



CUSTOMER'S PERCEPTION TOWARDS THE E-BANKING IN TAMILNADU

Dr. R. Sankar Ganesh

Assistant Professor, Department of Management Studies, Er.Perumal Manimekalai College of Engineering, Hosur, Tamil Nadu, India

R. Geethanjali

Student, Department of Management Studies, Er.Perumal Manimekalai College of Engineering, Hosur, Tamil Nadu, India

Abirami

Student, Department of Management Studies, Er.Perumal Manimekalai College of Engineering, Hosur, Tamil Nadu, India

ABSTRACT The objective of this study is to identify the perception towards the internet banking and to analyze their satisfaction level due to internet banking. In current scenario, every bank in India has the internet banking facility. This paper reviews the emerging literature review on internet banking. This paper is classified into the overview of internet banking and awareness among the customers of e-banking. This project is about "customer responsiveness on banking technology products in south India. While ATM is become popular for the cash transactions and other services like ebanking are sub service available in ATM. This research would surely help the branches of banking to analyze the responsiveness among the customers about technology services and products and also helps to take necessary steps to improve the banking technology.

KEYWORDS : E-banking, customers, cash transactions, ATM

I. Introduction:

Internet banking is becoming part of the life of every bank customer in the world. Internet banking allows customers to perform a wide range of banking transactions electronically via the banks website. Technology has opened up new markets, new products, new services and efficient delivery channels for the banking industry. The customer's needs their bank transactions to be fast, safe and convenient. There are three types of banks functioning in the state. They are public, private and foreign banks.

Internet banking can be categorized into:

1. Informational websites
2. Transactional websites

Informational websites provide the general information about the bank and its product. On such websites, customers can access all kinds of information, but they cannot transact.

Transactional website enables the customers to conduct any transaction through the website of bank. The wide ranges of services are retail internet banking, whole sale internet banking and personal banking. The retail internet banking offers services like account management, bill payment, new account opening, investment services, loan application and approval, account history, etc. wholesale services include cash management, small business loan application, business to business payments.

The e-banking services are very effective because the customers don't have time to visit bank branch regularly so the banking service has involved in the banking services. In south India approximately the mobile users are 1,186,790,005. India stands second place in mobile users. The e-banking is changing the banking industry and is having the major effects on banking relationship. Technology acquisition must be based on actual needs and proven ability to deliver customer friendly solutions technological innovations not only enables a boarder reach for consumer banking and financial services, but also enhances its capacity for continued and inclusive growth.

II. OBJECTIVES OF THE STUDY:

1. To measure the customer responsiveness level of technological products offered by banks in rural south India.
2. To know the purpose of using technology products in rural areas.
3. To understand the factors of using the banking services in the rural areas.
4. To examine which factor is more influential in the adoption of internet banking in Tamilnadu.

Popular Services Covered Under E-Banking:

The popular services covered under e-banking include:

- Automated teller machine
- Credit cards
- Debit cards

- Smart cards
- Electronic funds transfer system
- Cheque truncation payment system
- Mobile banking

III. LITERATURE REVIEW:

A study of mobile banking in India, Dr.Parul Deshwal(2015), it will be recognized that mobile phones have immense potential of conducting financial transactions. There is also need to generate awareness about the mobile banking so that more and more people use it for their benefit. Lots of challenges are to be overcome for a successful implementation of mobile payments to be widely accepted as a mode of payment.

The Private Banks are introduced the internet banking services very first time in India. It was apparent to them that the only way to stay linked to the customers at any place and anytime is by way of internet applications. In India, providing services to customers, the private banks are to explore the adaptability of internet applications. The consumer's perspective on internet banking. The finding shows that the most important determinants of online banking adoption are perceived usefulness, perceived ease of use, consumer awareness and perceived risk and have strong and positive effect on customers to accept online banking system. Rao, K. Rama Mohana and Lakew, Tekeste Berhanu (2012) analysed the service quality assumption of the customers of public and private banks in the Visakhapatnam city of India. The study defines that the Reliability and Assurance dimensions of service quality scored the highest ratings while the Tangibles dimension got the lowest score along with a strong dissimilarity in service quality perceptions.

Mahdi and Mehrdad (2010) used chi-square analysis to determine the impact of e-banking in Iran and their findings from the view points of customers is that, e-banking cause higher advantages to Iranians.

