Research Paper Commerce

A Study on Customer Awareness Towards E-Banking Services in Coimbatore City

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ABSTRACT

Banks operate in a highly globalised, liberalized, privatized and a competitive environment. Indian banking industry has witnessed a tremendous developments due to sweeping changes that are taking place in the Information technology. In today's scenario most of banks offer services through the electronic medium called E-banking. E-banking is creating lot of changes in the banking industry. Though all banking sector are providing e-banking, the main question is whether the customers are aware of all the e-banking services offered by their banks. So, it becomes necessary to study the customer awareness level towards e-banking services. The present study is a modest attempt made to know customer awareness on e-banking services provided by the banks in Coimbatore city. The major tool used for the data collection is questionnaire. For the purpose of the study, required primary data have also been collected along with secondary data. A standard methodology has been adopted and various statistical tools have been used to extract the output.

KEYWORDS e-banking, awareness, services, customer

INTRODUCTION

Banks today operate in a highly globalised, liberalized, privatized and a competitive environment. Indian banking industry has witnessed a tremendous developments due to sweeping changes that are taking place in the Information technology. Electronic means of banking includes electronically operated devices such as computers, ATMs and in addition internet, telephone, mobile handsets and other means are also used as part of e-banking. An essential feature of e-banking is that it provides round-the-clock access to banking operations.

In India, e-banking is of fairly recent origin. Slowly but steadily, the Indian customer is moving towards e-banking. But they are very concern about security and privacy of e-banking. The credit of launching internet banking in India goes to ICICI Bank. ICICI bank was the first bank which offered this delivery channel, by kicking off its online services in 1996. Other private sector banks like Citibank, IndusInd bank and HDFC and Timesbank (part of HDFC bank) started offering internet services in 1999. State Bank of India launched its services in July 2001. Other public sector banks like Bank of Baroda, Allahabad Bank, Syndicate bank and Bank of India also rolled its services during the same time.

STATEMENT OF THE PROBLEM

Today all the banking sectors are providing lot of services to their customers. Although the e-banking services are offered by all the banks, it is a necessity to study whether all the banking customers are aware of the e-banking services. To get the highest satisfaction on the e-banking channels, a customer should have complete knowledge and awareness on various products and services offered by the bank and bankers should have the ability to identify the type of services needed by a customer and render the same to his satisfaction. The researcher has attempted to analyse the customer's awareness towards the e-banking services offered by the banking sectors in Coimbatore City.

OBJECTIVES OF THE STUDY

The main objective of the study is to identify the customer level of awareness towards e-banking services.

SCOPE OF THE STUDY

With the modernization and globalization the city has adopted all the changes and now all the banks have started adopting the technologies in banking. So, it becomes necessary to study the nature, growth and extent of E-banking services provided by the banks in Coimbatore City. The present study is a modest attempt to know about customers' awareness regarding e-banking services provided by banks in Coimbatore. So the findings will help the banking sectors to create effective awareness towards their e-banking services.

METHODOLOGY

Data Collection: Primary Data is collected directly by interacting with the customers by using structured questionnaire method. Secondary Data was collected from the existing data sources, Catalogues, Internet, Magazines and Newspapers.

The Population

The population consists of Coimbatore City.

Sample Size and Sampling Method: For purpose of the study, non-probability sampling technique has been adopted. 90 respondents who are using e-banking services were selected for the study.

Statistical Tools:

- Frequency Distribution
- T-test
- ANOVA
- Post-Hoc test

Level of significance – 5%

ANALYSIS AND INTERPRETATION

Table-1 Frequency distribution of the respondents on the basis of their personal profile:

Profile	Groups	Frequency	Percentage
Gender	Male	51	**56.67**
	Female	39	43.33
Age	Less than 25 years	44	**48.89**
	25-35 years	23	25.56
	Above 35 years	23	25.56

Annual Income	Below Rs.1,00,000	8	8.89
	Rs.1,00,000 – Rs. 3,00,000	35	**38.89**
	Rs.300,001 – Rs.5,00,000	21	23.33
	Rs.5,00,001 – Rs.7,00,000	14	15.56
	Above Rs.7,00,000	12	13.33
Marital Status	Married	30	33.33
	Unmarried	60	**66.67**

Majority of the respondents are male, under the age of 25 years whose annual income is Rs.1,00,000 – Rs.3,00,000 and are unmarried.

