



## A STUDY ON ATTITUDE OF RURAL PEOPLE TOWARDS E-BANKING SERVICES IN ERODE DISTRICT

**Dr.K.M.Kumaraguru**

Associate Professor & Head, Dept. of Commerce, Kongu Arts and Science College (Autonomous), Erode, Tamil Nadu, India.

**Dr.M.Gomathi**

Assistant Professor, Dept. of Commerce, Kongu Arts and Science College (Autonomous), Erode, Tamil Nadu, India.

**ABSTRACT**

E-banking is a generic term making use of electronic channels through telephone, mobile phones, internet etc. for delivery of banking services and products. The concept and scope of e-banking is still in the transitional stage. It increases efficiency in the sphere of effective payment and accounting system thereby enhancing the pace of delivery of banking services considerably. It allows customers to access banking services electronically such as to pay bills, transfer funds, view accounts or to obtain any banking information and advice. E-banking also facilitates new relationships with customers, regulatory authorities, suppliers and banking partners with digital-age tools (Dr. Himani Sharma 2011). In the way e-banking is one of the most emerging concepts which is used by all the people. However, the rural people are not still unaware of it and even though they have aware, they reluctant to use it. Hence, this study spots a light on E-banking service awareness of general public in rural area in Erode District. The data was obtained through the use of structured questionnaire. The study is confined to convenience sampling method. The sample size of the study is 50. The data were analysed with percentage method, Henry garret ranking method and factor analysis.

**INTRODUCTION**

Now a day's information technology plays a vital role in banking sector. Day by day increasing change in technology world, it leads to improve e-banking services of various banks. Traditional branch model of bank is now changing into new form of e-banking services. (Elavarasi and Dr.S.T. Surulivel 2014). E -banking reaps benefits for both banks and its customers. Banking industry is one of the major users of information and communication technologies in business life. The progressive achievements on technology, variation of customer's demand, increasing competitive environment and as a result decreasing profit margins put the banks the pressure to process new personnel administrations. Banks try to gain advantages in this aggressive atmosphere by transferring new technological developments in their area as soon as possible (Ozcan, 2007, p.15).

**OBJECTIVES OF THE STUDY**

To identify the awareness level of general public towards e - banking services.

To find out the reasons for preferring e - banking services, among the public.

To find the problems faced by the public in doing e- banking services.

**REVIEW OF LITERATURE**

K.T. Geetha & V.Malarvizhi stated in their study that "It was found that people have weak understanding of internet banking, although they are aware about risk. Hence, banks should design the website to address security and trust issues. The recommendations to the banks are that they have to increase the level of trust between banks website and customers. Dr. Himani Sharma (2011) revealed in his study that "there is not much awareness in Indian customers regarding use of e- banking services. But, the guidance and persuasion by bankers does promote the use of such services amongst the customers. There is greater incidence of e-banking usage among the middle age men (30 to 50 years of age); and women customers use such services much less frequently. Joseph et al. (1999) found in his study that "the influence of internet on the delivery of banking services. They found six primary dimensions of e-banking service

quality such as convenience and accuracy, feedback and complaint management, efficiency, queue management, accessibility and customization". Mishra (2005) in his paper explained that "the advantages and the security concerns about internet banking. According to him, improved customer access, offering of more services, increased customer loyalty, attracting new customers are the primary drivers of internet banking". Asli Yüksel Mermod (2011) stated in his study that "The preeminent and modern products and services offered by the most innovative banks are not the decision factor for online customers but their habits. Users prefer to use the internet banking services of the bank that they use in their daily transactions. Buying and selling securities or insurance products are the least used products in online services. Internet customers still need a personal touch in traditional branches with bank professional advisors to do their investment decisions". Elavarasi and Dr.S.T.Surulivel (2014), It is found from their study that "younger generation were using electronic banking services are more as compared to older generation because of new. innovation in information technology and their adoption level is high in e-banking.

**DATA ANALYSIS AND INTERPRETATION**

**Percentage Analysis:**

**TABLE N O.1  
DEMOGRAPHICAL CHARACTERISTICS OF THE RESPONDENTS**

S.No	Demographic factors	Particulars	Frequency	Percentage
1.	Gender	Male	30	60
		Female	20	40
		Total	50	100
2.	Age	Below 30 Years	19	38
		30 - 40 Years	12	24
		41-50 Years	10	20
		Above 50 Years	9	18
		Total	50	100

