

**A STUDY ON CUSTOMER PERCEPTION OF E-MONEY IN
BANKING SECTOR, SPECIAL REFERENCE TO PRIVATE
BANKS IN MANMUNAI NORTH OF BATTICALOA**



THAMBIMUTHU PURUSOTHMAN



Project Report
Library - EUSL

**DEPARTMENT OF MANAGEMENT
FACULTY OF COMMERCE AND MANAGEMENT
EASTERN UNIVERSITY, SRI LANKA**

2010

Abstract

In today's competitive marketplace, customer perceptions are becoming much more important for gaining sustainable competitive advantage. That means it becomes more difficult for products and services to differentiate themselves from other offerings than ever before.

To meet these demands, businesses especially in the banking sector need to develop innovative ways of creating value which often require different enterprise architectures, different IT infrastructures and different way of thinking about doing business. E-banking can mean the provision of information about a bank and more sophisticated E-banking services provide customer access to accounts, the ability to move their money between different accounts, and making payments or applying for loans via E-Channels.

Electronic money got very close role in every customer's life. The customers get more advantages for this electronic money because, every bank having provided more facilities for the customers. Even though, every bank has been determined different aspects for getting this E-Money. In this juncture it is an attempt to study the customers' perception of electronic money in the banking sector focus on Private Banks (Commercial bank, Seylan bank, HNB, Sampath bank) in Batticaloa.

In order to analyze about the customer perception about the E-money four variables were considered which are product, price, promotion and place. Structured questionnaire was used to collect the primary data. 150 respondents were selected as sample by using the convenient sampling method.

When concerning the overall perception of customers, it means how much the customers satisfied with the E- money in private banks in Batticaloa. The study found that, the overall customer perception regarding the e-money in moderate level. All of the four variables were moderately influence on the customer perception. Eventually this report recommends some remedial actions that help banks to improve customer perception regarding E- money.

CONTENTS

	Page No
Acknowledgement	i
Abstract	ii
Abbreviation	iii
Table of Contents	iv
List of Tables	xiii
List of Figures	ix

CHAPTER -1 INTRODUCTION

1.1 Background of the study	1
1.2 Problem Statement	4
1.3 Research Question	4
1.4 Objective of the Study	4
1.5 Scope of the Study	5
1.6 Significance of the Study	5
1.7 Limitation of the Study	5
1.8 Assumption of Research	6

CHAPTER -2 LITERATURE REVIEW

2.1 Introduction	7
2.2 Perception	7
2.3 Marketing Mix	16
2.4 Electronic Banking	19
2.5 E-Money	24
2.6 History and Trend of E-money	27
2.7 Summary	29

CHAPTER - 3 CONCEPTULIZATION AND OPERATIONALIZATION

3.1 Introduction.....	30
3.2 Conceptualization	30
3.2.1 Product	32
3.2.1.1 Product identification.....	32
3.2.1.2 Attractive features	32
3.2.1.3 Security	33
3.2.1.4 Technology	33
3.2.1.5 Time benefits	33
3.2.2 Price	33
3.2.2.1 Price transaction charge	34
3.2.3 Promotion.....	34
3.2.3.1 Awareness	34
3.2.3.2 Special offers	34
3.2.4. Place.....	35
3.2.4.1 Availability	35
3.2.4.2 Convenience.....	35
3.3 Operationalization.....	35
3.4 Summary.....	37

CHAPTER – 4 METHODOLOGY

4.1 Introduction.....	38
4.2 Study Setting & Design	38
4.2.1 Study Setting.....	38
4.2.2 Study Design.....	39
4.3 Sample size and Frame work.....	39
4.3.3.1 Sampling	39
4.3.3.2 Sampling frame.....	39
4.4 Method of Data Collection.....	40
4.4.1 Primary Data	40
4.4.2 Secondary Data	41

4.5 Structure of the Questionnaire.....	41
4.6 Data presentation and analysis.....	43
4.6.1 Method of Data presentation.....	43
4.6.2 Method of Data Evaluation.....	43
4.8 Summary.....	45

CHAPTER - 5 DATA PRESENTATION AND ANALYSIS

5.1 Introduction.....	46
5.2 Personal information.....	46
5.2.1: Banks.....	47
5.2.2: Usage of Cards.....	47
5.2.3: Gender.....	48
5.2.4: Age.....	49
5.2.5: Educational qualifications.....	49
5.2.6: Occupation.....	50
5.2.7: Income level.....	50
5.2.8: Usage period.....	51
5.3 Research information.....	52
5.3.1 PRODUCT.....	53
5.3.1.1 Variable view.....	53
5.3.2 PRICE.....	62
5.3.2.1 Variable view.....	62
5.3.3 PROMOTION.....	65
5.3.3.1 Variable view.....	65
5.3.4 PLACE.....	68
5.3.4.1 Variable view.....	69
5.4 Dimensions view.....	72
5.5 Cross tab Analysis.....	73
5.5.1. Bank * customer perception Cross tabulation.....	73
5.5.2. Gender * customer perception Cross tabulation.....	74
5.5.3. Education * customer perception Cross tabulation.....	75
5.5.4. Occupation * customer perception Cross tabulation.....	76
5.5.5. Income * Customer perception Cross tabulation.....	77

5.6 Summary.....	78
------------------	----

CHAPTER - 6 DISCUSSION

6.1 Introduction.....	79
6.2. Discussion on Personal information	79
6.3 Discussion on Research Information	80
6.3.1 Product.....	80
6.3.1.1 Product identification.....	81
6.3.1.2 Attracting features.....	81
6.3.1.3 Security	82
6.3.1.4 Technology	83
6.3.1.5 Time benefits	84
6.3.2 Price	85
6.3.2.1 Price transaction charge	85
6.3.3 Promotion.....	86
6.3.3.1 Awareness	86
6.3.3.2 Special offer.....	87
6.3.4 Place	88
6.3.4.1 Availability	88
6.3.4.2 Convenience.....	88
6.4 Holistic view	89
6.5 Summary	90

CHAPTER- 7 CONCLUSION AND RECOMMENDATION

7.1 Introduction.....	91
7.2 Conclusion	91
7.3 Recommendation	92
7.3.1 Recommendations with regard to Marketing mix	93
7.3.1.1 Product.....	93
7.3.1.2 Price	93
7.3.1.3 Promotion.....	93