



## Customer Awareness on ATM & Online Banking Services Provided by Selected Private Sector Banks at Coimbatore city

### KEYWORDS

ATM, Online Banking, Customer Awareness

**Dr. R. Sellappan**

Principal, Gobi Arts and Science College,  
Gobi – 638 452

**A. V. Hariharan**

Ph.D Research Scholar of Gobi Arts and Science  
& Asst.Professor at RVS Faculty of Management,  
Coimbatore – 641 402

### ABSTRACT

*Consumer awareness plays a key role in customer decision making. This study conducted in the title of "CUSTOMER AWARENESS ON ATM & ONLINE BANKING SERVICES PROVIDED BY SELECTED PRIVATE SECTOR BANKS AT COIMBATORE CITY". The main objectives are: To identify the factors that are affecting ATM & Online Banking and To provide findings and suggestions on recent features available in ATM & Online Banking Service. This study analysed by using Frequency Analysis and Factor Analysis. This study conducted by descriptive research with convenience sampling. The major findings of this study are: It is found that there are 4 factors that help customers to getting awareness on ATM Service and There are 10 factors that help customers to getting awareness on Online Banking Services.*

### 1. INTRODUCTION

Every day Banking activities are modernizing with newest features and updates. All the Private and Public sector banks providing various E-Banking services to their customers. So the Customers can use such a facilities through their Credit and Debit Cards, ATMs, Online Banking, Phone Banking & Mobile Banking also. In their study in Australia, Rugimbana and Iversen<sup>2</sup> (1994) found that ATM customers mostly used it for cash withdrawal and conducted less than 50% of their transactions through it, hence they concluded that most users perceived ATMs to be just convenient cash dispensers, while the non-users preferred contact with human tellers and had a need for personal service.

#### Customer Awareness:

According to the Longman Business English Dictionary, consumer awareness is a term used to describe the awareness of a potential or current buyer about a particular product or company. Consumer awareness can be as simple as a shopper remembering a television commercial or as specific as a customer delving into the manufacturing origins of a specific product.

#### Function

- Consumer awareness plays a key role in customer decision making. By increasing a potential or current customer's knowledge about a product, service or business, a healthy economic environment is established in which customers are informed and protected and businesses are accountable.

#### Considerations

- According to research at Eastern Michigan University's Consumer Education Center, consumer education is an ongoing process that considers a variety of factors, including price, reputation, personal knowledge, history, social issues and other factors.

### 2. LITERATURE REVIEW:

Rogers (1983) and Agarwal and Prasad (1998) stated that potential adopters of new technology, who are allowed to experiment with it, would feel comfortable with it and thus be more likely to adopt it.

According to Tan and Teo (2000) if customers are given the chance to try the innovation, it will minimize certain fears, especially when customers found that mistakes could be rectified and thus providing a predictable situation. A more rapid diffusion occurs when consumers can have low-cost or

low-risk trial of the service. Internet banking services are free. The cost and risk to trial are relatively low especially when Internet access is available from work.

Bradley and Stewart (2002) concluded that the key drivers for bank adopting internet banking were the external factors such as competition and industry adoption, low risk, enhanced ability to deal with customers and the availability of technology. The key inhibitors were mostly internal like resistance to change, internal attitudes, internal resources and legal issues.

### 3. OBJECTIVES:

- To analyze the customer awareness on ATM & Online Banking Services provided by Selected Private sector banks at Coimbatore city.
- To identify the factors that are affecting ATM & Online Banking
- To provide findings and suggestions on recent features available in ATM & Online Banking Service

### 4. LIMITATIONS:

- This study was conducted in the period of February – March 2013.
- The study area is restricted only at Coimbatore City
- Findings of the study described on the basis of information provided by the respondents.

### 5. RESEARCH METHODOLOGY

A survey consisting of convenience sample of 50 was taken. The survey was completed within 2 months and respondents include both Male and Female.

#### 5.1 Data Collection:

The study made use of primary and secondary data. A well structured questionnaire was prepared to collect primary data. This questionnaire consists of two parts: the first part consists of the Demographic factors and the second part consists of the Awareness factors of ATM & Online Banking service.

#### 5.2 . Tools Used

The techniques used for the analysis are Frequency Analysis and Factor Analysis using SPSS V11.5.

