

A STUDY ON CUSTOMER ATTITUDE TOWARDS E-BANKING SERVICES OF PRIVATE SECTOR BANKS IN KRISHNAGIRI DISTRICT

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ABSTRACT

E-Banking service is the automated delivery of new and traditional banking products and services directly to customers through electronic, interactive communication channels includes the systems that enable financial institution customers, individuals of businesses, to access accounts, transact business, or obtain information on financial products and services from Internet. Customers access e-banking services using an intelligent electronic device, such as a personal computer, personal digital assistant, automated teller machine and touch tone telephone. The customers also prefer e-banking services since it reduces the waiting and enhance the customers to do their work effectively within a short span of time. Now a days e-banking services plays a vital role in economic development in turn helps the government in collecting the tax, since every transaction is done through online no chance of fraudulent activities.

Key Words: Any time access, Easy mode, Speedy transaction and Economic Development

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BACKGROUND OF THE STUDY

Internet banking enables a customer to perform banking transactions through the bank's website. This is also called virtual banking or anywhere banking. It is like bringing the bank to one's e-banking device at the place and time of one's choice. This can be very useful, especially for any time access. The number of customers who choose online banking as their banking usually offers features like electronic bill payment. Both the traditional banking as well as the online banking has its own pros and cons. The early dramatic pace of change in online banking may have proved an impediment to potential users accepting this new technology.

STATEMENT OF PROBLEM

Banking Industry plays an important role in technological advances ultimately focused to improve the social value while efficiency is aimed at maximising output and eventually profitability with a given set of resources. The researchers stated that the banking transactions could be done by the click of mouse. In the current scenario time is the most important factor which is saved in internet banking. But the senior citizens will not prefer online banking services because of reluctant to change and perceived usefulness. The study is based on the factors influencing customers for continuous adoption of e-banking services.

OBJECTIVES OF THE STUDY

1. To analyze the factors influencing customers to adopt the e-banking services
2. To measure the most important variables having a significant impact on customer behaviour towards continued usage of e-banking services provided by the banks.

REVIEW OF LITERATURE

1. **D.Ramani (2007)**. Analyzed the factors like balance enquiry, cost transaction, and other services. He said that mobile phone banking benefits the customers as well as bankers. He said that the bankers should utilize the benefits of technology alternative channels of services available to convince dissatisfied customers.
2. **Gita Radhakrishna & Leo Pointon (2007)**. analyzed the risks in internet banking and frauds in internet banking, authenticity, accuracy and completeness. He concluded that plea

bargaining, amendment of charges, lack of evidences to be prosecuted under the penal code's provisions for criminal breach of trust.

3. **Sandeep Kavtish (2008)**. analyzed the security issues, technical issues and consumer adoption issue. He concluded that internet banking is relatively a new concept in the global banking and it is passing through into growth phase of its development cycle.

4. **Ahmed Kaleem (2008)** analyzed the risk of data loss, fraud, legal and security issues and the operational reliability. He concluded that the attributes vary in relation to the personal characteristics of respondents.

5. **A Sarangapani & T Mamatha (2008)**. analyzed the factors like EFT, ATM, EDI, ECS, SPNS & PC banking etc. They said that the success of the banking industry mainly depends on the services that they provide to their customers. He concluded that offering better services with value addition is a real challenge for the banks planning to implement e-banking.

6. **Vinayagamoorthy, A & Senthil Kumar, k (2009)**. Studied Online trading, bill payment and e-shopping are mostly used by the customers. They concluded that e-banking provides new growth perspectives and internet business is a catalyst for new technologies and new business processes.

RESEARCH METHODOLOGY

The descriptive analysis is adopted for collecting the data. The study is concerned with the private banks in Krishnagiri District that are providing e banking services. Descriptive analysis provides a very useful initial examination of data since the research is conducted for definite purpose. The questionnaire is focused on the following main issues.

DATA COLLECTION AND ANALYSIS

The study is based on primary data. The data have been collected from HDFC Bank, ICICI Bank and AXIS Bank in Krishnagiri District so as to make it representative of entire population.

HYPOTHESIS

There is no significant relationship between educational qualification and the mode of operation.

PRIMARY DATA

Primary data was collected with the help of well structured questionnaire from the respondents.

SECONDARY DATA

Secondary data are collected through the company records, books, journals, magazines and internet.

SAMPLE DESIGN

A sampling design is the theoretical basis and the practical means by which infer the characteristics of some population by generalizing from the characteristics of relatively few of the units comprising the population. Simple Random technique is used to collect the data from the selected sample unit.