IV. RESEARCH METHODOLOGY:

This research follows the survey research methodology based on previous research in related area; a questionnaire was constructed to study the customer preference towards ebanking services of banks. After developing the questionnaire, the customers of bank must answer for the questions through these the awareness among the customers about ebanking are evaluated and analysed. Based on the customers feedback, the awareness about ebanking can be recognized. Data and information were gathered from primary source by means of field survey using structured questionnaires covering bank customers on random sample basis in rural bank Branches and from secondary published sources. Primary sources included personal interviews, questionnaires and visits to branches. While the bank staffs were interviewed at branches, customers were met at ATMs, branches and at bus stops. Secondary sources included books, journals, newspapers, websites, and research studies. The data was collected from the consumers, articles, journals and also the websites.

V ANALYSIS OF EBANKING:

The number of bank branches in Tamil nadu overall is 1032 branches and group wise spread of bank branches as on December 2016:

Table 1: bank and their branches

S. no	Bank	Number of branches				
		Rural	S.Urban	Urban	metro	Total
	Group wise consolidation					
1	State bank group	354	436	296	278	1394
2	Nationalized banks	1611	1709	1097	808	5225
3	Other public sector banks	15	48	31	18	112
4	Private sector banks	747	1195	589	530	3061
5	Regional rural banks	305	209	23	0	537
6	Foreign banks	0	0	4	18	22
	Total	3032	3597	2040	1652	1032

Source: Primary data collected by the internet

Table 1 depicts the branches of banks in tamil nadu. the state bank consist of 1394 branches, the nationalized banks consist of 5225 branches, other public sector banks consist of 112 branches, private sector banks are 3061 branches, regional rural banks are 22 and the foreign banks are 22.the overall branches of banks in tamil nadu around is 10321 bank branches.

Table 2: ebanking whether the customers are satisfied or not in tamilnadu .

Customer preference	Satisfied	Percentage	Not satisfied	Percentage
Mobile banking	84	93.33	6	6.67
E-cheques	69	76.67	21	23.33
Phone banking	62	67.78	28	32.22
Credit/debit cards	78	86.67	12	13.33
ATM	80	88.89	10	11.11
Electronic fund transfer	73	81.11	17	18.89
Tele banking	54	60	36	40
Internet banking	71	78.89	19	21.11
SMS Banking	59	65.56	31	34.44

Table 2 explains the whether the customers satisfied or not by using the ebanking technology. through the mobile banking in tamilnadu, among 90 customers around 93.3 percent customers are satisfied.e-cheques technology, 76.67 percent customers are satisfied, phone banking 61 percent customers are satisfied.

By using credit and debit cards, 86.67 percent customers are satisfied. Through the atm almost 88.89 percent customers are satisfied. electronic fund transfer around 81.11 percent customers are satisfied, telebanking 60 percent customers were satisfied. internet banking 71 percent customers are satisfied and the sms banking technology 65.56 percent of customers were satisfied.

Chi square tests:

The chi square is calculated for the table 2 to depicts whether the customer is satisfied or not.

Solution:

H₀:customers are satisfied
 H₁:customers are not satisfied
 Total number of customers =90

On the assumption H₀,the expected number of customers are satisfied through the banking services=630/9=70

face	observed	expected	(O-E)	(O-E) ²
mobile banking	84	70	14	196
E-cheques	69	70	-1	1
Phone banking	62	70	-8	64
Credit/debit cards	78	70	8	64
ATM	80	70	10	100
Electronic transfer fund	73	70	3	9

Tele banking	54	70	-16	256
Internet banking	71	70	1	1
Sms banking	59	70	-11	121
	630	630		812

$$\phi^2 = \sum \frac{(O-E)^2}{E}$$

$$=812/9$$

$$\phi^2 =90.22$$

n=number of classes

n=9

number of degree of freedom at 5% of(9-1)=8

5% degree of freedom a $\phi^2 = 15.50$

VII.FINDINGS:

According to survey, urban peoples only more aware about mobile banking.more customers for mobile banking from urban only.The rural peoples not aware on ebanking.more number of banks are in the urban location only compared to rural location.In rural location,it has been found out that only a minimum level of aware and safety measures are taken for the users of ebanking for secure transcation. The government should consider the rural customers and provide some training and awareness programs for the rural customers about the technology in the banking sector.

