

Review Paper- “A STUDY ON THE FACTORS AFFECTING CUSTOMER PREFERENCE OF ONLINE BANKING SERVICES WITH GP PARSIK BANK”

Ms. Pooja Takale¹, Mrs. Megha M Bhoagwar²

¹Student of Master Management Studies, Alamuri Ratnamala Institute of Engineering and Technology,
University of Mumbai,
poojatakale777@gmail.com

² Associate Professor, MMS Department, Alamuri Ratnamala Institute of Engineering and Technology
mmscho.armiet@gmail.com

Abstract –

E-Banking and a decent budgeting application at your fingertips makes budgeting and handling your account even easier. When making payments or calculating your monthly savings and expenditures, you can keep track of real-time expenses. Online banking allows consumers to access general information and accounts of bank products and services through PC or other intelligent systems, which has a significant impact on the growth of more convenient payment mechanisms and user-friendly banking services in the banking industry.

When every day is a race against time in our hectic lives, we look for ways to save time as much as we can. E-Banking is one of the technology advancements that help consumers to perform their financial transactions on a secured platform from a retail or automated bank, credit union, or any financial institution. E-Banking, also known as electronic banking, is the digital distribution of new banking services and products to customers directly through electronic, interactive contact networks. There are various types of banks such as commercial banks (which are engaged solely in banking activities), investment banks (for capital market activities), cooperative banks (non-profit banks), postal savings banks (associated with postal systems) and private banks (managing the assets of high-net-worth people).

Keywords – CUSTOMER SATISFACTION, DIGITAL BANKING, CUSTOMER FEEDBACK, COMPARATIVE ANALYSIS, CUSTOMER SUPPORT

I. INTRODUCTION-

The word 'bank' was borrowed from European languages, literally meaning 'bench' or 'counter'. Banking system evolved in the 14th century in Italy. By the 18th century, merchants of London had started storing their gold with goldsmiths who charged a fee and issued receipts. A banker is a person who discharges his duties in the form of operating customer accounts and, paying and collecting cheques.

bank is a financial institution and a financial intermediary that borrow money by accepting the money deposited in current accounts, by accepting term deposits and issuing securities on banknotes and bonds. They also create new capital by giving loans. Banking activities can be for retail, in which the customers and small businesses are involved directly with the bank; for businesses for large corporate houses and for investments.

According to the Indian Banking Regulation Act defined banking as the 'Accepting the deposits of money from the public which are repayable on demand for the purpose of lending or investment of the money acquired from the public in the form of deposits.

Online banking allows you to conduct financial transactions via the Internet. Online banking is also known as Internet banking or web banking.

Online banking offers customers almost every service traditionally available through a local branch including deposits, transfers, and online bill payments. Virtually every banking institution has some form of online banking you can access through a computer or app.

KEY TAKEAWAYS

- Online banking allows you to conduct financial transactions via the Internet.
- You aren't required to visit a bank branch in order to complete basic online banking transactions.
- You need a device, an Internet connection, and a bank card to register for online banking.

HISTORY OF GP PARSİK BANK: -

In the year 1972 the Government of Maharashtra acquired all agricultural land of 68 villages of Thane Belapur belt in Thane district of Maharashtra, for the purpose of setting up a new city i.e. "New Bombay". To equip the project affected persons and their family members with strength and ability, to survive with new urban means of livelihood, it was necessary to provide them financial assistance. With a view to provide financial assistance, generate employment and means of livelihood, Late Shri. Gopinathdada Shivram Patil (M.com, LLB), a great visionary Leader along with a group of youngsters of Kalwa village took the initiative of formation of Urban Co-operative Bank.

The bank depicts transparency, trust, customer service, excellence and team work as its Core Values. With the consistent and concerted efforts of all the devoted Directors, employees and well-wishers, the bank achieved “Scheduled Status” on 30th January, 1998. Consequent upon achieving Scheduled Status the area of operation of the Bank was extended to the entire State of Maharashtra. The bank had succeeded in opening 14 Branches and 2 Extension Counters with business-mix of Rs.180.83 Crores which includes deposits of Rs.119.18 Crore and Advances of Rs.61.65 Crore. The bank showed commendable CASA of 46% and also “Zero” percent of Net NPA. This percentage was outcome of persistent and dedicated efforts taken by selfless directors and employees.

