

A STUDY ON SERVICE QUALITY OF DIGITAL BANKING SERVICES OF AXIS BANK LTD WITH SPECIAL REFERENCE TO CHENNAI BRANCH

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ABSTRACT:

Nowadays Electronic banking is a very common service that is used by every person in a way or another for making transactions. Banks offers wide range of E banking services. Banking industry has revolutionized the E banking services with the help of technology. In the fight of gaining huge market share every organization focuses on offering best quality service so that the customer can be satisfied and hence retained. The main objective of the study is to study on service quality of digital banking services of AXIS Bank with special reference to Chennai Branch. The sample size of the study is 108. Descriptive research method and convenience sampling technique has been adopted in the study. Simple percentage analysis, chi-square analysis and correlation have been applied in the study to reach the findings. It is suggested that the bank must provide various advertisements in various channels to inform their services. They must provide good quality services to the customers in order to satisfy them. It is concluded that the reach of electronic banking has swiftly increased due to the Telecommunication Infrastructure development in India. Overall, E-banking is at one roof under which numerous customers may perform various transactions electronically in the same time even without visiting branch. This study can help the banks to know its customers opinion and find the solution through customers' perspective. It can help them easily to achieve customer satisfaction.

Keywords: Service Quality, Digital Banking, Services, Transaction.

1.INTRODUCTION

Digital Banking is commonly addressed as Online banking, Internet Banking, Electronic banking, or Virtual Banking. Digital Banking or Online Banking refers to all the financial transactions undertaken by any financial institutions over the Internet. Digital Banking uses telecommunication and electronic networks to deliver numerous banking services and products. A customer can access their account and conduct several transactions through Digital Banking with a

computer or a mobile phone. Digital Banking allows customers to transact money transfers between their accounts, or to a third-party account. Customers must have enough funds and a recipient or payee information to make the transaction. Through Online Banking, customers can invest and purchase a certificate of deposit from their respective bank. Internet Banking allows customers to compare the availability of all the offers and their terms, for example, Maturity periods or APY.

2.OBJECTIVES OF THE STUDY Primary objective

- To study on service quality of digital banking services of Axis Bank Ltd with special reference to Chennai Branch

Secondary objectives

- To evaluate the perceived service quality of digital banking services of Axis Bank Ltd.
- To ascertain the dimensions of service quality such as convenience, reliability, responsiveness, assurance and security, web aesthetic of Axis Bank Ltd.
- To know the satisfaction level of the customers towards the digital banking services offered by the Axis Bank Ltd.
- To offer suggestions to improve the service quality of digital banking services of Axis Bank Ltd.

3. RESEARCH METHODOLOGY

Sample Size

The study based only on the opinion of customers of Axis Bank Ltd, Chennai branch. Total number of samples taken for the study is 108 respondents.

Sample design

Simple Random sampling techniques were used for the study. Random sampling is a part of the sampling technique in which each sample has an equal probability of being chosen.

A sample chosen randomly is meant to be an unbiased representation of the total population.

METHOD OF DATA COLLECTION

1. Primary data

Primary data means data which is fresh collected data. Primary data mainly been collected through personal interviews, surveys etc. Well-structured questionnaire has been used for the collection of primary data from the respondents.

2. Secondary data

Secondary data means the data that are already available. Generally speaking, secondary data is collected by some organizations or agencies which have already been processed when the researcher utilizes secondary data; the process of secondary data collection and analysis is called desk research. Secondary data provides economy in time and cost. It is easily available and unbiased. Secondary data may either be published data or unpublished data. For this study secondary data were collected from the annual reports of the company and from the company website. Secondary data has been collected from the company record, various magazines, journal and various web sites.

LIMITATIONS OF THE STUDY

1. The study is restricted to Axis Bank Ltd, Chennai Branch only, it does not suitable for other branches.
2. This study only analyzed Digital Banking only, not other services of banks.
3. Due to the time constraints, only specific sample size 108 from the entire segment has been considered for the study.
4. Whatever the data had been gathered is based on suggestive study but not exhaustive study.
5. The researcher found it difficult to collect the questionnaire, since some of the respondents did not give proper response.

4. REVIEW OF LITERATURE

Joseph et al. (2010) evaluated the impact of electronic banking on the service delivery by the banks to its customers. Researchers reviewed that when customers were in direct contact with the technology (such as internet banking), they can exercise better control, whereas when there was absence of direct contact (such as telephone banking), lesser control was perceived. A sample of 440 electronic banking customers was taken, and 300 usable questionnaires were analyzed. Six factors model was used

to adequately represent the data, and the factors chosen were convenience, accuracy, efficiency, queue management, accessibility and customization.

The study examined customers' perception for electronic banking services, attributes of electronic banking services and consumer perception of Digital Banking. The study suggested that banks should provide statements of all transactions; customers should be provided toll free numbers; and banks should also develop electronic banking facilities to meet the needs of elderly and disabled people.

Mantel (2010), in his study, proposed a framework for describing why consumers use electronic banking products such as electronic bill payment, credit cards, debit cards, stored value and e-cash for their banking needs. The author explained that consumer behaviour was consistent with their preference, which includes convenience, incentives, control, privacy, security and personnel involvement. The paper suggested that consumers make rational decisions regarding the use of alternative of E-payment instruments rather than irrationally resistant to change. Migration towards electronic banking products was more dependent on establishing business cases rather than overcoming consumer reluctance. Further, the study provided that greater control, convenience and communication power were some of the reasons which made the consumers shift to electronic payment products.

