

Transformation In Banks In A Highly Competitive E- Age Through E-Services - An Empirical Study

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INTRODUCTION

With globalization trends world over, it is difficult for a nation, big or small, developed or developing, to remain isolated from what is happening around. For a country like India, which is one of the most promising emerging markets, such isolation is merely impossible, particularly in the area of Information Technology. Information Technology has shrunk the world, as a result of which, time and distance have become non- entities. It has enveloped every aspect of life. In this changing scenario, the banking sector is not an exception. The concept of banking has drastically changed, where technology is the most dominating factor which has helped the banks to have mixed knowledge with innovative products/services to win the competitive market. Before this electronic era, entire businesses were managed manually, with little use of computers, but now-a-days, **every transaction is done electronically through various e-channels like, ATMs, Credit/Debit Cards, Internet-Banking, Mobile-Banking, Tele-Banking, EFTs etc. which is also known as e-banking. Delivery of bank's services to a customer at his office or home by using electronic technology can be termed as e-banking. The quality, range and price of these e-services decide a bank's competitive position in the industry.**

Thus, e-banking has facilitated the bank customers by providing anytime & anywhere banking services. But bank customers are unable to take full advantage of these services because of many reasons. **The present paper studies the opinions of customers regarding e-banking services and the problems faced by them while using these services. This paper also suggests some strategies to eradicate these problems.**

REVIEW OF LITERATURE

There are a number of studies that refer to the importance of clients/ customers' perceptions of quality (**Takeuchi and Quelch, 1983**). These result from comparisons by expectations of service with actual performance (**Gronroos, 1982 and Berry, et al, 1985**). **Berry (1980)** along with **Booms and Bitner (1981)** argued that due to intangible nature of services, customers use elements associated with the physical environment when evaluating service quality. Managing the evidence and using the environmental psychology are often seen as important marketing tools. **Levitt (1981)** proposed that customers use appearances to make judgments about realities. The less tangible a product is, the more powerful shall be the effect of packaging while judging that product. **Gronroos (1982)** had identified two service quality dimensions, viz., functional quality and technical quality. Functional quality represents the perception of the manner in which the services are delivered. Technical quality or outcome quality on the other hand, represents the outcome of the service act or what the customer receives in the end (**Brady and Cronin, 2001**).

Parasuraman, et al. (1985) suggested that the criteria used by consumers mould their expectations and perceptions of delivered service quality fit into **ten dimensions: tangibility, reliability, responsiveness, communication, credibility, security, competence, courtesy, understanding/knowing the customer and access**. Subsequent researches, by **Parasuraman, et al. (1988)** have condensed these into five dimensions of service quality.

Parasuraman, et al. (1988) developed a 22-item scale, referred to as SERVQUAL Scale, which is widely used as a generic instrument for measuring service quality. The basis for identifying the five components was factor analysis of the 22-item scale developed from focus groups and from the specific industry applications undertaken by the authors (**Parasuraman, et al., 1985,1988; and Zeithaml, et al., 1990**). Though, the veracity of conceptualizing the SERVQUAL scale has been questioned by the validity of the 22 individual performance scale items that make up the SERVQUAL scale appears to be well supported both by the procedures used to develop the items and by their subsequent use as reported in the literature (**Brown and Swartz, 1989; Zeithaml, et al., 1990; Young, et al., 1994;**

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Berry and Parasuraman, 1997).

There are some limitations with SERVQUAL, which have been highlighted by the authors themselves (**Parasuraman, et al., 1991**) and also by other researchers (**Babakhus and Boiler, 1992; Lewis and Mitchell, 1990; Lewis, 1993; and Smith, 1992**). These relate to respondents' difficulties with negatively-worded statements using two lists of statements for the same items. There is also a disagreement among various researchers regarding the number of dimensions of service to be assessed. Another problem relates to the time factor at which the service quality has to be measured, i.e., before, during or after a service encounter, while there is a healthy and productive debate regarding the dimensionality of SERVQUAL items to be included to service quality scale across different industries. Researchers, however, generally agree that the scale items are good predictors of overall service quality (**Bolton and Drew, 1991; and Cronin and Taylor, 1992**).

A number of other empirical studies have been conducted using the SERVQUAL scale which include car retailing (**Carman, 1990**), travel and tourism (**Fick and Ritchie, 1991**), and hospitality (**Saleh and Ryan, 1991**), banks (**Lewis, 1991**), and medical services. There have been a number of such studies that deal with service quality in banking industry in general and in particular the application of SERVQUAL instrument in commercial banks (**Blanchard and Gallway, 1994; Angur, et al., 1999; Bahia and Nantel, 1998; Sureshchander and Rajendran, 2003; Kang and James, 2004; Jain, 2005; and Dogra, 2006**).

RESEARCH GAP

The review of literature shows that none of the studies have been conducted regarding the perceptions of bank customers regarding e-banking services. The present empirical study is devoted to this theme.

OBJECTIVES, RESEARCH METHODOLOGY & DATA BASE

OBJECTIVES OF THE STUDY

The present paper attempts to achieve the following objectives:

- ✿ To study and analyze the customers' perceptions regarding e-banking services.
- ✿ To study the problems faced by bank customers while using e-channels.
- ✿ To prepare some strategies to enhance e-banking services on the basis of an empirical study.

