

## A Study on Service Quality of E-Banking of Private Sector and Public Sector Banks in Kerala

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**Abstract:** E- banking is the most emerging trend in the banking industry of India. However there is not much reseraches happened so far. The effective utilization of various e-banking modes such as internet banking, mobile banking, tele banking etc.. will help to avoid the traditional banking hindrances such as long queue, time and cost and so on. Most of the customers irrespective of their income or job are coming towards e- banking now. The high secured platform with transparency is the most essential feature of e- banking. In india there is no question about private sector banks as well as public sector banks as far as e- banking is concern. Both sectors are doing the modes very efficiently. However there are certain anomalies in the operations of these e-banking modes in the form of their service charges, way of usage, platforms for which can use the transaction etc... The study intends to identify how the factors are affecting the quality of e-banking and how private sector banks and public sector banks are different in quality of service of e-banking.

**Keywords:** E-banking, internet banking, mobile banking, public sector banks, private sector banks, service quality.

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### I. INTRODUCTION

The sophisticated changes happened in the field of IT has crossed all the activities beyond the borders. The geographical regulations and industrial barriers have been eliminated due to the same. The technological advancement in various fields of industry has accelerated the total production and service rendering. The markets are now not constrained to local or national; it is international in the recent years. These advancements in the technologies have made tremendous impacts in the banking industry also. The latest trends of e- banking introduced by the banks in India made great impact on the minds of the customers in India. The boring long queues in the banks, lack of time and cost etc... are factors forced the customers to think about a new method of banking. Introduction of e-banking help the customers to do their day to day businesses without going to banks. Almost all the transactions are done with the help of a computer or mobile phone.

Peoples are using e-banking now for purchase of products and services, online payment of various bills and expenses, online fund transfer etc... Every banks either private sector or public sector are providing various modes of e-banking now. However the quality of service for these e-banking by private sector and public sector is different. Various amenities provided by these two sectors are in two forms and the abnormalities causes to affect the quality of service by the banks. Here arises a question of which sector banks is a better option for doing e-banking. The study intends to reveal an answer for this question.

### II. OBJECTIVES OF THE STUDY

- 1) To identify various dimensions to assess the quality of service of e-banking.
- 2) To know whether private sector banks or public sector is providing quality e-banking services.
- 3) To identify the reasons for the disparity in quality of service provided by private sector banks and public sector banks.

### III. RESEARCH METHODOLOGY

This research was conducted with the help of a well structured questionnaire. The questionnaires prepared were circulated among 300 selected customers from the state of Kerala. Random sampling method is used for the collection of sample.

### IV. DATA ANALYSIS AND INTERPRETATIONS

The best way to retain the customers of banks is to enhance the customer satisfaction. And the nail of customer satisfaction is the quality of service provided by the bankers. Innovative technology adoption is the second factor to boost up the customer satisfaction. A bank with updated technology with high quality in service will remain always first option in the minds of customers.

Internet banking, mobile banking, tele banking, SMS banking and such products which are collectively called as e- banking is the most recent innovation of banks. All the banks are trying hard to improve the quality of their e- banking on daily basis to retain the existing customers and to attract newers to the bank. However there are too many factors to be considered to measure the quality of such services provided by the banks and that's how general public is ranking the banks. The study of bank wise may not give a relevant picture of the quality of service as in different aspects the banks are qualified differently. The study of sector wise banks may give more relevance in the contemporary situation. Quality is the concept which requires a concern both in products as well as in services. Measuring service quality in the service sector particularly in the banking sector is more difficult than measuring the quality of manufactured goods. Both the sector is having variety of services and due to this differentiation service in this aspects could not be standardized.

A customer will have certain expectations of service determined by certain factors and definitely there will be difference in getting these services. There are eight generally accepted criteria to measure the quality of services providing by the banking industry (e- banking) which are listed below:-

1. Competence
2. Coutesy
3. Credibility
4. Security
5. Access
6. Communication
7. Reliability
8. Responsiveness

So the following data analysis try to reveal whether private sector banks or public sector banks are more quality oriented in providing e-banking services in the state of Kerala.

**Table : 01** Gender wise classification of respondents

Particulars	Frequency	Percentage
Male	168	56%
Female	132	44%
<b>Total</b>	300	100%

Out of 300 respondents 56% are male and 44% are female. The survey shows that irrespective of gender all are using e-banking very effectively.

**Table : 02** Area wise classification of respondents

Place	Frequency	Percentage
North Kerala	100	33.33%
Middle Kerala	100	33.33%
South Kerala	100	33.33%
<b>Total</b>	300	100%

The state of kerala had divided into three parts for this study and collected equal samples from all parts. North Kerala includes districts like Kasargod, Kannur, Kozhikode, Wayanad and Malappuram. Middle Kerala includes Palakkad, Thrissur, Ernakulam, Kottayam and Idukki. South Kerala includes Pathanamthitta, Kollam, Alappuzha and Thiruvananthapuram. So the sample will represent whole Kerala without geographical and demographical abnormalities.

