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# A STUDY ON DIMENSIONS OF SERVICE QUALITY IN E-BANKING SERVICES

**Dr. Natarajan*** **K. Aruna****
** Associate Professor & Head, Research Supervisor, Government Arts and Science College for Women, Karimangalam, Dharmapuri,TN, India.*
*** Assistant Professor, Department of Commerce, Auxilium College, Vellore, TN, India.*

***Abstract***
*Due to the technological advancement banks have improved its services and operating successfully since last two decades. Banks have been providing E-Banking service to its customers effectively. The present study is to identify the factors influencing service quality of E- Banking services and to classify the E- banking customers on the basis of their perception towards services quality of E- banking. Primary data was collected from e-banking customers of public, private and foreign banks in Vellore District, with help of a structured questionnaire. For the collection of primary data the researcher confined to Vellore City. A sample of 250 respondents who actually used e-banking services was collected by the Convenience Sampling Technique. Data presentation and analysis was done with the help of various tools using SPSS. Reliability, responsiveness, Customization, efficiency, Security, easy navigation was found to be the core service quality dimensions of E-banking services.*

***Keywords: E-Banking, Service Quality, Perception.***

## INTRODUCTION

### Service Quality

Service quality is generally perceived to be a tool that can be used to create a competitive advantage and therefore, substantial research into service and service quality has been undertaken in the last 20 years. Bitner et al. (1990) define service quality as "the consumers' overall impression of the relative inferiority/superiority of the organization and its services." The most common definition of service quality is the discrepancy between consumer's expectations and perceptions of the service received.

Parasuraman et al. (1988, 1991) identified more detailed dimensions of service quality and developed a well-known instrument, called SERVQUAL, to measure customer's perceptions and expectations from service. The SERVQUAL instrument consists of five underlying dimensions, with two sets of 22 item statements for the 'expectation' and 'perception' sections of the questionnaire. Perceived service quality is measured by subtracting customer perception scores from customer expectation scores, both for each dimension and overall. The five dimensions of SERVQUAL are (Parasuraman et al., 1988, 1991):

1. Tangibles, which pertain to the physical facilities, equipment, personnel and communication materials.
2. Reliability, which refers to the ability to perform the promised services dependably and accurately.
3. Responsiveness, which refers to the willingness of service providers to help customers and provide prompt service.
4. Assurance, which relates to the knowledge and courtesy of employees and their ability to convey trust and confidence.
5. Empathy, which refers to the provision of caring and individualized attention to customers.

Since the SERVQUAL was developed in 1988, various researchers have recognized that both the instrument itself and the conceptualization of service quality may benefit from further refinement (for example, Finn and Lamb 1991, Lee and Hing 1995). They have argued that the SERVQUAL instrument needs to be customized to the specific service area. Cronin and Taylor (1992) have developed instruments to measure service quality based only on customer perceptions. After many studies have examined the suitability of SERVQUAL in measuring service quality in different types of service, they tried to adapt the original SERVQUAL items to various service contexts by slightly changing the original items.

## OBJECTIVES

1. To identify the factors influencing service quality of E-banking services.
2. To classify the E-banking customers on the basis of their perception towards service quality of E-banking services.

## REVIEW OF LITERATURE

**David H. Wong, Nexhmi Rexha and Ian Phau (2008)** have aimed to re-examine the role of traditional service quality in an e-banking environment by providing a review of how traditional service quality perceptions have evolved through the current and continuing stream of change in banking technology and the corresponding changes in the nature of how banks interact

with their customers. Data was collected from a mail survey sent out to a commercially purchased mailing list of 2,500 business names and addresses. The overall usable response rate was 30.6 per cent. Quadrant analysis was performed on the service quality dimensions from the SERVQUAL scale. These five dimensions are listed in order of the size of their corresponding service quality gaps from smallest (least dissatisfied) to biggest (most dissatisfied). 1. Tangibles – (smallest service quality gap). 2. Assurance, 3. Responsiveness. 4. Empathy. 5. Reliability – (biggest service quality gap). While the importance ranking of the five SERVQUAL dimensions has not changed dramatically over the years, large discrepancies were found between customer expectations and their perceived performance of traditional banking services. It highlights how high levels of traditional service quality may lead to increased customer trust and thus more successful cross-selling of e-banking products to customer.