HYPOTHESIS

✿ **There is no significant difference regarding the perceptions of respondents about e-banking services in three bank groups.**

RESEARCH METHODOLOGY

The study is based on a survey conducted in Ludhiana (Punjab) in September, 2008. Public sector banks, Indian private sector banks and foreign banks operating in Ludhiana district of Punjab form the universe of the study. The researcher selected Ludhiana district of Punjab because all the bank groups' branches are operating in this district and it is known to be the industrial district of Punjab and it is also densely populated. The researcher has selected three banks, one from each bank group. Further, three branches, one from each bank group which were providing e-banking services were selected. Total sample size was 768, which was equally divided among the three bank branches. The customers of only three banks have been taken, who have experience of dealing with the bank for at least three years.

Data was analyzed with the help of Percentage, Ranking and Weightage Average Score (WAS) method. The respondents were asked to respond on five-point likert scale i.e. strongly dissatisfied, dissatisfied, undecided, satisfied, strongly satisfied regarding various statements. Weights of 2, 1, 0, -1, -2 were assigned to these levels of scale respectively for calculating the weightage average score. On the other hand, for the purpose of ranking, the following step-by-step method has been followed.

✿ **First Step:** Firstly, in respect of some comparative issues, the number of times factor occupied the 1st rank, the 2nd rank was computed in terms of frequency.

✿ **Second Step:** Weights were assigned to each rank in the descending order. Weightage pattern was as: 1st rank-3, 2nd

rank-2 and 3rd rank-1.

❖ **Third Step:** The sum of the above given weights, for all the ranks were calculated which is denoted in the above step.

❖ **Fourth Step:** Overall ranks were assigned on the basis of total score values for each factor calculated in the above step.

❖ **Database:** Field Survey

RESULTS & DISCUSSION

In the present study, the main focus of analysis is on customer perceptions regarding e-banking services. Customer perceptions are calculated separately for all the bank groups under this study. The total sample survey of 1200 customers has been taken into consideration (Table 1) & further, these respondents are equally divided into three bank groups i.e. Public Sector Banks (G-I), Private Sector Banks (G-II) & Foreign Banks (G-III). Among these customers, 37 pc customers were post graduates & similarly, 40 pc were youngsters. Service class and business class dominates among the respondents.

Table 1 : Socio-Economic Profile of Customers

Group	Number	%
Bank Type		
1. G-I	400	33.33
2. G-II	400	33.33
3. G-III	400	33.33
Present Age		
1. Upto 25	296	24.67
2. 26-35	476	39.67
3. 36-45	220	18.33
4. 45-55	168	14.00
5. Above 55	40	3.33
Occupation		
1. Service	380	31.67
2. Business	304	25.33
3. Industry	272	22.67
4. Agriculture	16	1.33
5. Professional	16	1.33
6. Others	212	17.67
Education		
1. Matriculate	116	9.67
2. Graduate	408	34.00
3. Post Grad.	444	37.00
4. Professional	232	19.33
Total	1200	100.00

Source: Field Survey

NECESSITY OF E-BANKING SERVICES

As present paper is concerned with the perceptions of customers regarding e-banking services, therefore, the foremost question in this regard is whether bank customers feel that e-banking services are necessary. Keeping in mind the above statement, customers of public sector, private sector and foreign banks are asked to express their views regarding the necessity of e-banking services. The maximum customers i.e. 84 pc from foreign banks have favoured the statement (Table 2). Similarly, majority of customers from other bank groups have also given views in favour of this statement. Age wise youth and occupation wise agriculturists & professionals have strongly agreed with this statement. Highly educated class is also in favour of e-banking services & feels that e-banking services are very

Table 2 : Necessity of E-Banking Services
(Percent)

Group	SDS	DS	UDC	SD	SSD	WAS	Chi-test
Bank Type							
1. G-I	2.00	-	1.00	21.00	76.00	1.69	Chi ² =37.88**
2. G-II	-	-	1.00	28.00	71.00	1.70	
3. G-III	-	-	-	16.00	84.00	1.84	
Occupation							
1. Service	-	-	-	27.37	72.63	1.73	Chi ² =180.63**
2. Business	-	-	132	22.37	76.32	1.75	
3. Professional	25	-	-	16.18	82.35	1.78	
4. Industrialist	-	-	-	25.00	50.00	0.75	
5. Agriculturist	1.47	-	-	-	100.0	2.00	
6. Others	-	-	1.89	18.87	79.25	1.77	
Present Age (yrs)							
1. Upto 25	-	-	-	22.97	77.03	1.77	Chi ² =80.78**
2. 26-35	0.84	-	0.84	17.65	80.67	1.77	
3. 36-45	1.82	-	-	20.00	78.18	1.73	
4. 46-55	-	-	-	30.95	69.05	1.69	
5. Above 55	-	-	10.00	30.00	60.00	1.50	
Education							
1. Matriculate	-	-	-	27.59	72.41	1.72	Chi ² =34.81**
2. Graduate	1.96	-	0.98	25.49	71.57	1.65	
3. Post Graduate	-	-	0.90	20.72	78.38	1.77	
4. Professional	-	-	-	13.79	86.21	1.86	
All Data	0.67	-	0.67	21.67	77.00	1.74	

Source: Field Survey Results

necessary in the global age. The chi² test reveals significant difference at 1 pc LOS among the opinion of three bank group customers. The difference in the opinion of customers of group I & III is significant at 1 pc LOS, while the difference in the opinion of group I & II and II & III is significant at 5 pc LOS.

