



A Study on Privacy & Security in Banking Institutions with Special Reference to Customer Perception and Satisfaction

Ms. Nasika Lakshmi

Assistant Professor, Department of Commerce, Badruka College of Commerce & Arts, Kachiguda, Hyderabad - 27,

Affiliated with Osmania University.

Email: nasikalakshmi@gmail.com

DOI: 10.5281/zenodo.6300866

Abstract

Banks were always regarded as a place with long queues, and an unmanageable amount of paperwork. But due to technological advancements in the banking sector, the need for labour and paper works has reduced a lot. Also, another important perspective is that it can protect the data and provide complete security and safety to the transactions.

Banking institutions just like other types of businesses face risks. Cyber security risk is the most prevalent risk which may arise from a range of both internal and external factors. Coming up with the right solutions allows banking institutions to stay in business and retain the trust of the public.

The purpose of the study is to analyse privacy and security in the banking sector. The study further examines the banking customers' perception towards security and privacy concern and their satisfaction towards Privacy and security regarding the use of banking services.

Keywords: Customer satisfaction, Banking, Privacy.

Introduction

Banks play a vital role in the modern economy. It is considered a financial institution engaged in the business of borrowing and lending money. Nowadays banks provide a lot of core banking services to their customers to maintain customer faith and provide customer satisfaction.

Customer Satisfaction is a marketing term that can be considered as the key factor in evaluating the performance of the bank and maintaining a strong relationship through better services. To enhance customer satisfaction the banks, need to update their websites timely and be more user friendly also. Apart from this, effective promotional measures for the various offers and schemes should be offered for customer satisfaction.

The banking sector has been under attack for many years. Firstly, it was the physical theft of money. Then it was a loss of manually recorded data. Thereafter it was computer fraud. Today it's cyber fraud. Cyber security is important for every banking institution. Banks are now exposed to various types of cybercrime and online fraud. To retain the customers the banks have to improve all the areas of services provided and security awareness should be built into the culture of banks.

Need for the Study

The customer is the king. Quality of services is what a customer wants. Customer Satisfaction is the primary goal of banking institutions. The need for the study is to distinguish customer personal data into public and nonpublic information. Banking institutions are required to ensure security and confidentiality of customer information and a banker needs to maintain the secrecy of the customer's account. For instance, the banks should not disclose customers' financial position and other details of the account. Cyber security concerns in banking have always been the prime focus. The consequences of cybercrimes have made banks tighten their cyber security measures.

Scope of the Study

A study on privacy and security in banking institutions with special reference to customer perception and satisfaction covers the following aspects:



- The satisfaction of customers in their daily transactions.
- The factors influencing the customers while measuring their perception & satisfaction in utilizing the banking services.
- Level of Satisfaction from the quality of service.
- The difficulties experienced by the customers in the aspects of privacy and security measures.

Objectives of the Study

1. To evaluate the status of customer satisfaction.
2. To analyze the constituent factors affecting customer satisfaction with the service provided by the banking institutions.
3. To study the access of the customer to the banking services.
4. The study further examines the perception & satisfaction of banking customers towards Privacy and security issues.

Review of Literature

Zarka zahoor, Moin-ud-din, karuna sunami in their paper on "challenges in privacy and security in the banking sector and related countermeasures" mentioned that information technology has brought significant changes in the banking sector. Also in more recent times, it has been transformed with the help of the Internet. They also mentioned the advancement of technology which has facilitated banking transactions easier for both customers and bankers. Safe, secure, and efficient modes of using cheques, debit/credit cards & any other online transactions have become easier. Their study also focused on the cost of implementing & managing the cyber security infrastructure. They also mentioned advanced technology has multidimensional advantages but it is not without some challenges and issues related to security & privacy.

Mohd. Kairul Affendy Ahmad in their paper on "security issues on banking systems" mentioned that security is one of the most significant challenges for banking institutions. Cybercriminals simply need to ascertain personal information to breach the data of bank customers to steal their money. They also focused on loopholes in banking systems which is the main cause of data breaches. Their study also proposed an alternative solution to meet the security aspects of banks.

