

Customers Outlook Towards E- Banking Services in Tiruchirappalli District, Tamilnadu, India

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An Abstract - E-banking is a virtual blessing to all customers. It is different from normal banking with one big exception that the customers need not go to bank and they can do all such transactions at home itself. It is a wonderful opportunity to all human concerns, without spending much time in banking or any institutions. Internet banking is becoming indispensable part of modern day banking services. The shift from the traditional banking to e-banking services brings a varied opinion among the customers. Hence, the researcher wishes to know the impact of e-banking services among the customers in Tiruchirappalli district, Tamilnadu, India.

Key words: *customer preferences, customer modern lifestyle, customer perspectives, customer satisfaction etc.*

I. INTRODUCTION

Internet Banking services plays a vital role in the competing economy. ATMs, Tele-Banking, Internet banking, Credit Cards and Debit Cards have emerged as an effective delivery channels for traditional banking products. Banks know that the Internet opens up new horizons for them and moves them from local to global frontiers. Internet banking refers to systems that enable bank customers to get access to their accounts and general information on bank products and services through the use of bank's website, without the intervention or inconvenience of sending letters, faxes, original signatures and telephone confirmations. It is the types of services through which bank customers can request information and carry out most retail banking services such as balance reporting, inter-account transfers, bill-payment, etc., via telecommunication network without leaving their home/organization. It provides universal connection from any location worldwide and is universally accessible from any internet linked computer. Information technology developments in the banking sector have speed up communication and transactions for clients. It is vital to extend this banking feature to clients for maximizing the advantages for both clients and service providers. The navigability of the website is a very important part of IB because it can become one of the biggest competitive advantages of a financial entity. Bankers consider 'minimizes inconvenience', 'minimizes cost of transactions' and 'time saving' to be important benefits and 'chances of government access', 'chances of fraud' and 'lack of information security' to be vital risks associated with electronic banking. Due to increase in technology usage, the banking sector's performance increases day by day.

Objectives of the study

- To analyze the impact of the customers towards e-banking services.
- To know the customer awareness and their opinion towards e-banking services provided by banking or other financial institutions.
- To offer suggestions exclusively based on the study.

Statement of the problem

Nowadays, all the banking and financial sector introduces a mode of payment, receipt, deposit etc through internet banking services. The researcher was keen interest in finding out how far the customers were utilizing such services provided by the banking or financial sectors. Hence the study was carried out to find out the impact of e-banking services in Tiruchirappalli, Tamilnadu.

Research Methodology

The purpose of this paper was to find out the impact of the customers towards online banking services and their opinion towards it.

Research Model and Hypotheses

H1: Internet banking services has a positive impact among the customers

H2: Internet banking services has a negative impact among the customers

Sample

The sample taken for this study was the customers of the banking or financial sectors, who directly met. Convenience sampling method was used to collect the information

through the well structured questionnaire. The output is based on the data provided by the sample respondents.

Limitations

- The study was confined only to tiruchirappalli district.
- The study was purely based on the bank customers who met in normal course, residing in tiruchirappalli district.
- Based on the convenience, only 100 sample respondents were taken for the study.

II. REVIEW OF RELATED LITERATURE

Rakesh H M & Ramya T J (2016) In their research paper titled “A Study on Factors Influencing Consumer Adoption of Internet Banking in India” tried to examine the factors that influence internet banking adoption. Using PLS, a model is successfully proved and it is found that internet banking is influenced by its perceived reliability, Perceived ease of use and Perceived usefulness. In the marketing process of internet banking services marketing expert should emphasize these benefits its adoption provides and awareness can also be improved to attract consumers’ attention to internet banking services.

Amruth Raj Nippatlapalli (2013) In his research paper “A Study on Customer Satisfaction of Commercial Banks: Case Study on State Bank of India”. This paper present Customer satisfaction, a term frequently used in marketing, is a measure of how products and services supplied by a company meet or surpass customer expectation. Customer satisfaction is defined as "the number of customers, or percentage of total customers, whose reported experience with a firm, its products, or its services (ratings) exceeds specified satisfaction goals. The oldest bank in existence in India is the State Bank of India, which originated in the Bank of Calcutta in June 1806, which almost immediately became the Bank of Bengal. This was one of the three presidency banks, the other two being the Bank of Bombay and the Bank of Madras, all three of which were established under charters from the British East India Company. For many years the Presidency banks acted as quasi-central banks, as did their successors. The three banks merged in 1921 to form the Imperial Bank of India.

