

USAGE AND SATISFACTION LEVEL OF CUSTOMERS USING E-BANKING SERVICES OF COMMERCIAL BANKS IN HIMACHAL PRADESH

DR SUNIL MANKOTIA

ASSISTANT PROFESSOR, UCBS, HIMACHAL PRADESH UNIVERSITY SHIMLA, HIMACHAL PRADESH

DR. SANJEET SHARMA

ASSISTANT PROFESSOR, UCBS, HIMACHAL PRADESH UNIVERSITY SHIMLA, HIMACHAL PRADESH

ABSTRACT

The present objective of the present study is to investigate the level of the customers' awareness as well as the adoption/usage of e-Banking services in Himachal Pradesh. Further, an attempt is also made to find out the problems encountered by customers while using these services in Himachal Pradesh. Primary data in the form of the response of customers has been obtained from customers with the help of a structured questionnaire. Sample size in the present study is 300 and the convenience sampling method has been used in the present study. Only those customers of different commercial banks have been selected in the study who are currently using internet banking. It is found that services like Debit card/ Credit card and inquiry of balance have been availed by the majority of customers. The majority of bank customers are using services such as balance inquiry, bill payments, fund transfers, debit and credit cards and mini statement of the transactions frequently. Mean score of services of Balance Inquiry has been found maximum which shows that the majority of the customers are satisfied with this service. Majority of customers of e-banking have the opinion that e-banking helps in time-saving followed by factors such as mobility, quick Transfer of Funds, convenience, safety, update information, low errors and financial development respectively. Further, maximum respondents face problem-related with poor connectivity of the internet followed by problems such as security issues, lack of training, lack of proper knowledge to use, fear, low trust and high cost of infrastructure and internet respectively. It is suggested that steps such as improving internet connectivity, resolving security issues, training of bank customers must be taken to make the e-banking successful in Himachal Pradesh.

KEYWORDS

e-banking,

INTRODUCTION

E-Banking refers to using the internet for providing banking services. It includes checking balances, viewing and verifying transactions on the account, printing statements, monitoring transactions, electronic payments and settlement services to customers. e-Banking has many advantages over the traditional form of banking such as day and night availability, intensive interactions, comfort, transact from homes and many more. In the present scenario, many countries are shifting from conventional banking to e-banking as it is considered as an important tool for the development of the economy. But despite all these advantages, the awareness and usage rate of e-Banking services among customers of the rural area is still very low. In the current scenario, information technology has affected day to day activities of life such as the use of mobile, laptop, tablet, plastic cards etc. In Himachal Pradesh,

all the commercial Banks provides e-banking service to its consumers. Hence, in the present study, an attempt has been made to investigate the level of the customers' awareness as well as the adoption/usage of e-Banking services in Himachal Pradesh. The present paper is organized as follows: Section I is an Introduction. Section II provides a Brief Review of the Literature. Section III explains the Data and Methodology. Section IV presents Empirical Results. Finally, concluding remarks are given in Section V.

BRIEF REVIEW OF LITERATURE

Sakkthivel(2006) attempted to identify the willingness and impact of demographic variables on the consumption of different services online. Manoharan (2007) studied the e-payment system and found that competition is the main factor which forced banks to adopt e-banking.

Suresh (2008)found that e-banking has created many opportunities for the banks related to financial products, service quality and market. Hua (2009) concluded in his study that privacy and security are more important than perceived ease in e-banking. Uppal (2010) found that the position of mobile banking is good in the new private sector and foreign banks as compare to public and old private sector banks. Masochal, (2011) advocated that the majority of customers preferred ATMs followed by cellphones, and telephone banking was the least preferred method.Rao&ChilumuriSrinivasa, (2013) found that there is a lack of awareness regarding e-banking among the customers in the rural area. Khatri J. (2013)found that poor education and awareness level of customers about internet banking are the main challenges for e-Banking. Srivastav(2013) has described e-banking is the science as to provide knowledge and scientific usages of electronic devices. Ogunlowore A.J and OladeleRotimi (2014)advocated that convenience, efficiency, flexibility, speed, and accessibility are the main reasons for adopting e-Banking by the people of Nigeria. Malik (2014)advocated that in the present banking environment financial innovation has become a necessity for banks. ChauhanVikas and ChoudhryVipin (2015)found privacy, trust, security, and less awareness are the main hurdle in the way of internet banking. Uppal, Rajinder Kumar and RajniBala (2017) studied the awareness and usage level of customers towards e-banking in a semi-urban area of Mansa district. Ram, D and RakeshKapoor (2018) in their study on e-banking usage and customer satisfaction found that customers are satisfied with e-banking services.