Fang and Shih (2014), in their paper, highlighted that with the liberalization and internalization of the financial market, banks had to face intense pressure for high service quality and administrative efficiency. The authors made an attempt to prove that how an individual's belief, attitude, subjective norms and perceived behaviour could influence the bank to change its strategy and policy according to their need and convenience. Theory of planned behaviour (TPB) and theory of reasoned action (TRA) were studied for the said purpose. The results of the study were supported towards TPB and TRA and provide a good fit to the data. The authors concluded that banking online proved to be extremely beneficial to the customers because of saving in cost, time, space it offers and its quick response to complaints and its delivery of improved services.

Singh and Singh (2014) described that technology has provided customers new ways of delivering the products. Banks began to look Digital Banking as a mean to replace traditional banking. Digital Banking products and services like ATM, EFT were a source of differentiation for all the banks. The researchers analyzed the revised technology adoption life cycle model. Customers were divided into five categories that are innovators, visionaries, pragmatists, conservatives and skeptics and application of technology and marketing of banking services was done on that basis. The authors explained that the banks required a dynamic strategic technique for adoption of

innovative technology. As customers became more sophisticated, it becomes imperative for the banks to consider the use of technology to respond to the continuous changing requirement.

Raopun (2015) evaluated the level of internet banking services in Thailand and compared the overall service quality of internet banking. The author used eight dimensional quality model given by David A. Garvin, namely, performance, features, reliability, conformance, durability, serviceability, aesthetics and perceived quality. The results of the study indicated that reliability, security system and information accuracy were the most important perspectives and least important was the perceived quality of commercial bank. The results of the study could be used as a guideline to set up a form of service in order to satisfy the needs of target group accurately and appropriately.

5. TESTING OF HYPOTHESIS

- Simple Percentage analysis
- Independent T-test
- Correlation

INDEPENDENT T TEST RELATIONSHIP BETWEEN GENDER OF THE RESPONDENT WITH IMPACT ON CONVENIENT WAY OF OPERATING BANKING TRANSACTIONS

Null hypothesis H0:

There is significance difference between gender of the respondent with impact on convenient way of operating banking transactions

Alternative Hypothesis H1:

There is no significance difference between gender of the respondent with impact on convenient way of operating banking transactions

Group Statistics

| CONVENIENT WAY OF OPERATING BANKING TRANSACTIONS | GENDER OF THE RESPONDENTS | N | Mean | Std. Deviation | Std. Error Mean |
|--|---------------------------|--------|--------|----------------|-----------------|
| | Male | 57 | 1.6842 | .63127 | .08361 |
| Female | 51 | 3.6667 | .65320 | .09147 | |

Independent Samples Test

| | | Levene's Test for Equality of Variances | | t-test for Equality of Means | | | | | | |
|--|-----------------------------|---|------|------------------------------|---------|----------------|-----------------|-----------------------|---|----------|
| | | F | Sig. | t | df | Sig. (2tailed) | Mean Difference | Std. Error Difference | 95% Confidence Interval of the Difference | |
| | | | | | | | | | Lower | Upper |
| CONVENIENT WAY OF OPERATING BANKING TRANSACTIONS | Equal variances assumed | .160 | .690 | -16.028 | 106 | .000 | -1.98246 | .12369 | -2.22768 | -1.73723 |
| | Equal variances not assumed | | | -15.997 | 103.777 | .000 | -1.98246 | .12392 | -2.22821 | -1.73670 |

INTERPRETATION

The mean difference of the above P value is 0.690 and the sig value is less than .050 (5%). So, there is a significant relationship between independent variables such as gender of the respondents with impact on convenient way of operating banking transactions.

CORRELATION ANALYSIS

RELATIONSHIP BETWEEN AGE OF THE RESPONDENTS AND BANKING SERVICES PROVIDES HELPFUL GUIDANCE IN PERFORMING THE TASK

Correlations

| | | AGE OF THE RESPONDENTS | INTERNET BANKING SERVICES PROVIDES HELPFUL GUIDANCE IN PERFORMING THE TASK |
|--|---------------------|------------------------|--|
| AGE OF THE RESPONDENTS | Pearson Correlation | 1 | .896** |
| | Sig. (2-tailed) | | .000 |
| | N | 108 | 108 |
| INTERNET BANKING SERVICES PROVIDES HELPFUL GUIDANCE IN PERFORMING THE TASK | Pearson Correlation | .896** | 1 |
| | Sig. (2-tailed) | .000 | |
| | N | 108 | 108 |

** Correlation is significant at the 0.01 level (2-tailed).

INFERENCE

The Above table indicates that out of 108 respondents, co-efficient of correlation between ages of the respondents and banking services provides helpful guidance in performing the task is 0.896. It is below 1. So, there is positive relationship between ages of the respondents and banking services provides helpful guidance in performing the task.

SUGGESTIONS

- The bank must provide various advertisements in various channels to inform their services.
- They must provide good quality services to the customers in order to satisfy them.
- The Internet banking website must have a clear and easy guidance screen.
- There must be speediness in completing the transactions and its must be easy one to navigate to simply use.
- There should be convenient way of operating banking transaction to the customers.

CONCLUSION

Customers are the most essential asset of any business. The result of a business depends upon how far they satisfy their customers' expectations. Banks are the most important social organization rendering various financial services to its customers. Various committees were set up to give recommendations to improve the service to customers in banks. Today by clicking the mouse offers customers banking services at a minimal cost and also empowers them with extraordinary freedom in choosing vendors for their financial service needs. The reach of electronic banking has swiftly increased due to the Telecommunication Infrastructure development in India. Overall, E-banking is at one roof under which numerous customers may perform various transactions electronically in the same time even without visiting branch.

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