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RESEARCH ARTICLE

CUSTOMER'S PERCEPTION TOWARDS E-SERVICE CHARGES LEVIED BY BANKS – A MULTIPLE REGRESSION ANALYSIS

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ABSTRACT

In the recent past, banking sector in India has been working towards providing improved services to its clients by adopting new technologies and introducing faster and improved payment systems. It has become imperative that banks adopt innovative methods of computerization and communication so as to afford a well-designed, strong, and transparent financial infrastructure, backed by efficient payment and settlement systems. In this study customers perception towards e-technology services especially, customers perception towards e-service charges has been analysed using Multiple Regression analysis.

Key words: E-Technology, e-services, e-banking, customers perception, multiple regression, etc.

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INTRODUCTION

The Banks are the main participants of the financial system in India. The Banking sector offers several facilities and opportunities to their customers. All the banks safeguard the money and valuables and provide loans, credit, and payment services, such as checking accounts, money orders, and cashier's cheques. The banks also offer investment and insurance products. As a variety of models for cooperation and integration among finance industries have emerged, some of the traditional distinctions between banks, insurance companies, and securities firms have diminished. In spite of these changes, banks continue to maintain and perform their primary role accepting deposits and lending funds from these deposits. Customer perception is defined as the process by which an individual selects, organizes, and interprets stimuli into a meaningful and coherent picture of the world. Perception has strategy implications for marketers because customers make decisions based on what they perceive rather than on the basis of objective reality. It is described as "how we see the world around us". Two individuals may be exposed to the same stimuli under the same apparent conditions, but how each person recognizes, selects, organizes, and interprets these stimuli is a highly individual process based on each person's own needs, values, and expectations. The influence on each of these variables is perceptual process and its relevance to marketing is explored.

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REVIEW OF LITERATURE

Joseph *et al.* (1999) in their article they concluded that there was a perceptual problem of poor performance of electronic banking facilities compared with ideal banking. Some of the suggestions given by the authors are:

1. Banks should improve the security of ATMs,
2. Banks should develop their electronic facilities to cater to the elderly and disabled,
3. Banks would better serve by using some of their resources on addressing the issues of "accessibility",
4. Banks should provide statements of all transactions that have been conducted electronically,
5. Banks should also provide customers with a toll-free numbers.

Joshua and Moli (2005) have conducted a study to evaluate and compare the service quality of select banks in coastal Karnataka region of Dakshina – Kannada and Udupi Districts. Two old generation banks (Karnataka bank and Corporation Bank) and two new generation banks (ICICI bank and UTI bank) were selected for the study. One Hundred and twenty customers from each of these banks were selected on judgment basis and were administered modified SERVQUAL questionnaires containing the determinants of service quality in banks. It was found that the ICICI bank has outperformed the other 3 selected banks in providing quality service. Further, the performance of the new generation banks across all the service quality dimensions is better than those of old generation banks in the region selected for the study.

Table 1. E – Technology Oriented Service Availed from the Bank

S.No.	Services	Frequency	Percentage
1	Withdrawal – ATM-cum-Debit Card	557	92.8
2	Opening of Account – Online Banking	221	36.8
3	Balance Enquiry – ATM/ Mobile/ SMS/ Online Banking	492	82.0
4	Transfer of Funds - EFT	283	47.2
5	Learn about New Age Banking – Online Banking / Facebook Banking	127	21.2
6	Loan Payment – EFT / Online Banking	128	21.3
7	E-Statement – ATM / Online banking / Mobile banking	329	54.8
8	Order a Cheque Book – Online banking / ATM	122	20.3
9	To know Transaction Details – ATM / Online Banking / Mobile Banking	299	49.8
10	Request DD – Online Banking	162	27.0
11	Online Payment – Online banking	269	44.8
12	E-Shopping – Online Banking / Credit card / ATM	253	42.2
13	Forex Service- Online Banking / EFT	28	4.7
14	Online Trading – Online Banking / Mobile Banking	122	20.3
15	Stop Payment – Online banking / ATM	67	11.2
16	E-Locker – Online Banking	40	6.7
17	Mobile Apps – Mobile Banking	209	34.8
18	Demat-related Enquiry – Mobile Banking / SMS Banking / Online Banking	47	7.8
19	Downloading of Forms – Online Banking	133	22.2
20	Tax Advisory Service – Online Banking / Facebook banking	96	16.0

Source: Primary Data

Table 2. Multiple Regression Analysis of the Selected Variables With Perception Regarding E-Service Charges

S. No.	Factors	Standardized Coefficients(β)	t - value	p - value	S/NS
(Constant)			14.094	0.000	S
1	Gender	-.036	7.856	0.000	S
2	Age	.001	.012	0.991	NS
3	Marital Status	.079	.259	0.209	NS
4	Qualification	.077	6.780	0.000	S
5	Educational Occupation	.103	5.407	0.000	S
6	Family Size	-.029	5.549	0.000	S
7	Family Nature	-.071	4.358	0.000	S
8	Monthly Income	.020	3.423	0.000	S
R ²				0.640	
F change				5.276	
Sig in F Change				0.000**	