Mr. Vijay Prakash Gupta & Dr. P. K. Agarwal (2013) In their research paper “Comparative Study of Customer Satisfaction in Public Sector and Private Sector Banks in India”. This paper gives with the introduction of liberalization policy and RBI's easy norms several private and foreign banks have entered in Indian banking sector which has given birth to cut throat competition amongst banks for acquiring large customer base and market share.. Since the competition has grown manifold in the recent times it has become a herculean task for organizations to build loyalty, the reason being that the customer of today is spoilt for choice. The purpose of this research article is to examine the customer satisfaction among group of customer

towards the public sector & private sector banking industries in India. Study is cross-sectional and descriptive in nature. The researcher tries to makes an effort to clarify the Customer Service satisfaction in Indian banking Sector. Descriptive research design is used for this study, where the data is collected through the questionnaire. The information is gathered from the different customers of the two banks, viz., PNB and HDFC Bank located in the Meerut Region, Uttar Pradesh. Hundred bank respondents from each bank were contacted personally in order to seek fair and frank responses on quality of service in banks.

The service quality model developed by Zeithamal, Parsuraman and Berry (1988) has clearly shows that there exists wide perceptual difference among Indian (public sector) banks regarding overall service quality with their respective customers, when compared to Private sector banks. Whereas the said perceptual difference in private banks is narrow.

International Literature Review

Shaza W. Ezzi (April 2017) In their research paper titled “A Theoretical Model for Internet Banking: Beyond Perceived Usefulness and Ease of Use” tried to inquired different types of electronic banking like ATM’s, telephone banking, and electronic funds transfer, Internet banking like has evolved from consumers’ needs to have superior access to banking services clear of most banks teller-staffed, normal operating hours. Additionally, Internet banking has grown swiftly from the recent and the span increases in ecommerce. Internet banking (IB) continues to govern the landscape of electronic banking as consumers continue to use IB to complete schedule banking transactions in addition to conducting on-line sales and purchasing. This study presents a theoretical model considered to help researchers and practitioners better understand the acceptance and adoption of Internet Banking. The proposed model maybe particularly useful in developing nations where consumers are loath to use Internet Banking even when the services are available. However, a review of several studies that have investigated consumers’ acceptance of Internet banking services from a multiplicity of perspectives have not reached a clear consensus of the factors that contribute to overall consumer acceptance and adoption. The paper concludes with discussions of the managerial implications and avenues for future research. “This paper presents Creators and investors of technology need information about the customers’ assessment of their technology interface based on the features and various quality dimensions to make strategic decisions in improving technology interfaces and compete on various quality dimensions. The research study identifies the technology interface dimensions as perceived by the end-users in a transaction based environment (viz. Internet banking) in India, using exploratory factor analysis. The influence of these dimensions on the utility of technology interface and hence the usage is examined by Structural Equation Modeling. The moderating role of user

demographics and technology comfort is also tested. Managerial implications are discussed.

Dorra Gherib (2014) In their research paper titled “Adoption and diffusion of internet banking: case of Tunisian banking sector” tried to observe the embracing of Internet banking in the Tunisian banking industry. The aim is to make out factors that accelerate or slow down the implementation process. The literature review enables identifying a set of variables: organizational, individual and structural. The research methodology used within this study is the case study. Five case studies in banking sector were executed. The sample is shaped by banks that adopted the Internet Banking as a modernization. The analysis allowed the willpower of the related dimensions of the aforesaid variables (competition, perceived benefits, and organizational compatibility). Indeed, this research has exposed some variables that hamper the implementation of technological innovations.

Nabil Hussein Al-Fahim (2013) In his research titled “An tentative Study of Factors distressing the Internet Banking espousal: A Qualitative Study among Postgraduate Students” tried to find out the factors that affect the internet banking espousal among postgraduate’ students in International Islamic University Malaysia (IIUM). Approach- Semi structured interviews with eight informant; four adopters and four non-adopters on postgraduate’ students were conducted to explore this issue. However, non adopters were concerned about some factors like trust, ease of use, awareness and security. The results also showed that adopters had positive influence on use of online banking and they did not have problems with these factors because they had sufficient knowledge and experience in using online banking. The findings are important to enable bank Executives to have a better understanding of clients’ perception to adopt internet banking. This will help banks’ managers and owners formulate strategies that could significantly affect IBA among their customers.