**Kamakodi, Basheer and Ahmed Khan (2008)** have conducted a study of e-banking channel acceptance by Indian customers concluded that all banks had totally implemented 'Core banking Systems' or halfway through. A survey result was obtained from 292 respondents about their views on electronic banking channels. The results indicated that the majority of the customers are very comfortable and willing to use e-banking channels. At the same time, over 80% felt that 'human contact is necessary'. This throws up a challenge to banks. Technology alone cannot give a sustainable competitive to the banks. When all banks introduce IT in their technology, IT will lose its position as a differentiator. Beyond a point, IT along with 'personal touch' will retain existing clients and attract new clients. Banks have to incorporate this in their IT and operational strategy.

**Padachi (2008**) has analyzed the factors that influenced the adoption of internet banking. Results based on analysis of data relating to 200 respondents that the mostly used services were inter account transfer, payment to other personal account, transfer to credit card account. Comparing demographic variable of internet banking user to the non-internet banking users, the analysis also.It also revealed that there is no significant difference between the two groups of users with respect to age, education level of the respondents. It was founded that the other important elements features reluctance to change, trust and relationship in bankers, internet accessibility, convenience of use and security concerns.

**Emzio, Salem Ogrirh Omar (2010)** has aimed to determine or examine the factors that influence the adoption of internet banking among bank customers in Libya. In the process of finding the desired objectives, four variables were considered based on previous studies to be the independent variables of this study. To this end, perceived ease of use, perceived usefulness, perceived credibility and computer self efficacy were tested on e-banking adoption. A survey form of study was considered as questionnaires were distributed among the respondents of this study. The subsequent result shows that all the variables considered are significantly related to e-banking adoption.

**Karthikeyan S. and Clement Sudhahar J. (2010)** have found in their studies with 655 customers in Coimbatore that the consumers are aware of its convenience but less numbers have enrolled in internet banking because of poor security and privacy issues. According to the Technology Acceptance Model (TAM), ease of use and usefulness are the main reasons for using the internet usage. Authors concluded that Bank benevolence, bank integrity and bank ability or expertise, are the major factors that influence internet banking trust systems and these are within the control of banks and banks are encouraged to exhibit these characteristics through their marketing systems. Structural assurances which are authentication systems preferably by a third party organization or encryption methods used to protect consumer data are also within the influence of the management of banks. And also include the existing legal systems which provide for the safety of internet banking customers.

**Xina Yuan, Hyung Seok Lee and Sang Yong Kim (2010)** have examined the present and future of Internet Banking in China. They had several objectives. First, it illustrates the history and explosive growth of Internet banking services in China. In general, the development of Internet banking services is still in its nascent stages in China, with a considerable quantity of potential customers. Second, we discuss the characteristics of Internet banking in China. We have determined that Chinese Internet banking transactions tend to be comparatively business-related, and that current Internet banking users skew young, highly-educated, and wealthy. Additionally, there is a regional difference in adopting Internet banking. Third, It also discusses the potential market for Internet banking services in China, and three factors that may influence the development of Chinese Internet banking. Finally, we propose two marketing suggestions regarding the expansion of the Chinese Internet banking market. As mentioned, since non-users of Internet banking are not generally aware of the services available or their benefits, increasing awareness is crucial to increase the rate of Internet banking usage. Banks should take advantage of marketing promotions to build their own brand image. Marketing promotions entail not just advertising, but rather an overarching strategy. A successful marketing promotion should construct a very positive image of a company, which the customer retains. Such an image may involve color choices, font choices, or character choices

**Shah Ankit (2011)** has focused on investigating the major factors that influence online customers' satisfaction with the overall service quality of their banks. And helps in assessing the power of these factors in the context of Online(Internet) banking and would, therefore, help the bank management not only in improving the level of satisfaction but also strengthening the bond between the banks and their customers, thereby helping them to retain and/or expand their overall customer base. This research study revealed that Banking Needs, followed by Core Services, Problem Resolution, Cost Saved, Convenience and Risk and Privacy Concerns were the major factors that strongly affect the overall satisfaction of online consumers. On the other hand, Feature Availability and Consumer Continuation were found to moderately affect the overall satisfaction of customers using Online or Internet banking services. In order to promote customer satisfaction, it is inevitable for banks to give due emphasis to all the above-mentioned factors.

