



A Role of E-Banking Products and Services in State Bank of India (With Special Reference to SBI Branches in Tiruchirappalli District)

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ARTICLE INFO

Article history:

Received: 11 August 2015;

Received in revised form:
04 October 2015;

Accepted: 09 October 2015;

Keywords

E-Banking,
SBI,
Customers,
Online products,
Services.

ABSTRACT

The world of business technological advances and the speed with which new technologies are created and copied, the loss of geographical advantage resulting from globalization, the shake-up of traditional stable industries as a result of deregulation and the rising power of the consumer and their ability to get what they want, when they want it, from whomever they want. With this in mind, the relationship experience becomes one of the greatest competitive aspects for a business's survival. Now, that its customers are connecting to the Internet via personal computers, banks envision similar economic advantages by adapting those same internal electronic processes to home use. Today, most large national banks, many regional banks and even smaller banks offer some form of online banking, variously known as PC banking, home banking, electronic banking or Internet banking. Online banking or Internet banking is a term used for performing transactions, payments etc. over the Internet through a bank, credit union or building society's secure website. This allows customers to do their banking outside of bank hours and from anywhere where Internet access is available. This study deals with the E-Banking products and usages for the customers of SBI and their personal profile.

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Introduction

E-Banking (or Internet banking) is a term used for performing transactions, payments etc. over the Internet through a bank, credit union or building society's secure website. This allows customers to do their banking outside of bank hours and from anywhere where Internet access is available. In most cases, a web browser utilized and any normal Internet connection is suitable. No special software or hardware usually needed. Actually online banking included various technology such as telephone banking (landline, mobile phone), direct bill payment; electronic funds transfer (EFT), and internet banking. There are five basic services for online banking according to Chou and Chou (2000)

- View account balance with transaction history
- Paying bill
- Transferring funds between accounts
- Request credit card advances
- Ordering check

Other services of bank are opening account, deposit and withdrawals, rate and fees, security. Among other things, banks must understand whose specially adopting commercial technology and why.

There are three categories related to online banking:-

- 1- Customer service quality
- 2- Online system quality
- 3- Banking service product quality

Statement of the Problem

In this internet age, when the customer is having access to a variety of products and services it is becoming very difficult for banks to survive. In this situation, when customer inquiries are not met easily or transactions are complicated, the customer will asks for new levels services, and only chose those institutions who are making a real effort to provide a high level of quality, fast and efficient service through all the banks touch points, call centers, ATMs, voice response systems, internet and branches

(Puccinelli 1999). Managers really need to look at areas where opportunities lie because industry consolidation, virtual delivery channels and the ability to move money around at the click of a mouse are making it easier for customers to pack their bags and say by to the bank (Puccinelli 1999). Of course, only depending on technological capabilities can't insure customer service (Dyche 2001). Company need to analyses the business situation and understands the real requirement for automation (Xu 2005).

In this difficult situation CRM is an opportunity that banks can avail to rise above minor advantages by developing actual relationship with their customers (Bose 2002). Company committed to CRM must continuously invest in its relationship with its customers, because it is the only competitive advantage remaining to an organization (Xu 2005). Often companies have to change their internal business processes, and exploit human and organizational recourses (Xu 2005), in order to manage good relationship with their customers. Institutional success lies in the secret of successfully delivering customer oriented product or service to every customer (Bose 2002).

Objectives of the Study

- To study demographic factors of the SBI customers.
- To analyze the most preferred E-Banking products among the selected banks

Significance of the Study

All service sector industries have realized that creating superior customer service is the key for their survival. Most offers across the industries are difficult to differentiate on the basis of offer quality, pricing, distribution or promotion for that matter. They are saturated on the basis of certain parameters. E-Banking has helped to establishing relations with customers and has provided convenience to the customers by reducing time in processing and transaction. The Customer knowledge is more powerful element in E-Banking services.

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Scope of the Study

The research study gives a clear picture about the practices of Customer Knowledge in E-Banking. It also throws light on the various usages of E-Banking services for Customers as well as Employees.

The scope of this study is conducting the survey from the public (SBI) Bank employees and Bank Customers in Tiruchirappalli District.