SAMPLE UNIT

Sampling unit is any “population” or “universe” contains some specifications in terms of content units, extent and time. The universe of the present study confined to three private sector Banks in Krishnagiri District namely HDFC Bank, ICICI Bank and AXIS Bank.

SAMPLE SIZE

As the name indicates, sample size refers to the number of respondents or the size of the sample which is to be surveyed. Here the sample size taken for the study is 250 that were randomly administered to customers which comprised of the users of internet banking.

STATISTICAL TOOLS USED

The term statistic itself refers to measure value based upon sample data. The data is analyzed by using percentage method, Ranking method and Chi square method. Data was presented in the form of tables.

LIMITATION

1. The data collection has been done from a limited geographical area. Hence the findings and conclusion has its own limitations.
2. The customers are resistant to new payment mechanism.

SERVICES PROVIDED BY THE BANKS**PERSONAL BANKING**

- Accounts & Deposits
- Loans
- Cards
- Forex
- Investments & Insurance

NRI BANKING

- Accounts & Deposits
- Remittances
- Investments & Insurance Loans Payment Services

WHOLESALE BANKING

- Corporate
- Small & Medium Enterprises
- Financial Institutions & Trusts
- Government Sector

ANALYSIS**GENDER OF THE RESPONDENTS**

GENDER	NO OF RESPONDENTS	PERCENTAGE
MALE	153	57
FEMALE	97	43
TOTAL	250	100

Sources: Primary Data

The above table reveals that out of 250 respondents, 57% of the respondents were male and remaining 43% of the respondents were female who are doing their banking transactions through e-banking.

AGE OF THE RESPONDENTS

AGE	NO OF RESPONDENTS	PERCENTAGE
Below 30 years	121	48

30-40 years	76	30
40-50 years	32	13
Above 50 years	21	9
TOTAL	250	100

Sources: Primary Data

The above table reveals that 48% of the respondents, who are transacting through e-banking services are below 30 years, 30% of the respondents are in the age group of 30-40 years, 13% of the respondents are in the age group of 40-50 years and the remaining 9% of the respondents are above 50 years who are less in number and the respondents who have crossed the age of 50 years are reluctant to change their behaviour as they are used to traditional banking services.

OCCUPATION OF THE RESPONDENTS

OCCUPATION	NO OF RESPONDENTS	PERCENTAGE
BUSINESS MAN	72	29
INDUSTRIALIST	37	15
PROFESSIONAL	84	34
AGRICULTURALIST	31	12
OTHERS	26	13
TOTAL	250	100

Sources: Primary Data

The above table portrays the occupation of the respondents. 34% of the respondents were professional people, 29% of the respondents are Business man, 15% of the respondents are Industrialist who are transacting through e-banking services, 13% of the respondents are workers who are availing the internet banking services and the remaining 12% of the respondents were agriculturalist who are doing the banking transactions through virtual banking.

ANNUAL INCOME OF THE RESPONDENTS

ANNUAL INCOME	NO OF RESPONDENTS	PERCENTAGE
LESS THAN 200000	83	33
200000-500000	92	37
500000-1000000	39	16
ABOVE 1000000	36	14
TOTAL	250	100

Sources: Primary Data

The above table depicts the annual income of the respondents. 37% of the respondents are earning the annual income between Rs.200000-500000, 33% of the respondents are earning the income of less than Rs.200000, 16% of the respondents are earning the income between Rs.500000-1000000 and the remaining 14% of the respondents are earning the income of above Rs.1000000.

EDUCATIONAL QUALIFICATION OF THE RESPONDENTS

EDUCATIONAL QUALIFICATION	NO OF RESPONDENTS	PERCENTAGE
BELOW HIGHER SECONDARY	17	07
HIGHER SECONDARY	45	18
BACHELOR'S DEGREE	106	42
MASTER'S DEGREE	82	33
TOTAL	250	100