**RESEARCH DESIGN**

Primary data was collected from e-banking customers of public, private and foreign banks in Vellore District, with help of a structured questionnaire. For the collection of primary data the researcher confined to Vellore City. A sample of 250 respondents who actually used e-banking services was collected by the Convenience Sampling Technique.

**FACTORS OF SERVICE QUALITY OF E-BANKING SERVICES**

This study deals with the factor analysis by principle component method identified with the six predominant factors such as reliability, responsiveness, customization, security, and navigation to measure the service quality of E-banking services. Section II Deals with the application of cluster analysis by classifying e-banking customers based on their perception towards the services quality of e-banking services.

The researcher considered 33 service quality elements in Licker 5 point scales, which varies from strongly agree, agree, not sure, disagree and strongly disagree. The main aim of the researcher is to ascertain the existence of service quality elements out of 33 variables based on Parasuram Zeith model; therefore 33 variables are subject to factors analysis by principle component method to derive the number of meaningful factors. The results of factor analysis on 33 variables are presented below:

**Table No.1.1.1Communalities**

| Service quality | Initial | Extraction |
|---|---|---|
| SQ1 | 1.000 | .374 |
| SQ2 | 1.000 | .593 |
| SQ3 | 1.000 | .755 |
| SQ4 | 1.000 | .694 |
| SQ5 | 1.000 | .710 |
| SQ6 | 1.000 | .829 |
| SQ7 | 1.000 | .656 |
| SQ8 | 1.000 | .922 |
| SQ9 | 1.000 | .687 |
| SQ10 | 1.000 | .617 |
| SQ11 | 1.000 | .720 |
| SQ12 | 1.000 | .749 |
| SQ13 | 1.000 | .969 |
| SQ14 | 1.000 | .543 |
| SQ15 | 1.000 | .971 |
| SQ16 | 1.000 | .973 |
| SQ17 | 1.000 | .963 |
| SQ18 | 1.000 | .971 |
| SQ19 | 1.000 | .954 |
| SQ20 | 1.000 | .943 |
| SQ21 | 1.000 | .943 |
| SQ22 | 1.000 | .958 |
| SQ23 | 1.000 | .929 |

| | | |
|---|---|---|
| SQ24 | 1.000 | .935 |
| SQ25 | 1.000 | .599 |
| SQ26 | 1.000 | .972 |
| SQ27 | 1.000 | .935 |
| SQ28 | 1.000 | .975 |
| SQ29 | 1.000 | .633 |
| SQ30 | 1.000 | .966 |
| SQ31 | 1.000 | .828 |
| SQ32 | 1.000 | .367 |
| SQ33 | 1.000 | .588 |

*Extraction Method: Principal Component Analysis.*

The above table states that the 33 variables possess the variable which ranges from .367 to .975. It implies that 33 variables exhibit the variances from 36.7% to 97.5 % which is statistically significant at 5% level. This indicates that 33 variable can be converted into meaningful factors. The following total variance table indicates the number of factors derived out of 33 variables.