Anil Kumar and Manoj Kumar Dash (2013) In their research paper “Constructing a Measurement in Service Quality for Indian Banks: Structural Equation Modeling Approach”...The aim of this paper is to construct a measure in service quality for Indian banks and establishes a causal relationship of service attributes performance with customer satisfaction. The SERVQUAL model is used. The quantification of service quality led to the attempt to construct an index. The index is constructed using Structural Equation Modeling (SEM) and American Customer Satisfaction Index (ACSI) as the underlying frameworks. The analysis is based on data of 200 bank customers from the DelhiNCR. An adapted ACSI is enhanced and improved to accommodate two exogenous constructs. The results indicate that service quality variables are important antecedents of customer satisfaction and retention. These antecedents of service quality have a positive significantly

relationship with customer satisfaction. The study concludes with an analysis of how different dimensions of service quality performance attribute impact on customer satisfaction and retention. Such a framework should provide valuable insights to the bank manager to identify key service performance indicators and to design more effective and efficient marketing and management strategies to satisfy their customer.

Shilpi Khandelwal (2013) In his research titled on “E Banking: Factors of Adoption in India” This paper present the last decade has witnessed a drastic change in the economic and banking environment all over the world. The wider usage of cell phone and internet certainly seems to be playing a role in blurring physical boundaries, and unlocking a whole new world of opportunities for banks in tapping newer customer segments and in recording greater volume of transactions. For the banks, technology has emerged as a strategic resource for achieve in higher efficiency, control of operations, productivity and profitability. For customers, it is the realization of their anywhere, anytime, anyway banking dream. This has prompted the banks to embrace technology to meet the increasing customer expectation and face the tough competition. This research paper is focused on what are the drivers that drive consumers towards adoption of E banking. How consumers have accepted internet banking and how to improve the usage rate were the focus of research area in this study.

Donnelie K Muzividzi, Rangarirai Mbizi & Tinashe Mukwazhe (2013) In their research paper “An Analysis of Factors That Influence Internet Banking Adoption among Intellectuals: Case of Chinhoyi University of Technology”. This paper investigate the adoption on internet banking has remained sluggish despite the efforts by banks to promote the technology. The purpose of the research project was to identify the factors that affect the adoption of internet banking in a bid to construct ways to salvage the situation. The research focused on intellectuals who better understand technology than the general public. Data was collected using questionnaires and interviews from the population of 5000 students and academic staff at Chinhoyi University of Technology. A sample of 450 students and staff were selected from the population. The research identified various factors that impose barriers and enhance adoption of internet banking. Chief among these were compromised security of transactions and marketing exposure. It also unearthed the impact of demographic on internet banking adoption. Two hypotheses were tested, the first one which was meant to determine if there exist any relationship between age and internet banking adoption. It was concluded that there is a negative relationship between age and internet banking adoption. The second hypothesis assumed an association between internet banking and level of education. Education was deemed a prerequisite in enhancing the smooth adoption of internet banking and hence one Bank should

also institute measures to guarantee the security of transactions to internet bank users as this remains the stumbling block to many potential customers.

Ankit Kesharwani & Gajulapally Radhakrishna (2013) In their research paper “Drivers and Inhibitors of Internet Banking Adoption in India”. This paper research on different banks is on condition that e-banking services, as this would revolutionize their profits. Since internet banking in India is still in its nascent stage, it is essential for e-banking institutions to enhance reception and usage of internet as a banking channel by their customers. This paper has reviewed the most of seminal studies in the area of diffusion of innovation and makes an attempt to do an experimental research that looked into the factors that drives and inhibits internet banking usage in India. An investigative factor analysis followed by a positive factor analysis has been applied on 362 internet banking users. Findings resulted in seven factors – perceived benefit, hacking and fraud risk, performance risk, computer self-efficacy, technology intricacy, social influence, and pricing concerns. The results suggest that acceptance and usage of internet banking services can turn into a fundamental concern for future research, as the drivers overcoming the inhibitors over time at an influencing rate.

Ms. Fozia (2013) The purpose of this paper is to determine the customer’s perception toward the ebanking services. A total of number of customer taken for the study is 196. Analysis of variance technique is employed to study the significant relationship between the occupation and customer perception of e-banking services and significant relationship between the age and customer perception of e-banking services. The result of the study clearly shows that different age group of customer and different occupation group of customers have different perception toward the e-banking services. The results also propose that demographic factors impact significantly internet banking behavior, specifically, occupation and age.