E-BANKING HAS IMPROVED THE QUALITY OF CUSTOMER SERVICES IN BANKS

Introduction of e-channels have facilitated the bank customers by providing 24 hours a day, 7 days a week service. Now, customers can avail the banking services not only when they want to, but also from the convenient, comfort, privacy and security of their homes by using internet or other networks. Also, at bank premises, customers get information quickly & easily because now, employees get extra time to serve customers. A majority of customers from all bank groups under the study strongly supported the statement that e-banking has improved the quality of customer services although the percentage of customers in this majority are comparatively greater i.e. 64 pc. Age wise, youth and middle aged customers are in favour of the above statement. Similarly, majority of professionals and business class customers as well as highly educated & less educated customers also feel that e-banking has improved the quality of customer services in banks. Overall, 58.33 pc of sampled customers have favoured the above statement (Table 3). The chi² test reveals that the difference in the opinion of customers from group I, II & III is significant at 1 pc LOS. Separately, difference in the opinion of customers of group I & II and group II & III is significant at 1 pc LOS, while it is insignificant in case of group I & III.

COMPUTERIZED INFORMATION SYSTEM IS MORE ACCURATE THAN THE MANUAL SYSTEM

Now- a- days, banks are able to provide better customer services according to their requirements successfully with new & improved techniques, friendly behavior of employees and especially, through new & attractive e-channels like

**Table 3 : E-banking Has Improved The Quality Of Customer Services
(Percent)**

Group	SDS	DS	UDC	SD	SSD	WAS	Chi-test
Bank Type							
1. G-I	2.00	-	8.00	39.00	51.00	1.37	
2. G-II	-	-	1.00	39.00	60.00	1.59	Chi^2=79.33**
3. G-III	-	1.00	11.00	24.00	64.00	1.51	
Occupation							
1. Service	-	-	7.37	41.05	51.58	1.44	
2. Business	-	1.32	9.21	23.68	65.79	1.54	
3. Professional	1.47	-	2.94	32.35	63.24	1.56	Chi^2=199.48**
4. Industrialist	25.00	-	-	25.00	50.00	0.75	
5. Agriculturist	-	-	-	50.00	50.00	1.50	
6. Others	-	-	-	37.74	54.72	1.47	
Present Age (yrs)							
1. Upto 25	-	-	16.22	32.43	51.35	1.35	
2. 26-35	0.84	0.84	2.52	31.93	63.87	1.57	
3. 36-45	1.82	-	5.45	34.55	58.18	1.47	Chi^2=99.79**
4. 46-55	-	-	-	40.48	59.52	1.60	
5. Above 55	-	-	20.00	40.00	40.00	1.20	
Education							
1. Matriculate	-	-	13.79	27.59	58.62	1.45	
2. Graduate	1.96	0.98	6.86	32.35	57.84	1.43	Chi^2=39.48**
3. Post Graduate	-	-	6.31	36.94	56.76	1.50	
4. Professional	-	-	3.45	34.48	62.07	1.59	
All Data	0.67	0.33	6.67	34.00	58.33	1.49	

**Table 4 : Computerized Information System Is Superior To Manual
(Percent)**

Group	SDS	DS	UDC	SD	SSD	WAS	Chi-test
Bank Type							
1. G-I	3.00	6.00	10.00	39.00	42.00	1.11	
2. G-II	1.00	1.00	5.00	40.00	53.00	1.43	Chi^2=45.30**
3. G-III	1.00	5.00	11.00	29.00	54.00	1.30	
Occupation							
1. Service	4.21	1.05	9.47	29.47	55.79	1.32	
2. Business	1.32	6.58	11.84	22.37	57.89	1.29	
3. Professional	-	5.88	5.88	44.12	44.12	1.26	Chi^2=127.58**
4. Industrialist	-	-	25.00	75.00	-	0.75	
5. Agriculturist	-	-	-	50.00	50.00	1.50	
6. Others	-	-	5.66	52.83	37.74	1.25	
Present Age (yrs)							
1. Upto 25	2.70	4.05	20.27	28.38	44.59	1.08	
2. 26-35	1.68	5.04	4.20	37.82	51.26	1.32	
3. 36-45	-	5.45	5.45	45.45	43.64	1.27	Chi^2=110.19**
4. 46-55	2.38	-	4.76	38.10	54.76	1.43	
5. Above 55	-	-	10.00	10.00	80.00	1.70	
Education							
1. Matriculates	6.90	3.45	13.79	31.03	44.83	1.03	
2. Graduate	0.98	1.96	11.76	36.27	49.02	1.30	Chi^2=47.63**
3. Post Graduate	1.80	5.41	5.41	36.04	51.35	1.30	
4. Professional	-	5.17	6.90	37.93	50.00	1.33	
All Data	1.67	4.00	8.67	36.00	49.67	1.28	

ATMs, Credit/Debit/Smart Cards, Internet Banking, Mobile & Tele-banking, EFTs, etc. Now, customers can avail banking services from anywhere in the world. Also, they can get accurate information more quickly and easily. Majority of customers from group II (53 pc) & group III (54 pc) think that computerized information system is superior to the manual system. But customers from group I do not think on this line. Age wise results are very surprising, because 80 pc of old age customers have strongly favoured the statement (Table 4). Service & business class customers also think that computerized information system is superior to the manual system. But the views of highly educated and less educated customers are very contrasting. Majority of professionals & post graduates have favoured the computerized information system. The chi² test reveals that the difference in the opinion of customers of three bank groups is significant at 1 pc LOS. Similarly, difference in the opinion of customers of group I & II and group II & III is significant at 1 pc LOS, while it is insignificant in case of group I & III.

