SCRUTINY ON THE CLIENT RETENTION OF E-SERVICE QUALITY IN ONLINE ANKING: - WITH SPECIAL REFERENCE TO TAMIL NADU

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ABSTRACT

Online Banking services are essential to human life. Lately, due to the ever-changing technologies and demands of bank customers, banks have faced operational difficulties. As a result, banks have used technology as a method to provide financial services in order to provide reliable customer services. In addition, many international banks and private bank branches operating in India have increased. Competitions in the banking sector are growing, and consumer preferences for online banking services have also risen. In a rapidly evolving banking industry, product variations are difficult, since most banks offer similar services. It is therefore important that banks differ from other banks in terms of quality of service

INTRODUCTION

Online banking is a form of electronic commerce which allows consumers to directly buy goods or services from a seller over internet using web browser. Consumer finds a product of interest by visiting Website of retailer directly or by searching among online vendors. Using a shopping search engine which displays the same product available and pricing at different e-Retailers. The term does not only include buying things online but also searching for them online. Online banking has been around for about twenty-five years. It has grown in popularity significantly. Today, we can transaction nearly anything online. In fact, retail experts say that Online banking will soon overtake traditional shopping in monetary terms. Search engines and online price comparison services are useful for finding sellers of a specific product. The biggest challenge for online shopping is to provide and maintain Client satisfaction. A key success factor to survive in a fierce competitive e-environment is a strategy that focuses on services. A company must deliver superior service experiences to its customers, so that they will re transaction and be loyal to the bank. E-services are services which use the Information and communication techniques. The three main services of e-commerce are Service provider, Service receiver and channel of service delivery. Internet is the main channel of service delivery. The concept of service quality can be defined a consumer's overall evaluation and judgement of excellence and quality of e-service offering in a virtual transaction. E-Service Quality is the difference between customers' expectations for service performance priorities the service encounters and their expectations about service performance prior to the service offering. E-service quality has various definitions, Santos (Santos, 2003) suggest that it can be defined "as the consumer's overall evaluation and judgment of the excellence and quality of e-service offerings in the virtual transaction." The most commonly used definition of e-service quality is "the extent to which a website. In the service industry, definitions of service quality tend to focus on meeting customers' needs and requirements and how well the service delivered meets their expectations. In order to deliver and maintain service quality, an organization must first identify what it is that constitutes quality to those whom it serves.

1.2 OBJECTIVES

To know whether the customers are aware about e service.

To study the factors leading to e-service quality of Online banking.

To identify the efficiency of Online banking.

1.3 SIGNIFICANCE OF STUDY

The study gives significant importance to find the factors that influence the e-service quality through Online banking. To know the "fulfilment and responsiveness" function is significantlyrelated to the

Client loyalty. To know the Client satisfaction and transaction intentions through Online banking.

1.4 STATEMENT OF THE PROBLEM

Most of the people may not have the knowledge regarding online service quality. This research is conducted to find out the knowledge and satisfaction of people regarding online service quality. Unfortunately, many people fail to succeed due to lack of accuracy in online activities. This research problem is to find out the satisfaction of people in Kottayam district while using online service quality

1.5 HYPOTHESIS OF THE STUDY

H0: There is no association between Client retention and the E- service

H1: There is association between Client retention and the E- service

1.6 RESEARCH METHODOLOGY

Source - Primary source of data has been used

Population - People of Kottayam town have been considered.

Sample size - 80 respondents

Sampling technique - Using convenience sampling

Tools for analysis - Data was analyzed using Techniques like tables, graphs and results are

interpreted.

1.7 LIMITATIONS OF THE STUDY

- Data will be collected through questionnaire method and as a result information is subjected to individual bias.
- Errors of convenient sampling is applicable.

LITERATURE REVIEW

Santos (2003): E-service quality can be defined as overall Client evaluations and judgments regarding the excellence and quality of e-service delivery in the virtual transaction.