**Table No.1.1.2, Total Variance Explained**

| **Component** | **Initial Eigen values** | | | **Rotation Sums of Squared Loadings** | | |
|---|---|---|---|---|---|---|
| **Service quality** | **Total** | **% of Variance** | **Cumulative %** | **Total** | **% of Variance** | **Cumulative %** |
| 1 | 9.935 | 30.106 | 30.106 | 8.552 | 25.915 | 25.915 |
| 2 | 5.962 | 18.068 | 48.174 | 5.807 | 17.597 | 43.512 |
| 3 | 3.500 | 10.607 | 58.781 | 4.768 | 14.449 | 57.961 |
| 4 | 2.956 | 8.959 | 67.740 | 2.934 | 8.891 | 66.852 |
| 5 | 2.284 | 6.920 | 74.660 | 2.398 | 7.266 | 74.118 |
| 6 | 1.579 | 4.785 | 79.446 | 1.758 | 5.327 | 79.446 |
| 7 | 1.476 | 4.472 | 83.917 | | | |
| 8 | .922 | 2.794 | 86.711 | | | |
| 9 | .733 | 2.220 | 88.931 | | | |
| 10 | .599 | 1.814 | 90.745 | | | |
| 11 | .485 | 1.471 | 92.215 | | | |
| 12 | .445 | 1.350 | 93.565 | | | |
| 13 | .427 | 1.293 | 94.858 | | | |
| 14 | .360 | 1.091 | 95.949 | | | |
| 15 | .304 | .922 | 96.872 | | | |
| 16 | .243 | .737 | 97.608 | | | |
| 17 | .168 | .510 | 98.118 | | | |
| 18 | .141 | .428 | 98.546 | | | |
| 19 | .109 | .332 | 98.878 | | | |
| 20 | .100 | .303 | 99.180 | | | |
| 21 | .084 | .255 | 99.435 | | | |
| 22 | .067 | .202 | 99.637 | | | |
| 23 | .049 | .149 | 99.786 | | | |
| 24 | .026 | .079 | 99.865 | | | |
| 25 | .015 | .046 | 99.912 | | | |
| 26 | .015 | .045 | 99.957 | | | |
| 27 | .009 | .029 | 99.986 | | | |

| | | | | | | |
|---|---|---|---|---|---|---|
| 28 | .003 | .011 | 99.996 | | | |
| 29 | .001 | .003 | 99.999 | | | |
| 30 | .000 | .001 | 100.000 | | | |
| 31 | .005 | .000 | 100.000 | | | |
| 32 | .017 | .016 | 100.000 | | | |
| 33 | .016 | .015 | 100.000 | | | |

*Extraction Method: Principal Component Analysis.*

From the above tables it is found that 33 variable explain a total variance of 79.446% they are converted into 6 preponderate factors with individual variances of 25.915%, 17.597%, 14.449% 8.891%, 7.2665 and 5.3275. These 6 factors have different variables loading as presented in the following manner.

| | |
|---|---|
| **Factor 1** | **Reliability** |
| 1 | Up to date of technology used (.857) |
| 2 | Links are problem free (.715) |
| 3 | Accurate/absence of error (.414) |
| **Factor II** | **Responsiveness** |
| 4 | Quick/prompt service (.737) |
| 5 | Minimum waiting time (.711) |
| 6 | Personal attention (.892) |
| 7 | Educating customer (.537) |
| 8 | Bank provides clear guidelines how to operate online (.951) |
| **Factor III** | **Customization/Personalization** |
| 9 | Convenient working hours (.707) |
| 10 | Friendly staff willing to help (.520) |
| 11 | Pleasing manners (.848) |
| 12 | Easy contact branch manager (.861) |
| 13 | Banks takes care of problems promptly (.978) |
| 14 | Innovative services (.581) |
| **Factor IV** | **Efficiency** |
| 15 | User friendly ATM (.978) |
| 16 | Adequate of knowledge provided (.969) |
| 17 | Connectivity to other banks (.973) |
| 18 | User friendly net banking (.956) |
| 19 | Efficiency and correctness of financial status report (.965) |
| 20 | Promptness in attending to grievances (.974) |
| **Factors V** | **Security/ privacy** |
| 21. | Delivering what is promised (.978) |
| 22. | Dependability (.969) |
| 23. | Secured internet banking security of transaction (.973) |
| 24. | Provisions for immediate cancellation (.656) |
| 25. | Bank site is secured for credit card information (.981) |
| 26. | Security/ less risk to use (.961) |
| **Factor VI** | **Easy Navigation** |
| 27. | Clear communication (.982) |
| 28. | Quality of EFT services (.521) |
| 29. | Ability to pay bills (.976) |
| 30. | Quality of Telephone banking (.966) |
| 31. | Quality of ATMs (.828) |
| 32. | Easy to get information from bank website (.497) |
| 33. | Opening of account is fast (.528) |

Factor I comprises three variables, up to date of technology used (.857), links are problem free (.715) and accurate of error (.414) therefore the first factors are reliability.