**Table : 03** Age wise classification of respondents

Age Class	Frequency	Percentage
18-24	82	27.33%
25-44	108	36%
45-64	69	23%
65 and above	41	13.67%
<b>Total</b>	300	100%

As per the above table most of the respondents are (36%) from the age group of 25-44. This is quite natural as this is the best age if having a stabilized earnings. Further to that even peoples having age more than 65 are using e-banking very well. It can be assumed that the hurdles of e-banking cannot be linked with the age of peoples.

**Table : 04** Income wise classification of respondents

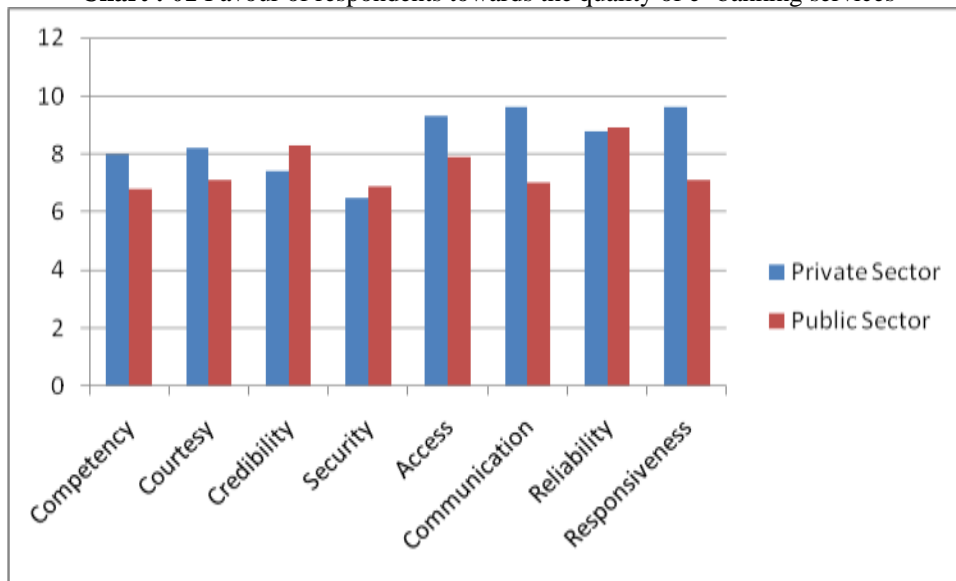
Income Range	Frequency	Percentage
Upto Rs. 120,000/-	62	20.66%
Rs. 120,000/- to Rs. 240,000/-	76	25.33%
Rs. 240,000/- to Rs. 360,000/-	81	27%
Rs. 360,000/- to Rs. 480,000/-	59	19.67%
Above Rs. 480,000/-	22	7.33%
<b>Total</b>	<b>300</b>	<b>100%</b>

**Table : 05** Favour of respondents towards the quality of e- banking services

Measuring Scale	Private Sector	Public Sector
Competency	8	6.8
Courtesy	8.2	7.1
Credibility	7.4	8.3
Security	6.5	6.89
Access	9.3	7.9
Communication	9.6	7.0
Reliability	8.8	8.9
Responsiveness	9.6	7.1
<b>Total Value</b>	<b>67.4</b>	<b>59.99</b>
<b>Mean Value</b>	<b>8.425</b>	<b>7.498</b>

**Notes:** (1) The marks are out of 10  
 (2) Each mark is obtained by calculating the mean of 300 respondents for each measurement criteria.

**Chart : 01** Favour of respondents towards the quality of e- banking services



To assess the e-banking service quality, customer perceptions on eight dimensions were captured. The above chart presents the overall dimensions of customers towards private sector banks and public sector banks. For credibility and security only peoples are opting more to public sector banks. For all other measuring factors, customers are opting more to private sector banks. In case of competency the possession of skills and knowledge to perform the services effectively were measured and as per study it is more in the employees of private sector banks only. As far as courtesy is concerned, it measures the politeness, friendliness and such behavior of bank employees towards the customers and in this parameter also private banks are in front of public sector banks.

Access is the approachability of services and easiness of contact for the customers. Customers opted private sector banks rather than public sector for this dimension also. ATM counters and other facilities are more conveniently available to the customers by private sector banks only. The term communication refers to the in time information passing to the customers. For deposits and withdrawals banks will send you SMS to make aware of the transactions. This communication is said to be perfectly going on in private sector banks than in public sector banks. This mechanism will improve the trust worthy of the banks and helps to control any fraudulent practices. The term responsiveness denoted that the willingness of employees to help customers and to provide prompt timely services. As per the experiences shared from the customers, responsiveness is far more in private sector banks than in public sector banks.

## **V. CONCLUSION**

Banking sector today face heavy competition and demand improvement in its services on daily basis. E-banking is a milestone change in the banking industry in India and this services should be updated according to the advancements happened in technology. "Update yourself or you will be kept in the shelf" is the proverb come into mind while we check the current scenario of banking sector. The study on quality of e-banking services provided by the banks come to a conclusion that private sector banks are more quality oriented than public sector banks in India. As far as the general eight dimensions are considered, except for credibility and security, all others are well favorable to private sector banks. The credibility and security are favorable to public sector due to the government ownership in those banks. In overall study, quality e-banking services are provided by private sector banks rather than public sector banks in India.

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