Yang and Jun, 2002; Wolfinbarger and Gilly (2003): Research over the past two decades has demonstrated that service quality influences consumption decisions, but only recently these findings have been applied to e-commerce.

van Riel et al (2001): Customers are unlikely to evaluate each sub-process in detail during a single visit to an online store, but rather will perceive the service as an overall process and outcome.

Yang (2001): For online customers, high standard e-service quality is the means by which the potential benefits of the internet can be realized.

Parasuraman et al. (1988) conceptualize service quality as the relative perceptual distance between Client expectations and evaluations of service experiences and service quality using a multisite scale called the SERVQUAL model. The SERVQUAL model includes the five dimensions of tangibles (physical facilities and the appearance of personnel), reliability (ability to perform the promised service dependably and accurately), responsiveness (willingness to help customers and provide prompt service), assurance (employee knowledge base which induces Client trust and confidence), and empathy (caring and individualized attention provided to customers by the service provider).

Parasuraman and Grewal (2000) suggested that research is needed on whether "the definitions and relative importance of the SERVQUAL dimensions change when customers interact with technology rather than with service personnel".

Wu (2003): Analyzing Client evaluations of Online banking is particularly interesting to academics and practitioners, especially in the field of e-commerce.

Ajzen and Fishbein (1980): The theory of reasoned action proposes that behavior can be predicted from intentions that correspond directly (in terms of action, target and context) to that behavior.

Zeithaml (2000) modified the SERVQUAL scale in his study of the e-service environment and he proceeded to identify 11 dimensions namely ease of navigation, access, flexibility, efficiency, reliability, security/privacy, customization/personalization, responsiveness, site aesthetics, assurance/trust and price knowledge.
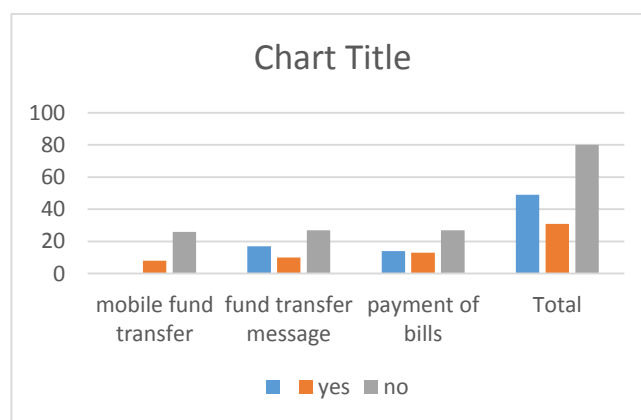
DATA ANALYSIS

Finding From the Hypothesis

Hypothesis:

H0: There is no association between Employee retention and the E- service

H1: There is association between Employee retention and the E- service

CLIENT RETAINED	MOBILE FUND TRANSFER	FUND TRANSFER MESSAGE	PAYMENT OF BILLS	TOTAL
	18	17	14	49
yes	8	10	13	31
no	26	27	27	**80**

	Category 1	Category 2	3	*Row Totals*
Group 1	18 (15.92) [0.27]	17 (16.54) [0.01]	14 (16.54) [0.39]	49
Group 2	8 (10.07) [0.43]	10 (10.46) [0.02]	13 (10.46) [0.62]	31
Column Totals	26	27	27	**80 (Grand Total)**

Chi –square value =1.7359 The *p*-value is .419814. The result is *not* significant at *p* < .05.
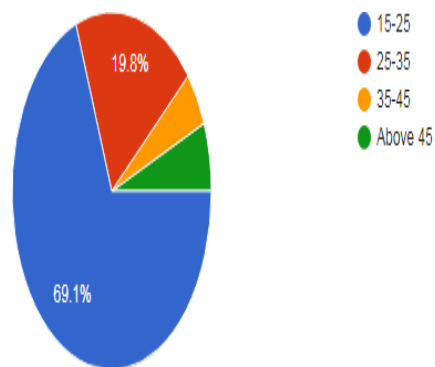
AGE

Table -Age

Age	No of Respondents	Percentage
15-25	56	69.1%
25-35	15	19.8%
35-45	4	4.9%
Above 45	5	6.2%
Total	80	100%

Source: primary data

Interpretation: 69.1% of the respondents were in the age group of 15-25 years, 19.8% were in

Figure 3.2 Age

the age group of 25-30 years, 4.9% were in the age group 35-45 years and 6.2% were above 45 years.

