

A STUDY ON LEVEL OF AWARENESS OF E-BANKING AMONG PEOPLE IN PALAKKAD DISTRICT

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ABSTRACT

With the technological revolution allowed to move towards digitalising all transactions and efficient and instant communication reflects in banking sector also. Now banking turned into e-banking which banks facing new challenges in its field as a result of innovative technological advancement in banking sector. As customers of banking institutions wants banking services at their fingertips, for this banks offers so many services by electronic means what is technically called as e-banking. Now banks not confined to branches, they reduced paper documents for banking transactions, customers can withdrew or deposit money through online, online fund transfer etc are made possible today without any hurdles. Electronic also known as electronic fund transfer (EFT), uses computer and internet technology as a substitute for paper documents. EFT initiated through cards or codes by which a customer can authorise access their accounts. Debit cards, credit cards PIN numbers are used for this purpose. For example a customer can easily check his account through online when he made a purchase with credit or ATM cards with his smart phone. The study is about to know the awareness level of e-banking among people with reference to Palakkad city.

Key words :- E-banking, Online transactions etc.

INTRODUCTION TO E-BANKING

The world is changing very fastly one of the major key driver is technology. As the technology play a vital role in today's world. As the technology developing world become a global village. Technological revolution reflects in banking sector also. Instant telecommunication and fast data processing further accelerated to adopt technology in banking. In other words the integration of telecommunication with information system implies application of IT in banking. The new technology entirely altered traditional banking system and enables more efficient way of doing banking business with the help of IT. Many of customers are benefited this new form of banking which is technically called as e-banking.

E-banking also made a substantial change in Indian banking in such a way that banks changed their back offices, centralised and integrated online services. With the expansion of internet usage, E-banking has become one of the most revolutionized components of today's economic growth. E-Banking is powerful value added tool to attract new customers and retain the existing ones. Many activities are handling through electronic means slowly demands the banking customers to accept e-banking. Most of the customers moving towards e-banking as they want this more simple and efficient.

The term e-banking refers delivery of banking services and products to their customers through telephone, internet, computer etc. The concept of e-banking is an efficient system of making

payments and accounting system which in turn enable speed and efficient delivery of services to their valuable customers.

This study attempts to know the level of awareness of e-banking among people belong in Palakkad district concentrating among rural area.

REVIEW OF LITERATURE

Centeno (2004) argues that speed, the convenience of remote access, 7/24 availability and price incentives are the main motivation factors for the consumers to use internet banking. **Durkin**, (2008) notes that the simplicity of the products offered via internet banking facilitates the adoption of internet banking by consumers.

Guerrero, (2007) examine the usage of internet banking by Europeans and their results indicate that ownership of diverse financial products and services, attitude towards finances and trust in the internet as a banking channel influence clients' usage of internet banking.

Calisir and Gumussoy (2008) compare the consumer perception of internet banking and other banking channels and report that internet banking, ATM and phone banking substitute each other.

Maenpaa (2008) examine the consumer perceptions of internet banking in Finland and their findings indicate that familiarity has a moderating role in the perception.

OBJECTIVES OF THE STUDY

While doing this study the following objectives are keeping in mind.

- To study the e-banking in India
- To measure the perception of customers towards e-banking services in Palakkad district.
- To study the awareness level of people about e-banking or online banking provided by banks in Palakkad.
- To suggest if any to increase the rate of awareness among customers in handling e-banking.

RESEARCH METHODOLOGY

For accomplishing the study data were collected from 120 bank customers in Palakkad district covering rural areas. Convenience sampling method is used for taking samples from population. The instrument used for the survey is structured questionnaire. The questionnaire was made up to measure the awareness level of e-banking. The responses are measured with three point likert scale.

ANALYSIS OF DATA

For in depth study respondents were classified into three categories viz. Low , medium and high awareness level.

Table 1

Distribution of Respondents on the basis of Overall Awareness Level on E-Banking

Awareness level	No. of respondents	percentage
High	28	23.33
Medium	74	61.67

Low	18	15
Total	120	100

Source: Primary data

Inferences

The above table reveals that out of 120 respondents 28 respondents (23.33%) are belongs to high awareness group. 74 respondents (61.67%) having medium level of awareness. Only 18 respondents (15%) are low rate of awareness about e-filing. In short majority of respondents are belongs to medium awareness of e-banking.

Age and awareness level

Age is one of the important variable which determine the extend of awareness of e-banking services and products. For measuring whether there is any significance relation between age and awareness chi-square test is used.

For the purpose of analysis age of respondents classified as Young, Middle, Old group.

In order to test the hypothesis a null hypothesis and alternative hypothesis were set.

Ho : There is no significance relation between age and awareness level of e-banking

H1 : There is significance relation between age and awareness level of e-banking

Table 2

Age	High Awareness	Medium awareness	Low awareness	Total
Young	12	19	3	34
Middle	21	42	6	69
Old	2	6	9	17
Total	35	67	18	120

O	E	O-E	(O-E) ²	(O-E) ² /E
12	9.916	2.08	4.33	.44
21	20.125	.875	0.77	.038
2	4.958	-2.96	8.76	1.77
19	18.98	0.02	0.0004	0.00002
42	38.52	3.48	12.11	0.31
6	9.49	-3.49	12.18	2.69
3	5.1	-2.1	4.41	0.86
6	10.35	-4.35	18.92	1.83
9	2.55	6.45	41.60	16.31

Chi-square value : 24.25(5% level of significance)

As calculated value (24.25) exceeds Table value for 4 degree of freedom at 5% level of significance the framed hypothesis is rejected. Therefore, it could be concluded that there is a significant relation between age of respondents and awareness level of e-banking among them.

