



SERVICE QUALITY DIMENSIONS ON INTERNET BANKING WITH SPECIAL REFERENCE TO STATE BANK OF INDIA IN POLLACHI TALUK

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Abstract:

This study tries to identify the service quality dimension on internet banking with special reference to state bank of India. Information technology and the internet become more and more important. The service quality is an important tool for banks to compete. Therefore, it is important to utilize good service quality in order to differentiate itself from other service providers. This study aims to explore the underlying dimensions of internet banking service quality. 200 Respondents were choosing for this study. Primary data have been used. The prime aim of this research study was to identify the prominent service quality dimensions in Internet Banking in pollachi and also to study the service quality dimensions and Internet Banking adoption. The essence of the proposed study was the identification of strongest predictors of the service quality dimensions on Internet Banking adoption. Internet Banking is a convenient medium of transacting banking business economically and efficiently, anywhere and anytime.

Key Words: Internet Banking, Service Quality Dimensions, Level Of Perceptions & Service Quality Adoptions

Introduction: Internet Banking:

Internet banking allows customers to perform a wide range of banking transactions electronically via the bank's web site. When first introduced, Internet banking was used mainly as an information presentation medium in which banks marketed their products and services on their web sites. With the development of asynchronous technologies and secured electronic transaction technologies, however, more banks have come forward to use internet banking both transactional as well as an informational medium. As a result, registered internet banking users can now perform common banking transactions such as paying bills, transferring funds, printing statements and inquiring about account balances. Internet banking has evolved into a "one stop service and information unit" that promises great benefits to both banks and consumers'. The market for internet banking is forecast to grow sharply in the next few years, affecting the competitive advantage enjoyed by traditional branch banks. Customers started accessing banking facilities via the Internet using personal computers, hand-held devices, Web TVs, and cellular phones. Customers now have greater access to information, the ability to receive helpful updates and advice while reaping the benefits of convenience.

Review of Literature:

Nasim et al. (1990)¹ carried out a study entitled, "Internet Banking: Understanding Consumer Adoption rates among community banks", with a view to identify those areas in which banks could improve or modify their services to increase the adoption rate of internet banking. Data have been gathered from 362 non-internet banking users via a survey undisguised questionnaire method. T test is employed to analyse the collected data. They disclose that strong internal reliability on three

measures namely Cronbach's Alpha, Composite Reliability and Average Variance Extracted (AVE). The constructs also demonstrated strong convergent.

Minjoonjun et al. (2000)² in their study captioned, "The key determinants of internet banking service quality a content analysis", focus on the issues associated with internet banking service quality. The study is based on primary data and the same are collected from 168 respondents. The critical incident techniques have been utilized. This study attempted to extensively identify key quality attributes of the internet banking products and services by analyzing internet banking customer's comments on their banking experience.

Hatice Jenkins (2004)³ in their study captioned, "Adopting internet banking services in a small island state: assurance of bank service quality", to examine the factors affecting the adoption of internet banking services by domestic commercial banks in a sparsely populated small island. This research used face to face survey method to collect primary data from a population of 23 domestic and foreign commercial banks. The interviews were conducted with two main objectives. First, to identify the level of internet banking penetration in the banking sector. Second, to gain insight into the factors that encouraged bank management to adopt internet banking services. The study concluded that most of the domestic banks in North Cyprus have outdated back office accounting systems which need to be replaced or at least updated with newer technology in order to be integrated with the internet banking system. This not only slowed the process of adopting internet banking but also increased the cost of introducing internet banking for domestic banks.

Rajesh Kumar Srivastava (2007)⁴ in their study entitled, "Customer's perception on usage of internet banking". To validate the conceptual model of internet banking. The causes were identified and researched through correcting the causative factors so that internet banking can be used by more people. This will help the banking operations to be more cost effective. The research is focus on what the customer's perceptions about internet banking are and what the drivers that drive consumers. How consumers have accepted internet banking and how to improve the usage rate were the focus of research area in this study. Qualitative exploratory research using questionnaire was applied. 500 respondents were selected for study after initial screening. They were all bank customers. The statistical tools used were likert five point scales and pilot test. The study revealed that education, gender, income plays an important role in usage of internet banking. Not much research has been done on these areas as they were focus more on the acceptance of technology rather than on people. The research reveals the conceptual framework stating that if skills can be upgraded the greater will be the use of internet banking by consumers.

