An Empirical Study on Perception of Customers Towards E-Banking Services of Nationalised Banks in Nagpur

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Abstract

This study explores the perception of customers towards e-banking services offered by nationalised banks in Nagpur, with a focus on factors such as ease of use, security, and customer satisfaction. A descriptive research design was employed, using a structured questionnaire to gather data from 200 respondents. The findings reveal that while a majority of customers are satisfied with the convenience of e-banking services, security concerns remain a significant barrier to broader adoption. Additionally, customers highlighted the need for improved customer support services and a more user-friendly interface. The study concludes that addressing security issues, enhancing customer support, and promoting digital literacy can help nationalised banks improve customer satisfaction and increase e-banking adoption.

Keywords: E-banking, customer perception, nationalised banks, customer satisfaction, banking services, etc.

Introduction

The banking industry in India has undergone a dramatic transformation over the last two decades, primarily driven by technological advancements and policy reforms. One of the most significant changes is the advent and evolution of electronic banking (e-banking), which has revolutionized the way banking services are delivered and consumed. With the rise of digital infrastructure, internet penetration, and smartphone usage, banks have moved from traditional brick-and-mortar branches to digital platforms, allowing customers to access a range of banking services online at their convenience. E-banking encompasses services such as online fund transfers, balance inquiries, bill payments, mobile banking, internet banking, ATM services, and more. It has helped banks enhance operational efficiency, reduce costs, and offer improved customer service, while enabling customers to carry out transactions anytime and anywhere.

Nationalised banks in India, which were traditionally considered conservative in adopting new technologies, have now embraced e-banking as an essential strategy to stay competitive and fulfill customers' growing expectations. These banks, owned and operated by the government, have a significant presence in urban as well as rural areas and cater to a large and diverse customer base. In cities like Nagpur, where the population is rapidly becoming more tech-savvy and digitally literate, e-banking has witnessed a notable increase in usage. However, despite the growing popularity of digital banking, there remain concerns regarding the perception of customers toward these services, especially with respect to trust, security, ease of use, technological barriers, and overall satisfaction.

Understanding customer perception is critical for nationalised banks to fine-tune their digital service offerings, enhance user experience, and foster long-term relationships. A positive perception can lead to increased usage, customer loyalty, and a strong brand reputation, while a negative perception may result in customer attrition and hinder digital adoption. The present study is an empirical investigation into the perceptions of customers towards e-banking services provided by nationalised banks in the Nagpur region. It aims to explore factors that influence customer attitudes, satisfaction levels, and the challenges faced while using digital platforms. The findings are expected to provide meaningful insights to policymakers, bank management, and technology developers for enhancing e-banking experiences and promoting digital financial inclusion.

Literature Review

A substantial body of literature exists on e-banking, examining various aspects such as adoption, user satisfaction, security, and technological acceptance. Davis's Technology Acceptance Model (TAM) and the Unified Theory of Acceptance and Use of Technology

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(UTAUT) have frequently served as foundational frameworks for analyzing users' willingness to adopt new technologies. These models highlight key variables like perceived usefulness, ease of use, and social influence as major determinants in technology adoption, which are also relevant in the context of e-banking.

A study by Gerrard and Cunningham (2003) emphasized that the convenience and time-saving benefits of e-banking significantly influence customer adoption, particularly among working professionals and urban dwellers. Similarly, Pikkarainen et al. (2004) found that the perceived ease of use, trust, and usefulness are crucial drivers behind the successful implementation of online banking services. In the Indian context, research by Sudeep and Thakur (2012) pointed out that the lack of awareness, fear of cyber fraud, and limited digital literacy are major barriers to e-banking adoption, especially among the elderly and rural populations.

Nationalised banks, despite being government-backed, often face criticism for their slow digital transformation compared to private sector banks. Gupta and Bansal (2018) observed that although nationalised banks have made substantial investments in digital infrastructure, customer perceptions are still shaped by service quality, responsiveness, and the security of digital platforms. Furthermore, Sharma and Malhotra (2015) conducted a comparative study between public and private sector banks and noted that customers perceived private banks to be more proactive and efficient in their digital service delivery.

Recent studies have increasingly focused on customer satisfaction and loyalty in the digital banking domain. Research by Ali and Ahmad (2020) highlighted that a secure, reliable, and user-friendly e-banking interface significantly enhances customer satisfaction. Their study also found that customers are more likely to continue using e-banking services when they receive timely support and transparent communication from their banks. In another study conducted in Maharashtra, Patil and Kulkarni (2021) reported that the COVID-19 pandemic accelerated the adoption of digital banking, but also brought to light gaps in customer service, particularly in nationalised banks, which struggled with technical glitches and delayed responses during peak times.