II. OBJECTIVES OF THE STUDY-

- a) To compare the factors affecting the inclination of old generation with new generation towards online banking services
- b) To find out the major problems faced by the customer while using online banking services
- c) To know about the satisfaction level of customer towards online banking services provided by GP
- d) PARSIK BANK
- e) To study the existing processes of the bank

VISION STATEMENT: -

“Strive To Achieve Highest Level of Ethical, Efficient and Effective Customer Service with Robust Technological Support Through Highly Motivated and Committed Professional Staff with Social Responsibility.”

MISSION STATEMENT: -

“Excellent Customer Service with Transparency, Trust, and Timely Updated Technology Through Diversified

Products for Consistent Growth OF the Bank and the Customers.”

BANK'S CORE VALUES

1. Transparency

The bank believes in creating transparency by adopting honest and fair business practices. This makes them one of the preferred stakeholders

2. Trust

The bank believes that their wealth is their customers. They believe in creating long-term relationships with their customers.

3. Customer Services

They believe in providing customer satisfaction by adding new techniques and value addition to ensure that customers are satisfied in the best possible manner.

OBJECTIVE OF GP PARSIK SAHKARI BANK: -

- a) To observe the guidelines issued by RBI on payment systems through various customary as well as electronic channels, customer service and render the qualitative customer service.
- b) To address the grievance of the customer of the bank in that behalf.
- c) To evaluate the grievance without prejudice.

KEY RESULT AREAS

OBJECTIVES OF THE STUDY

To compare the factors affecting the inclination of old generation with new generation towards online banking services

To find out the major problems faced by the customer while using online banking services

To know about the satisfaction level of customer towards online banking services provided by GP PARSIK BANK

To study the existing processes of the bank

III. DIGITAL BANKING – INTERNET BANKING

This service provides internet access to almost every banking service, usually available through a local branch including transfers, deposits, and online payments to customers. Online banking can be accessed by anyone who has registered for online banking, has a valid bank account or any financial institution. After registering online banking services, the customer should not visit the bank every time he or she wants to receive banking assistance. Not only is it easier but also a secure banking system. Net banking sites are protected by unique user / customer IDs and passwords.

Characteristics of Internet Banking are

- a) Checking the balances of all linked account
- b) Mini statement

- c) Demand for statement
- d) Status of applied cheque book
- e) To check whether the cheques are cleared or pending
- f) Check loan disbursement details

SWOT ANALYSIS OF G.P. PARSIK BANK

STRENGTH

- a) It is a public sector undertaking. Hence it, has government backing
- b) More than 50yearshence, Expert in this field.
- c) Profits increasing over the years
- d) High level of connectivity to common man in some parts of the Maharashtra.

WEAKNESS

- a) Taking less risk
- b) Advertising is very less as compared to major players.
- c) Ignorance Marketing

OPPORTUNITY

- a) Can capture more Rural areas.
- b) Installation of ATMs. Can be done more
- c) small enterprise banking improved urban retail banking.

THREAT

- a) Highly competitive environment.
- b) new bank licenses.
- c) Economic Slowdown

IV. RESEARCH AND CHALLENGES FACED BY COMPANY-

A STUDY OF FACTORS AFFECTING CUSTOMER PREFERENCE OF ONLINE BANKING SERVICES WITH GP PARSIK BANK NAUPADA BRANCH

Every bank offers online banking services. Customers favor online banking because it allows for speedy money transfers. Customers now prefer online banking over traditional banking. Money can be sent.

LIMITATION OF THE STUDY

1. The study is restricted to only one bank.
2. The study was carried out by a survey of 50 people.
3. The study is only restricted to the online banking services of GP PARSIK Bank.

v. REVIEW OF LITERATURE –

Rakesh H M & Ramya T J (2014) in his research paper tried to study the factors that influence the adoption of internet banking. By using PLS model it was successfully proved that internet banking is influenced by reliability of perceives. Perceived use of ease in marketing process of internet banking services should analyses these benefits its adoption provides can also be improved to attract customers attention towards online banking services.

Amruth Raj Nippatlapalli studied the most important factors affecting the intention of whom to adopt online banking. The study showed that digital literacy, resistance to change, perceived risk, and perceived usefulness were the important variables that were affecting the use of online banking.

DorraGherib (2014) in his research paper “Adoption of Online Banking Case of Tunisian Banking Sector” tried to see the hold of online banking in the Tunisian banking industry. The main aim was to determine the factors that boost or slow down the adoption of online banking indeed, his research had exposed few variables that affects application of technological innovation.