OCCUPATION

TABLE -Occupation

Occupation	No of Respondents	Percentage
Business	8	9.8%
Self-employee	13	17.1%
Student	53	65.9%
Government employee	6	7.3%
Total	80	100%

Source: primary data

Interpretation: If we see the occupation, out of 80 respondents 9.8% were business person, 17.1%

were self-employee ,65.9% were students,7.3% were government employees.

Figure-Occupation
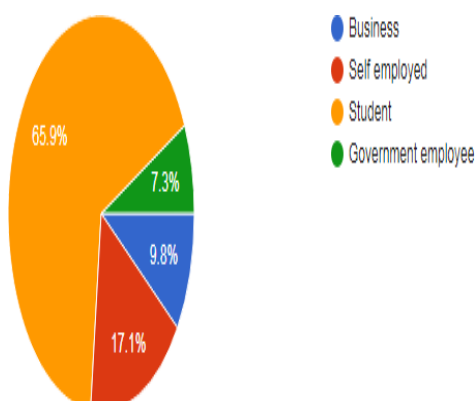
MONTHLYINCOME

Table - Monthly Income

Monthly Income	No of Respondents	Percentage
Below 100000	61	81.4%
200000	13	10%
300000	6	3.6%
Above 300000	0	0
Total	80	100%

Source: Primary data

Interpretation: Out of 80 respondents, 81.4% had an income of less than 100000 rupees,10% had an income of 200000 rupees and 3.6% had an income of 300000 rupees.

Figure - Monthly Income
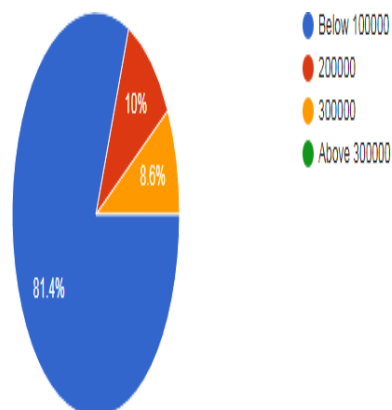
HOURS SPEND ONBROWSING

Table -Hours spend on browsing

Hours spend on browsing	No of Respondents	Percentage
Less than 1 hour	8	9.6%
1 Hour	23	28.9%

2 Hour	17	21.7%
More than 2 hours	32	39.8%
Total	80	100%

Source: Primary data

Interpretation: Out of 82 respondents, 9.6% spend less than one hour for browsing,28.9% spend one hour,21.7% spend two hours and 39.8% spend more than 2 hours for browsing.
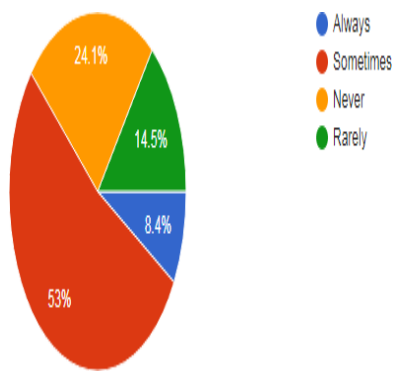
Figure -Hours spend on browsing
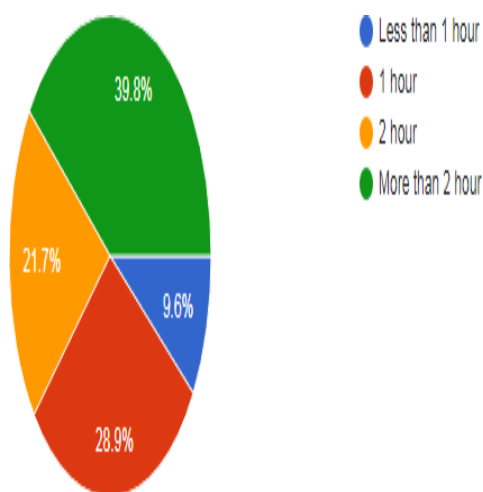
NUMBER OF RESPONDENTS WHO CHECK ONLINE TRANSACTIONS