In the specific context of Nagpur, limited studies have explored the nuanced customer perceptions towards e-banking in nationalised banks. While some evidence suggests a growing acceptance among urban customers, the overall satisfaction level remains mixed, with concerns around security and digital literacy still prevalent. This indicates a gap in existing research and the need for localized, data-driven studies to understand customer sentiments and expectations. Thus, the present study seeks to bridge this gap by conducting an empirical assessment of customer perception towards e-banking services offered by nationalised banks in Nagpur. It draws upon existing literature and integrates primary data to evaluate factors such as ease of access, transaction security, reliability, user interface, grievance redressal mechanisms, and the role of customer support in shaping user experiences. By doing so, this research aims to contribute to the growing body of knowledge on digital banking and provide actionable insights to stakeholders in the banking sector.

Methodology:

The present study adopts a descriptive research design to empirically assess the perception of customers towards e-banking services offered by nationalised banks in Nagpur. This design is appropriate as it facilitates the systematic collection and analysis of data to describe the existing customer attitudes, satisfaction levels, and challenges associated with e-banking. Data for the study was collected through a structured questionnaire administered to bank customers who actively use e-banking services. The questionnaire consisted of both close-ended and Likert scale-based questions to capture quantitative insights. A sample size of 200 respondents was selected to ensure adequate representation of the diverse customer base of nationalised banks in the region. The respondents were chosen using convenience sampling, a non-probability sampling technique, due to its practical applicability and ease of access to participants in different parts of Nagpur. The collected data was analyzed using appropriate statistical tools to

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draw meaningful conclusions regarding customer perception and satisfaction with e-banking services.

Objective:

The objective of the study is to examine customer perceptions towards e-banking services provided by nationalised banks in Nagpur, focusing on factors such as ease of use, security, reliability, and satisfaction. It aims to identify key drivers and barriers influencing customer adoption and usage of digital banking platforms.

Data Analysis:

The data collected from 200 respondents through the structured questionnaire was analyzed using descriptive statistics, including frequency distribution, percentages, and mean scores. The demographic profile of the respondents showed that 65% were male, and 35% were female. The age distribution revealed that 48% of the respondents were between 25-40 years, 35% were in the 41-60 years age group, and 17% were above 60 years. In terms of education, 50% of the respondents were graduates, while 30% had completed post-graduation, and 20% had a school-level education.

Table 1 Descriptive Analysis

Demographic Factor	Category	Percentage (%)
Gender	Male	65
	Female	35
Age Group	25-40 years	48
	41-60 years	35
	60+ years	17
Education Level	Graduate	50
	Post-Graduate	30
	School-Level	20

