

AN EMPIRICAL STUDY OF CUSTOMER'S PERCEPTION TOWARDS ONLINE BANKING SERVICES IN TRICHY CITY

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Abstract

Traditional banking offer many services to their customers, viz., accepting deposits, lending loans and other services which enhances the quality of banking. On the other hand online banking is the process through which customers may perform banking transaction electronically without visiting a bank .Providing timely, quickly, reliable services attract more customer with less cost, efficiency and availability of services. The successful implementation of online banking depends upon awareness of customer about online banking facility. This paper examines the perception of customers towards the services provided by banks through Internet in Trichy city. A survey result was obtained from 30 respondents.

Keyword: Online banking, ATM, Internet, Mobile banking.

I. INTRODUCTION

Customer satisfaction is one of the significant factors for the profitability of banking in India. Due to competition prevailing in banking services between public sector, private sector & foreign banks ,there is need for innovation & speedy services to customers. Online banking is one latest technology wonder in recent past years. It allows customers to operate their accounts from any place throughout the world at minimum cost.

Online banking is also called as Internet banking or Electronic banking. It uses internet to delivery banking services such as transferring funds, paying bills, checking bank balances, etc. The main benefits of online banking to customer is in way of saving of time by not waiting in banking premises & convenient to operate at any part of the world. Reduced cost, quick and continuous access to information, speed, flexibility, faster transfer, online bill payment, user friendliness, etc. add additional advantages to online banking.

At the same time online banking suffers some drawbacks such risk related with online banking i.e. transactional risk, credit risk, legal risk, liquidity risk, reliability risk. Therefore Banks are trying to give more benefits to their customer to competitive with other banks. The quality, technology, price and safety of their e-services decided on the bank's competitive position in their industry.

A study on the internet users, conducted by Internet and Mobile Association of India (IAMAI),found that about 23% of the online users prefer online banking as banking channel in India, second to ATM which is preferred by 53%.Out of the 6,365 Internet users sampled, 35% use online banking channels in India. This shows that a significant number of online users do not use online

banking and hence there is a need to understand the reasons for not using it.

II. OBJECTIVE OF THE STUDY

1. To study the different online banking services usage by customers.
2. To identify customer perception towards online banking.
3. To study the influence of demographic characteristics of customer towards online banking.

III. REVIEW OF LITERATURE

S. Renugadevi (2013) “A study on customer’s attitude towards e-banking in Madurai city”. Her focused was on customer’ attitude towards E-banking services. This study is based on empirical research by conducting survey method. It is purely based on primary data. Finally, she concluded that customers are very much satisfied with e-banking services provided by banks in Madurai city.

Fozia (2013) “ A comparative study of Customer perception towards E-banking provided by private & public sector bank in India”. According to her the need of this paper is to determine the customer’s perception towards the e-banking services. Pilot study is conducted to validate the reliability of questionnaire. She used Anova test to finally analyse. She suggested that an understanding about the customer’s perception will help to understand the customers need in better way.

Kamakodin & B.A.Khan (2015) examined “Looking beyond technology: a study of e-banking channel acceptance by Indian customer”. The study takes into consideration certain basic questions on perception of customer are very comfortable in using e-banking channel 80% of the respondents feel that human contact was necessary.

C.S.Ramanigopal, G.Palaniappan, N.Hemalatha & A.Mani (2016) studied “customer perception towards internet banking services with special reference to Erode district”. They found that lack of security measures is the major problems of internet banking services are identified and also fear of online threats and scams and lack of computer literacy and internet option . They suggested banks to conduct customer meet to educate the customers on internet banking.

Rahmath Safeena, Hema Date and Abdullah Kammani (2016) studied “Internet Banking Adoption in an Emerging Economy: Indian Consumer’s Perspective”. They reported that information technology services is considered as the key driver for the changes taking place around the world. Internet banking (IB) is the latest and most innovative service and is the new trend among the consumers. The shift from the formal banking to e-banking has been a ‘leap’ change.

This study determines the factors influencing the consumer’s adoption of internet banking in India and hence investigates the influence of perceived usefulness, perceived ease of use and perceived risk on use of IB. It is an essential part of a bank’s strategy formulation process in an emerging economy like India. Survey based questionnaire design with empirical test was carried out. The results have supported the hypothesis. The sample for this study is the students from an educational institute. Convenience sampling method was used. The result of this study shows that PU, PEU and PR are the important determinants of online banking adoption. This study meets the desired objective; but it suffers from one setback. The relatively small size of the sample limits generalization of the outcome of the

study. This study was conducted to explore the factors influencing to adopt IB services.

