Abstract

A sound and effective banking system is essential for any healthy economy. The last decades of the 18th century saw the establishment of Banking in India. During the period 1913 to 1948, Indian banking has witnessed several bank failures in regular intervals. Then Prime Minister Mrs. Indira Gandhi nationalised 14 major commercial banks in the country on 19th July, 1969 and again in 1980, six more were nationalized, which made around 80 percent of the Indian banking business in India under Government control. The banking system saw sea change in its shape during post reform period. Considering the stiff competition in Indian Banking Industry, good customer service has become more relevant than ever before.

Several literature were reviewed to understand the work done on the subject in India and abroad, which has proved to be immensely useful to delineate the various issues and methodologies adopted therein.

Dixit Neha et al (2010) in their findings depicted many factors including security and privacy issues in Indian Banking context. Geetika et al (2008) have in their research survey provided valuable insights into security concerns of Bank customers as reasons for lower penetration of internet banking. Hebbar R (2004) had identified the factors like identity and authentication of user, confidentiality, integrity etc., leading to lack of trust among bank customers in dealing with bank transactions. JadHAV Anil et al (2004) in their study had focused on e - banking opportunities, challenges and security aspects while performing the internet banking transactions. Rajshekhara K S (2004) while dealing with the issue of application of IT in the banking sector, has observed that security is an important issue in the e – banking arena. S Venkata Seshaiyah et al (2007) have studied the psychology of bank customers and identified 15 different factors, which include service quality, speed of delivery, proximity, security environment etc.

The primary objectives of the study are to study the satisfaction of customers in select Public Sector Banks, to study different problems and operational risks involved in e - banking products / services and to make a comparative analysis of customers’ perception with reference to e - banking products/services among the select Public
Sector Banks. The study has been confined to Mumbai on select customers of 2 Public Sector Banks viz. Bank of India and Indian Overseas Bank. The sample size for the study has been limited to 240 of which 200 responses were found valid. Structured close-ended Questionnaire using multiple choices, 5 point Likert Rating scale has been used for collecting opinion of Bank customers. Final analysis of data has been done through appropriate quantitative/qualitative tools (Chi Square Test, Fishers Exact Test, Mann Whitney Test, Factor Analysis etc) for analysis and validation of hypothesis. The analysis of the data reveals that both the bank customers are highly satisfied despite problems faced, though however some respondents have indicated that due to problems experienced it resulted in relatively lower satisfaction for e-banking product/services. Further, the study shows that there is no significant difference between the users of IOB and BOI in context to the their perception about availability of appropriate system to protect/minimize operational risks of e-banking and opined that there is a difference between e-banking and traditional banking and that e-banking is most preferred despite the customers’ diverse age distribution. The study also reveals that both the bank customers are satisfied with the safety and security process of the banks.

Based upon the findings of the study, it is suggested that both the banks need to publicise more than the present, about the available system/measures to address the customers’ security concerns and provisions for appropriate rules/regulations on security, by having planned campaigns and publicity viz. mass media, website etc. Both the banks should also offer value added services like zero balance savings A/c, multi city cheque payment facility without any charge, issue of drafts and credit cards free of charge. Bank should further train their front office employees appropriately on periodical intervals to enable them to suitably address the customers’ issues.

The present study has addressed various problems and operational risks on account of adoption of technology. However, further study, may be carried out on cost – benefit analysis of various technological imperatives implemented by the banks so far and also in future.

**KEYWORDS** – Customer Satisfaction, Customer Perception, Security concerns, ATM, Internet Banking.