In terms of e-banking usage, 78% of the respondents reported using internet banking, while 22% preferred mobile banking applications. The most commonly used e-banking services were fund transfers (54%), followed by bill payments (30%), and balance inquiries (16%). When asked about satisfaction with e-banking services, 60% of the respondents expressed high satisfaction, 30% were neutral, and 10% expressed dissatisfaction. The ease of use of e-banking was rated highly, with 72% agreeing that it is user-friendly. However, security concerns were a significant issue, with 45% of respondents indicating that they were apprehensive about the security of online transactions.
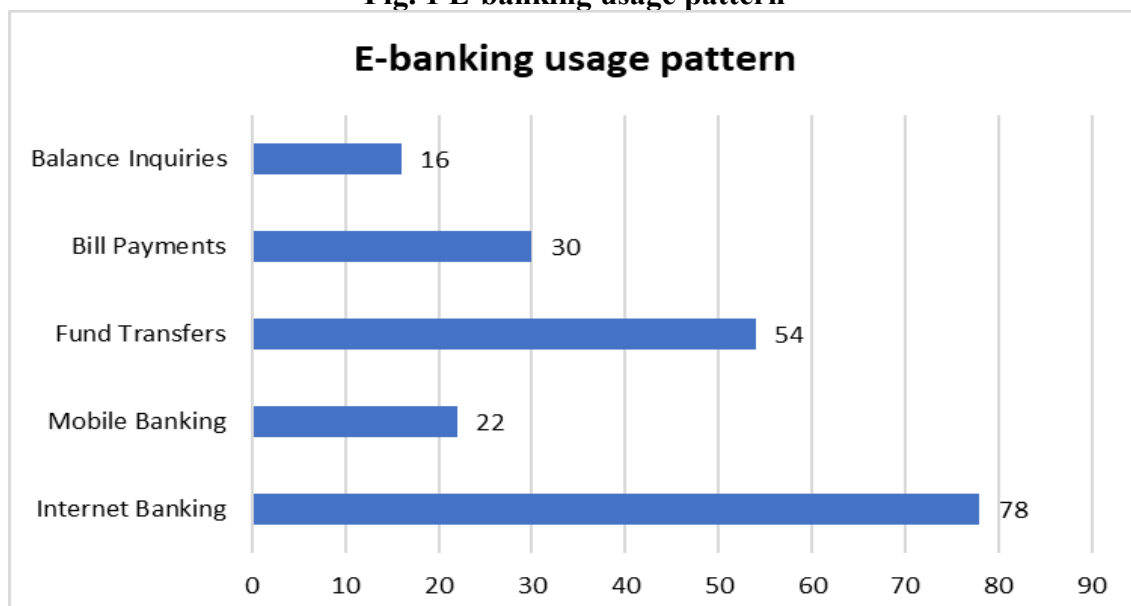
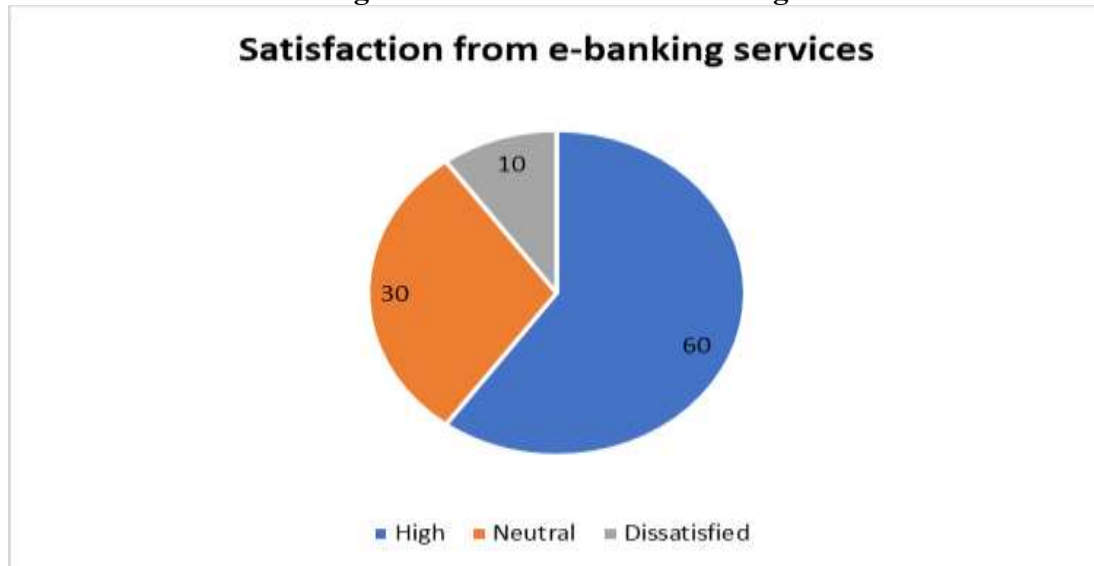**Fig. 1 E-banking usage pattern**

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Fig. 2 Satisfaction from e-banking

Satisfaction from e-banking services

The data reveals that while ease of use is a key factor contributing to high customer satisfaction, security concerns remain a major barrier to broader adoption of e-banking. Respondents indicated a preference for enhanced customer support services, with 55% of users requesting better helpdesk availability and quicker response times for resolving issues. Further, the analysis showed a positive correlation between educational background and usage frequency, with higher adoption rates among respondents with higher education levels.

In conclusion, the findings suggest that nationalised banks in Nagpur have successfully attracted customers to use e-banking services, but there are significant opportunities to improve security features and enhance customer support. By addressing these concerns, banks can improve customer satisfaction and promote wider adoption of digital banking.

Conclusion:

In conclusion, the study has provided valuable insights into customer perceptions towards e-banking services offered by nationalised banks in Nagpur. The results reveal that while e-banking has been widely adopted, with a majority of customers satisfied with its convenience and ease of use, security concerns remain a significant barrier to further adoption. Respondents, particularly those with higher education levels, reported frequent use of e-banking services for transactions such as fund transfers and bill payments. However, a considerable portion of customers expressed apprehension regarding the safety of online transactions, indicating the need for improved security measures. Additionally, customer support services were identified as an area requiring attention, as respondents highlighted the importance of efficient and accessible assistance in resolving issues. Overall, while nationalised banks in Nagpur have made strides in providing digital banking services, there is considerable room for enhancement in addressing customer concerns and improving the overall digital experience.

Recommendation:

To enhance customer satisfaction and increase the adoption of e-banking services, nationalised banks in Nagpur should focus on several key areas. Firstly, improving security features through advanced technologies like two-factor authentication and real-time fraud detection will help alleviate customer concerns. Additionally, banks should invest in better customer support services, offering 24/7 assistance through multiple channels to ensure prompt issue resolution. Digital literacy programs can further support customers, particularly seniors and those in rural areas, in understanding and utilizing e-banking services effectively. Simplifying the user interface and ensuring a more intuitive digital experience will cater to less tech-savvy users, while offering personalized features like customized alerts and tailored financial products can create a more engaging and user-friendly environment. By addressing these areas, banks can

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foster greater trust, enhance user experience, and drive the widespread adoption of digital banking services in Nagpur.

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