Jayshree Chavan (2013) In his research paper “Internet Banking- Benefits and challenges in an Emerging Economy”. This study presents New Information technology has taken imperative place in the future expansion of financial services, especially banking sector conversion are affected more than any other financial provider groups. Increased use of mobile services and use of internet as a new division channel for banking transactions and international trading requires more concentration towards e-banking security against deceptive activities. The development and the increasing progress that is being experienced in the Information and Communication Technology have brought about a lot of changes in almost all facets of life. In the Banking Industry, it has been in the form of online banking, which is now replacing the traditional banking practice.

Yitbarek Takele & Zeleke Sira (2013) In their research paper titled “ Analysis Of Factors Influencing Customers’

Intention To The Adoption Of E-Banking Service Channels In Bahir Dar City: An Integration of Tam, Tpb And Pr “ tried to search factors that sway customers’ intention to adopt e-banking service channels in Bahir Dar city. A theoretical framework was developed by integrating six variables from theory of premeditated behavior, technology reception model and previous studies. The findings discovered that attitude, subjective norm, supposed behavioral control, supposed usefulness and perceived ease of use and supposed risk were significant in affecting users’ intention to use e-banking service channels.. Finally, attitude is jointly predicted by professed behavioral control, apparent usefulness, seeming ease of use and superficial risk while perceived ease of use contributed more for the dissimilarity in attitude,

III. RESULTS AND DESCRIPTION

Statistical Package for Social Sciences was used as the analysis tool. The demographic profile of the respondents is shown in table 1. Reliability is determined by Cronbach’s coefficient alpha (α), a popular method for measuring reliability suggests that for any research at its early stage, a reliability score or alpha that is 0.60 or above is sufficient. As shown in Table 2, the reliability scores of all the constructs were found to exceed the threshold; all measures demonstrated good levels of reliability (greater than 0.80).

Table 1: Profile of respondents

Demographics	Items	No. of Respondents	Percent
Gender	Male	60	60
	Female	40	40
Age wise classification	25-30	56	56
	30-35	24	24
	35-40	19	19
	40 & above	1	1
Qualification	Post Graduate	89	89
	Doctorate	9	9
	Others	1	1

Table 2 - Impact of e-banking services of the respondents

Particulars	Impact	percentage
Positive	89	89
Negative	11	11

Table 3 - Awareness about e-banking services

Particulars	E-banking services	percentage
Aware	90	90
Not aware	10	10

Table 4 Usage of e-banking services

Particulars	E-banking services	percentage
Services availed	88	88
Not availed	12	12

Table 5 Security line towards e-banking services

Particulars	E-banking services	percentage
Highly secured with password	87	87
Not secured	13	13

Table 6 - Customer's opinion towards e-banking services

Particulars	E-banking services	percentage
Excellent	65	65
Good	23	23
Average	11	11
Poor	1	1

Table 7: Reliability Statistics

Determinants	Items	Reliability
Positive impact(PI)	20	1.92
Negative impact(NI)	5	.897

Table8: Rotated Component Matrix

Q	COMPONENTS	
	PI	NI
PI20 opinion to e-banking	.975	.101
PI17 awareness	.865	.299
PI12 age	.993	.109
PI19 impact	.883	.421
PI11 satisfaction	.992	.213
PI10 security	.975	.101
PI16 sex	.865	.299
PI7 Monthly income	.993	.109
PI4 Qualification	.881	.321
PI18 usage	.885	.053
PI2 Extra benefits	.996	.102
PI8 services opted mostly	.865	.299
PI13 nominees claim	.993	.109
PI9 free to operate at any point of time	.883	.320
PI6 Easy to use	.992	.213
PI3 time consuming	.975	.101
PI14 costly	.865	.299
PI5 speed	.993	.109
PI1 working condition	.901	.321
PI15 customer relationship	.899	.213
NI4 Gifts provided	.109	.883
NI5 Bonus issued	.021	.992

NI2 insurance policy offered	.213	.975
NI3 immediate response	.883	.865
NI1 door step volunteers	.992	.993
Eigen Value	9.206	6.240
% of Variance	28.769	19.502
Cumulative %	28.769	48.272

Extraction Method: Principal Component Analysis.
Rotation Method: Varimax with Kaiser Normalization.
Rotation converged in 5 iterations