3.	Monthly Income	Below Rs. 10,000	14	28
		Rs. 10,000 – 20,000	21	42
		Rs. 20,001 – 30,000	8	16
		Above Rs. 30,000	7	14
		Total	50	100
4.	Qualification	School level	16	32
		Under Graduation	27	54
		Post Graduation	7	14
		Total	50	100
5	Awareness level	Aware and Using	31	62
		Aware but not using	10	20
		Unaware	9	18
		Total	50	100

**Source: Primary data**

It is seen from the above table that majority 60% of the respondents are male where as 40% of them are female. When the age of the respondents are concerned, 38% of the respondents are in the age group of below 30 years, 24% of them in 30 – 40 years and 20% of them in 41-50 years and 18% of them are in above 50 years. It is observed that nearly 28% of the respondents belong to the income group of Below Rs.10,000 per month, 42% belong to range between Rs. 10,000 - 20,000 and 16% of them belong to range between Rs.20,001 – 30,000. About 14% of the respondents fell in to the category of more than Rs. 30,000 per month. The qualification of the respondents are concerned, 32% of the respondents have school level education, 54% of them having under graduation and 18% of them having post graduation. Around 62% of the respondents are aware of e-banking services and using it, 20% of the respondents are aware but not using the e – banking services and 18% of them are quite unaware of e- banking services.

**Chi-square analysis**

Chi-square analysis has used to find the relationship between Demographical variables and awareness level of e- banking services of the respondents.

**Ho:** There is no significant relationship between demographical variables and awareness level towards e- banking services.

**H1:** There is a significant relationship between demographical variables and awareness level towards e- banking services.

**TABLE NO.2  
CHI-SQUARE ANALYSIS**

S.No	Particulars	Value	DF	Asymp. Sig. (2-sided)	Remarks
1	Gender	5.121	1	0.015	Significant
2	Age	0.417	2	0.617	Not Significant
3	Income	0.687	2	0.709	Not Significant
4	Qualification	5.527	2	0.061	Significant

From the above table it is cleared that there is a significant relationship between gender, educational qualification and awareness level towards e – banking services. Age and Income level of the respondents are not having relationship with awareness level.

**Henry Garrett ranking:**

To find out the most significant factor which influences the respondent, Garrett's ranking technique was used.

**TABLE NO.3**

S.No	Factors	Rank 1	Rank 2	Rank 3	Rank 4	Rank 5	Total	Score	Rank
1	Higher risk in processing	18	9	10	8	5	50	4877	4
2	Fear about e – banking services	22	8	8	6	6	50	4884	3
3	Lack of trust	20	11	9	5	5	50	4886	2
4	Lack of technological knowledge	25	10	5	6	4	50	4896	1
5	Account security based problems	15	10	10	10	5	50	4870	5

The above table shows that 'Lack of technological knowledge' was ranked as a first problem with a score of 4896 Garrett points. 'Lack of trust' was ranked as a second problem with a score of 4886 points. 'Fear about e – banking services' was ranked as a third problem with a score of 4884 points. 'Higher risk in processing' was ranked as a fourth problem with a score of 4877 points. 'Account security based problems' was ranked as a fifth problem with a score of 4870 points.

**Factor Analysis:**

**TABLE NO.5  
Communalities**

	Communalities	Communalities
Easy to operate	1.000	.992
Reliability and convenient	1.000	.731
Improved customer	1.000	.954
Fast money transfer	1.000	.970
Less time consumption	1.000	.928
Avoid to carry money	1.000	1.000
Cost effective	1.000	.802

**Extraction Method: Principal Component Analysis.**

**TABLE NO.6  
Rotated Component Matrix<sup>a</sup>**

	Component		
	1	2	3
Fast money transfer	.931	-.294	-.128
Less time consumption	.922	-.260	.104
Easy to operate	-.351	.876	-.318
Cost effective	.327	-.828	.101
Reliability and Convenient	-.072	.784	.332
Improved customer	.246	-.104	.940
Avoid carry money	.507	-.108	.855

**Extraction Method: Principal Component Analysis.**

Rotation Method: Varimax with Kaiser Normalization.

a. Rotation converged in 5 iterations.

In order to know the reasons for preferring e- banking services among the public, the factor analysis has been applied. There are seven variables, having considered for the study which have influenced them to prefer e-banking services. With the help of the measured variables, three important factors are extracted through the factor analysis and are named as Fast and less time consumption, Easy to operate and Cost and service effective.

**Conclusion**

From the last twenty years, banking sector has chosen a new method of banking based on the progress of information technology. In addition to these customers, transaction and communication abilities are fastened based on information technology. E-banking offers ease of access, secure transactions and 24-hour banking options. It also offers visibility into banking activities, which makes it harder for fraudulent activities to occur. The main aim of e- banking services is to provide the customers a much faster services with low cost.

**References**

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