E-BANKING HAS ADVERSELY AFFECTED THE INDIVIDUAL'S ABILITY TO INTERACT WITH CUSTOMERS

Technological changes, introduced in 1999, have altered the manner in which customers interact with financial service providers i.e. it has reduced the level of socialization. In this paper, an attempt is made to know the opinion of customers -whether technological changes have adversely affected the individual's ability to interact with customers. In this regard, not even a single bank group has gained a clear majority. Only 39 pc of customers of group II have strongly agreed that e-banking has adversely affected individual's ability to interact with customers. Similar is the case with group I (23 pc) & group III (28 pc). Age wise also, a very little number of consumers -whether young or old, consider adverse affects of technology on socialization. Occupation wise & qualification wise study of this statement is not an exception. Overall, only 30 pc customers feel that technology has adversely affected the ability to interact with customers (Table 5). The chi² test reveals significant difference at 1 pc LOS among the opinion of three bank customers. The difference in the opinion of customers of group I & II and group I & III is significant at 1 pc LOS while the difference in the opinion of group II & III is insignificant.

**Table 5: Individual Ability To Interact Has Been Adversely Affected
(Percent)**

Group	SDS	DS	UDC	SD	SSD	WAS	Chi-test
Bank Type							
1. G-I	9.00	16.00	26.00	26.00	23.00	0.38	
2. G-II	7.00	13.00	13.00	28.00	39.00	0.79	Chi ² =64.89**
3. G-III	12.00	6.00	19.00	35.00	28.00	0.61	
Occupation							
1. Service	9.47	8.42	17.89	28.42	35.79	0.73	
2. Business	18.42	13.16	18.42	30.26	19.74	0.20	
3. Professional	2.94	14.71	25.00	27.94	29.41	0.66	Chi ² =99.01**
4. Industrialist	-	25.00	50.00	-	25.00	0.25	
5. Agriculturist	-	-	25.00	50.00	25.00	1.00	
6. Others	5.66	11.32	13.21	33.96	35.85	0.83	
Present Age (yrs)							
1. Upto 25	17.57	8.11	28.38	18.92	27.03	0.30	
2. 26-35	10.08	13.45	15.13	34.45	26.89	0.55	
3. 36-45	3.64	20.00	14.55	23.64	38.18	0.73	Chi ² =128.05**
4. 46-55	-	4.76	21.43	40.48	33.33	1.02	
5. Above 55	10.00	-	20.00	40.00	30.00	0.80	
Education							
1. Matriculate	10.34	6.90	20.69	24.14	37.93	0.72	
2. Graduate	15.69	9.80	18.63	27.45	28.43	0.43	Chi ² =48.18**
3. Post Graduate	6.31	14.41	17.12	33.33	28.83	0.64	
4. Professional	3.45	12.07	24.14	29.31	31.03	0.72	
All Data	9.33	11.67	19.33	29.67	30.00	0.59	

**Table 6 : E-delivery Channels And The Incidence Of Frauds
(Percent)**

Group	SDS	DS	UDC	SD	SSD	WAS	Chi-test
Bank Type							
1. G-I	3.00	13.00	12.00	37.00	35.00	0.88	
2. G-II	5.00	9.00	10.00	29.00	47.00	1.04	Chi ² =76.92**
3. G-III	11.00	23.00	11.00	23.00	32.00	0.42	
Occupation							
1. Service	6.32	12.63	12.63	24.21	44.21	0.87	
2. Business	5.26	14.47	5.26	31.58	43.42	0.93	
3. Professional	8.82	17.65	11.76	27.94	33.82	0.60	Chi ² =61.78**
4. Industrialist	-	25.00	25.00	50.00	-	0.25	
5. Agriculturist	-	25.00	25.00	25.00	25.00	0.50	
6. Others	5.66	15.09	13.21	37.74	28.30	0.68	
Present Age (yrs)							
1. Upto 25	8.11	12.16	16.22	31.08	32.43	0.68	
2. 26-35	7.56	16.81	9.24	26.89	39.50	0.74	
3. 36-45	3.64	21.82	7.27	34.55	32.73	0.71	Chi ² =58.03**
4. 46-55	4.76	7.14	11.90	23.81	52.38	1.12	
5. Above 55	-	10.00	10.00	50.00	30.00	1.00	
Education							
1. Matriculate	-	3.45	17.24	34.48	44.83	1.21	
2. Graduate	8.82	13.73	9.80	34.31	33.33	0.70	Chi ² =47.56**
3. Post Graduate	4.50	17.12	11.71	26.13	40.54	0.81	
4. Professional	8.62	18.97	8.62	25.86	37.93	0.66	
All Data	6.33	15.00	11.00	29.67	38.00	0.78	

E-DELIVERY CHANNELS AND LEVEL OF INCIDENCE OF BANK FRAUDS

Introduction of e-channels has not only increased the business efficiently, but it has also decreased the incidence of frauds to some extent because now, each & every customer and transaction is updated immediately.