Ibok, Nkanikpolbok et al. (2008)⁵ in their study captioned, "Determinants of customer's satisfaction with internet banking services", attempts to identify factors that determine customers' Satisfaction with internet banking within the Nigerian banking context. As the transition from Conventional banking practices to internet banking intensifies, there is the general need to modify the basis of competitive advantage. The study is based on primary data. Convenience sampling method is adopting in order to achieve the survey purpose. Sample size of the study was 40 customers. The statistical tools used were five point likert scale and regression analysis. The results of this research indicated that account access, account control, account use or transaction, ease of use, privacy and security are important determinants of customers' Satisfaction with internet banking.

Objectives of the Study:

- The following are the objectives of the study
- ✓ To know the socio economic profile of internet banking users and their details of account holding in the bank.
 - ✓ To find out the customers perception on various service quality dimensions.
 - ✓ To ascertain the factors influencing customers' perception on service quality dimensions.

Methodology:

Questionnaire method has been followed for the purpose of collecting data. Questionnaire is prepared for the customers of State Bank of India to get their opinion regarding service quality dimensions of internet banking. Questions relating to general information, service quality dimensions, service delivery system, and Accessibility response. Questionnaire meant for customers includes questions relating to personal information, expectations of a customer.

Sampling:

The data required for the study have been collected through structured questionnaire in order to know the service quality dimensions of internet banking. A sample of 200 respondents has been chosen for purpose of the study. Convenient sampling method is adopted to select the sample.

Framework of Analysis:

The main intention of the study is to find out the service quality dimensions of internet banking. The primary data collected have been analyzed by preparing tables and simple percentage method has been used to interpret the data. Chi-square test is applied to test whether there is any significant relationship between various factors affecting service quality of internet banking.

Socio-Economic Profile of Sample Respondents:

The personal profile of respondents namely, area of residents, gender, age, qualification, profession, gross monthly income, family type, number of earning members in the family, member of non-earning members in the family, have a bank account, type of your bank account, purpose of opening an bank account, how long using banking service, how long using internet banking, type of a bank had your account are presented in the following tables.

Classification Based on Area of Residence:

The respondents are classified based on their area of residence as urban semi-urban rural and the classification is shown in the following tables.

Table 1: Classification of Respondents based on Area of Residence

Area of Residence	Number of Respondents	Percentage
Urban	51	25.50
Semi-Urban	22	11.00
Rural	127	63.50
Total	200	100.00

Of the total 200 respondents, 51(25.50 %) belongs to urban area, 22 (11.00%) belongs to semi-urban and the rest 127 (63.50%) belongs to rural area. Hence, it can be said that majority of the respondents belong to rural area.

Gender - Wise Classification of Respondents:

The table below shows the classification of respondents based on their gender.

Table 2: Gender - Wise Classification of Respondents

Gender	Number of Respondents	Percentage
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Male	78	39.00
Female	122	61.00
Total	200	100.00

From the above table shows that 78 (39.00 %) of the respondents are male and 122 (61.00%) of the respondents are female. Hence, it can be said that majority of the respondents are female.

Age-Wise Classification of Respondents:

The table below shows the classification of respondents based on their age as up to 30, 31 to 45, 46 to 60 and above 60 years.

Table 3: Age-wise classification of Respondents

Age	Number of Respondents	Percentage
Up to 30 Years	103	51.50
31 to 45 Years	69	34.50
46 to 60 Years	21	10.50
Above 60 Years	7	3.50
Total	200	100.00

Of the total 200 respondents, 103 (51.50%) belong up to 30 years age group 69 (34.50%) 31 to 45 years, 21 (10.50 %) belong to 46 to 60 years age group, and the rest seven (3.50%) belong to above 60 years age group. Thus, it is concluded that majority of the respondents belong to up to 30 years age group.