Pooja Malhotra & Balwinder singh in their research paper impact of online banking on bank performance and risk described the state of online banking in India and studied their implications for the Indian banking industry though it assumes to check the impact of online banking on banks performance and risk according to their survey 85 scheduled commercial banks provides transactions through online banking.

Anil Kumar & Manoj Kumar Dash studied which factors had an impact on the intention to adopt internet banking services in India. The results of the study were that Perceives Security Risk, Perceives Usefulness, Perceived ease of use Social Influence had a significant impact on the adoption of online banking services.

DATA ANALYSIS AND INTERPRETATION

This chapter deals with the data analysis and interpretation. Data had been Collected using questionnaire. Questionnaire had been distributed to customers Sample had been collected using convenient sampling technique. All the 50 respondents are selected as per convenience.

This chapter is an attempt to analyses the response of people using Online banking services This study also helps to find out the perception of customers towards online banking Services

vi. RESULTS AND RECOMMENDATIONS – FINDINGS

- A. 100% of the respondents are using online banking services.
- B. There are few customers who are not likely satisfied with their services
- C. Majority of the customers were aware of the online banking services at the time of account opening

- D. Majority of the customers have their saving deposit account for their banking needs
- E. Majority of the customers use online banking services for the online payment purpose and for
- F. purchasing
- G. Customers are more satisfied with online banking services rather than manual banking services
- H. More than Half of the sample size thinks that the online banking services are secure
- I. Only 20% of the customers are not satisfied with the online banking services provided by the bank

SUGGESTIONS

- A. Official website of the bank should be updated at frequent intervals with new rates as per changed
- B. circulars within my internship period there were changes in the service charges and the changes in
- C. interest rates on all loans and deposit accounts hence it becomes difficult for customers to stay updated to all prevailing rates.

- D. More advertising strategies should be adopted by the bank to make the customers aware of the online services offered by banks because not all the respondents had full awareness of the online services provided by the bank.

- E. On regular basis bank faces server slowdown which does not result in smooth functioning of the
- F. services in the bank for e.g., ATM card updating, Modification status, Passbook printing Day book
- G. printing so to counter this issue bank can shift towards adaptive technologies to slowdown the server issues faced by the branch

- H. Majority of the customers preferred simpler & clearer services instead of rewards so it is better for the bank to keep improving services for providing hassle free online banking experience for more convenient banking.

vii. CONCLUSION-

The above study was conducted to study the factors affecting customers preferences towards online banking services provided by GP PARSIK bank with NAUPADA branch. It was clear from the study that all the respondents were using the online banking services provided by the bank. There are huge number of services offered online by bank and all the respondents were availing either this or that services

Similarly, majority of the customers are using online banking services for online purchase and for online payment purpose. Customers prefer online banking services for their better convenience & to make banking services functioning smoothly. Clearer services had made an Effect on promoting online banking services rather than manual banking services

Hence online banking plays a vital role in banking industry after COVID pandemic

viii. BIBLOGRAPHY-

Amruth raj Nipatlapalli (2013) “ a study on customer satisfaction on commercial banks” January 2013 IOSR journal of business and management 15(1):60-86(DOI).

Ezzi S.W (2014) “A theoretical model of internet banking beyond perceived usefulness and ease of use”, Archives of business research, 2(2), pp.31-46.

Kartikeyabolar (2014) “End user acceptance of technology interface in transaction-based environment” Indian journal for applied research 4(2),pp-272-276

Pooja Malhotra and balwinder Singh (2009) “The impact of internet banking on bank performance and risk”, Eurasian journal of business and economics 2(4),43-62

Rakesh HM and Ramya TJ (2014) “a study on factors influencing consumer adoption of internet banking in India” International journal of business and general management (UBGM) Vol.3, issue1 Jan2014, 49-5 56

WEBSITES-

<https://www.thehindubusinessline.com/money-and-banking/urban-co-operative-banks-face-dual-challenges/article30390395.ece/amp/>

<https://www.nelito.com/blog/the-top-10-cooperative-banks-in-india-2022.html>

BOOKS-

"The Digital Tsunami: Succeeding in a World Turned Upside Down!" by Abhijit Bhaduri: Abhijit Bhaduri discusses the impact of digital transformation, including online banking, on businesses and customer preferences.

"The Digital Transformation Cookbook: Master the Art of Executing Digital Transformation" by Subramanian MS: Subramanian MS explores various aspects of digital transformation, including its impact on the banking sector in India.