

E-Banking Performance -Service Quality in India

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ABSTRACT

The technology is changing rapidly so global business organizations are restructuring their business models and adopting value chain engineering for better productivity. Likely, financial sector is also changing as per changes in regulatory and technological advancements. The famous quote by Bill Gates that banking is vital to a healthy economy but banks themselves are not (Mia, 2007) highlights the crucial nature of the electronic forces that are affecting banks more than any other financial service provider group. Several innovative changes in procedures and methods of operations for day to day working of banks are taking place not only in developed countries but also in developing countries like India. This transition of business operations by banks have created new mode of operation called E-Banking. Convergence of technologies like computers, electronic equipment's and communication networks have made a sea change in preparation and presentation of accounting information and providing banking services.

I INTRODUCTION

E-Banking All traditional banking services like accepting deposits, providing loans to customers & companies and different financial services are provided through internet under e-banking. E-banking can be provided by two ways: either through traditional banks also known as brick and click banks means having both offline & online presence and providing banking products & services through physical branches and online site or through virtual banks which provide services only through electronic distribution channels without having a branch network for example Net bank is an internet only bank. Virtual banks can offer higher deposit rate due to reduction in operating cost but providing quality services is a challenge for virtual banks.

Definitions of E-Banking United Nations Conference on Trade and Development (UNCTAD) define as, "Internet banking refers to the development of retail and wholesale banking services over the internet. It involves

individual and corporate clients, and includes bank transfers, payments and settlement, documentary collections and credits, corporate and household lending, card business and some others (Bhat, 2009)".

Electronic banking (E-banking) includes internet banking, telephone banking and mobile banking etc. so it is a process of providing banking products and services through electronic channels such as telephone, internet, cell phone etc.

II REVIEW OF LITERATURE

The review of literature of the research would be divided into three sections:

- (a) Reviews regarding impact of E-Banking on Service Quality & Customer Satisfaction of Banks.
- (b) Reviews regarding impact of E-Banking on Employees Performance and Work Life
- (c) Reviews regarding impact of E-Banking on Financial Performance of Banks.

Serial no.	Title	Authors & year	Factors	Tools	results
1.	Internet Banking Service Quality and Account Holders' Satisfaction	Dr.D.Jagadeesan, Dr.P.Chinnadurai (2017)	Reliability, Responsiveness, Empathy, Assurance and Satisfaction	Descriptive Statistics	For this study, data was collected from 960 account holders of selected banks and it was found that reliability had the most effective and responsiveness had least effective on account

					holders satisfaction than other index.
2	The Impact of Technology Based Self Service Banking Dimensions On Customer Satisfaction	Rajiv Sindwani and Dr. Manisha Goel (2015)	Convenience, Reliability & Security, Responsiveness, Personalization and Customer Satisfaction	Exploratory Factor Analysis, Confirmatory Factor Analysis and Structural Equation Modeling	For this study, data was collected from 440 respondents and it was reported that convenience and personalization had positive and significant relationship with customer satisfaction. Responsiveness and reliability & security do not have significant positive relation with customer satisfaction.
3	Effects of E-Banking on Growth of Customer Base in Kenyan Banks	Bichanga Walter Okibo, Ali Yattani Wario (2014)	ATM, EFT, Card Technology	Tables, Charts	data was collected from 135 customers of three banks
4	Learning from Past and Present : Measuring Internet Banking Service Quality	Yu-Lung Wu, Yu-Hui Tao, Pei-Chi Yang (2010)	Service Quality Dimensions	Tables, charts	By reviewing seven ebanking service quality measurement studies

Gaps in the existing studies showed that there is a need to make a fresh attempt to understand the e- banking factors affecting customers service quality, financial performance and QWL of employees in public and private sector banks in India for using it as a strategic tool for improvement in Indian banking sector. Hence, the proposed study would be a systematic way to analyses the diverse characteristics of e- banking because

proper implementation of e-banking should be done by satisfying consumers and employees through appropriate products and services