### 6. ANALYSIS OF DATA

**Table: 6.1 Showing that Name of Private sector Bank Account Holding**  
**BANK\_NAME**

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	ICICI	25	50.0	50.0	50.0
	HDFC	6	12.0	12.0	62.0
	AXIS	8	16.0	16.0	78.0
	KVB	11	22.0	22.0	100.0
	Total	50	100.0	100.0	

From the above table 50% of respondents from ICICI Bank account holder, 22% of from KV Bank, 16% of them from Axis Bank and only 12% of respondents from HDFC Bank account holder.

**Table 6.2: Showing that gender of the respondents GENDER**

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	MALE	36	72.0	72.0	72.0
	FEMALE	14	28.0	28.0	100.0
	Total	50	100.0	100.0	

From the above table 72% of respondents are Male and 28% of respondents are Female.

**Table No: 6.3 showing that Educational Qualifications EDUCATION**

		Frequency	Percent	Valid Percent	Cumulative Percent
	GRADUATE	8	16.0	16.0	16.0
	POST GRADUATE	42	84.0	84.0	100.0
	Total	50	100.0	100.0	

From the above table 84% of respondents are Post Graduates and 16% of respondents are Graduates.

**Table No: 6.4 Showing that Employment of the respondents EMPLOYMENT**

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	SELF EMPLOYED/ BUSINESS	3	6.0	6.0	6.0
	PRIVATE EMPLOYEE	42	84.0	84.0	90.0
	PROFESSIONAL	5	10.0	10.0	100.0
	Total	50	100.0	100.0	

From the above table 84% of respondents are Private Employees, 10% of them are Professionals, and 6% of them are Self Employed.

**Table No:6.5 Showing that Family size FAMILY\_SIZE**

		Frequency	Percent	Valid Percent	Cumulative Percent
	UPTO 3	28	56.0	56.0	56.0
	4-5	16	32.0	32.0	88.0
	ABOVE5	6	12.0	12.0	100.0
	Total	50	100.0	100.0	

From the above table 56% of respondent's family size is Upto 3 Members, 32% of respondents having 4-5 Members, and 12% of them having Above 5 Members in their family.

**Table No: 6.6 Showing that Monthly Income MONTHLY INCOME**

		Frequency	Percent	Valid Percent	Cumulative Percent
	UP TO RS.10,000	6	12.0	12.0	12.0
	RS.10,001 - 20,000	14	28.0	28.0	40.0
	RS. 20,001 - 30,000	22	44.0	44.0	84.0
	ABOVE 30,000	8	16.0	16.0	100.0
	Total	50	100.0	100.0	

From the above table 44% of the respondents earning Rs. 20,001 – 30,000 per month, 28% of them earning Rs.10,001-20,000, 12% of them are in Upto Rs.10,000 and 16% of them earning Above Rs.30,000 per month.

**Table 6.7: Factor Analysis for ATM Services: Rotated Component Matrix(a)**

	Component			
	1	2	3	4
Fast Cash	.742			
INSU_PRE	.676			
O_F_D	.617			
R_CHQ		.753		
P_CRE_CA		.704		.566
PA_UTI		.674		
CA_WITH			.732	
RE_MOBIL	.410		-.690	
T_F_A_A	.560		.594	
SER_CHAR				.923

Extraction Method: Principal Component Analysis. Rotation Method: Varimax with Kaiser Normalization.

a Rotation converged in 6 iterations.

**Factor 1:**

Fast Cash, Pay Insurance Premium, Open Fixed Deposit is having values 0.742, 0.676, 0.617 respectively. This suggests that factor 1 is a combination of these variables. Therefore this factor can be interpreted as "Money Transfer".

**Factor 2:**

Request for a Cheque book, Pay Credit card bills, Pay Utility Bills is having values 0.753, 0.704, 0.674 respectively. This suggests that factor 2 is a combination of three variables. Therefore this factor can be interpreted as "Payments"

**Factor 3:**

Cash Withdrawal of 24 hours of a day is having value 0.732. Therefore this factor can be interpreted as "Withdrawals".

**Factor 4:**

Service Charges levied for ATM Transactions is having value 0.923. Therefore this factor can be interpreted as "Service Charges".