IV. RESEARCH METHODOLOGY

The study was to identify customer perception while availing internet banking services with reference to Trichy city, Tamil Nadu. The data collected for the study includes both primary and secondary data was collected from various journals, books, publications, articles, magazines and websites. For the study, convenience sampling technique was used to select respondents. Primary data was collected through well framed and structured questionnaires. Questionnaires involve two parts the first one gives demographic profile of respondents and the second one shows a clear picture of customer's perception regarding online banking.

VII. DATA ANALYSIS AND INTERPRETATION

Table 1 Demographic Profile of the respondents

Demographics	Particulars	No. of Respondents	Percentage
Gender	Male	18	60
	Female	12	40
	Total	30	100
Age	Up to 25	3	10
	26-35	13	43
	36-45	11	37
	46-55	2	7
	Above 55	1	3
	Total	30	100
Family income	Below Rs.10,000	6	20
	Rs. 10,001-Rs.20,000	10	33
	Rs. 20,001-Rs. 30,000	6	20
	Rs.30,001-Rs. 40,000	3	10
	Above Rs. 40,000	5	17
	Total	30	100
Education	High school	2	7
	Degree	5	17
	Master	20	67
	Doctorate (Ph. D)	3	10
	Total	30	100
Occupation	Student	2	7
	Homemaker	1	3
	Govt. Employee	5	17
	Private Employee	19	63
	Business/Profession	3	10
	Total	30	100

V. RESIGN DESIGN

Question given selected group of bank customer in different locations in K.K.Nagar, Thillainagar and Cantonment to answer them. Based on the research study, questions were prepared to know current aim & online banking service quality. 5 point Likert scale method was used for collection data, where 1= Strongly agree, 2= Agree, 3= Neutral, 4= Disagree and 5= Strongly agree. A total of 30 respondents were selected for this study. The statistical tools used in this study are percentage Analysis and Chi-square Test.

VI. LIMITATION OF THE STUDY

The study was conducted only in limited areas and very small hence results cannot be generalized.

Table 1 depicts that the demographic profile of the respondents consists of gender age, education level, occupation. The above table shows 60% of the respondents belong to male category and 40% of the respondents belong to female category. It reveals that 43% of respondents belongs to 26-35 years, 37% of the respondents belong to 36-45 years, and 10% of the respondents belong to age of below 25. Regarding education level, majority of the respondents are master degree holders consisting of 67% and 17% of the respondents are degree holders and 10% are PhD holders. Regarding occupation status majority of the respondents i.e., 63% are private employees, 17% of the respondents belong to Government employees and 10% of the respondents belong to business/profession. 33% of the respondents belong to the income group of Rs. 10,000 to Rs. 20,000.

Education and Level Satisfaction of usage of Technology

Education level	No. Of Respondents	Percentage	Level of Satisfaction		
			High	Medium	Low
High school	2	6	1 (12.50)	1 (5.55)	- (0)
Degree	5	17	1 (12.50)	3 (16.7)	1 (25)
Master	20	67	5 (62.50)	12 (66.67)	3 (75)
Ph. D	3	10	1 (12.50)	2 (11.11)	- (0)
Total	30	100	8	18	4

Education and Level Satisfaction of usage of Technology

Gender	No. Of Respondents	Percentage	Level of Satisfaction		
			High	Medium	Low
Male	18	60	6 (66.67)	9 (60)	3 (50)
Female	12	40	3 (33.33)	6 (40)	3 (50)
Total	30	100	9	15	6

Occupation

Occupation	No. of Respondents	Percentage
Student	2	7
Home Maker	1	3
Government Employee	5	17
Private Employee	19	63
Business/Profession	3	10
Total	30	100

VIII. FINDINGS

- 60% of the respondents belong to the male category and remaining belongs to female category .
- 43% of the respondents belong to the age group of 26 to 35 years are highly satisfied with usage of ATM services.
- 67% of the respondents belong to the post graduate and are highly satisfied with internet services.
- 63% of the respondents are private employees and use the e-banking services.
- 75% of the respondents belong to female category avail ATM services 1 to 3 times per month.

6. 78% of the respondents belong to male category avail Internet services 1 to 3 times per month.
7. Most of the respondents are not availing the mobile banking services.
8. Most of the respondents felt that Internet banking services due to less awareness of these services.
9. 70% of the respondents felt that Internet banking is not secure and hesitate to avail the services.

IX. CONCLUSION

Due to the growth of IT sector, banks are being able to reach their customer's anywhere at any time throughout the world. It is found from the study that many factors like age, education, occupation, etc. Are important for the successful operation of online banking in any area. The study also shows that young age people are more familiar with ATM, computer, Internet and Mobile banking. At the same time online banking has its shortfalls too. Traditional branch banking system is gradually being replaced by online banking. Therefore, banks have to concern more on the customers' awareness about different services provided and usage of internet banking.

X. REFERENCE

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