Methodology

Questionnaire design and construct measurement

Likert's 5 point scale was used to measure CRM in E-Banking from 1 to 5 where 1 indicates strongly disagree, 2 disagree, 3 neutral, 4 agree and 5 strongly agree.

Limitations of the Study

The findings of the study are purely an outcome of the responses given by the sample respondents of the SBI bank branches considered for the study. The study is made primarily based on responses from the Public sector (SBI) operating in Tiruchirappalli District. The customers are subject to personal biases and there are undoubtedly such biases. The study has made in Tiruchirappalli district alone. Such as generalization cannot make from the study and there is need for enough care and caution in so doing using the findings of the study.

Review of Literature

- G. Radha Krishna, P. Bucha Reddy, (1992) in their study accepted that the role of Internet technologies have become a new challenge and also an opportunity for the way to business being done. The evolution of technology and the company's adoption of the same occurred in different functional areas like production, product design, accounting etc. The era of computerization has created a vast potential for marketing function area for tapping the information of customer. They analyzed that in CRM, the huge databases created have to be further molded and an appropriate set of knowledge and information have to be created for marketers.
- Agrawal M.L., (1994) 'accentuated that service marketers need to build up long term relationship with their customers by understanding the cause behind their problem and recovering them fast to build deeper and long term relationships. Further he strengthened the marketing principle, focusing on the repeat customers, which cost less in comparison to attract new ones. He also studied the change in customer's attitude after solving their complaints.
- Mattila, Karjoluoto & Pento (2001) examined response of 3000 survey respondents and 30 in-depth interview participants to study the customer channel preference in Finland. They tried to analyse the implication of new channel delivery channels in banking and its effect on customers and banks.
- MosadZineldin, (2005) analyzed that the bank has to create customer relationships that deliver value beyond that provided by the core product. This involves added tangible and intangible elements to the core products, thus creating and enhancing the "product surrounding". One necessary condition for the realization of quality and the creation of value added is quality measurement and control. This is an important function to ensure the fulfillment of given customer requirements. The key ways to building a strong competitive position are through CRM, product/service quality and differentiation.

Analysis and interpretation

Personal profile of the respondents

The above table shows that personal profile of the customers of SBI in Tiruchirappalli district.

In SBI, 64.2 percent of the respondents are male and 35.8 percent of the respondents are female. 37.9 percent of the respondents are belongs to 31 to 40 years of age group.

In education wise 27.7 percent of the respondents are qualified in under graduation level and 6.3 percent of the customers studied other type of education.

In occupation wise, 30.4 percent of the respondents are Govt. employee and 7.5 percent of the respondents are doing professional.

32.5 percent customers earned 1-3 lakhs in yearly basis in SBI and 4.4 percent of the respondents are earned above 4.4 lakhs as a annual income.

74.4 percent of the respondents are having saving account and 3.3 percent of the respondents are having other type of account.

In SBI the selected customers are using E-Banking services below one year and 14.8 percent of the respondents are having more than 3 years.

Uses of E-Banking to the Customers

The following table indicates the list uses of E-Banking services to the surveyed customers in selected bank customers. The criteria for the measurement of E-Banking services are follows:

1. Relevant and detailed information on time (EBU1)
2. Convenient way to manage services and finance (EBU2)
3. Less risk and greater security (EBU3)
4. Bring down the cost of banking (EBU4)
5. Fastest mode of banking transactions (EBU5)
6. Quick movement of funds (EBU6)
7. Easy to access the website links (EBU7)
8. Easy to maintain the accounting information (EBU8)
9. Reduced Time factor (EBU9)
10. Anywhere, anytime banking (EBU10)

These ten-point criteria used to measure the uses of E-banking services of the selected bank customers.

The above table indicates that E-Banking uses for SBI customers in Tiruchirappalli district.

79.6 percent of the respondents are strongly agreed with 'Relevant and detailed information on time'.

62.9 percent of the respondents are strongly agreed with the bank was providing less risk and greater security to the customers.

50.6 percent of the respondents are strongly agreed with the statement 'E-Banking services and products are reduced the cost for operations'.

'Quick time movement of funds' this strongly by 50.2 percent of the respondents and 5.8 percent of the respondents are strongly disagreed.

