

CUSTOMERS' PERCEPTION TOWARDS E-BANKING SERVICES OFFERED BY HDFC BANK IN CHENNAI CITY

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ABSTRACT

*Customer's e-banking is the recent transformation of the banking industry into the virtual world. It saves time, provides ways for international banking online and offers all kinds of banking services throughout the year 24*7 days from any place, provides well-organized cash management for internet optimization and some & privacy to customers. HDFC is one of the largest private sector banks with its numerous branches & ATMs and widespread customer base across states in India. It rules the banking industry with its wireless operations and ease of access to virtual banking. This study attempts to find out the effects of e-service quality provided among customers of HDFC Bank in Chennai City. A descriptive and analytical study was conducted among 102 respondents through a structured Questionnaire and Percentage analysis, Garrett's Ranking technique, Factor Analysis were used to analyse the data. The study attempted to analyse the customers' awareness level and the level of experience gained as a customer of HDFC Bank.*

KEYWORDS: *Customer Perception, E-Banking Services, E-Service Quality, Secured Banking, Customer Satisfaction*

INTRODUCTION

Internet banking software provides enormous personal and corporate banking services for easy access such as viewing account balances, obtaining statements, checking recent transaction summary, making payments, etc [3]. HDFC Bank is the premier bank in the private banking service industry. It has an enviable network of over 1416 branches spread over 550 cities across India [2]. All branches are linked on an online real-time basis and it has a network of about 3382 networked ATMs across these cities. The promoter of the company inceptioned Housing Development Finance Corporation in 1977 and enjoys an immaculate track record in India as well as in international markets. Its huge investment in wireless banking made operations secure and thereby made more customers rely on their virtual networking. It showcased 'World Class Banking' to the Indian banking industry and is now ranked No.1 by the overwhelming customers as per Forbes World's Best Bank Survey.

NEED AND IMPORTANCE OF THE STUDY

E-banking on HDFC bank is an incredibly convenient and powerful tool gives an important advantage for banks and customer's e-banking has made transactions user-friendly and virtual access much faster for the customers. A pleasant environment saves time spent in the bank, provides worldwide access of banking services on all days, provides well-organized cash management for internet optimization, security and privacy to customers [1]. Therefore, the research was conducted to study customer's perception towards e-banking services offered by HDFC bank.

REVIEW OF LITERATURE

(Mohammad and Alhamadani, 2011) examined the level of service quality of commercial banks in Jordan and its effect on customer satisfaction based on the SERVQUAL model. Data was collected from 260 randomly selected customers from thirteen commercial banks of Jordan and analysed through multiple regression analysis. They found that five dimensions of service quality viz. reliability, responsiveness, empathy, assurance, tangibles were important antecedents of customer satisfaction.

(Mohammed Naved Khan, NaseemAbidi and Surabhi Singh, 2015) identified and explored ways and means of the major concerns inhibiting the adoption of IB in India. The research targeted 400 bank customers from the Delhi NCR (National Capital Region). Multiple regression & Correlation analysis were used to analyse the data. The study found that awareness and safety & security would bring about positive changes in usage of IB and the issues of comfort, satisfaction, physical presence would bring negative impacts on intentions of usage of IB. They suggested that the banks should focus on strategic consumer groups to maximize their revenues from IB and concluded that concerns had a significant impact on the adoption of IB by customers.

(Amola Bhatt, 2016) determined the usage pattern of mobile banking and the factors which influence the adoption of mobile banking services. A sample size of 200 was collected from public bank account holders and private bank account holders and One-way ANOVA (analysis of variance) independent sample t-test was used to test the hypothesis. She found frequent users of mobile banking and identified time-efficient, safety, convenience, operational Simplicity as the influencing key factors. The results found that the identified factors could be the influencing mediators for increasing the reach of mobile banking among the customers. The study also suggested that spreading awareness towards the identified factors would certainly help the banks.

OBJECTIVES OF THE STUDY

1. To study customer's perception towards innumerable e-banking services provided in HDFC bank.
2. To identify the factors that influence customers towards e-banking services provided inHDFC bank.
3. To analyse the core attributes of e-banking services offered by HDFC bank in Chennai City.
4. To find out the opinion of customers towards the improvement of e-services offered by HDFC bank.

RESEARCH METHODOLOGY

This is a **descriptive and analytical study** based on primary and secondary data. **Primary data** was collected through a well-structured questionnaire through **convenience sampling method** distributed with a sample size of 102 people in and around Chennai and **Secondary data** was collected through magazines, books, journals, etc. Percentage analysis, Garrett's Ranking Technique, Factor analysis were the tools used for analysis of data.