But only a small number of customers from all bank groups have agreed with this statement. It is 35 pc in case of group I, 47 pc in case of group II & 32 pc from group III (Table 6). Age wise 52.38 pc of customers under the age 46-55 years have strongly agreed that e-delivery channels have reduced the incidence of frauds. Although customers from other age groups have also agreed with this statement, but their number is comparatively low. Almost same numbers of customers from service class & business class have given their vote in favour of the above statement. They are 44.21 pc and 43.42 pc respectively. Similarly, less educated & highly educated customers also think that e-delivery channels have reduced the incidence of frauds. Overall, 38 pc customers from all bank groups have given their favour to this statement. The chi² test reveals that the difference in the opinion of customers of three bank groups is significant at 1 pc LOS. Similarly, difference in the opinion of customers of group I & III and group II & III is also significant at 1 pc LOS, but it is insignificant in case of group I & II.

FUTURE OF E-BANKING

By considering the various benefits of e-delivery channels like increased efficiency of employees, reduction in customers walk-in at bank premises & incidence of frauds, etc., 65 pc of customers from group II think that the future of e-banking is bright followed by 57 pc of customers from group I & 51 pc from group III (Table 7). Similarly, majority of all age group customers think on the same lines. Occupation wise & qualification wise analysis of the statement is not an exception. Overall, 57.67 pc of customers think that the future of e-banking is very bright. The chi² test reveals that the difference in the opinion of customers of three bank groups is significant at 1 pc LOS. Comparative study of opinions of different bank groups has given different results in each case. In case of group I & II, difference in the opinion is insignificant. In case of group I & III, it is significant at 5 pc LOS. While in case of group II & III, it is significant at 1 pc LOS.

Table 7 : Future Of E-banking

(Percent)

Group	SDS	DS	UDC	SD	SSD	WAS	Chi-test
Bank Type							
1. G-I	2.00	3.00	5.00	33.00	57.00	1.40	
2. G-II	1.00	2.00	4.00	28.00	65.00	1.54	Chi ² =67.45**
3. G-III	11.00	1.00	3.00	34.00	51.00	1.13	
Occupation							
1. Service	4.21	3.16	5.26	27.37	60.00	1.36	
2. Business	6.58	2.63	1.32	22.37	67.11	1.41	
3. Professional	5.88	-	4.41	35.29	54.41	1.32	Chi ² =79.57**
4. Industrialist	-	-	25.00	50.00	25.00	1.00	
5. Agriculturist	-	-	-	25.00	75.00	1.75	
6. Others	1.89	1.89	3.77	47.17	45.28	1.32	
Present Age (yrs)							
1. Upto 25	10.81	2.70	6.76	28.38	51.35	1.07	
2. 26-35	4.20	2.52	3.36	27.73	62.18	1.41	
3. 36-45	1.82	-	3.64	43.64	50.91	1.42	Chi ² =87.73**
4. 46-55	-	2.38	2.38	28.57	66.67	1.60	
5. Above 55	-	-	-	50.00	50.00	1.50	
Education							
1. Matriculate	-	-	13.79	27.59	58.62	1.45	
2. Graduate	8.82	3.92	1.96	32.35	52.94	1.17	Chi ² =77.40**
3. Post Graduate	1.80	0.90	3.60	33.33	60.36	1.50	
4. Professional	5.17	1.72	3.45	29.31	60.34	1.38	
All Data	4.67	2.00	4.00	31.67	57.67	1.36	

Table 8 : Due To Technology, Necessity of Banks in the Global Age

(Percent)

Group	Tradition.	Part. Comp.	Full. Comp	E-Banks	All	Chi-test
Bank Type						
1. G-I	5.00	8.00	33.00	40.00	14.00	
2. G-II	1.00	2.00	51.00	23.00	23.00	Chi ² =86.48**
3. G-III	-	5.00	40.00	33.00	22.00	
Occupation						
1. Service	3.16	6.32	46.32	36.84	7.37	
2. Business	-	3.95	43.42	23.68	28.95	
3. Professional	-	4.41	45.59	29.41	20.59	Chi ² =100.04**
4. Industrialist	-	-	75.00	-	25.00	
5. Agriculturist	-	25.00	25.00	50.00	-	
6. Others	5.66	3.77	22.64	39.62	28.30	
Present Age (yrs)						
1. Upto 25	2.70	6.76	39.19	29.73	26.19	
2. 26-35	2.52	3.36	42.86	29.41	21.85	
3. 36-45	-	5.45	27.27	50.91	16.36	Chi ² =147.04**
4. 46-55	-	7.14	52.38	26.19	14.29	
5. Above 55	10.00	-	70.00	-	20.00	
Education						
1. Matriculate	6.90	6.90	48.28	27.59	10.34	
2. Graduate	-	2.94	40.20	30.39	26.47	Chi ² =63.21**
3. Post Graduate	3.60	6.31	37.84	33.33	18.92	
4. Professional	-	5.17	46.55	34.48	13.79	
All Data	2.00	5.00	41.33	32.00	19.67	

Source:
Same as table 2

DUE TO TECHNOLOGY, NECESSITY OF BANKS IN THE GLOBAL AGE

Information Technology has altered every aspect of the way we live and work including banking. It is universally assumed that internet & underlying technologies will change & transform not just banking, but all aspects of finance & commerce. Interestingly, service providers & e-commerce companies are already tying up with banks to harness enabling technology to deliver innovative services. However, public sector banks have also adopted technology, but they are attaching comparatively less importance. In this survey, an attempt is made to know whether customers want traditional or technologically advanced banks. 51 pc of customers from group II & 40 pc of customers from group III have preferred fully computerized banks, while 40 pc of customers of public sector banks have preferred electronic banking (Table 8). Age wise majority lies among those customers from all age groups who preferred fully computerized banks except 50.91 pc of customers under the age 36-45. They have given vote in favour of e-banking. Similarly, fully computerized banks have gained the majority of industrialists, service class, business class, less educated as well as highly educated customers. Overall, 41.33 pc customers are in favour of fully computerized banks & 32 pc in favour of e-banking. Only 2 pc customers have given vote in favour of traditional banks.