VIII.SUGGESTIONS:

The virus which is called trojan that gets installed in your mobiles or computers than while your surfing internet or downloading anything from the unsecured websites. The trojan malware monitors all the activities happen in the online and the hacker will hacks the informations such as passwords and credit card numbers .So the government must aware the customers from the all aspects of secure transactions. So while your using online transactions use antivirus software for security purpose, "for mobile banking, consumers should only use the official app provided by the bank and downloaded only from official app stores of apple, google and windows. They should specially be careful of 'aggregator' apps that claim to provide secure transactions.

IX. FUTURE ENHANCEMENTS:

There are some limitations of the study owing to its exploratory stage. The study does not take into account the effect of demographic variables on the level of awareness and knowledge of the respondents regarding various aspects of internet banking across the category of bank. Future research can be carried out to study the effect of demographic variables. The results of the study can be used by the public sector banks to improve upon their services and try to analyze the reasons for their low level of consumer awareness. They can start a special program to create awareness among its customers.

CONCLUSION:

Today's world almost every private banks as well as public sectors are providing IT based services to their customers. The services are "Anywhere banking", "Telebanking", "internet banking", "web banking", "e-banking", "e-commerce", "ebusiness" etc.On the basis of the analysis, it can be concluded that usage of banking services by rural customer is still not open wide. It is found that only educated, well to do persons and male forms the majority of the users. Housewives, small businessmen and persons from unorganized sector feel shy and keep themselves away from banking the banking services. It can be concluded that there is an need of spreading the awareness among the common people and customers about the banking sector technologists. The small business men, the housewives, the person's working in unorganized sector be convinced to use banking and e-banking services. They should feel that their money is more safe and secure with the bank.

1. The rural customers are more reluctant to join new technologies or methods because they feel that might contain little risk. Hence, the bank can design the website to address security and trust issues.
2. The bank can organize seminar and conference to educate the rural customer regarding uses of online banking as well as security and privacy of their accounts.
3. The bank can make their rural customers aware and educate them regarding the possible risks associated while going online for banking services, so that the customers will be benefited.
4. Awareness about the technology products can be created among the rural customers through certain measures such as creating a

separate department which deals with issues related with educational promotion of technological products.

5. Majority of the rural customers feel that holding of shares and securities are risky. This feel among customers should have to be removed by taking necessary steps.

REFERENCES:

1. Al-Ashban, A. A. & Burney, M. A. 2001. Customer adoption of tele-banking technology: the case of Saudi Arabia. *International Journal of Bank Marketing*. Vol. 19 (5), pp. 191-200.
2. AL-Majali, M., & Mat, N. K. (2011). Modeling the antecedents of internet banking service adoption (IBSA) in Jordan: A Structural Equation Modeling (SEM) approach. *Journal of Internet Banking and Commerce*, 1-16.
3. Alpesh Patel. (2013). *M-Banking and M-Payments: The Next Frontier*. Delhi: Deloitte.
4. R.Y. Cavana, B.L. Delahaye and U. Sekaran, Editor, "Applied Business Research: Qualitative and Quantitative Methods", Milton, Australia: John Wiley & Sons, Australia, (2001).
5. F.C. Dane, Editor, "Research Methods", Brooks/Cole Publishing Company, Belmont, CA, (1990).
6. R. Garg, "Factors Influencing Customer's Perception towards Quality of Internet Banking Services: A Comparative Study of Public and Private Sector Banks", *Proceedings of International Conference on Business and Management*, Guru Jambheshwar University of Science and Technology, no.1, (2013), pp. 362-375.
7. adoption of tele-banking technology: the case of Saudi Arabia, *International Journal of Bank Marketing*, 19 (5), pp. 191-200, 2001.
8. Amir Herzberg. *Payments And Banking With Mobile Personal Devices*, *Communications of the ACM*, Vol. 46, No. 5, May 2003.
9. Banzal S. *Mobile Banking & M-Commerce and Related issues*, www.webfoundation.org/...../25,Mobile_banking_M-commerce_15.03.pdf, 2010.
10. Barnes, S.J., and Corbitt, B. *Mobile Banking: Concept and Potential*, *International Journal of Mobile Communications*, 1 (3), pp. 273-288, 2003.