LIMITATIONS

The study is not free from limitations. Primary data had been collected through a questionnaire and limited only to Chennai city and the results of the study suffer from the limitations of such instruments of data collection.

SCOPE FOR FUTURE RESEARCH

The study focuses on the perception of respondents as regards HDFC E-banking service in Chennai city. Future research can be done on the perception of respondents about Internet banking services offered by various other banks in Tamil Nadu as well as in other states. Research can also be expanded further on customer's perceptions towards other banking services.

ANALYSIS AND INTERPRETATION

PERCENTAGE FREQUENCY DISTRIBUTION OF DEMOGRAPHIC VARIABLES

TABLE- 1: DEMOGRAPHIC PROFILE

Particulars	Frequency	Percentage
Gender		
Male	55	55.8
Age		
20-30 years	72	70.6
Educational Qualification		
Undergraduates	51	50
Occupation		
Private sector employees	51	50

Annual Income		
Rs 1,00,000 – Rs 3,00,000	48	47.1

CUSTOMERS' INFORMATION RELATED TO USAGE OF E-SERVICES OFFERED BY HDFC BANK

TABLE-2: GENERAL FINDINGS

Particulars	Frequency	Percentage
Customers of HDFC bank		
2-4 years	51	50
Account type		
Saving Account	85	83.3
Preference of HDFC e-banking		
Sometimes	55	53.9
Preferred mode to perform e-banking		
Bank app	91	89.2
Most preferred e- service		
Mobile banking	48	47.1
PayZapp Usage		
Yes	48	47.1
The official rating for e-banking		
4 stars	24	50
Security and Privacy		
4 stars	59	57.6
Overall Satisfaction		
Satisfied	60	55.9

CORE ATTRIBUTES OF E-BANKING SERVICES IN HDFC BANK

TABLE-3: MEAN SCORES OF CORE ATTRIBUTES THROUGH HENRY GARRETT RANKING ANALYSIS

Particulars	Mean Scores	Rank
User-friendly service	53.51	I
Secured banking	50.74	II
Available 24*7	50.68	III
Speedy service compared to traditional banking	49.76	IV
Effortless payment of bill	49.21	V
Nominal transaction fee	48.63	VI

Incoming and outgoing can be monitored	47.71	VII
Simple & convenient service worldwide	47.30	VII
Protect me in case of cybercrime or if cards lost/stolen	46.71	IX
Earn cashback & bonus point	45.27	X

Table 3 shows that **Rank I** was assigned to the **most preferred factor 'User-friendly service'** to the customer. Rank II had been assigned to '**Secured banking**'. The least Rank **X** was assigned to factor '**Earn cashback & bonus point**'.

OPINIONS TO IMPROVE E-BANKING SERVICES

TABLE-4: MEAN SCORES OF OPINIONS TOWARDS IMPROVEMENTSTHROUGH HENRY GARRETT RANKING ANALYSIS

Particulars	Mean Scores	Rank
Avoid server issues	51.85	I
Make the customer care services more user friendly	51.79	II
Protect customer from cybercrime	49.24	III
Minimize the charges for credit cards	48.93	IV
Reduce transaction cost	48.54	V
The existing interest rate can be improved for the account holder	48.18	VI
Strengthen the security of e-wallet	47.97	VII
Build more trust	47.40	VIII

Table 4 shows that **Rank I** was assigned to the **most preferred factor 'Avoid server issues**. Rank II had been assigned to 'Make the customer care services more user friendly. **The least Rank VIII** to factor '**Build more trust.**'

FACTOR ANALYSIS

TABLE-5: KMO AND BARTLETT'S TEST

Kaiser-Meyer-Olkin Measure of Sampling Adequacy.		.692
Bartlett's Test of Sphericity	Approx. Chi-Square	307.030
	Df	120
	Sig.	.000

KMO and Bartlett's test shows the measure of sample adequacy and paves way to proceed factor analysis. Table 5 shows the **KMO value as 0.692 which is greater than 0.5** and Bartlett's test showed a significance of 0.000 which is less than 0.05 signifies that correlation matrix is not an identity matrix.