CUSTOMER PREFERENCE REGARDING BANKS

As discussed earlier, customers have become more demanding. They will go for a service provider who is technologically sound & provides quick service. In this survey, an attempt is also made to know as to which bank customers prefer more. Majority of customers from all bank groups have preferred new private sector banks. Customers from all age groups have also given their vote in favour of new private sector banks. Occupation wise & qualification wise study on this question has also given the same results. Overall, 54.67 pc of respondents have given their favour to new private sector banks. This statistics has cleared that new private sector banks are more compatible to the choice of customers. The chi² test reveals significant difference at 1 pc LOS among the opinion of three bank customers.

Table 9 : Customer Preference Regarding Banks

(Percent)

Group	Public	Old pvt.	New pvt.	Foreign	All	Chi-test
Bank Type						
1. G-I	15.00	7.00	55.00	16.00	7.00	
2. G-II	23.00	4.00	57.00	10.00	6.00	Chi ² =66.02**
3. G-III	28.00	3.00	52.00	4.00	13.00	
Occupation						
1. Service	20.00	5.26	48.42	10.53	15.79	
2. Business	25.00	5.26	48.68	15.79	5.26	
3. Professional	26.47	1.47	55.88	7.35	8.82	Chi ² =131.95**
4. Industrialist	25.00	-	75.00	-	-	
5. Agriculturist	-	-	50.00	50.00	-	
6. Others	16.98	7.55	71.70	1.89	1.89	
Present Age (yrs)						
1. Upto 25	20.27	12.16	41.89	10.81	14.86	
2. 26-35	24.37	2.52	56.30	13.45	3.36	
3. 36-45	14.55	3.64	69.09	5.45	7.27	Chi ² =133.14**
4. 46-55	28.57	-	50.00	7.14	14.29	
5. Above 55	20.00	-	70.00	-	10.00	
Education						
1. Matriculate	20.69	13.79	41.38	-	24.14	
2. Graduate	25.49	2.94	52.94	13.73	4.90	Chi ² =109.84**
3. Post Graduate	21.62	5.41	53.15	9.01	10.81	
4. Professional	17.24	1.72	67.24	10.34	3.45	
All Data	22.00	4.67	54.67	10.00	8.67	

Table 10 (a) : Comparison of the Services of Various Bank Groups: Public Sector (Percent)

Group	Better	Poor	Same	Chi-test
Bank Type				
1. G-I	26.00	15.00	59.00	
2. G-II	28.00	19.00	53.00	Chi ² =64.46**
3. G-III	17.00	37.00	46.00	
Occupation				
1. Service	24.21	15.79	60.00	
2. Business	22.37	25.00	52.63	
3. Professional	22.06	27.94	50.00	Chi ² =28.97**
4. Industrialist	25.00	25.00	50.00	
5. Agriculturist	25.00	50.00	25.00	
6. Others	26.42	28.30	45.28	
Present Age (yrs)				
1. Upto 25	24.32	16.22	59.46	
2. 26-35	24.37	25.21	50.42	
3. 36-45	21.82	32.73	45.45	Chi ² =33.98**
4. 46-55	21.43	26.19	52.38	
5. Above 55	30.00	-	70.00	
Education				
1. Matriculate	17.24	17.24	65.52	
2. Graduate	29.41	20.59	50.00	Chi ² =27.32**
3. Post Graduate	19.82	24.32	55.86	
4. Professional	24.14	31.03	44.83	
All Data	23.67	23.67	52.67	

Table 10 (b) : Comparison of the Services of Various Bank Groups: Private Sector (Percent)

Group	Better	Poor	Same	Chi-test
Bank Type				
1. G-I	13.00	12.00	75.00	
2. G-II	8.00	9.00	83.00	Chi ² =18.63**
3. G-III	7.00	16.00	77.00	
Occupation				
1. Service	11.58	15.79	72.63	
2. Business	13.16	15.79	71.05	
3. Professional	7.35	5.88	86.76	Chi ² =78.98**
4. Industrialist	-	-	100.0	
5. Agriculturist	-	-	100.0	
6. Others	3.77	11.32	84.91	
Present Age (yrs)				
1. Upto 25	16.22	21.62	62.16	
2. 26-35	5.88	10.92	83.19	
3. 36-45	5.45	5.45	89.09	Chi ² =47.08**
4. 46-55	9.52	11.90	78.57	
5. Above 55	20.00	-	80.00	
Education				
1. Matriculate	31.03	10.34	58.62	
2. Graduate	6.86	14.71	78.43	Chi ² =75.53**
3. Post Graduate	6.31	11.71	81.98	
4. Professional	8.62	10.34	81.03	
All Data	9.33	12.33	78.33	

