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A STUDY ON CUSTOMER'S ATTITUDE TOWARDS E - BANKING IN COIMBATORE

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ABSTRACT

The advancement in information and communication technology has made the new millennium an e-millennium. The dividing line between the banking and non-banking financial institutions like mutual funds is getting blurred. Competition from players in the market has resulted in products and services which were traditionally offered by banks and financial institutions but are now being offered by non-banking financial organizations more efficiently and effectively. Now, banking activities are not only confined to borrowing and lending, but also to a large number of other services keeping in mind the requirement and convenient of customers. In the fast changing banking environment World Wide, banks in India will not only have to learn the new rules but also upgrade the skills, as well as the tools of banking. The growth and expansion of internet and information technology have facilitated the emergence of E-commerce. Internet has become a major part of people's lifestyle. Many organizations and businesses have been using the internet to communicate and deliver their products and services to their customers. Financial and Banking industry has been also using the internet to be one of their distribution channels with their customers. The article is focused on customers' attitudes towards E-Banking services in Coimbatore. Since E-Banking services in India is still in the early stage when compared with other countries. The findings showed that the majority of respondents are satisfied with their E-banking services.

Key Words: E-Banking, Attitude, Banking Services.

INTRODUCTION

Electronic banking is the most inventive service offered by the banks. The transformation from traditional banking to e-banking has been a dramatic change. The evolution of e-banking started from the use of Automatic Teller Machines (ATM) and Telephone Banking, direct bill payment, Electronic Fund Transfer (EFT) and the revolutionary online banking. There will be huge acceptance of E-banking with the passage of time with growing awareness and education. A great many people are shifting to E-banking and are readily accepting the usefulness of this option. It allows customers to manage their accounts from any place at any time for minimum cost. 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

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 time factor, is very much important for all the people in this modernized world, hence the customers are waiting in a queue spending the precious time which will lead us to go backward. Hence the customers don't want to waste their precious time for waiting in a queue. The electronic revolution has made it possible to provide ease and flexibility in banking operations which benefit the customers. 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.

OBJECTIVES OF THE STUDY

- ✓ To analyze the attitude of internet banking services provided by the banks in Coimbatore.
- ✓ To analyze the attitude of ATM Services provided by the banks in Coimbatore.
- ✓ To analyze the attitude of Mobile Banking services offered by the banks in Coimbatore.

HYPOTHESES

In this study, the following hypotheses are framed:

- ✓ There is no significant difference between gender and usage of E-banking.
- ✓ There is no significant difference between Occupation and usage of E-banking services.

METHODOLOGY

The study is based on both primary and secondary data. The primary data have been collected from customers of banks in Coimbatore with the help of pre-tested interview schedule and questionnaire respectively. The secondary data have been collected from the records of banks, published and unpublished books, journals, reports, and circulars issued by the Reserve Bank of India, encyclopedia and through web sites.

SAMPLE DESIGN

The sample consumers are taken by the convenient sampling method to collect data from 150 respondents. All the respondents are contacted with questionnaire.

LIMITATION OF THE STUDY

The responses collected from the respondent those who are using E-Banking services are identified and then interviewed. This study limited to the area of Coimbatore only.

FINDINGS OF THE STUDY

- ✓ It is clear that a majority of the customers (75.38%) belong to the public sector bank.
- ✓ It is clear that a majority of the respondents (55.77%) are having savings bank account.
- ✓ It is understood that a majority of the customers (79.69%) visit the bank less than two times per month.
- ✓ It is clear that a majority of the respondents (76%) are aware of e-banking services offered by their banks.
- ✓ It is understood that majority of the respondents (57.80%) made use of e-banking services less than 4 years.
- ✓ It is learnt that majority of the respondents (92.62%) have availed e-banking services.
- ✓ It is observed that vast majority of the respondents (86.46%) are satisfied with e-services offered by banks.
- ✓ It is evident that customers of e-banking services are satisfied with the time savings of e-banking services
- ✓ It is learnt that majority of the respondents (39.33 per cent) used the e-banking facility to check balances.
- ✓ It is clear that most of the respondents (42 %) agree that they are not satisfied with e-banking services due to lack of services.
- ✓ It is understood that vast majority of the respondents (85.23%) opined that the e-banking services are safe and secure.
- ✓ As per the present study only around 50 per cent of the customers have knowledge of internet banking.
- ✓ It is inferred that majority of the respondents (92%) are using ATM services.
- ✓ Majority of the respondents (65.70%) feel more convenient in using internet banking.
- ✓ It is observed that most of the respondents (62%) have used internet banking services twice a week.
- ✓ The study shows that 52 per cent respondents wish to use the internet banking for inter account funds transfer.
- ✓ It is understood that majority of the respondents (69.18%) did not face any difficulties while operating their accounts under internet banking services.