Source: Primary Data; **p<0.01, *p<0.05 S-Significant NS- Not Significant

Table 3. ANOVA

Model	Sum of Squares	df	Mean Square	F-value	p-value	S/NS
Regression	442.980	8	55.372	5.276	0.000**	S
Residual	17244.336	590	29.228			
Total	17687.316	598				

**p<0.01, *p<0.05 S-Significant.

Nagadevara and Jagadish (1997) in their report on “Total Branch Automation”, stated that recent surveys have consistently brought out the training deficiency of banks when they go in for automation. Ndubisi and Sinti (2006) examined consumer attitudes, system’s characteristics and internet banking adoption in Malaysia. The research framework links attitudinal constructs such as importance to internet banking needs, compatibility, complexity, trial ability and risk to internet banking adoption. The results of the study reveal that the attitudinal factors play a significant role in internet banking adoption.

MATERIALS AND METHODS

Convenience sampling technique is used for the study, sometimes it is called as “grab or opportunity” sampling. This is a method of choosing items arbitrarily and in unstructured manner from the frame. A well structured questionnaire covering the objectives was framed for the data collection A sample of 600 account holders was selected on the basis of Convenience sampling technique.

To meet the requirements of the study, the data have been collected from both primary and secondary sources. The primary data is collected from customers of State Bank of India & its Associates, Other Nationalised Banks, Old Private Sector Banks, New Private Sector Banks and Foreign Banks with the help of questionnaire. The questionnaire has been prepared in such a way that the customers are able to express their opinion freely and frankly. The questionnaire is the main tool used to collect the pertinent data from the selected sample customers. The secondary data is collected from the available sources such as journals, articles, annual reports of IRDA, bulletins, newspapers, websites, magazines, brochures of various banking companies etc. Multiple Regression analysis is the main statistical tool used to analyse the customers perception towards e-service charges levied by the banks.

Objectives of the study

1. To analyse the extend of e-technology oriented services availed by the customers.
2. To study the customers perception of e-service charges levied by the banks.

Hypotheses

1. There is no significant relationship between demographic profile of the respondents and perception of e-service charges levied by banks.

It is evident from the table that the respondents prefer to avail e-technology services for Withdrawal(92.8 per cent), Balance enquiry(82.0 per cent), E- statement (54.8 per cent), To know the transaction details(49.8 per cent), Transfer of funds(47.2 per cent), Online payment (44.8 per cent), E – Shopping (42.2 per cent), Opening of account(36.8 per cent), Mobile Apps (34.8 per cent), Request DD (27.0 per cent), Downloading of forms(22.2 per cent), Loan payment(21.3 per cent), Learn about new age banking(21.2 per cent), order a cheque book(20.3 per cent), Online trading (20.3 per cent), Tax advisory service (16.0 percent), Stop payment (11.2 per cent), Demat related enquiry (7.8 per cent), E – Locker (6.7 percent) and Forex service(4.7 per cent). Majority of the respondents prefer to avail e – technology service for Withdrawal – ATM-cum-Debit card (92.8 per cent).

Multiple regression analysis

Perception regarding e-service charges

Multiple Regression Analysis of perception regarding e-services charges (Y) was performed with variables and Gender(X_1), Age (X_2) Marital Status(X_3), Educational Qualification (X_4), Occupational status(X_5), Family Size(X_6), Family Nature(X_7) and Monthly Income(X_8). The following regression model is fitted for performance

$$X = b_0 + b_1X_1 + b_2 X_2 + b_3 X_3 + \dots$$

Where b_1, b_2, \dots and b_9 are partial regression coefficients; b_0 - constant the results are presented in the following table.

RESULTS AND DISCUSSION

It is clear that the Adjusted R Square value of model accounts for 64 per cent of variance – a good model and the Standardized Beta Coefficients give a measure of the contribution of each variable to the model. A large value indicates that a unit change in this predictor variable has a large effect on the criterion variable. The t and Sig (p) values give a rough indication of the impact of each predictor variable, namely Gender (t- 7.856, p – 0.000, $p < 0.01$), Educational Qualification (t- 6.780, p- 0.000, $p < 0.01$), Occupational status (t – 5.407, p – 0.000, $p < 0.01$) and Family Size (t -5.549, p- 0.000, $p < 0.01$), Family Nature(t- 4.358, p – 0.000, $p < 0.01$) and Monthly income (t – 3.423, p – 0.000, $p < 0.01$).

It is found that p value suggested that a predictor variable is having a large impact on the criterion variable. Hence, overall ANOVA results, which assesses the overall significance of this model (F- 5.276, p-value- 0.000, $p < 0.01$). This model is statistically significant.

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