Rajagopal Subashini & Velmurugan Gopalasamy in their paper "A Review of service quality and Customer Satisfaction in banking services: Global scenario" shows the relationship between customer satisfaction and service quality. In this scenario, it has become extremely important for Indian banks to focus on customer satisfaction to complete and to ensure customer retention. They also proposed that service quality is an indicator of customer satisfaction.

Research Methodology

Data Collection: The present study is systematic. Accordingly, the use is made of primary data. The primary data is collected with the help of a structured questionnaire from a sample of 75 respondents. The main purpose of the study is to evaluate the Privacy & security issues with special reference to customer perception and satisfaction.

Primary Data: This research is carried out with 75 respondents. The respondents are employees of various sectors. The data was collected using an online survey. Survey questions were framed based on privacy and security issues with special reference to customer perception and satisfaction.

Secondary Data: This has been collected by using a variety of sources. These sources include - journals, websites, and other books available in the fields that are taken into consideration.

Sample Size: The sample size is 75

Sample Technique: A sample random technique is implemented.

Analytical Tool: The collected data has been applied correlation & chi-square test.

Analysis:

1. H_0 : Gender wise respondents don't feel that time taken for transactions differs based on the amount to be remitted in the bank
 H_1 : Gender wise respondents feel that the time taken for transactions differs based on the amount remitted in the bank.

Table-1

	<i>df1</i>	<i>df2</i>	<i>Sig.</i>
<i>1.931</i>	<i>8</i>	<i>65</i>	<i>.070</i>

Interpretation: From the above table-1 we infer that the F test value is 1.931 and the significant value is 0.070. Since the significant value is greater than 0.05, we accept the Null hypothesis and reject the alternative hypothesis. Thus gender-wise respondents don't feel that time taken for transactions differ based on the amount to be remitted in the bank.

2. H_0 : Gender wise respondents don't believe that by making online transactions, one can become a victim of cybercrime
 H_1 : Gender wise respondents believe that by making online transactions, one can become victim of cybercrime

Table-2

<i>Chi-Square Tests</i>			
	<i>Value</i>	<i>df</i>	<i>Asymp. Sig. (2-sided)</i>
<i>Pearson Chi-Square</i>	1.203 ^a	2	.548
<i>Likelihood Ratio</i>	1.590	2	.452
<i>Linear-by-Linear Association</i>	.896	1	.344
<i>N of Valid Cases</i>	74		

Interpretation: From the above table-2 we infer that the Chi-square test value is 1.203 and the significant value is 0.548. Since the significant value is greater than 0.05, we accept the Null hypothesis and reject the alternative hypothesis. Thus, gender-wise respondents don't feel that time taken for transactions differs based on the amount to be remitted in the bank.

3. H_0 : Gender wise there is no relation between making an online transaction and becoming a victim of cybercrime
 H_1 : Gender wise there is a relation between making an online transaction and becoming a victim of cybercrime.

Table-3: Symmetric measures

		<i>Value</i>	<i>Asymp. Std. Error^a</i>	<i>Approx. T^b</i>	<i>Approx. Sig.</i>
<i>Interval by Interval</i>	<i>Pearson's R</i>	.111	.105	.946	.347 ^c
<i>Ordinal by Ordinal</i>	<i>Spearman Correlation</i>	.091	.113	.771	.443 ^c
<i>N of Valid Cases</i>		74			

Interpretation: From the above table-3 we infer that the Correlation test value is .111 and the significant value is 0.347. Since the significant value is greater than 0.05, we accept the Null hypothesis and reject the alternative hypothesis. Thus, gender-wise respondents don't feel that time taken for transactions differ based on the amount to be remitted in the bank

A15 and A22

4. H_0 : Gender wise there is no significant difference between making an online transaction and becoming a victim of cybercrime.

H_1 : Gender wise there is a significant difference between making an online transaction and becoming a victim of cybercrime.