Classification of Respondents Based on Educational Qualification:

The respondents are classified based on their qualification as up to HSC, graduate, post graduate and professional and the classification is shown in the following table.

Table 4: Classification of respondents based on Educational Qualification

Educational Qualification	Number of Respondents	Percentage
Up to HSC	42	21.00
Graduate	110	55.00
Post-Graduate	35	17.50
Professional	11	5.50
Others	2	1.00
Total	200	100.00

It can be inferred from the table that, out of the total 200 respondents, 42 (21.00 %) are educated up to HSC, 110 (55.00%) are graduate, 35 (17.50 %) are post graduate, 11 (5.50 %) are professionals and the rest two (1.00%) are belongs to other category which includes diploma, IT holders and the like. Thus, it is observed that most of the respondents are graduates.

Classification of Respondents Based on Period of Using Banking Services:

The respondents are classified based on their period of using banking service Below 4 Years, 5 to 10 Years, 11 to 15 Years and Above 15 Years.

Table 5: Classification of Respondents Based on Period of using Banking Services

Period of using Banking Services	Number of Respondents	Percentage
Below 4 Years	63	31.50
5 to 10 Years	102	51.00
11 to 15 Years	27	13.50

Above 15 Years	8	4.00
Total	200	100.00

Out of 200 respondents, 63 (31.50%) are below 4 Years, 102 (51.00%) are using 5 to 10 Years, 27 (13.50%) are using banking service 11 to 15 Years, and 8 (4.00%) are using above 15 years. Majority of the respondents are using banking service of 5 to 10 Years.

Classification of Respondents Based on Period of using Internet Banking:

The respondents are classified based on their period of using internet banking.

Table 6: Classification of Respondents Based on Period of using internet banking

Period of using Internet Banking	Number of respondents	Percentage
Up to One Year	60	30.00
Two Years	69	34.50
Three Years	55	27.50
Above Three Years	16	8.00
Total	200	100.00

It is observed from the above table that out of the total 200 respondents, 60 (30.00%) are using up to one years, 69 (34.50%) are using two years, 55 (27.50%) are using three years, and 16 (8.00%) are above three years using Internet Banking. Thus, it is said that majority of the respondents using internet banking for two years.

Classification of Respondents Based on Type of Account Holding Bank:

The respondents are classified based on their Type of Account Holding Bank

Table 7: Classification of Respondents Based on Type of Account Holding Bank

Type of Account Holding Bank	Number of Respondents	Percentage
Private Bank	96	48.00
Nationalized Bank	78	39.00
Foreign Bank	2	1.00
Cooperative Bank	24	12.00
Total	200	100.00

Of the total 200 respondents, 96 (48.00%) are using private bank, 78 (39.00%) are using Nationalized Bank, two (1.00%) are using Foreign Bank, 24 (12.00%) are using co- operative bank. Majority of the respondents are type of account holding in private bank.

Variables Influencing Level of Perception on Service Quality Dimensions - Chi Square:

Ten variables namely area of residence, gender, age, educational qualification, occupation, type of account holding, purpose of opening a bank account, period of using banking service, period of using internet banking and type of account holding bank has been selected in order to test if there really exists any association between each of the variables and level of perception on service quality dimensions. Chi- square test have been made use to study the association variables and level of perception on service quality dimensions. Levels of significance chosen are one and five percent.

Area of Residence	Level of Perception on Service Quality Dimensions			Total
	Low	Medium	High	
Urban	7	37	7	51
Semi-Urban	6	15	1	22
Rural	20	95	12	127

