



Customers Perception towards Net Banking Financial Services – Special Reference to Nungambakkam (Chennai)

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Abstract: Net banking, is an electronic payment system also known as online banking or Internet Banking. Net Banking enables the customers to perform various transactions like transfer of funds from one account to another, paying utility bills, tax payment, view the account statement, balance enquiry etc., in speedy and easiest way without approaching Banks directly. In this study the researcher attempts to identify customer's perception towards net banking financial services and their level of satisfaction

Keywords: *National Electronic Fund Transfer (NEFT), Real Time Gross Settlement (RTGS), Electronic Clearing System (ECS), Immediate Payment Service (IMPS), Quick Transfer.*

I. INTRODUCTION

Net banking or online banking or internet-banking is a digital payment system which enables customers of a bank or a financial institution to make financial or non-financial transactions online via the internet. Through Internet Banking customers can access their bank account and carrying out financial transactions through the internet on their smart phone, tablet or computer. It allows the customers to carry out a number of transactions such as paying bills and transferring money, in quick way, without having to visit the bank directly.

REVIEW OF LITERATURE

Suriyamurthi, S. Mahalakshmi.V & Karthik, R. (2012) in their research work titled, "A Study on Customer Perception towards Internet Banking", the research is focused on customers' perceptions about internet banking, the factors that drive consumers, how customers have accepted internet banking and the ways to improve the usage rate. The purpose of this research is to determine the factors influencing acceptance level of internet banking by the bank customers. The study revealed that education, gender and income play an important role in usage of internet banking. Not much research has been done on these areas as they were focused more on the acceptance of technology rather than on people. The research corroborated the conceptual framework stating that if skills can be upgraded, there

will be greater will to use internet banking by consumers. Inhibitory factors like trust, gender, education, culture, religion, security and price can have minimal effect on consumer mindset towards internet banking.

Jadhav, N.B., Poonam R. Lohana and Rupesh Dargad (2010) in their research work titled, “Customer Perception and Attitude towards E-Banking”, Electronic banking is the latest in the series of technology wonders in the recent past, involving use of internet for delivery of products and services. The electronic banking has been evolving the environment with the development of the world web. Banks through internet has emerged as a strategic resource for achieving higher efficiency. More recently in India, the E-banking service is carried out in an effective way to highly satisfy the customers of the respective banks. As a business tool, internet banking is rapidly transforming the world of commerce and banking, making banks faster and more efficient and allowing them to provide more personalized services to the user customer. The internet creates perfect market conditions where customers have access to more information and can more compare rates and financial products offerings, internet reduces the barriers to enter many banks have found that internet banking has actually added to the cost.

Singh (2014) in his research on “Customer perception of e-banking”, concluded E-banking as new great technology evolution. This research paper has examined the adoption and impact of E-banking on customers in a sample of various banks.

Rani. M. (2012) made a study titled, “A Study on the Customer Perception towards E-Banking in Ferozpur District”, the study indicated that In spite of having positive perception about E-banking services only 52.9% respondents were using it frequently. Customers were using various services provided by their respective banks and the highest used services were the ATM & bill payment across various income groups followed by viewing of the account history.

Objectives

1. To study the types of Net Banking Financial Services Provided by Banks.
2. To examine the key issues faced by the customers while using Net Banking.
3. To analyze the overall satisfaction of customers towards the Net Banking Financial Services.

Research Methodology

This is an analytical study based on primary data collected from 100 customers of public and private sector banks in and around Nungambakkam area which is situated in Chennai District.

Data has been collected through pre structured questionnaire. Secondary data has been collected from journals, websites and few text books.

For analysis ‘t’ test has been applied to examine the key issues faced by customers while using Net Banking and Mean and Standard deviation have been used to study the overall satisfaction of the customers towards Net Banking Financial Services.

Different Types of Net Banking Financial Services

National Electronic Fund Transfer (NEFT)

National Electronic Funds Transfer (NEFT) is a nation-wide payment system facilitating one-to-one funds transfer. Under this mechanism can transfer fund from one bank to another or within the same. Under this system a customer is restricted to transfer a maximum of Rs.50,000/- per transaction. NEFT, thus, facilitates originators or remitters to initiate funds transfer transactions even without having a bank account.

Real Time Gross Settlement (RTGS)

'Real Time' means the processing of instructions at the time they are received rather than at some later time; 'Gross Settlement' means the settlement of funds transfer instructions occurs individually (on an instruction by instruction basis). The RTGS system is primarily meant for large value transactions. The minimum amount to be remitted through RTGS is 2 lakhs. There is no upper ceiling for RTGS transactions.