63.8 percent of the respondents are strongly agreed the statement 'Easy to access the website links' and 0.6 percent of the respondents are disagreed that.

'Easy to maintain the accounting information' this is strongly agreed by 53.8 percent of the respondents and 5.8 percent of the respondents are strongly disagreed the statement.

64.2 percent of the respondents are strongly agreed the statement 'Reduced time factor in operations and usage' this statement strongly disagreed by 1.3 percent of the respondents.

'Anywhere and anytime' this mantra strongly agreed by 42.9 percent and agreed by 44.4 percent and strongly disagreed by 0.6 percent of the respondents in SBI.

79.6 percent of the respondents are strongly agreed with 'Relevant and detailed information on time'. This dis agreed by 1 percent of the respondents in SBI.

Size of the Selected Sample

Sl.No	Selected Bank	Branches	Customers
1	SBI	40	480

Gender wise Classification of the Respondents

Sl.No	CATEGORY	SBI	
		Number (480)	Percent (100)
GENDER			
1	Male	308	64.2%
2	Female	172	35.8%
AGE(IN YEARS)			
1	Below 30 years	142	29.6%
2	31 to 40 years	182	37.9%
3	41 to 50 years	89	18.5%
4	51 to 60 years	35	7.3%
5	61yrs & above	32	6.7%
EDUCATION			
1	Illiterate	46	9.6%
2	Below HSC	80	16.7%
3	UG	128	26.7%
4	PG	124	25.8%
5	Professional	72	15.0%
6	Others	30	6.3%
OCCUPATION			
1	Agriculturist	60	12.5%
2	Businessman	120	25.0%
3	Govt. Employee	146	30.4%
4	Private Employee	118	24.6%
5	Professional	36	7.5%
ANNUAL INCOME			
1	Below 1 Lakh	153	31.9%
2	1 to 3 Lakhs	156	32.5%
3	3 to 5 Lakhs	150	31.3%
4	Above 5 lakhs	21	4.4%
Type of Account			
1	Savings Bank A/c	357	74.4%
2	Fixed Deposits	107	22.3%
3	Other A/C	16	3.3%
Usage of E-Banking services			
1	Below 1year	172	35.8%
2	1 to 2 Years	129	26.9%
3	2 to 3 Years	108	22.5%
4	More than 3 Years	71	14.8%

Source: Primary Data

Usage of E-Banking Services

Sl.No	E-Banking Uses	SDA	DA	N	A	SA	Total
1	EBU1	0(0%)	1(.2%)	44(9.2%)	53(11.0%)	382(79.6%)	480(100 %)
2	EBU2	0(0%)	0(0%)	37(7.7%)	172(35.8%)	271(56.5%)	480(100 %)
3	EBU3	3(.6%)	23(4.8%)	15(3.1%)	137(28.5%)	302(62.9%)	480(100 %)
4	EBU4	1(.2%)	28(5.8%)	10(2.1%)	198(41.3%)	243(50.6%)	480(100 %)
5	EBU5	4(.8%)	28(5.8%)	5(1.0%)	141(29.4%)	302(62.9%)	480(100 %)
6	EBU6	2(.4%)	33(6.9%)	10(2.1%)	194(40.4%)	241(50.2%)	480(100 %)
7	EBU7	3(.6%)	28(5.8%)	5(1.0%)	138(28.8%)	306(63.8%)	480(100 %)
8	EBU8	1(.2%)	28(5.8%)	10(2.1%)	183(38.1%)	258(53.8%)	480(100 %)
9	EBU9	6(1.3%)	28(5.8%)	20(4.2%)	118(24.6%)	308(64.2%)	480(100 %)
10	EBU10	3(.6%)	33(6.9%)	25(5.2%)	213(44.4%)	206(42.9%)	480(100 %)