**From the above 10 variables are reduced into 4 important factors which helps in explaining the Customer Awareness.**

Table: 6.8 showing that factor analysis for Online Banking Service Rotated Component Matrix(a)

	Component									
	1	2	3	4	5	6	7	8	9	10
SUB_CRE	.809									
C_CA_STA	.728	.386								
PAY_DUE	.626									
REDEEM	.590									
ON_SHO		.760								
DONATE		.718								
MUTUAL	.482	.534								
F_VISA			.808							
TRADE			.672							
LOAN_RE				.778						
LOAN_D				.643						
AMORT				.525						.364
FOREX					.822					
GOLD					.714					
LAST_TRA									-.371	-.360
DISBUR_D						.835				
PAST_TRA						.704				
SUB_BA							.842			
LOAN_AG							.622		.408	
CUST_LED			.455				.509			.452
PAY_TAX								.856		
ISIN					.339				-.525	.374
SETT_DE		.432							-.486	
UTI_B									.774	
DTH									.707	
HOL_DEMA		.388								.766

Extraction Method: Principal Component Analysis. Rotation Method: Varimax with Kaiser Normalization.

a Rotation converged in 19 iterations.

#### Factor 1:

Payment Due dates, Credit card statement by e-mail, subscribe for credit card alerts is having the values 0.626, 0.728, 0.809 respectively. This suggests that factor 1 is a combination of three variables. Therefore factor can be interpreted as "Credit Card Services".

#### Factor 2:

Online Shopping, Donate Online is having the values 0.760, 0.718 respectively. This suggests that factor 2 is a combination of two variables. Therefore factor can be interpreted as "Online Shopping".

#### Factor 3:

Pay transfer fund to visa credit card is having value 0.808. Therefore this factor can be interpreted as "Add-on Services".

#### Factor 4:

Loan Details, Amortization Schedule, Loan repayment details is having values 0.643, 0.525, 0.778 respectively. This suggests that factor 4 is combination of three variables. Therefore this factor can be interpreted as "Loan Details".

#### Factor 5:

Buy Gold online, Buy forex online is having values 0.714, 0.822 respectively. This suggests that factor 5 is a combination of two variables. Therefore this can be interpreted as "Buy Online Services".

#### Factor 6:

Disbursement Details, Check Past Transactions is having val-

ues 0.835, 0.704 respectively. This suggests factor 6 is a combination of two variables. Therefore this can be interpreted by "Past Transactions".

#### Factor 7:

Subscribe Bank account statements to be delivered to e-mail is having value 0.842. Therefore this can be interpreted by "Online Subscriptions".

#### Factor 8:

Pay Direct and Indirect tax is having value 0.856. therefore this can be interpreted by "Pay Tax".

#### Factor 9:

Pay Utility Bills, Recharge DTH is having values 0.774, 0.707 respectively. This suggests that factor 9 is a combination of two variables. Therefore this can be interpreted by "Pay Utility Bills".

#### Factor 10:

Holding Statement for Demat Account is having value 0.766. Therefore this can be interpreted by "Services on Demat".

**From the above 26 variables are reduced to 10 important factors which helps in explaining the Customer Awareness.**

#### 7. FINDINGS:

- Most of the respondents were holding account with ICICI Bank,
- Most of the respondents were Male Candidates.
- 84% of the customers completed Post Graduation
- 84% of the respondents employed at Private concerns.
- 56% of the respondent's Family size was Upto 3 Members.
- Maximum number of respondents getting Rs.20,001-Rs.30,000 per month.

- It is found that there are 4 factors that help customers to getting awareness on Money Transfer, Payments, Withdrawals, Service charges at the time of using ATM Services.
- There are 10 factors that help customers to getting awareness on Credit Card Service, Online Shopping, Add-on Services, Loan Details, Buy Online, Past Transactions, Online Subscriptions, Pay Tax and Pay Utility Bills, Services on Demat A/C at the time of using Online Services.

#### 8. SUGGESTIONS:

- Highly restrict to Hacking using Online Services.

- No Proper Maintenance in some ATM centers.
- Proper language support to Online Banking Users
- Reduce Problems with Software Compatibility in Online Banking.

#### 9. CONCLUSIONS:

It is very essential thing to update with the technologies. According to this study there is some lack of knowledge with ATM services and Online Banking Services. So the customers should realize the situation and they want to get more awareness on these facilities.

#### REFERENCE

1. An Empirical study on Consumer Awareness on Internet Banking in Gujarat, - Bhagvati R. Pipaliya (Finance, Indian Institute of Management, Ahmedabad) | 2. [http://www.ehow.com/about\\_5518342\\_importance-consumer-awareness.html](http://www.ehow.com/about_5518342_importance-consumer-awareness.html). | 3. Handbook of univariate and Multivariate data analysis and Interpretation with spss, Robert Ho, Published in 2006 by Chapman & Hall/CRC.