Electronic Clearing System (ECS)

ECS is an alternative method for effecting payment transactions in respect of the utility-bill-payments such as telephone bills, electricity bills, insurance premium, card payments and loan repayments, etc., which would remove the need for issuing and handling paper instruments and thereby facilitate improved customer service..

Immediate Payment Service (IMPS)

IMPS stands for an Immediate Payment Service. It enables 24 x 7 electronic fund transfer services in which the transaction is carried out between two bank accounts in real-time and on an immediate basis. IMPS fund transfer can be done through online banking as well as mobile banking

IMPS fund transfers can be easily done using these four different modes of payment:

- IMPS through a bank account using IFSC Code
- Through SMS
- Through a registered mobile number and MMID (Mobile Money Identifier is a 7 digit number allotted by the Bank for receiving funds through IMPS. The bank will allot **MMID** when the customer registers his mobile number and account number in which the customer wishes to receive funds.
- Through ATMs

Quick Transfer

Banks are offering a Quick transfer facility, which allows the customer to transfer funds to anyone without adding a beneficiary account on his net banking. Quick Transfer facility enables the customers to send small value remittances of up to Rs 10,000. A remitter can send funds to both intra and interbank beneficiaries.

ANALYSIS

Key Issues Faced By Customers While Using Net Banking Services Among Different Marital Status Of Customers

In order to find out the significant difference in problems faced while using net banking among different marital status of customers' "t" test has been used with the null hypothesis as, "There is no significant difference in key issues faced by customers while using Net banking services among different marital status of customers in Chennai". The result of 't' test for key issues faced by customers while using Net banking services among different marital status of customers is presented in Table.1.1

Table 1.1

't' test for Significant difference among Marital Status of customers with respect to the Problems faced while using net banking services

Problems	Marital Status		T Statistics
	Married	Unmarried	
Lack of technical Knowledge	4.1490	3.7063	2.876*
Lack of security	4.6204	4.3517	2.240*
Lack of prompt service	4.3061	4.1676	1.507
Lack of Wi-Fi connectivity	4.5011	4.3204	1.381
Service charges	4.4388	4.2699	1.779
Language barriers	3.9571	3.7239	2.183*

Source: Primary data

*-Significant at five per cent level

From the above table, it is understood that lack of security and Wi-Fi issues are the important problems faced while using net banking among the married customers as their mean scores are 4.6204 and 4.5011 respectively. It is further understood that lack of security and Wi-Fi issues are the important problems faced while using net banking among the unmarried customers as their mean scores are 4.3517 and 4.3204

respectively. Regarding the problems faced while using net banking of among different marital status of customers, Lack of technical Knowledge, Lack of prompt service and language barriers are statistically significant at 5 per cent level.

Overall Satisfaction Of Customers Towards Net Banking Financial Services

To analyze the overall satisfaction of customers towards net banking financial services Mean and Standard deviation has been employed. The table 2.1 shows the results of respondents

Table 2.1

Mean and Standard Deviation of Satisfaction towards Net Banking Financial Services

Net Banking Financial Services	Highly Satisfied	Satisfied	Neutral	Dissatisfied	Highly Dissatisfied	Mean	Standard Deviation	Rank
NEFT	42	46	02	10	-	4.20	0.89	I
RTGS	47	16	9	25	3	3.79	1.34	IV
ECS	45	15	21	17	2	3.84	1.24	III
IMPS	54	21	5	18	2	4.07	1.22	II
Quick Transfer	26	33	13	26	2	3.55	1.19	V

Source: Primary data

Based on mean score, majority of the customers are satisfied with NEFT as its mean score is (4.20) followed by which IMPS (4.07), has been given second priority ECS (3.84) and RTGS (3.79) has been given third and fourth rank. The least satisfaction towards net banking financial services has been given for 'Quick Transfer' (3.55).

Conclusion

Net Banking services play a vital role in fund transfer. It not only enables transfer of funds furthermore customers can verify their accounts summary, checking of balance and making utility payments. The findings of the study shows that despite the net banking services enable the customer to do their transactions in more convenient way it's not free from issues like security threat, Wi-Fi issues, no immediate remedy for online issues etc, So Government would take an initiative to overcome these issues and enable the customers to make use of these facilities. Furthermore majority of the customers get satisfaction while they use NEFT facility for fund transfer because it saves their time as well easy to carry out the transaction where ever they stay. When compare to NEFT mean score obtained for IMPS has been (4.07) only despite IMPS has an advantage of transfer the funds immediately without any time delay the charges deducted by the banks are comparatively high, that is one of the reasons why level of satisfaction slipped down a bit. Quick transfer is another net banking facility allows the customers to transfer funds to beneficiary without adding them in their account but most the respondents are not aware about this facility. So it would be a suggestion that Banks take initiative to create awareness among the customers about the all Net Banking Financial Services.

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