TABLE-6: TOTAL VARIANCE EXPLAINED

Component	Initial Eigen values			Extraction Sums of Squared Loadings			Rotation Sums of Squared Loadings		
	Total	% of Variance	Cumulative %	Total	% of Variance	Cumulative %	Total	% of Variance	Cumulative %
1	3.834	23.961	23.961	3.834	23.961	23.961	1.806	11.289	11.289
2	1.399	8.745	32.705	1.399	8.745	32.705	1.757	10.979	22.268
3	1.327	8.296	41.001	1.327	8.296	41.001	1.609	10.055	32.322
4	1.128	7.047	48.048	1.128	7.047	48.048	1.591	9.945	42.267
5	1.123	7.020	55.068	1.123	7.020	55.068	1.589	9.930	52.198
6	1.083	6.766	61.834	1.083	6.766	61.834	1.542	9.637	61.834
7	.894	5.587	73.244						
8	.766	4.785	78.029						
9	.692	4.326	82.355						
10	.597	3.732	86.087						
11	.572	3.573	89.659						
12	.529	3.305	92.965						
13	.449	2.805	95.770						
14	.384	2.397	98.167						
15	.293	1.833	100.000						

Extraction Method: Principal Component Analysis.

**TABLE-7: ROTATED COMPONENT MATRIX SHOWING THE PERCEPTION TOWARDS THE VARIABLES OF
HDFC INTERNET BANKING**

Factors	Variables	Components					
		1	2	3	4	5	6
<i>Factor 1</i> Secured gateway	Frequent updates are required for mobile banking app	.755					
	I feel that funds transfer facility is secure and quick	.614					
	I feel that HDFC has secured gateway	.561					
<i>Factor 2</i> Complex access	Lack of operational knowledge hesitates to access new updates in e-service		.760				
	I feel that network signal disturbs smooth access of e banking		.743				
<i>Factor 3</i> User friendly	Frequent password changes annoy me			.744			
	Server issues are handled promptly			.632			
	I feel that regenerate IPIN is easy			.536			
<i>Factor 4</i> Easy accessibility	I feel that queries are well handed online				.785		
	Prior notification regarding updates and new service in app and website are made by HDFC bank				.555		
	Anywhere & Anytime information access is possible				.549		
<i>Factor 5</i> Safety	I feel that OPT is safe for digital payment					.736	
	E-banking acts a greater advantage in the present scenario					.736	
<i>Factor 6</i> Trustworthy	Product and services of HDFC bank are trustworthy						.731
	It gives an individual attention in doing transaction						.716

Table 6 and 7 shows the principal component method of factor analysis and the varimax rotation method was adopted to group 15 variables into 6 factors.

The first factor is “Secured gateway” and it includes 3 variables viz, frequent updates are required for mobile banking app, I feel that funds transfer facility is secure and quick, I feel that HDFC has secured gateway and it explains 11.289% variance.

The second factor is “Complex access” which comprises of 2 factors viz, Lack of operational knowledge hesitates to access new updates in e-service, I feel that network signal disturbs smooth access of e-banking and it explains 10.979% of the variance.

The Third factor is named "User friendly". It covers 3 variable frequent password changes that annoy me, Server issues are handled promptly and I feel that regenerate IPIN is easy and it explains 10.055% of the variance.

The fourth factor is named "Easy accessibility". It consists of 3 variables viz, I feel that queries are well handed online, Prior notification regarding updates and new service in-app and website are made by HDFC bank and anywhere & Anytime information access is possible and it explains 9.945% of the variance

The Fifth factor is named “Safety”. It comprises of 2 variables viz I feel that OPT is safe for digital payment, E-banking acts a greater advantage in the present scenario. It explains 9.930% of the variance.

The Sixth factor is named "Trustworthy”. It comprises of 2 variables viz Product and services of HDFC bank are trustworthy, it gives attention in doing transaction. It explains 9.637% of the variance.

SUGGESTIONS

- Bank has to ensure their customers about the usage of PayZapp service.
- It can work in flexible hours to provide better customer service specially to aged people.
- It can make payment systems more secure and ensure proper alerts to customers while doing a transaction.
- Bank can bring awareness among its customers about the 24/7 helpdesk to handle their queries effectively and promptly.
- It can provide attractive offers in the form of cashback or coupons to mobile app users to promote online transactions.
- It can build more trust to retain its existing customers and has to work more on "security and server issues" for making transactions convenient.
- Proper awareness of the procedures and updates among customers will make customers easy access in their pocket-friendly devices.

CONCLUSION

HDFC bank is one of the largest rapidly growing private sector banks. The Bank always strives to provide customized e-banking services to its customers as per their needs and requirements and HDFC Bank proved by acting user-friendly to its customers based on their views, queries, expectations. From the study, it was clear that e-banking services almost become a necessity of every smartphone holder due to the advantages it provides along with the operations. The present study concludes that the usage of HDFC e-banking is at a satisfactory level. Effectiveness and creditability access of securities provided by them to protect customers and banking system against cybercrime and got reflected in the satisfaction level and trust of customers. The customers face minor problems in security issues and slow server in the usage of e-banking but people are inclined towards e-banking because of its convenience, ease of use, quick services as promised by HDFC Bank.

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