Table No. of respondents who check online Transactions

Particulars	No of Respondents	Percentage
Yes	56	68.7%
No	24	31.3%
Total	80	100%

Source: Primary data

Interpretation: Out of 80 respondents, 68.7% check online transactions and 31.3% did not check

Figure No. of respondents who check online Transactions

FREQUENCY OF ONLINE TRANSACTION

Figure -Frequency of online transaction

Particulars	No of Respondents	Percentage
Once in a six month	42	50.6%
Within one year	22	30.1%
Never online	3	3.6%
Others	13	15.7%
Total	80	100%

Source: Primary data

Interpretation: 50.6% check online transactions once in a six month, 30.1% check transactions within one year,3.6% never bought online transactions and 15.7% were included in another category.

Figure -Frequency of online transaction
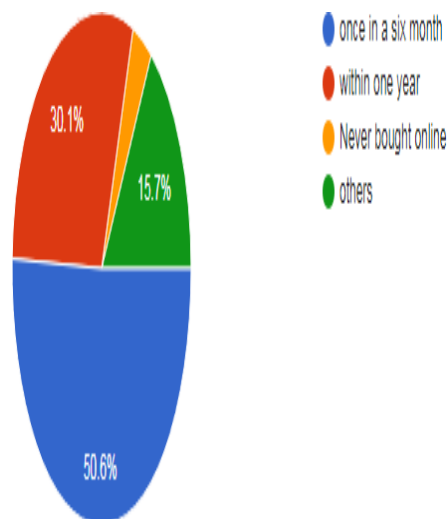
MONEY TRANSACTIONS PER YEAR THROUGH ONLINE BANKING

**Figure -**Money transactions per year through online banking

Particulars	No of Respondents	Percentage
500-1000	30	37.8%
Less than 10000	40	50%

10000-25000	7	8.5%
Less than 50000	3	3.7%
Total	80	100%

Source: Primary data

Interpretation: Out of 80 respondents 37.8% spend 500 to 1000 rupees through online banking per year, 50% spend less than 10000 rupees,8.5% spend between 10000 to 25000 and 3.7% spend less than 50000 rupees.

Figure -Money transactions per year through online banking
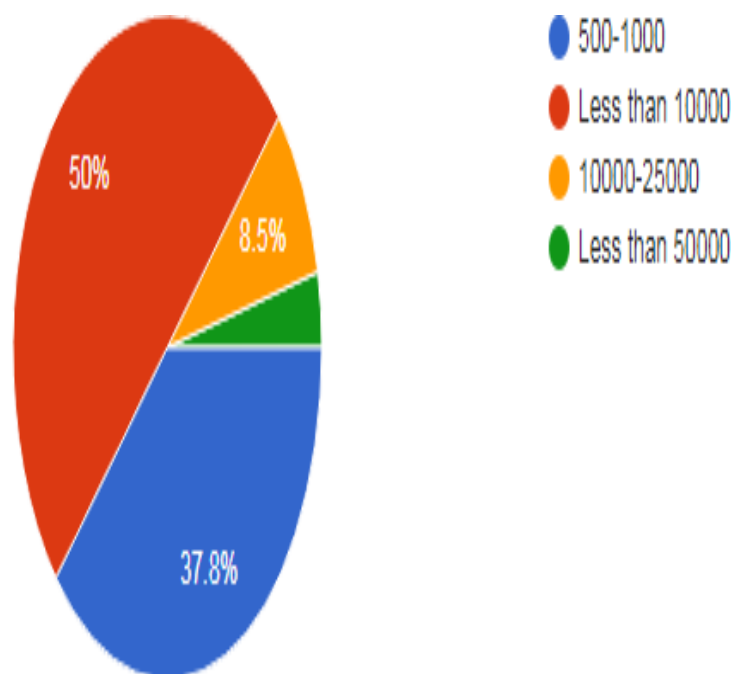
QUALITY OF THEONLINE BANKING SERVICES

Figure - Quality of the online banking services

Particulars	No of respondents	Percentage
Excellent	14	18.3%
Very good	43	52.4%
Fair	22	28%
Poor	1	1.2%
Total	80	100%

Source: Primary data

Interpretation: Out of 80 respondents,18.3% believe that the quality of the online banking services is excellent,52.4% believe that it is very good,28% believe that it is fair and other 1.2% believe that quality of the online banking services is poor.