T-Test:

Null Hypothesis: There is no significant difference in the awareness level on e-banking services between personal factors like gender & marital status respondents.

Alternative Hypothesis: There is no significant difference in the awareness level on e-banking services between personal factors like gender & marital status respondents.

Table-2 Personal Factor Vs Awareness level of e-banking services

Personal Factor	Factor	Group	N	Mean	Std. Deviation	Z	Significance	Result
Gender	Internet Banking	Male	51	34.62745	12.3951	2.169	**0.03**	Reject
		Female	39	29.33333	10.14197			
	Telephone Banking	Male	51	28.17647	9.616041	0.013	0.99	Accept
		Female	39	28.20513	12.02449			
	Mobile Banking	Male	51	26.68627	10.86736	1.551	0.12	Accept
		Female	39	23.38462	8.734732			
	ATM and Debit Card Services	Male	51	24.07843	11.81498	3.036	**0.003**	Reject
		Female	39	17.33333	8.298171			
Marital Status	Internet Banking	Married	30	24.76667	8.43508	4.851	5.259	Accept
		Unmarried	60	36.11667	11.32732			
	Telephone Banking	Married	30	25.6	10.36107	1.644	0.103675	Accept
		Unmarried	60	29.48333	10.65879			
	Mobile Banking	Married	30	20.2	8.922656	3.580	**0.000561**	Reject
		Unmarried	60	27.78333	9.73042			
	ATM and Debit Card Services	Married	30	14.46667	7.257497	4.541	**0.000**	Reject
		Unmarried	60	24.5	10.93974			

It is understood from the above table that the table significance ((0.03), (0.003), (0.0005) & (0.000)) is less than 0.05, the level of significance, the null hypothesis in the case of Internet Banking and ATM and Debit Card Services under personal factor Gender & Mobile Banking and ATM and Debit Card Services under personal factor Marital Status is rejected, comparing the mean values, it is concluded that Male respondents have higher level of awareness on Internet Banking and ATM and Debit Card Services under personal factor Gender & unmarried respondents have higher level of awareness on Mobile Banking and ATM and Debit Card Services under personal factor Marital Status.

ANOVA:

Null Hypothesis: There is no significant difference in the awareness level on e-banking services between personal factors like age & income level of the respondents.

Alternative Hypothesis: There is no significant difference in the awareness level on e-banking services between personal factors like age & income level of the respondents.

Table- 3 Table of Means based on Personal Factor

Personal Factor	Group	Internet Banking	Telephone Banking	Mobile Banking	ATM and Debit Card Services
Age	Less than 25 years	33.77273	29.13636	26.38636	21.18182
	25-35 years	27.73913	27.34783	23.04348	17.04348
	Above 35 years	34.17391	27.21739	25.30435	25.21739
Annual Income	Below Rs.1,00,000	33.625	39	28.5	24.25
	Rs.1,00,000 – Rs. 3,00,000	32.74286	29.54286	27.25714	21.6
	Rs.300,001 – Rs.5,00,000	28.09524	24.42857	19.95238	14.47619
	Rs.5,00,001 – Rs.7,00,000	34.7619	25.09524	25.42857	24.90476
	Above Rs.7,00,000	35	30.2	27.6	25.4