DATA AND METHODOLOGY

The main objective of the present paper is to study the level of usage of e-Banking services in Himachal Pradesh. Further, an attempt is also made to find out the problems encountered by customers while using these services in Himachal Pradesh. Secondary and primary data has been used in the present study. Primary

data in the form of the response of customers, which is of immense importance and backbone of the study, is obtained from customers with the help of a structured questionnaire. Sample size in the present study is 300 and the convenience sampling method has been used in the present study. Only those customers of different commercial banks have been selected in the study who are currently using internet banking. Further, in this study sample has been selected keeping in view representation to various demographic variables. Data is analyzed using percentage and mean methods. Five-point Likert scale in agreement with statements, ranging from 1= Strongly Disagree to 5= Strongly Agree has also been used in the present study.

EMPIRICAL RESULTS

The following table shows the analysis of data along with interpretation :

Table 1: Profile of Customers using e-Banking

Group	No. of Respondents	Percentage	Valid Percentage	Cumulative Percentage
Gender Wise				
Male	185	61.67	61.67	61.67
Female	115	38.33	38.33	100
Age-wise(In Years)				
10-20 years	13	4.33	4.33	4.33
21-30 years	95	31.67	31.67	36.00
31-40 years	121	40.33	40.33	76.33
Above 40 years	71	23.67	23.67	100.00
Occupation wise				
Govt. employee	136	45.33	45.33	45.33
Private Employee	45	15.00	15.00	60.33
Business	74	24.67	24.67	85
Professional	32	10.67	10.67	95.67
Others	13	4.33	4.33	100
Income wise				
UptoRs. 1,00,000	73	24.33	24.33	24.33
Rs. 1,00,001 to 5,00,000	149	49.67	49.67	74.00
Rs. 5,00,001 and above	78	26.00	26.00	100.00
Nature of Bank Account				
Savings Account	182	60.67	60.67	60.67
Salary Account	68	22.67	22.67	83.33
Current Account	50	16.67	16.67	100

Information related to Gender of the respondents has been presented in Table1. It is clear from the table that 61.67% of the respondents are male and 38.33% of the respondents are female. Out of the total respondents, 45.33% were employees of government, 15 % were the private employees. 24.67% were doing their own business. 10.67% were Professionals, and 4.33% were others. Further, 4.33% of the respondents belong to the age group of 10-20 years, 31.67% of the respondents belong to the age group of 21-30 years. 40.33% of respondents belong to the age

group of 31-40 years and 27% belongs to the age group of above 40 years. The table also reveals that the annual income of 24.33% of the respondents is up to 100000 per annum. Further, the annual income of 49.67% respondents ranges from Rs.100001 to 500000 and that of 26% ranges from Rs.500001 and above. It is also revealed from the table that majority of respondents i.e., 60.67% of the respondents have Savings Account, 22.67% of the respondents keep Salary Account and 16.67% of the respondents maintain a current account.

Table: 2: E-banking Services Availed by Samples

Services Availed by Customers	Yes (%)	No (%)
Balance Inquiry	88.66	11.34
Bill payments	84.33	15.67
Electronic Fund Transfers	75	25
Mini Statements	66	34
Stock & Trading	36.67	63.33
Debit card/ Credit card	99.5	0.5

Table 2 provides details of e-banking services availed by customers in Himachal Pradesh. It is clear from the Table 2 that 99.5% of the respondents use Debit card/ Credit card followed by 88.66% of the respondents availed balance inquiry whereas only 36.67% of the respondents availed service of stock and trading. Based on the above analysis it can be concluded that services like Debit card/ Credit card and inquiry of balance have been availed by the majority of customers.

Table: 3 Frequencies of different e-banking Services Availed by the Customers (in percentage)

Services /Frequency	Balance Inquiry	Bill Payments	Fund Transfers	Mini Statement	Stock and Trading	Debit card/ Credit card
Daily	18.33	0.67	4.00	26.33	5.67	28.33
Weekly	43.67	10.67	23.67	28.67	6.33	34.67
Monthly	25.33	39.33	24.67	26.67	10.67	17.33
Occasional	11.00	28.33	25.33	15.00	17.00	18.67
Never used	1.67	21.00	22.33	3.33	60.33	1.00

Frequencies of different e-banking Services Availed by the Customers have been presented in Table 3. It is clear from the table that the majority of bank customers are using services such as balance inquiry, bill payments, fund transfers, debit and credit cards and mini statement of the transactions frequently.