The second factor comprise, Quick/prompt service (.737), minimum waiting time (.711), Personal attention (.892), Educating customer (.537), Bank provides clear guidelines how to operate online (.951) are consider being highly reliability in factors. Third factor consist of, convenient working hours (.707),Friendly staff willing to help (.520), pleasing manners (.848), and Easy contact branch manager (.861), Banks takes care of problems promptly (.978) and Innovative services (.581) . The third factors are known as Customization/Personalization.

There are six variables in fourth factors, User friendly ATM (.978) ,Adequate of knowledge provided (.969),Connectivity to other banks (.973),User friendly net banking (.956),Efficiency and correctness of financial status report (.965) and Promptness in attending to grievances (.974) hence it is called as Efficiency .

The fourth factor embrace six variables, User friendly ATM (.978),Adequate of knowledge provided (.969),connectivity to other banks (.973),User friendly net banking (.956),Efficiency and correctness of financial status report (.965) and Promptness in attending to grievances (.974) are in Efficiency **.**

The fifth factor encompasses six variables , Delivering what is promised (.978), Dependability (.969), Secured internet banking security of transaction (.973) Provisions for immediate cancellation (.656),Bank site is secured for credit card information (.981) and Security/ less risk to use (.961) . Hence the fifth factors are called as Security/ privacy.

The six factor comprises ,Clear communication (.982),Quality of EFT services (.521), Ability to pay bills (.976),Quality of Telephone banking (.966),Quality of ATMs (.828),Easy to get information from bank website (.497) and Opening of account is fast (.528) therefore the six factor are called as Easy Navigation

**CLASSIFICATION OF E-BANKING CUSTOMERS BASED ON THEIR PERCEPTION TOWARDS SERVICES QUALITY OF E-BANKING SERVICES**

Factor analysis by principle component method identifies six predominant factors such as reliability, responsiveness, customization, security, and navigation to measure the service quality of E-banking services. The variables in the perception indicates the existence of heterogeneous group in the sample unit, therefore in this junction cluster analysis is applied to classify the sample unit into heterogeneous groups, the application of cluster analysis on the basis of six factors of services quality. The following results are obtained.

**Table No: 2.2.1Final Cluster Centers Service**

| | **Cluster** | | |
|---|---|---|---|
| | **1** | **2** | **3** |
| Reliability | 4.09 | 3.22 | 3.99 |
| Responsiveness | 4.13 | 2.39 | 4.22 |
| Customization | 4.08 | 2.63 | 3.22 |
| Efficiency | 4.52 | 1.88 | 1.16 |
| Security | 3.99 | 2.71 | 3.23 |
| Navigation | 3.97 | 2.84 | 3.36 |

*Source: Primary data*

**Table No: 2.2.2, Number of Cases in each Cluster**

| | | |
|---|---|---|
| Cluster | 1 | 178.000 |
| | 2 | 26.000 |
| | 3 | 45.000 |
| Valid | | 249.000 |

The above table clearly shows that the ***first*** cluster consist of 178 respondent 71.48 % of customers with strongly agreement for reliability, responsiveness, customization and efficiency and they moderately agree for security and navigation , therefore the first cluster is known as **'Highly satisfied customers'.**

The ***second*** clusters consist of minimum number of E-banking customers. Who moderately agree for reliability and disagree with responsiveness, Customization and strongly disagree for efficiency. This group also disagrees with security and

Navigation of services'. The second cluster consists of 26 customers 10.44 % with the above mentioned service quality perception. Therefore this group is known as '**Dissatisfied customers'**.