- ✓ The majority of the respondents (78.22%) said that the bank encouraged the customers to use internet banking facility.
- ✓ It is clear that the most of the respondents (64.04%) feel that the service charges are moderate.
- ✓ As per the present study, the majority of the ATM card holders show that there is no special skill required to operate the ATM card.
- ✓ It is clear that a majority of the respondents (92.08%) have known how to operate the ATM card through bank officers.
- ✓ It is observed that vast majority of the respondents (84.31%) are satisfied with the time limit allowed for number of withdrawal of money using ATM card per day.
- ✓ It is evident that majority of the respondents (83.38%) are satisfied with the amount of withdrawal using ATM card.
- ✓ The difficulties faced by the card holders are non-availability of cash, system out of order and the language problem.
- ✓ It is evident that majority of the card holders (81.54%) recommend the importance of ATM facilities to others.
- ✓ The study shows that most of the respondents (62.07%) are attracted to higher speed of data transmission.
- ✓ It is observed that majority of the respondents (84.62%) prefer to use mobile banking services for Mobile Financial Information.
- ✓ It is inferred that majority of the respondents (65.33%) do not use mobile phone for settling payments.
- ✓ Majority of the respondents (66.15%) are uncomfortable to use the mobile phone devices.

TESTING OF HYPOTHESIS

Hypotheses I

There is no significant difference between gender and purpose for usage of e-banking.

Table-1

Usage of E-banking	Gender		Total
	Male	Female	
Checking balances	31(33.44)	28(25.57)	59
Fund transfer	19(19.85)	16(15.17)	35
Online payment	20(19.26)	14(14.74)	34
Other purpose	15(12.47)	7(9.5)	22
Total	85	65	150

Source: Primary data

Figures in the brackets are Expected frequency.

Calculated Value	Degree of Freedom	Level of Significance	Table value
1.726	3	5 per cent	7.81

Table 1 show that the calculated value is less than table value. Hence the hypothesis is accepted. So there is no significant difference between gender and usage of e-banking.

Hypothesis II

There will be no significant difference between Occupation and usage of e –banking services.

Table – 2

Usage of E-banking	Occupational status				Total
	Businessmen	Government Employee	Private Employee	Others	
Checking balances	15(14.7)	12(12.9)	11(11.1)	7(6.3)	45
Fund transfer	14(12.74)	8(11.18)	11(9.62)	6(5.46)	39
Online payment	18(19.6)	21(17.2)	14(14.8)	7(8.4)	60
Other purpose	2(1.96)	2(1.72)	1(1.48)	1(0.84)	6
Total	49	43	37	21	150

Source: Primary data, Figures in the brackets are Expected frequency.

Calculated Value	Degree of Freedom	Level of Significance	Table value
2.08	12	5 per cent	16.9

Table 2 shows that the calculated value is less than table value. Hence the hypothesis is accepted. So there is no significant difference between occupation and usage of e –banking services.

SUGGESTIONS

The following suggestions are offered for improving electronic banking services of banks, based on the findings.

- ✓ It is found from the study that in order to increase the usage of internet banking services, the banks may reduce the service charge.
- ✓ It is found that customers of the bank use the ATM card only for the purpose of cash withdrawal. It is also suggested that the bank shall encourage the customers to use ATM card for different purposes like payment of electricity bills, telephone bills, payment of insurance premium, payment for railway and air tickets through the ATM card.
- ✓ It is found from the study that nearly 50% of the customers are not having knowledge about internet banking services offered by banks. So they are unable to enjoy the benefits of the internet banking

services. Hence the banks can conduct continuous awareness programme to their consumers on internet banking.

- ✓ The study reveals that the major problems faced by the ATM card holders while using the ATM machine are non-availability of cash and system that is out of order. Therefore it is suggested that the bank should reschedule the cash filling time in order to ensure the availability of cash all times and should also concentrate on the technical part of ATM machines.
- ✓ As majority of the respondents are uncomfortable in using mobile devices for banking purposes, the banks should form a separate department in the bank to take care of the mobile banking services.

CONCLUSION

It is clear that most of the customers are satisfied with e-banking services provided by their banks. The E-Banking customers are interested in new technology innovation. The majority of the customers had positive attitudes towards technology. They specifically thought that it can make life easier. They have used E-Banking mainly for fund transfer, inquiries about outstanding balance and utilities or third parties payment. They wanted to use E-Banking services due to its convenience. With regard to customers' satisfaction in terms of e-service quality, the majority of E-Banking customers showed satisfaction with every factor of e-service quality. Finally it is concluded that customers are very much satisfied with e-banking services provided by the banks in Coimbatore.

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