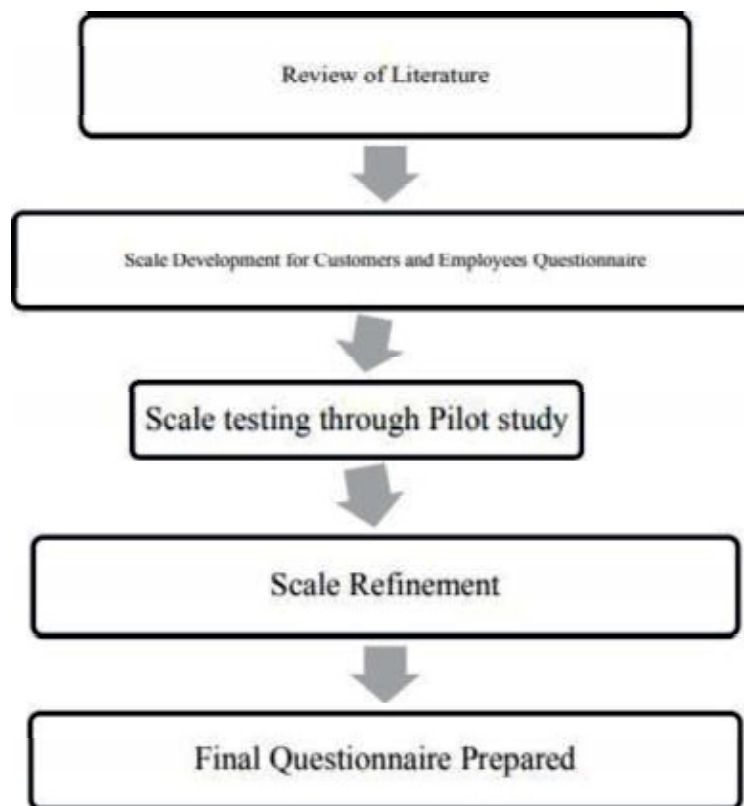
III OBJECTIVES OF THE STUDY

- (a) To study the impact of e-banking on service quality of public and private sector banks in India.
- (b) To study the impact of e-Banking on quality of work life of employees of public and private sector banks in India.
- (c) To study the impact of e-banking on the financial performance of public and private sector banks in India.
- (d) To suggest the measures of e-banking for improving the operational performance of public and private sector banks in India.

IV METHODOLOGY

The present study is exploratory in nature. A survey method was used to collect the primary data from urban and non-urban areas of India for which a structured questionnaire was developed and used to validate the hypothesis of this study. The survey was conducted to collect the data from a sample of 231 respondents through the circulation of a standard questionnaire. The sampling method was purposive sampling. Mean and t-test was adopted to curate an appropriate result of the study.

Flow-Chart for the proposed research



V ANALYSIS AND INTERPRETATION

- (a) Study of Impact of E-Banking on Service Quality of Public and Private Sector Banks in India.
- (b) Study of Impact of E-Banking on the Quality of Work Life of the Bank Employees of Public and Private sector banks in India.
- (c) Study of Impact of E-Banking on the Financial Performance of the Public and Private sector banks in India.

VI FINDINGS, CONCLUSIONS AND SUGGESTIONS

The results derived from the study held statistical reliability and validity. This chapter takes up objective wise discussion on the explorations of the study done by the researcher and compares it with earlier researches on “E-Banking impact on Service Quality, QWL and Financial Performance” so as to determine the extent to which it supports or negates the findings of the similar studies.

Digital payment innovative technologies and increased level of customer satisfaction has made the positive growth trends in digital payments and due to this the payment landscape in India is dominated but at the same time digital illiteracy, insufficient penetration of internet connections and bank services and its infrastructure, lack of awareness and knowledge among non-urban population and unorganised market of India are the major challenges of ebanking economy in India.

It is concluded that Cost and maintenance of money is reduced and Government of India directly benefits the population through their bank accounts but Non-urban areas don't find it beneficial due to lack of infrastructure like ATM, swipe machines etc. and Lack of technologies like smart phones and laptops are the challenges of ebanking.

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