The ***third*** cluster consist of 18.07% of E-banking customers with moderate agreement for reliability customization ,security and navigation .This group strongly agree for responsiveness and strongly disagree for efficiency. Therefore this group is known as '**Efficiency seeker'.**

**Table No: 2.2.3, Final Cluster Centers for ATM**

| | Cluster | | |
|---|---|---|---|
| | **1** | **2** | **3** |
| ATM | 3.17 | 2.07 | 4.20 |

*Source: Primary data*

**Table No: 2.2.4, Number of Cases in each Cluster**

| | | |
|---|---|---|
| Cluster | 1 | 64.000 |
| | 2 | 30.000 |
| | 3 | 155.000 |
| Valid | | 249.000 |

*Source: Primary data*

From the above table, shows that the ***first*** cluster consist of 64 respondents. 25.70 % of customers moderately agree for ATM services therefore the first cluster is known as '**Efficiency seeker'.**

It is found that the ***second*** cluster consist of 30 respondent. 12.04 % of customers disagree for ATM services therefore the second cluster is known as **'Dissatisfied customers'**.

With reference to the above table, it is found that the ***third*** cluster consist of 155 respondent. 62.24 % of customers strongly agree for ATM services therefore the 3 cluster is known as **'Highly satisfied customers'**

**Table No: 2.2.5, Final Cluster Centers for Mobile banking**

| | Cluster | | |
|---|---|---|---|
| | **1** | **2** | **3** |
| Mobile banking | 4.17 | 2.93 | 1.98 |

*Source: Primary data*

**Table No: 2.2.6, Number of Cases in each Cluster**

| | | |
|---|---|---|
| Cluster | 1 | 85.000 |
| | 2 | 97.000 |
| | 3 | 67.000 |
| Valid | | 249.000 |

*Source: Primary data*

In the above table, it is found that the ***first*** cluster consists of 85 respondents. 34.13 % of customers strongly agree for Mobile banking services therefore the first cluster is known **'Highly satisfied customers'.**

The second cluster consists of minimum number of E-banking customers. Who moderately agree for Mobile banking services, it is found that the ***second*** cluster consist of 97 respondent, 38.95 % of customers moderately agree for Mobile banking services, therefore the second cluster is known as '**Efficiency seeker'**

.

It is found that the third cluster consist of 67 respondent. 26.90 % of customers disagree for Mobile banking services therefore the third cluster is known as **'Dissatisfied customers'**.

**Table No: 2.2.7, Final Cluster Centers for Credit Card**

| | Cluster | | |
|---|---|---|---|
| | **1** | **2** | **3** |
| Credit Card | 3.04 | 4.13 | 2.07 |

*Source: Primary data*

**Table No: 2.2.8, Number of Cases in each Cluster**

| | | |
|---|---|---|
| Cluster | 1 | 85.000 |
| | 2 | 87.000 |
| | 3 | 77.000 |
| Valid | | 249.000 |
| Missing | | .000 |

*Source: Primary data*

The first cluster consists of moderate number of E-banking customers. Who moderately agree for Credit card/Debit card services, it is found that the ***first*** cluster consist of 85 respondent 34.13 % of customers with moderately agree for Credit card/Debit card services therefore the first cluster is known as **' Efficient seeker'.**

The ***second*** cluster consist of 87 respondent 34.93 % of customers strongly agree for Credit card/Debit card services therefore the second cluster is known as **' Highly satisfied customers'.**

From the above table, it is found that the ***third*** cluster consist of 77 respondent. 30.92 % of customers disagree for Credit card/Debit card services therefore the 3 cluster is known as **'Dissatisfied customers'**.

**Table No: 2.2.9, Final Cluster Centers for Telephone banking**

| | **Cluster** | | |
|---|---|---|---|
| | **1** | **2** | **3** |
| Telephone banking | 4.28 | 3.05 | 1.75 |

*Source: Primary data*

**Table No: 2.2.10, Number of Cases in each Cluster**

| | | |
|---|---|---|
| Cluster | 1 | 111.000 |
| | 2 | 77.000 |
| | 3 | 61.000 |
| Valid | | 249.000 |

*Source: Primary data*

The first cluster consists of maximum of E-banking customers, who strongly agree for Telephone banking services. It is found that the ***first*** cluster consist of 111 respondent, 44.57 % of customers strongly agree for Tele-banking services therefore the first cluster is known as '**Highly satisfied customers'.**

From the above table, it is found that the ***second*** cluster consist of 77 respondent 30.92 % of customers with moderately agree for Telephone banking services therefore the second cluster is known as ' **Efficiency seeker'**.