Table-4

<i>Chi-Square Tests</i>			
	<i>Value</i>	<i>df</i>	<i>Asymp. Sig. (2-sided)</i>
<i>Pearson Chi-Square</i>	5.812 ^a	8	.668
<i>Likelihood Ratio</i>	5.777	8	.672
<i>Linear-by-Linear Association</i>	.179	1	.673
<i>N of Valid Cases</i>	74		



Interpretation: From the above table-4 we infer that the Chi-square test value is 5.812 and the significant value is 0.668. Since the significant value is greater than 0.05, we accept the Null hypothesis and reject the alternative hypothesis. Thus, gender-wise respondents don't feel that the time taken for transactions differs based on the amount to be remitted in the bank.

A1 and A13

- 5. H₀: Gender wise there is no significant difference in age of the customer and maintaining secrecy in a bank account
- H₁: Gender wise there is a significant difference in the age of the customer and maintaining secrecy in a bank account.

Table - 5

<i>Chi-Square Tests</i>			
	<i>Value</i>	<i>df</i>	<i>Asymp. Sig. (2-sided)</i>
<i>Pearson Chi-Square</i>	<i>1.461^a</i>	<i>3</i>	<i>.691</i>
<i>Likelihood Ratio</i>	<i>1.733</i>	<i>3</i>	<i>.630</i>
<i>Linear-by-Linear Association</i>	<i>.152</i>	<i>1</i>	<i>.697</i>
<i>N of Valid Cases</i>	<i>74</i>		

Interpretation: From the above table-5 we infer that the Chi-square test value is 1.461 and the significant value is 0.691. Since the significant value is greater than 0.05, we accept the Null hypothesis and reject the alternative hypothesis. Thus, gender-wise respondents don't feel that maintaining secrecy in banks does not differ based on age factor.

Findings

Based on the above analysis, based on primary data obtained from 75 respondents it is observed that –

- Gender: Analysis showed a majority of respondents are female (around 50.7%)
- Age: very small number of respondents were belonging to the under 50-60 years age category. more than half of the respondents belong to 20-30 years of age.
- Salary: the results of the analysis show majority of respondents were 15-25k salary earners.
- Service quality: a majority of respondents (around 52%) were satisfied with the overall services of banks.
- 64% of the total respondents have stated that they have been satisfied with several services offered by banking institutions.
- 88% of the total respondents have stated that they are receiving SMS alerts from banks.
- The majority of the respondents (around 49.3%) said there is the ease of access and usefulness of ATM centers.
- The majority of respondents have stated that they feel safe while withdrawing bulk amounts and also there is adequate bank staff to meet their requirements.
- 94.7% of respondents believe that bank maintains the secrecy of their accounts.
- The majority of respondents stated that banks are an essential need for them and 82.7% stated that there is proper surveillance in ATM centers.
- 82.7% of respondents have experienced data theft issues and 92% of respondents have become a victim of cybercrime.
- Only 20% of respondents are completely aware of cybercrime.

Conclusion

This study thus discussed major findings with reference to the objectives of the study. It is also presented an understanding of the concept of privacy & security issues and customers' awareness of cybercrimes.

The study identified the benefits and problems of banking services from a customer's point of view. And also, the quality of services provided by banks.

The study also gives an understanding of the perception of customers and their awareness about cybercrimes and data theft issues.

The present study showed that customers still have a major concern about banking services. Therefore, banks should create more awareness about security issues along with cyber security crimes.

References

- [1]. Gupta, S. k., Singh, J., & Sharma, R.K(2006).banking & insurance: Kalyani publishers.
- [2]. Murli. S.& Subbakrishna,k. (2012). Bank Credit Management: Himalaya publishers.
- [3]. <https://www.ijcaonline.org/archives/volume144/number3/zahoor-2016-ijca-910173.pdf>
- [4]. https://www.researchgate.net/publication/268060917_Security_and_Privacy_of_Electronic_Banking
- [5]. <http://www.iosrjournals.org/iosr-jce/papers/Vol13-issue1/R0131114121.pdf?id=7416>
- [6]. <https://www.ijcaonline.org/archives/volume144/number3/zahoor-2016-ijca-910173.pdf>
- [7]. https://www.ijntr.org/download_data/IJNTR06060010.pdf



- [8]. <https://ro.uow.edu.au/cgi/viewcontent.cgi?referer=&httpsredir=1&article=2359&context=eispapers1>
- [9]. <http://www.researchmanuscripts.com/isociety2012/6.pdf>