Table 4: Satisfaction Level of Customers with e-banking services

Service	Maximum	Minimum	Mean	Rank
Balance Inquiry	5	1	3.74	1
Bill payments	5	1	3.55	3
Electronic Fund Transfers	5	1	3.49	5
Mini Statement	5	1	3.70	2
Stock and Trading	5	1	3.52	4
Debit card/ Credit card	5	1	3.42	6

Table 4 reveals that the mean score of satisfaction ranges from 3.42 to 3.74. It is clear from the table that the mean score of services of Balance Inquiry has been found maximum which shows that the majority of the customers are satisfied with this service. Hence, it is provided rank 1 in the table. Further, rank 2 is provided to service of mini statement and rank 3 is provided to the service of bills payment. Whereas the majority of customers are somewhat less satisfied with the debit card/ credit card services and the lowest rank is provided to it.

Table 5: Factors motivating customers for e-banking Services

Motivational factor	Maximum	Minimum	Mean	Rank
Saves our Time	5	1	4.55	1
Quick Transfer of Funds	5	1	4.36	3
Mobility as Available of Anywhere any time	5	1	4.43	2
Easy to access/convenient	5	1	4.30	4
Safe as need not to carry cash	5	1	4.15	5
Low errors	5	1	3.96	7
Up to date and accurate information	5	1	4.24	6
Results in Financial development	5	1	3.88	8

Factors motivating customers for e-banking services in Himachal Pradesh have been presented in Table 5. It is clear from the table that mean score ranges from 4.55 to 3.88. It shows that mean score falls into satisfaction level. Majority of customers of e-banking have the opinion that e-banking helps in time-saving and it has secured the first rank. It is followed by factors such as Mobility, Quick Transfer of Funds, convenience, safety, update information, low errors and financial development respectively.

Table 6: Problems faced by customers while Using e-banking

Motivational factor	Maximum	Minimum	Mean	Rank
Security issues	5	1	3.12	2
Fear	5	1	2.86	5
Low Trust	5	1	2.84	6
Lack of Proper Knowledge to use	5	1	2.98	4
Lack of Training	5	1	3.03	3
Poor Internet connectivity	5	1	3.20	1
Cost of infrastructure and internet	5	1	2.78	7

Table 6 shows problems faced by customers while using e-banking in Himachal Pradesh. The mean score ranges from 2.78 to 3.20. It has been revealed from the table that maximum respondents face problem-related with poor connectivity of the internet which secure rank 1. It is followed by problems such as security issues, lack of training, lack of proper knowledge to use, fear, low trust and high cost of infrastructure and internet respectively.

CONCLUSION AND SUGGESTIONS

In the present era, information technology has affected day to day activities of life such as the use of mobile, laptop, tablet, plastic cards etc. In Himachal Pradesh, all the commercial Banks provides e-banking service to its consumers. Hence, in the present study, an attempt has been made to investigate the level of the customers' awareness as well as the adoption/usage of e-Banking services in Himachal Pradesh. Further, an attempt is also made to find out the problems encountered by customers while using these services in Himachal Pradesh. Primary data in the form of the response of customers, which is of immense importance and backbone of the study, is obtained from customers with the help of a structured questionnaire. Sample size in the present study is 300 and the convenience sampling method has been used in the present study. Only those customers of different commercial banks have been selected in the study who are currently using internet banking. Based on the above analysis it is concluded that services like Debit card/ Credit card and inquiry of balance have been availed by the majority of customers. The majority of bank customers are using services such as balance inquiry, bill payments, fund transfers, debit and credit cards and mini statement of the transactions frequently. Mean score of services of Balance Inquiry has been found maximum which shows that the majority of the customers are satisfied with this service. Majority of customers of e-banking have the opinion that e-banking helps in time-saving followed by factors such as mobility, quick Transfer of Funds, convenience, safety, update information, low errors and financial development respectively. Further, maximum respondents face problem-related with poor connectivity of the internet followed by problems such as security issues, lack of training, lack of proper knowledge to use, fear, low trust and high cost of infrastructure and internet respectively. It is suggested that the steps such as improving internet connectivity in the state, resolving security issues, building customers trust and training of bank customers must be taken to make the e-banking successful in Himachal Pradesh.

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