**Rank wise classification of the e-banking products and services
SBI (n=480)**

Item	Internet Banking		Mobile Banking		ATM facilities		Electronic Fund Transfer (EFT)		Core Banking Services		Online - Trading Services		E- Payment Systems		Brokerage Services		Tax Calculations		Value added services	
	N	%	n	%	n	%	n	%	n	%	n	%	n	%	n	%	n	%	n	%
1 st	29	6.0	30	6.3	95	19.8	35	7.3	39	8.1	35	7.3	34	7.1	28	5.8	44	9.2	31	6.5
2 nd	124	25.8	64	13.3	82	17.1	45	9.4	30	6.3	51	10.6	54	11.3	48	10.0	44	9.2	57	11.9
3 rd	50	10.4	55	11.5	30	6.3	39	8.1	117	24.4	47	9.8	41	8.5	42	8.8	36	7.5	55	11.5
4 th	34	7.1	34	7.1	45	9.4	108	22.5	29	6.0	41	8.5	28	5.8	51	10.6	30	6.3	36	7.5
5 th	14	2.9	45	9.4	29	6.0	41	8.5	35	7.3	48	10.0	111	23.1	35	7.3	45	9.4	34	7.1
6 th	52	10.8	53	11.0	50	10.4	55	11.5	53	11.0	97	20.2	34	7.1	56	11.7	46	9.6	55	11.5
7 th	38	7.9	48	10.0	38	7.9	43	9.0	51	10.6	31	6.5	48	10.0	85	17.7	39	8.1	45	9.4
8 th	48	10.0	50	10.4	63	13.1	41	8.5	51	10.6	55	11.5	44	9.2	58	12.1	87	18.1	40	8.3
9 th	46	9.6	80	16.7	22	4.6	23	4.8	39	8.1	23	4.8	44	9.2	46	9.6	69	14.4	40	8.3
10 th	45	9.4	21	4.4	26	5.4	50	10.4	36	7.5	52	10.8	42	8.8	31	6.5	40	8.3	87	18.1
Results	2 nd		9 th		1 st		4 th		3 rd		6 th		5 th		7 th		8 th		10 th	

Source: Compiled from Primary Data

The table shows that rank wise analysis for the SBI e-banking products. ATM facility scored first place and value added services are scored last place i.e., tenth place in this analysis.

Findings from Bank Customers Of SBI Personal Profile

○ In SBI, 64.2 percent of the respondents are male and 35.8 percent of the respondents are female. 37.9 percent of the respondents are belongs to 31 to 40 years of age group.

○ In education wise 27.7 percent of the respondents are qualified in under graduation level and 6.3 percent of the customers studied other type of education.

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○ In SBI the selected customers are using E-Banking services below one year and 14.8 percent of the respondents are having more than 3 years.

Usage of E-Banking Services

● 79.6 percent of the respondents are strongly agreed with 'Relevant and detailed information on time'. This dis agreed by 1 percent of the respondents in SBI.

Rank Wise Classification of the E-Banking Products and Services

● ATM facility scored first place and value added services are scored last place i.e., tenth place in this analysis.

Suggestions

● Being a prominent player of mass banking, the SBI should not try to please all customers with the same service facilities. It needs to make clear customer segmentation and design its customer service programmes accordingly better customer service to profitable customers. The parameter for customer selection could be based on the products he/she has purchased with the bank, etc. these profitable customers may be served at new branches.

● The bank needs to see the working of its ATMs and other form of tech-driven banking as phone and net banking. Although these forms of banking do satisfy the customers faster, yet they

lead to huge dissatisfaction in case of poor functioning of the system.

● Employees should be involved in customer relationship programmes right from the stage of its conception to its implementation and even in its follow-up.

● The bank, at corporate level, has designed a programme of testing customer satisfaction at every branch and the report is considered during customer audit. But there have been lacunae found in its responses as many a time branch managers get these questionnaires filled by own-trusted customers and the customers and the very purpose of identifying customer satisfaction thus gets defected. This customer audit, which incorporates customer satisfaction, should be conducted in all the branches and by an independent agency and the bank managers should in no way be made to get involved in the process. Feedback thus obtained should be shared with the employees, so they themselves can correct the flaws.

Conclusion

The above study deals with E-Banking usages and E-products and services of the SBI in Tiruchirappalli district. The SBI is the leading public sector bank in our country. This bank is the role model for innovative services for the other banks. This study help to know what the e-products available and which place scored in customer mind and how e-banking products are help to the customers.

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