



A Study on Creating a Business Model in Online Banking with Customer Co-creation

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Abstract – In the past few decades, the customer has been silent and hidden such as watching television or listening to lecture. But in present era, the customers do not want to just provide feedback or provide suggestions but also to be a co-designer or co-creator of the products they avail of. The study focuses on appraising customer's preferences for utilizing services of online banking provided by the banks. The present paper deals with the factors influencing the preference of customers for choosing online banking services. The study examines the customer perception, preference, problems and suggestions about online banking services. The study would help the banks to improve the level of online banking and to know potential issues or services that should be introduced. It would also facilitate the customers to overcome the issues in online banking industry by making the customers as the active co-designer or co-creator- by framing an apt business model for online banking.

Keywords: Online banking, Customer preference, Business model.

1. INTRODUCTION

In the present era, most of the organizations are changing their business operations through internet. These business organizations are adopting the advanced technology through internet facility. Banks cater to the needs of agriculturists, industrialists, traders and to all the other sections of the society. Thus, they accelerate the economic growth of a country. The increased trend towards electronic delivery of banking products and services is occurring due to a combination of consumer demand and the increasingly competitive environment of the global banking industry. Since it is now possible to render all banking services electronically, with adequate security and at lower costs, many banks now feel the pressure to do business through the Internet. Customers are now demanding more customized products /services on online at a lower price. While the banks in developed countries use the Internet to operate as banks without a physical location,

banks in developing countries are still using the Internet primarily just as an information delivery tool to improve their relationships with their customers.

2. REVIEW OF LITERATURE:

According to Ahmad and Al-Zu'bi (2011), security had a significant influence on customer satisfaction. Privacy is another important element which always concerns customers. It is always the customers hope that the banks can protect their personal and financial information especially when they do transactions via online banking.

R. Garg, (2013), examined the customer's perceptions towards internet banking facility and also analyzed the customer's satisfaction with various parameters of internet banking services. In total 180 respondents were surveyed to achieve the objective of the study. The study found that perception of customers towards internet banking service quality was largely influenced by the 'reliability', 'user-friendliness', 'responsiveness', 'accuracy', 'speed of service' and 'compatibility'.

According to Hanson & Kalyanam (2007), e-banking has popularized with very fast pace. As people have started using ATMs, the customer visits to bank branches have reduced and it reduced the requirement of bank branches even more when internet banking was introduced to the customers in late 1990s.

Tom E (2001) examined that in addition to previous electronic banking delivery systems-automated teller machine (ATMs) and telephone transaction processing centers, online banking provides banks a new and more efficient electronic delivery tool.