Gender and awareness level

Normally Male customers are more aware with e-banking than female customers because their routine works need to carry out through banks such as collection cash from customers, payment to suppliers etc.

Table 3

Gender	High	Medium	low	Total
Male	19	49	14	82
Female	5	27	6	38
Total	24	76	20	120

O	E	O-E	(O-E) ²	(O-E) ² /E
19	16.4	2.6	6.76	0.41
5	7.6	-2.6	6.76	0.89
49	51.9	-2.9	8.41	0.16
27	24.07	2.93	8.59	0.36
14	13.67	0.33	0.11	0.0080
6	6.33	-0.33	0.11	0.017

Chi-square value: 1.845 (5% level of significance)

Ho: There is a significant relation between gender and awareness level of e-banking.

Here calculated value is less than table value for degree of freedom 2, the framed hypothesis is accepted.

Hence, there is a significant relation between gender and awareness level of e-banking.

EDUCATIONAL QUALIFICATION AND LEVEL OF AWARENESS

Education is one of the core factors in determining the awareness level of the bank customers on e-banking. Highly Educated people have a lot of chances to work in number of organizations and have opportunities to use and operate latest technology. So, higher the educational qualification, naturally, higher would be the awareness level. Hence, it is decided to study the association between educational level and awareness level of the customers.

Table 4

Educational qualification	High	Medium	Low	Total
SSLC	12	9	13	34
Plus Two	10	23	7	40
Above Plus two	26	20	0	46
Total	48	52	20	120

O	E	O-E	(O-E) ²	(O-E) ² /E
12	13.6	-1.6	2.56	0.19
10	16	-6	36	2.25
26	18.4	7.6	57.76	3.14
9	14.73	-5.73	32.83	2.23
23	17.33	5.67	32.15	14.82
20	19.93	0.07	0.0049	0.000025
13	5.67	7.33	53.73	9.45
7	6.67	0.33	0.1089	0.016
0	7.67	-7.67	58.83	7.67

Chi-square value: 39.76 (5% level of significance)

Ho: There is no significant relation between Educational qualification and awareness level of e-banking.

From the test calculated value is greater than table value for 4 degree of freedom reject hypothesis. Hence it is concluded that there is significant relation between Educational qualification and awareness level of e-banking.

OCCUPATIONAL STATUS AND AWARENESS LEVEL

The occupation of the respondents may influence the awareness level on e-banking.

So, the uses and application of e-banking channels by the respondents for banking transactions depends upon their occupation. Hence, it is decided to analyse the relationship that exists between occupation of the respondents and their awareness on e-banking.

Table 5

Occupation	High	Medium	Low	Total
Business	12	39	5	56
Government	7	5	3	15
Profession	6	2	3	11
Private	16	7	15	38
Total	41	53	26	120

O	E	O-E	(O-E) ²	(O-E) ² /E
12	19.13	-7.13	50.8	2.65
7	5.125	1.87	3.49	0.68
6	3.76	2.24	5.02	1.33
16	12.98	3.02	9.12	0.70
39	24.73	14.27	203.63	8.23
5	6.625	-1.62	2.62	0.39
2	4.86	-2.86	8.17	1.68
7	16.78	-9.78	95.64	5.69
5	12.13	-7.13	50.64	4.19
3	3.25	-0.25	0.0625	0.019
3	2.38	0.62	0.38	0.16
15	8.23	6.77	45.83	5.57

Chi-square value: 31.289(5% level of significance)

Ho: There is no significant relation between Occupation and awareness level of e-banking.

Calculated value is greater than table value for 6 degree of freedom, framed hypothesis is rejected. Hence, it is concluded that there is significant relation between Occupation and awareness level of e-banking.

FINDINGS OF THE STUDY

- The study revealed that there is significant relation between age of customers and awareness level on e-banking.
- From the study it is found out that there is significant relation between gender and awareness level on e-banking.

- The study reflected that there is significant relation between Educational qualification of customers and awareness level on e-banking.
- The study revealed that there is significant relation between Occupation of customers and awareness level on e-banking.

LIMITATION OF THE STUDY

- The major limitation of the study is that the proposed study was carried out only in Palakkad district.
- The study is based on the responses from selected respondents, hence results cannot be generalised.
- The study is limited to 120 sample space itself.

CONCLUSION

Based on the study it is concluded that the technology plays an invaluable role in banking sector. Through e-banking customers are encouraged to do banking transactions in an innovative way. The study reveals that users of e-banking delivery channels have strong positive perception towards technology used in banking which is reflected in their adoption and usage of the same. From the study it is clear that often a few people are not very well aware about e-banking, because of influence of education and nature of jobs they were engaged. However most of the people using credit cards, ATM cards for banking use or otherwise through mobile banking. From the study it is evident that almost all customers awareness level are good rarely have not enough knowledge sometimes it may be the lack of technical knowledge.

The study reflected a matter that for the coming year's number of users of e-banking may high because majority of banks adopting online banking services to their customers as e-banking motivate people to aware more about the concept.

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