Source: Same as table 2

Table 10 (c) : Comparison of the Services of Various Bank Groups: Foreign Banks

Group	Better	Poor	Same	Chi-test
Bank Type				
1. G-I	4.00	13.00	83.00	
2. G-II	6.00	12.00	82.00	Chi ² =51.89**
3. G-III	10.00	26.00	64.00	
Occupation				
1. Service	9.47	16.84	73.68	
2. Business	6.58	21.05	72.37	
3. Professional	5.88	17.65	76.47	Chi ² =73.04**
4. Industrialist	-	-	100.0	
5. Agriculturist	-	-	100.0	
6. Others	3.77	13.21	83.02	
Present Age (yrs)				
1. Upto 25	13.51	21.62	64.86	
2. 26-35	3.36	14.29	82.35	
3. 36-45	-	16.36	83.64	Chi ² =24.35**
4. 46-55	9.52	19.05	71.43	
5. Above 55	20.00	10.00	70.00	
Education				
1. Matriculate	24.14	10.34	65.52	
2. Graduate	6.86	17.65	75.49	Chi ² =76.38**
3. Post Graduate	2.70	15.32	81.98	
4. Professional	5.17	22.41	72.41	
All Data	6.67	17.00	76.33	

Source: Same as table 2

COMPARISON OF THE SERVICES OF VARIOUS BANK GROUPS

In this survey, a comparison is made between the services of three bank groups and respondents were asked which banks they consider is providing better, poor or same level services. In this regard, majority of consumers of different bank groups, young or old, less educated or highly educated have given the same views. Overall, (a) Public sector banks have gained the majority of 52.67 pc of customers, (b) Private sector banks 78.33 pc and (c) Foreign banks have gained majority of 76.33 pc of customers (Table 10 a,b & c). These customers feel that all banks, whether they are - public, private or foreign are providing the services not different from each other. The chi² test revealed that the difference in the opinion of customers is significant at 1 pc LOS in case of each bank group under study.

BANK CUSTOMERS' PREFERENCE REGARDING E-CHANNELS

A bank provides various e-channels such as ATMs, Mobile Banking, Tele-Banking, etc. An attempt is made to know as to which channel is the most popular among customers and to which channel customers prefer more. In this regard, ATM cards gained the highest score and they are given first rank. Online banking & e-payments have also gained better preferences of customers and they are ranked second & third respectively. Mobile banking and tele-banking, which are ranked at fourth and fifth place respectively, are comparatively less popular among customers.

Table 11 : Rank E-channels According To Utility Of Customers

e-channels	Average Rank	Average Score	Total Score	Rank
ATM	1.37	82.60	5556	1
Online Banking	2.91	51.80	3708	2
E-Payments	3.22	45.60	3336	3
M-banking	3.62	37.53	2852	4
Tele-banking	3.89	32.27	2536	5

Source: Same as table 2

PROBLEMS FACED BY BANK CUSTOMERS WHILE USING E-CHANNELS

Customers face various problems while using e-channels. Among these problems, inadequate knowledge has gained the first place followed by poor network and infrastructural facilities.

Table 12 : Problems Faced By Bank Customers While Using E-Channels

E-Channels	Average Rank	Average Score	Total Score	Rank
Inadequate Knowledge	4.06	67.64	9528	1
Poor network	4.27	65.76	9280	2
Lack of infrastructure	5.15	57.70	8216	3
Lack of knowledge regarding IT	5.53	54.30	7768	4
Poor response of employees	5.86	51.24	7364	5
Unsuitable location	5.95	50.42	7256	6
Time consuming	6.17	48.45	6996	7
Lack of cash of big amount	6.84	42.36	6192	8
Lack of online shopping facility	7.10	40.00	5896	9
Misuse of ATM cards	7.43	37.03	5488	10
Difficulty in opening an A/C	7.60	35.48	5284	11

Source: Same as table 2

Lack of knowledge regarding IT and poor response of employees are placed at fourth & fifth place. Unsuitable location, time consuming & lack of cash of big amount are also the problems faced by bank customers and they are given sixth, seventh and eighth position respectively. Lack of online shopping facilities, misuse of ATM cards and difficulty in opening an account are also some problems faced by customers, but they are given comparatively less consideration. They are given ninth, tenth & eleventh place in ranking.

SUGGESTIONS TO IMPROVE THE SERVICES OF BANKS THROUGH E-CHANNELS

Bank customers have given various suggestions to improve the services of banks through e-channels. As per the suggestions, banks should increase the variety of services and also, employees of the banks should be fully aware about the use of e-channels because a fully aware employee can effectively guide the customers. These suggestions have gained first and second place in ranking. Convenient accessibility and polite behavior of employees are also in the suggestion list of customers and they are given third & fourth place respectively. Effective methods of delivery have gained fifth rank and assisting customers to choose has gained the sixth place in the list of suggestions.