Figure - Quality of the online banking services
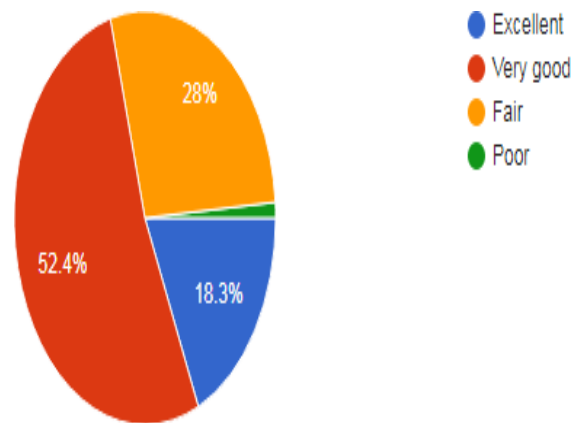
CONFIDENCE ABOUT YOUR PERSONAL INFOTMATION WHICH IS KEPT CONFIDENTIAL WHEN CHECKING TRANSACTIONSONLINE
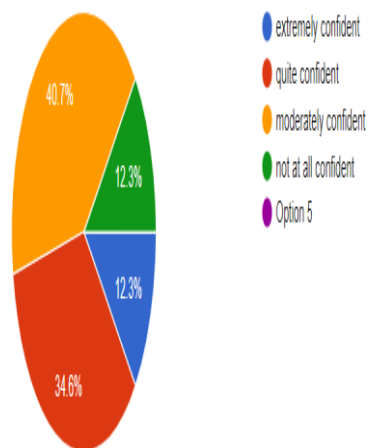
Table -Confidence about your personal information which is kept confidential when checking transactions online.

Particulars	No of Respondents	Percentage
Extremely confident	10	12.3%
Quite confident	27	34.6%
Moderately confident	33	40.7%
Not at all confident	10	12.3%
Total	80	100%

Source: Primary data

Interpretation: 12.3% are extremely confident about online shopping, 34.6% are quite confident, 40.7% are moderately confident, 12.3% are not at all confident.

Figure -Confidence about your personal information which is kept confidential when checking transactions online.

## CONFIDENCE ABOUT YOUR PAYMENT INFORMATION WHICH IS KEPT SECURE WHEN CHECKING TRANSACTIONSONLINE

Table: -confidence about your payment information which is kept secure when checking transactions online

Particulars	No of Respondents	Percentage
Extremely confident	10	12.3%
Quite confident	42	51.9%
Slightly confident	26	33.3%
Not at all confident	2	2.5%
Total	80	100%

Source: Primary data

Interpretation: 12.3% are extremely confident about payment information, 51.9% are quite confident, 33.3% are slightly confident, 2.5% are not at all confident about the payment information.

Figure -Confidence about your payment information which is kept secure when checking transactions online
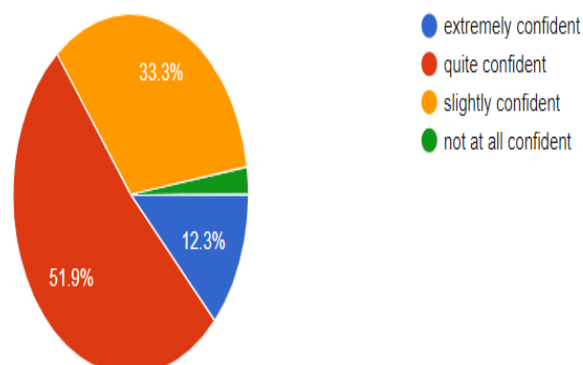
## OFTENNESS OF PRIVACY CONCERNSPREVENTING RESPONDENTS FROM CHECKING TRANSACTIONSONLINE