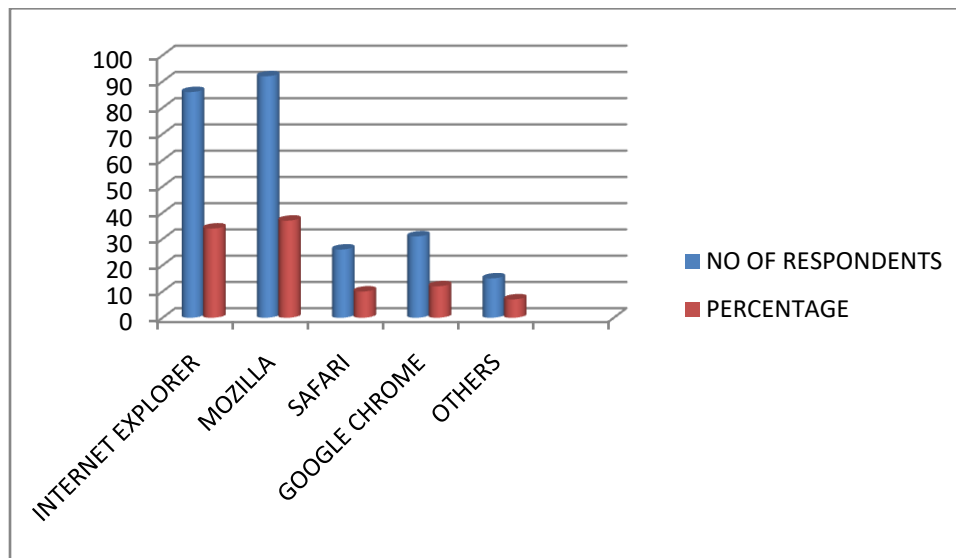
Sources: Primary Data

The above table reveals the educational qualification of the respondents. 42% of the respondents have completed the bachelor's degree. 33% of the respondents have completed the master's degree. 18% of the respondents have completed the higher secondary and the minimum of 7% of the respondents are below higher secondary.

PREFERENCE TOWARDS THE BROWSER FOR ONLINE TRANSACTION

BROWSERS	NO OF RESPONDENTS	PERCENTAGE
INTERNET EXPLORER	86	34
MOZILLA	92	37
SAFARI	26	10
GOOGLE CHROME	31	12
OTHERS	15	07
TOTAL	250	100

Sources: Primary Data



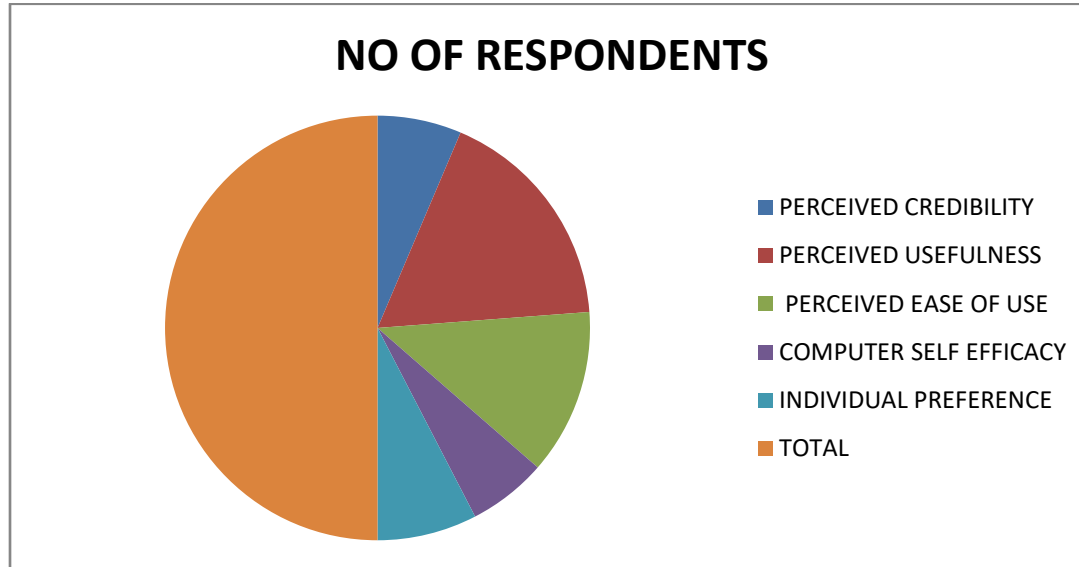
The above table depicts the preference towards the browser for online transaction. 37% of the respondents have been using Mozilla for e-banking services, 34% of the respondents have been using Internet explorer, 12% of the respondents have been using Google chrome, 10% of the respondents have been using Safari and the remaining 7% of the respondents have been using other browsers.

THE FACTORS INFLUENCING E-BANKING SERVICES

FACTORS	NO OF RESPONDENTS	PERCENTAGE
PERCEIVED CREDIBILITY	32	13
PERCEIVED USEFULNESS	87	35
PERCEIVED EASE OF USE	63	25
COMPUTER SELF EFFICACY	30	12