The ***third*** cluster consist of 61 respondent (61/249*100) 24.49 % of customers disagree for Telephone banking services therefore the third cluster is known as **" dissatisfied"** customers.

**Table No: 2.2.11, Final Cluster Centers for Internet Banking**

| | **Cluster** | | |
|---|---|---|---|
| | **1** | **2** | **3** |
| Internet banking | 4.43 | 1.86 | 3.63 |

*Source: Primary data*

**Table No: 2.2.12, Number of Cases in each Cluster**

| | | |
|---|---|---|
| Cluster | 1 | 121.000 |
| | 2 | 37.000 |
| | 3 | 91.000 |
| Valid | | 249.000 |

*Source: Primary data*

The first cluster consists of maximum of E-banking customers, who strongly agree for internet banking services. It is found that the first cluster consist of 121 respondents. 48.59 % of customers strongly agree for Internet banking services therefore

the first cluster is known as '**Highly satisfied customers'**.

From the above table, it is found that the second cluster consists of 37 respondents. 14.85 % of customers disagree for Internet banking services therefore the second cluster is known as **'Dissatisfied customers'.**

The table represents that the ***third*** cluster consist of 91 respondents. 36.54 % of customers moderately agree for Internet banking services therefore the third cluster is known as 'Efficiency **seeker'.**

**FINDINGS**

- The 33 variable explain a total variance of 79.446% they are converted into 6 predominate factors - Reliability, Responsiveness, Customization / Personalization, Efficiency, Security/ privacy and Easy Navigation.

- Based on service quality of E-banking 71.48 % were highly satisfied with reliability ,responsiveness, customization and efficiency and they moderately agree for security and navigation .10.44% are moderately agree for reliability and disagree with responsiveness, Customization and strongly disagree for efficiency security and Navigation of services. 18.07% of E-banking customers are with moderate agreement for reliability, customization, security and navigation and they are Efficiency seekers.

- In ATM services 62.24% are highly satisfied customers.25.70% are Efficiency seekers and 12.04% are dissatisfied customers. In mobile banking 34.13% are highly satisfied customers, 38.95 % are efficiency seekers and 26.90% are dissatisfied with mobile banking services.

- Further in credit card 34.13% are efficient seekers 34.93% are highly satisfied customers and 30.92% are dissatisfied customers. In telephone banking services 44.57% are highly satisfied customers 30.90% are Efficiency seekers and it is disagreed by 24.49% of customers. Of the internet banking customers maximum of 48.59% are highly satisfied customers and 14.85 % disagree for Internet banking services.

- Of the various factors influencing the availment of E-Banking services, convenient working hours, Location of ATM and Easy to acquire information are for ATM, Salary account and Security/ less risk to use are for Mobile banking.

- Factors like save time, convenient working hours and security/ less risk to use are for internet banking services. Credit card and telephone banking customers are influenced by all of the above said factors.

- The study made by the researcher clearly states that Service quality satisfaction is well associated with availment of ATM (80.3%) and internet banking (55.1%) with maximum % .

- Service quality satisfaction is not associated with availment of telephone banking (46.7 %) of efficiency seekers moderately availed telephone banking services.

**CONCLUSION**

The study explores the service quality of E-Banking in Vellore from customers perceptive. It aimed to identify various service quality dimensions that affect customers. For this purpose , the service quality dimension of E-banking customers was studies through relationship between demographical characteristics of users along with six independent factors were extracted from factor analysis from the list of 33 statements and this analysis reveals that the six factors that influence the service quality of customers are reliability, responsiveness, customization ,efficiency, security and navigation. It is observed that customers are satisfied with reliability, responsiveness, customization and efficiency of the services provided by the banks but they are not very much satisfied with security and navigation. This is an indication that the customers feel that bankers fail in providing the services of these two dimensions satisfactorily.

It is also observed that there is discrepancy in banking services with public sector, private and foreign banks. Still public sector banks have to improve their service quality. But the study shows that among the varied E-banking services ATM, Internet banking services is more popular than telephone banking, Mobile banking and usage of credit card in Vellore district.

E-banking is going to be very crucial for India, Which has an increasing percentage of younger generation population with computer literacy, Hence discrepancy in customer's service should eradicate.

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