IV. ANALYSIS AND INTERPRETATION

The value of the test statistic for sphericity on the basis of a Chi-squared transformation of the determinant of the correlation matrix was large. Bartlett's test of sphericity was significant, supporting the factorability of the correlation matrix and the associated significance level was extremely small (0.000). For factor extraction, principal component method was used, under the restriction that the eigen value of each generated factor was more than one. A factor analysis was conducted to develop constructs that will help analyze the questionnaire responses and to evaluate factors that will influence customer's usage of IB. Two factors were generated, which explained 76.11% of the variability of the data. The extracted factors were then rotated using variance maximizing method (Varimax). These rotated factors with their variable constituents and factor loadings are given in Table 8. The factors identified were positive impact and negative impact on IB. The dependent variable IB use was formed by summing up the use of basic and other banking services. This was done, because it gives better view of the use of online banking with the data used. PI refers to the customers' positive behavior for IB. It consists of two questions which concerns how long they have been using IB and how often they used IB. The regression analysis was conducted to reveal how different factors affect the use of online banking. Out of the variables considered only PI ($t = -3.800, p < 0:001$), NI ($t = 3.087, p < 0:01$) are statistically significant, the overall model was also statistically significant ($R^2 = .213, p < 0.001$). The researchers have an Adjusted R Square value of 0.185 and can say that this model has accounted for 18.5% of the variance in the dependent variable. It finally run a correlation analysis to further test the hypotheses. The results indicate that PI ($p < .001$) is positively correlated and NI ($p < .01$) is negatively correlated. Hence, the hypothesis (H1) has been proven based on the above statement.

V. FINDINGS AND SUGGESTIONS

- More than one half(60%) of the respondents are male and the rest 40% are female
- Nearly one half(56%) of the customers fall under the age category between 25-30.
- Mostly 89% of the respondents have completed Post Graduate and the rest have completed under graduate and others.

- Majority, 89% of the respondents have a positive impact towards the e-banking services provided.
- Customers(90%) mostly were aware of the online facility offered by institutions or banks, where the transaction can be done easily and quickly.
- 88% of the respondents were utilizing these facility and they are benefited totally without much wasting of time. 12% of the respondents were not making use of it due to varied issues.
- More than three fourth (87%) of the customers, were fully satisfied with the high security password provided by the banking or financial sector and the rest of the respondents (13%) were not satisfied with it.
- Most of the respondents (88%) have an excellent and good opinion towards the e-banking services and 12% of the respondents have a medium of opinion on it.

VI. SUGGESTIONS

The researcher was totally satisfied with the findings made during the research. Since, all the customers have a positive impact on e-banking services; there was not much to say or offer suggestions in this regard. Instead, the researcher has to point out few suggestions for better implementation and usage of e-banking services to the whole economy.

- The one major point was, the customers especially who were not that much literate, do not have the basic knowledge of computer. Special arrangements like training programme, workshop etc has to be organized by the institutions or banking sector or by the government law, to enhance the knowledge of computer via online services.
- The another aspect was, customers have to understand fully about the major benefits and its usefulness of e-banking services. They have to be very clear in safety and security aspects. Hence, it was the duty of the banks or financial institutions to inculcate the knowledge of online services to the relevant customers.

VII. SCOPE FOR FURTHER STUDY

E-bank was an electronic bank that provides excellent financial services for an individual client by means of Internet. This study helps to find out many pros and cons of the internet banking services. The raw data was collected through the primary source from the customers, whosoever met periodically and deliberately, based on the convenience of the researcher. It was confined only to Tiruchirappalli district. The research scope can be extended further for in-depth research. The researcher can also collect data based on the location of banks, its area- urban or rural sector etc. This research study was the base for the further scholars to extend their wings and to find out more reliability data for further understandings.

VIII. CONCLUSION

The customers' usage of e-banking / internet banking services were a well known fact, as per the above stated research. Most of the services offered through e-banking / internet banking are beyond the expectation of the customers. Finally, the researcher has found that the most of the customers (90%) in and around tiruchirappalli district were aware of the online facility offered, 88% of the respondents were utilizing such facility and (87%) of the customers were fully satisfied with the high security password provided by the banking or financial sector. They need not waste much time in a queue and can carry out the transactions within the short span of time. Overall, it enhances that the customers (89%) had a positive impact towards the e-banking services offered in trichirappalli district, Tamilnadu.

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