Table -Oftenness of privacy concerns preventing respondents from checking transactions online**.**

Particulars	No of Respondents	Percentage
Always	4	4.9%
Most of the time	31	39.5%
Once in a while	35	43.2%
Never	10	12.3%
Total	80	100%

Source: Primary data

Interpretation: 4.9% are always concerned about privacy of online shopping, 39.5% are concerned about it most of the time, 43.2% are concerned about it once in a while and 12.3% are not concerned about it.

Figure -Oftenness of privacy concerns preventing respondents from checking transactions online.
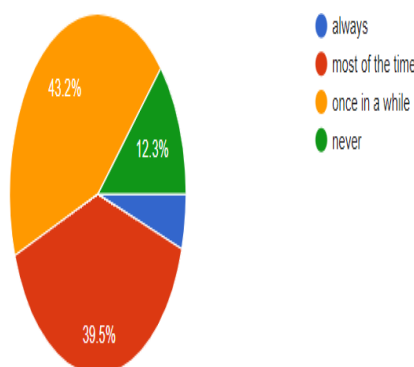
FINDINGS, SUGGESTIONS AND CONCLUSION

FINDINGS

69.1% of the respondents were in the age group of 15-25 years, 19.8% were in the age group of 25-30 years, 4.9% were in the age group 35-45 years and 6.2% were above 45 years.

If we see the occupation, out of 80 respondents 9.8% were business person, 17.1% were self-employee ,65.9% were students,7.3% were government employees

Out of 80 respondents, 81.4% had an income of less than 100000 rupees,10% had an income of

200000 rupees and 3.6% had an income of 300000 rupees.

Out of 82 respondents, 9.6% spend less than one hour for browsing,28.9% spend one hour,21.7% spend two hours and 39.8% spend more than 2 hours for browsing.

Out of 80 respondents, 68.7% check online transactions and 31.3% did not check

50.6% check online transactions once in a six month, 30.1% check transactions within one year,3.6% never bought online transactions and 15.7% were included in another category.

Out of 80 respondents 37.8% spend 500 to 1000 rupees through online banking per year, 50% spend less than 10000 rupees,8.5% spend between 10000 to 25000 and 3.7% spend less than 50000 rupees.

Out of 80 respondents,18.3% believe that the quality of the online banking services is excellent,52.4% believe that it is very good,28% believe that it is fair and other 1.2% believe that quality of the online banking services is poor

12.3% are extremely confident about online shopping, 34.6% are quite confident, 40.7% are moderately confident, 12.3% are not at all confident.

12.3% are extremely confident about payment information, 51.9% are quite confident, 33.3% are slightly confident, 2.5% are not at all confident about the payment information.

4.9% are always concerned about privacy of online shopping, 39.5% are concerned about it most of the time, 43.2% are concerned about it once in a while and 12.3% are not concerned about it.

SUGGESTIONS

- Complaints should be handled properly.
- Personal information should be handled carefully.
- There should not be any delays in delivery of products.
- Complete information about the product should be provided.

CONCLUSION

From the study it is clear that majority of respondents spend more than two hours for browsing. The analysis reveals that respondents click on advertisement if ads look interesting. From the study it is clear that most of the respondents transaction once in a six month. When the Online banking is compared with traditional shopping, most of the consumers prefer Online banking over traditional shopping. Most of the respondents prefer amazon for online shopping. Most of them had low trust towards Online banking. From the study it is clear that people transaction based on the quality of the product from Online banking sites. Most of therespondents are moderately confident about Online banking and are concerned about the privacy of Online banking. Majority of respondents believe that Online banking is cost effective and time saving. From the study it is clear that product transactiond through Online banking is delivered on time. The analysis reveal that Online banking sometimes provide after sales service. Most of them agreed that they will buy

products from the same online store if they are satisfied with their products.

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