Table 13: Suggestions Given By Bank Customers To Improve The Utility Of E-Channels

E-Channels	Average Rank	Average Score	Total Score	Rank
Variety of services	2.67	63.89	5200	1
Create awareness of employees	3.10	56.72	4684	2
Convenient accessibility	3.20	55.06	4564	3
Polite & sympathetic employees	3.93	42.89	3688	4
Effective methods of delivery	4.01	41.44	3584	5
Assisting customers to choose	4.16	39.06	3428	6

Source: Same as table 2

STRATEGIES

Delivery of bank's services to a customer at his office or home by using electronic technology can be termed as e-banking. The quality, range and price of these e-services decide a bank's competitive position in the industry. Today, to make their existence in the banking industry, all bank groups are providing e-banking services. But in spite of the availability of these services, customers are unable to make best use of them because they face various problems while using e-channels. In this survey, problems faced by consumers while using e-channels are discussed and also some strategies are formed to eradicate these problems. Problems Faced by Customers While Using e-channels are:

- ✿ Inadequate knowledge;
- ✿ Poor network;
- ✿ Lack of Infrastructure;
- ✿ Time consuming;
- ✿ Unsuitable location;
- ✿ Poor response of employees;
- ✿ Lack of cash of big amount;
- ✿ Online shopping facility;
- ✿ Misuse of ATM cards;
- ✿ Difficulty to open an account.

STRATEGIES TO CREATE KNOWLEDGE

The customers must have education and awareness for the use of e-channels. A few strategies are given below to enhance awareness regarding the use of e-channels.

a) Customer Education: There should be customer education campaign through communication media such as posters, publications, radio, television, lectures, seminars, training and so on.

a)Problems:

- ✿ Problem of funds
- ✿ No incentives
- ✿ Lack of motivation

a)Solutions:

- ✿ The govt. and various banking agencies should come forward to provide the facilities of funds.
- ✿ The govt. should provide incentives to those who are engaged in customer education.

✿ Motivate and train some professionals to educate customers in the customers' preferred language either through seminars or lectures.

✿ T.V channels should also start some effective programmes to educate customers.

b) Seminars/Customer Meetings: Banks should organize meetings with their customers to educate them regarding the use of e-channels.

b) Problems:

✿ Lack of funds to arrange such meetings;

✿ Lack of trained staff;

✿ Difficulty to organize the customers;

✿ Time factor is another problem.

b) Solutions:

✿ Govt. should provide enough funds to hold such meetings.

✿ Staff should be fully trained to create the awareness.

✿ Create customer- friendly environment.

c) Proper Network & Infrastructure Facilities: Many times, it is seen that the server goes down and customers have to wait till the network is re-settled. Further, there is lack of infrastructure in many bank branches, especially in rural areas.

c) Solutions :

✿ Banks should have sound network system & there should be availability of IT person every time.

✿ All bank branches should be fully equipped with infrastructural facilities.

d) ATM Machines Should be Installed at Suitable Locations: Some times it is seen that ATM machines do not pick the card or remain out of work for few days. Further, these are installed at a location which does not suit customers. All these factors contribute in losing the confidence of bank customers in e-channels.

d) Solutions:

✿ In case ATM machines do not pick the card, employee positioned at the money plant should be aware enough to handle the problem.

✿ Machines should be repaired immediately

✿ ATM machines should be installed near shopping complexes, hospitals & colleges.

e) Trained Staff: When a customer goes to a bank, he interacts with employees of that bank. For him, he is not interacting with a person, but with the bank. Therefore, the staff of the bank should be friendly, polite & trained enough to guide the customer effectively.

f) Procedure to Open an Account Should be Simple & Easy: Procedure to open an account is very complicated and time consuming. Due to which, new customers hesitate to go to a bank to open an account. Therefore, it is necessary for all bank groups that the procedure to open a new account should be simple & easy. Further, the form should be filled by the bank person.

g) Online Shopping Facilities: IT was introduced in banks in the year 2000, but still, only a few big shopkeepers are providing the facility of debit machines. It creates problems for customers holding debit cards. Therefore, govt. should insist that business personals keep debit machines at their shopping point.

IMPLICATIONS

The perceptions of bank customers of all bank groups shows the inclination of the customers towards e-banking services. More or less, all customers have shown their preference towards e-services. Technology today, particularly, via the Internet is creating a platform that is independent; low cost communication infrastructure is permeating all sectors of the economy and providing an affordable medium to conduct business. The future of e-banking services is quite bright.

FUTURE DIRECTIONS FOR COMPREHENSIVE RESEARCH

There is an urgent need of comprehensive research in the following areas:

- ✿ IT and CRM;
- ✿ Transformation in Indian banks through IT;
- ✿ Customer preferences on e-banking services in semi-urban areas;
- ✿ Per transaction cost of e-services.

CONCLUSION

The present paper concludes that all banks -whether it is public sector, private sector or foreign banks are providing e-banking services. Also, customers have become more demanding with the passage of time. They prefer to avail e-banking services, but at the same time, they face many problems like less knowledge, poor response of employees, lack of online shopping facilities, misuse of ATM cards and difficulty in opening an account, etc. while using these e-channels due to which they are unable to take full advantage of these services. On the basis of the above analysis and observations, the paper suggests some strategies to eradicate these problems.

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India's growth in the exports of silk goods has been significantly higher in the last two decades. However, its market share in the silk goods trade is very less. Therefore, India has to take strong measures to increase its market share as well as the compatibility between its exports and global imports to major importing countries to improve its trade in silk goods. The Indian exporters should also actively participate in trade fairs, conduct personal visits and concentrate on Customer Relationship Management (CRM) with the buyers for promoting their products in the international market. The silk exporters should also concentrate on fashion, technology, quality and services and compete in the major silk consuming markets.

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