data

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 virtual banking users is between Rs. 15000 to Rs. 25000.The users of the virtual banking

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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	CUMULATIVE
Internet Banking	1	2.0	2.0
Mobile Banking	10	20.0	22.0
Telephone Banking	15	30.0	52.0
24 hours banking	15	30.0	82.0
Debit cum ATM cards	9	18.0	100.0
Total	50	100.0	

Source: Primary data

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 75 samples I have taken only 50 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	Kanchipuram	Indian Bank	15	12	03
2	Tambaram	SBI Bank	13	08	05
3	Sriperumputtur	ICICI Bank	20	11	09
4	Udharamerur	Canara Bank	15	09	06
5	Walaja	HDFC Bank	12	10	02
6	Total		75	50	25

TABLE NO 3

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.

SATISFACTION OF THE CUSTOMERS

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	FREQUENCY	PERCENT	CUMULATIVE
Very satisfied	15	30.0	30.0
Satisfied	17	34.0	64.0
Not satisfied	18	36.0	100.0
Total	50	100.0	

Sources: Primary data

TABLE NO 4

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

	INTERNET BANKING SERVICES	ATM BANKING	INTERGRADED VOICE	TELE BANKING 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
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 numbers 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 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.

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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.

8. REFERENCE

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