Table- 4 Personal Factor Vs Awareness level of e-banking services

Personal Factor	Factor	Group	Sum of Squares	df	Mean Square	F	Sig.	Result
Age	Internet Banking	Between Groups	654.5336	2	327.2668	2.4639	0.09	Accept
		Within Groups	11555.47	87	132.8215			
		Total	12210	89				
	Telephone Banking	Between Groups	77.47664	2	38.73832	0.3356	0.71	Accept
		Within Groups	10040.31	87	115.4059			
		Total	10117.79	89				
	Mobile Banking	Between Groups	168.8643	2	84.43216	0.8275	0.44	Accept
		Within Groups	8876.258	87	102.026			
		Total	9045.122	89				
	ATM and Debit Card Services	Between Groups	768.4072	2	384.2036	3.3991	0.03	Reject
		Within Groups	9833.415	87	113.0278			
		Total	10601.82	89				
Income Level	Internet Banking	Between Groups	555.8202	4	138.9551	1.0134	0.405	Accept
		Within Groups	11654.18	85	137.108			
		Total	12210	89				
	Telephone Banking	Between Groups	1517.351	4	379.3377	3.7490	0.007	Reject
		Within Groups	8600.438	85	101.1816			
		Total	10117.79	89				
	Mobile Banking	Between Groups	843.1413	4	210.7853	2.1844	0.07	Accept
		Within Groups	8201.981	85	96.49389			
		Total	9045.122	89				
	ATM and Debit Card Services	Between Groups	1405.675	4	351.4187	3.2481	0.01	Reject
		Within Groups	9196.148	85	108.19			
		Total	10601.82	89				

It is understood from the above table that the table significance ((0.09), (0.71) (0.44) (0.405) & (0.07) is greater than 0.05, the level of significance, the null hypothesis in the case of Internet Banking, Telephone Banking and Mobile Banking under personal factor Age & Internet Banking and Mobile Banking under personal factor income level is accepted.

But in case of ATM and Debit Card Services under age factor and Telephone Banking and ATM and Debit Card Services under income level factor, respondents differ in their opinion significantly. To find out which group differs significantly from other, the **POST-HOC** test is applied.

Table- 5 Personal Factor Vs Awareness level of e-banking services

Personal Factor	Construct	Age	Mean Difference	Significance	Remark
Age	ATM and Debit Card Services	Above 35 yrs VS 25 yrs-35 yrs	8.17391	0.028659	**Significant**
Income Level	Telephone Banking	Below Rs.1,00,000 Vs Rs. 300,001 to Rs. 5,00,000	14.57143	0.006786	**Significant**
		Below Rs.1,00,000 Vs Rs. 5,00,001 to Rs. 7,00,000	13.90476	0.011076	**Significant**
	ATM and Debit Card Services	Rs. 5,00,001 to Rs. 7,00,000 Vs Rs. 3,00,001 to Rs. 5,00,000	10.42857	0.013988	**Significant**

Mean difference says that respondents belonging to age group Above 35 yrs and income level Rs. 5,00,001 to Rs. 7,00,000 have significantly higher level of awareness on ATM and Debit Card Services. Mean difference says that respondents belonging to income level Below Rs.1,00,000 have significantly higher level of awareness on Telephone Banking.

SUGGESTIONS:

As observed from this study, all the respondents are not aware of all the forms of e-banking services. All banks should make their customers aware of and educate them regarding the various e- banking services provided. Banks should organize seminar and conference to educate the customer regarding uses of e-banking as well as security and privacy of their accounts. Banks should realize that they must provide customer friendly e-banking services to gain competitive advantage through differentiation of banking services.

CONCLUSION:

The banking sector in India is undergoing major changes due to competition and the advent of technology. The customer is looking for quality services which can provide him/her sat-

isfaction. The customer had to physically visit the bank office in order to carry out banking operations. E-banking is playing a vital role in today's banking field. This study reveals that the demographic conditions of the customers are very important in creating the awareness level among the customers of the Coimbatore city. The study has shown that people in generally are aware of the concept of Electronic Banking. As e- banking is still relatively new in India, the intention to use e- banking is still very limited. The finding reveals that people know about the services but still many are not aware of all the services and do not use them. Banks should ensure that electronic banking is safe and secure for financial transaction like as traditional banking. Therefore the banks should make some potential strategies to create awareness of all e-banking services.

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