Gender	33	147	20	200
Male	9	61	8	78
Female	24	86	12	122
Age	33	147	20	200
Up to 30 Years	25	65	13	103
31 to 45 Years	5	58	6	69
46 to 60 Years	2	18	1	21
Above 60 Years	1	6	0	7
Educational Qualification	33	147	20	200
Up to HSC	10	27	5	42
Graduate	18	79	13	110
Post-Graduate	3	31	1	35
Professional	2	8	1	11
Others	0	2	0	2
Occupation	33	147	20	200
Unemployed	11	30	3	44
Job in Public Sector	7	44	14	65
Job in Private Sector	4	33	1	38
Business	5	8	1	14
Profession	1	11	1	13
Agriculture	5	21	0	26
Type of account holding	33	147	20	200
Savings	29	132	20	181
Current	4	15	0	19
Purpose of Opening a Bank Account	33	147	20	200
Personal	13	74	13	100
Business	8	52	5	65
Students	12	21	2	35
Period of using Banking Services	33	147	20	200
Below 4 Years	24	34	5	63
5 to 10 Years	4	84	14	102
11 to 15 Years	3	24	0	27
Above 15 Years	2	5	1	8
Period of using Internet Banking	33	147	20	200
Up to One Year	15	40	5	60
Two Years	11	47	11	69
Three Years	5	46	4	55
Above Three Years	2	14	0	16
	33	147	20	200

Hence, it is found that respondents who belong to rural area have high level of perceptions. However, as the calculated Chi square value is lesser than the table value at five percent level, there does not exist any significant association between area of residence and level of perception on service quality dimensions. Therefore, the null hypothesis is accepted.

The percentage of respondents who have high level of perception is high among female and low level of perception is high among male respondents. Comparing the percentage, it is found that female respondents are with high level of perceptions. However, as the calculated Chi square value is lesser than the table value at five percent level, there does not exist any significant association between gender and level of perception on service quality dimensions. Therefore, the null hypothesis is accepted.

The percentage of respondents who have high level of perception is high among respondents with up to 30 years age while low level of perception is high among the respondents. Whose age ranges between 31 to 45 years. Hence, it is found that respondents with up to 31 to 45 years are with high level of perceptions. However, as the calculated Chi square value is lesser than the table value at five percent level, there does not exist any significant association between age and level of perception on service quality dimensions. Therefore, the null hypothesis is accepted.

The percentage of respondents who have high level of perception is high among respondents with up to HSC and low level of perception is also high among respondents with who are post graduates. Hence, it is found that respondents with who are graduates have high level of perception. However, as the calculated Chi square value is lesser than the table value at five percent level, there does not exist any significant association between educational qualification and level of perception on service quality dimensions. Therefore, the null hypothesis is accepted. Hence, it is found that respondents with job in public sector have high level of perception. However, as the calculated Chi square value is greater than the table value at five percent level, there exist a significant association between occupation and level of perception on service quality dimensions. Therefore, the null hypothesis is rejected.

Hence, it is found that respondents with savings account are with high level of perception. However, as the calculated Chi square value is lesser than the table value at five percent level, there does not exist any significant association between type of account holding and level of perception on service quality dimensions. Therefore, the null hypothesis is accepted.

Hence, it is found that respondents with personal account are with high level of perception. However, as the calculated Chi square value is lesser than the table value at five percent level, there does not exist any significant association between type of account holding and level of perception on service quality dimensions. Therefore, the null hypothesis is accepted.

The percentage of respondents who have high level of perception is high among respondents with above 15 years and low level of perception is also high among respondents with 5 to 10 years. Comparing the percentage it is observed that respondents with above 15 years have high level of perception. However, as the calculated Chi square value is greater than the table value at five percent level, there exists a significant association between period of using banking service and level of perception on service quality dimensions. Therefore, the null hypothesis is rejected.

Hence, it is found that respondents with 2 years are with high level of perception. However, as the calculated Chi square value is lesser than the table value at five percent level, there does not exist any significant association between period of using internet banking and level of perception on service quality dimensions. Therefore, the null hypothesis is accepted.

Conclusion:

The prime aim of this research study was to identify the prominent service quality dimensions in Internet Banking in pollachi and also to study the service quality

dimensions and Internet Bankig adoption. The essence of the proposed study was the identification of strongest predictors of the service quality dimensions on Internet Banking adoption. Internet Banking is a convenient medium of transacting banking business economically and efficiently, anywhere and anytime. Penetration of Internet Banking among customers is at slow pace owing to myriad reasons. Adoption decision in IB is influenced mainly by five dimensions which are considered for in-depth analysis ie., website attributes, reliability, responsiveness, efficiency, empathy and assurance.

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