INDIVIDUAL PREFERENCE	38	15
TOTAL	250	100

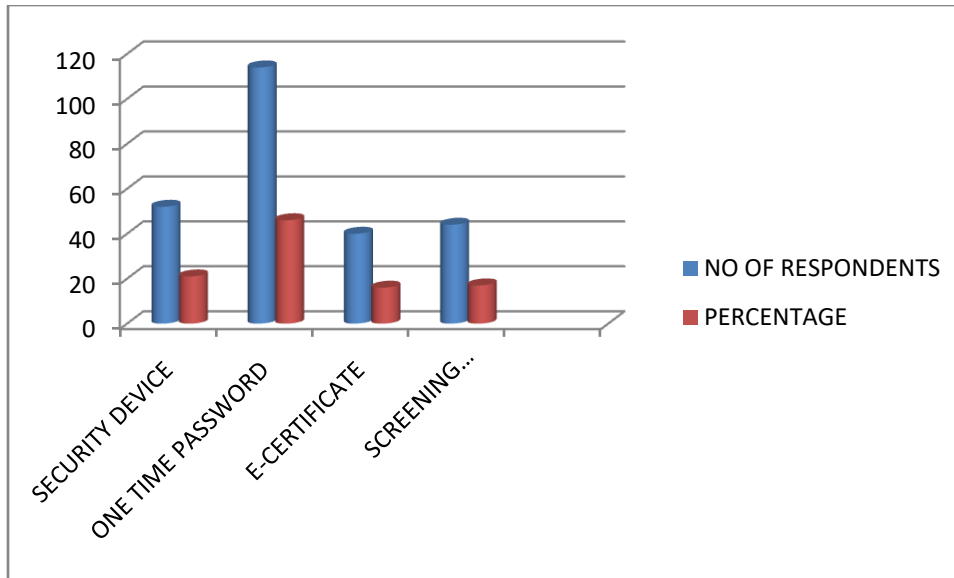
Sources: Primary Data



The above table shows that perceived usefulness is the factor which influenced the customers more to adopt e-banking services, 25% of the respondents are influenced by the factor ease of use, 15% of the respondents are influenced by the factor individual preference, 13% of the respondents were influenced by the factor perceived credibility and the remaining 12% of the respondents were influenced by the factor self efficacy.

MOST PREFERRED CHANNEL FOR AUTHENTICATION

PREFERENCES	NO OF RESPONDENTS	PERCENTAGE
SECURITY DEVICE	52	21
ONE TIME PASSWORD	114	46
E-CERTIFICATE	40	16
SCREENING APPLICATION	44	17
TOTAL	250	100



The above table shows the most preferred channel for authentication. 46% of the respondents prefer one time password for authentication, 21% of the respondents prefer the security device, 17% of the respondents prefer the screening applications and the remaining 16% of the respondents prefer the E-certificate for authentication.

MOST PREFERRED CHANNELS FOR MODE OF OPERATION

PREFERENCES	NO OF RESPONDENTS	PERCENTAGE	RANK
EFTPOS	107	43	I
NEFT	49	20	III
RTGS	16	07	IV
IMPS	78	31	II
TOTAL	250	100	

Sources: Primary Data

The above table exhibit the overall rank of the most preferred channels for mode of operation to the customers. EFTPOS is the channel which influenced the customer which ranks I, IMPS scored II rank, NEFT service is influenced by the customers by securing III rank and the IV rank is secured by RTGS service.

TABLE SHOWING THE COMPARISON BETWEEN THE EDUCATIONAL QUALIFICATION AND MOST PREFERRED MODE OF OPERATION

Null hypothesis (Ho)

There is no significant relationship between the educational qualification and most preferred mode of operation

Alternative hypothesis (H1)

There is significant relationship between the educational qualification and most preferred mode of operation.

EDUCATIONAL QUALIFICATION	EFTPOS	RTGS	NEFT	IMPS	TOTAL
Below higher secondary	2	-	1	14	17
Higher secondary	35	-	5	5	45
Bachelor's degree	40	5	26	35	106
Master's degree	30	11	17	24	82
Total	107	16	49	78	250

Sources: Primary Data

The calculated value of chi square at the degrees of freedom of 9 @ 5% level of significance is more than the table value. Hence the hypothesis is rejected.

RESULT:

There is significant relationship between the educational qualification and most preferred mode of operation.

SUGGESTION

- The banks should concentrate on customer relationship by giving proper instruction and clarify the doubts through queries
- The customer should be authenticated by biometric identification to avoid frauds
- The personal information to be kept confidential
- The free transaction through debit cards can be increased

- All the deposits and withdrawals to be linked with SMS alert

CONCLUSION

The advent of internet technology has significantly revolutionised the way business and service delivery is carried out by companies and businesses around the world today. Electronic commerce has transformed the marketing strategies of businesses in the way they sell and deliver their products to the end consumer through the use of the internet. Some of the business activities that have been facilitated through the use of internet banking include electronic fund transfer, mobile payment service, electronic wallet, magnetic ink character recognition, online transaction processing, electronic data interchange and automated data management among others.

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