



A STUDY ON CUSTOMER PREFERENCE TOWARDS E-BANKING SERVICE WITH SPECIAL REFERENCE TO TIRUCHIRAPPALLI DISTRICT

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Abstract: *Many developments in tele-communication technology and electronic data processing in recent years have contributed to remarkable changes in the banking sectors. The application of modern information technology has radically altered the traditional way of doing banking business. Availability of ATMs and plastic money (i.e., credit and debit cards) has helped customers avoid going to bank premises for cash. Bank customers can view their bank accounts; get statements of accounts, purchase drafts and transfer funds through their personal computers. Another development, viz., Electronic Data Interchange (EDI) has contributed to effective working of banks. The computer networks have helped to automate the funds transfer, contributing to more efficient systems of payments. All these developments in banking sector in recent years have given birth to a new concept called E-Banking (Electronic Banking). Hence this study is undertaken in order to know the customer preference towards E-banking services. The respondents selected for this study is 60. The data further analysed by way of using Chi-square test, Student T-Test and One way Anova. The findings of the study were there is no significant association between age of the respondents and their aware about E-banking services and there is a significant difference between gender of the respondents and their recommend others to adopt e- banking services.*

Key words: *Electronic banking, security, awareness and customer preferences*

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MEANING OF AN ELECTRONIC BANKING

E-banking means conduct of banking operations through electronic means or devices, such as computers, telephones, mobile phones. ATM's etc. E-Banking means the conduct of banking operations (i.e., the provision of banking products and services) by bankers through electronic tools or devices.

FEATURES OF E-BANKING

- E-Banking is essentially performance of banking operations through electronic means or tools
- E-banking is provision of banking products and services by banks through the extensive use of information technology without direct recourse to the bank by customers.
- Provision of round the clock (i.e., twenty-four hour) access to banking facilities is an essential feature of e-banking.
- E-Banking is conduct of banking operations globally. In other words, e banking is anywhere banking

E-BANKING TRANSACTIONS:

Through any type of transactions can be handled through e-banking. Generally, the following transactions are handled through e-banking Account enquiry, Fund transfer, Payment of bills i.e. water, telephone bills, etc., Online payment for transactions actually performed through internet, Request for issue of cheque book, draft, etc, Request for statement of accounts, Access to latest scheme of the bank and access to rates of interest and other service charges of the bank.

REVIEW OF LITERATURE

Gerrard and Cunningham (2003) also identify other factors of paramount importance in ensuring the success of e-banking, i.e. the ability of an innovation to meet users' needs using different feature availability on the web site. For instance, the provision of interactive loan calculators, exchange rate converters, and mortgage calculators on the web sites draw the attention of both users and nonusers into the bank's web site.

Boateng and Molla (2006) indicated that the operational constraints of internet banking is associated with the customer location, the need to maintain customer satisfaction and the



capabilities of the Bank's main software to act as an influential factors in motivating the decision to enter electronic banking services and consequently influencing the usage experience and thus affecting the level of satisfaction.

Anita Lifen Zhao et al. (2010) used empirical evidence to investigate the relationship between perceived risk and trust in adoption of internet banking services in China. The research was conducted on a sample of 432 young Chinese consumers who can be classified as internet banking service early adopters. The study results indicate that there is a significant relationship between trust and perceived risk and that both are crucial in explaining the internet banking usage intention

Geetha. K. T. & Malarvizhi. V (2011) investigates the factors which are affecting the acceptance of e-banking services among the customers and also indicates level of concern regarding security and privacy issues in Indian context. Primary data was collected from 200 respondents through a structured questionnaire. Descriptive statistics was used to explain demographic profile of respondents and Factor and Regression analyses were used to know the factors affecting e-banking services among customer in India. The finding depicts many factors like security and privacy and awareness level increased the acceptance of e-banking services among Indian customers.

STATEMENT OF THE PROBLEM

This research explores and examines some important elements that help in consumers' perception toward e-banking. Banker should understand the need of customer so that they can improve the insufficient of the services. Banker should find out the way to attract more customers to utilize their services. In line with global trends, most customers are not focusing on this internet application. In order to solve this problem customer should learn to use internet banking which can bring conveniences without going to the bank. On the other hand, there are few factors that lead to this problem occurrence. Many people don't start to use e-banking because they still not trust on the system through internet. In addition there are few cases of fraud have been reported in online banking. Secondly, there are lacks of social contact because while performing transactions through e-banking the customer doesn't get any assistance from the banker.

OBJECTIVE OF THE STUDY

- To find the consumer's preference towards e banking services.



- To know the consumers awareness towards e-banking services.
- To analyse the awareness among customers for different e-channels provided by banks.
- To know the satisfaction level of customers towards e-banking services.

METHODOLOGY

Sample size

This study has a sample of 60 respondents, which is selected at random to know the E-Banking preference towards customers.

Tools for Data Collection

Primary data and secondary data have been used. Primary data were collected through a structured questionnaire and the secondary data were collected from the Books, Journals, Articles, Newspapers, Magazines and Websites. The primary data were collected was further analysed by using various tools like Chi-Square test, Student T-Test and One way Anova.

Period of the study

The data were collected for the month of December 2013-February 2014.

ANALYSIS AND INTERPRETATION:

Demographic profile of the respondents:

Demographics	No. of respondents	percentage
Sex: Male	25	41.7
Female	35	58.3
Age: 21 to 30	49	81.7
31-40	06	10.0
41-50	03	5.0
51 and above	02	3.3
Educational Qualification:		
HSC	05	8.3
Under graduate	15	25.0
Post graduate	33	55.0
Professional	03	5.0
Diploma	04	6.7
Occupation: Private employee	26	43.4
Government employee	11	18.3
Self – Employed	11	18.3
Professional	12	20.0
Annual income: 100001 – 200000	44	73.3
200001-300000	14	23.3
300001-400000	2	3.4



Name of the bank:		
State Bank of India	22	36.7
Indian Overseas Bank	16	26.6
ICICI	12	20.0
HDFC	10	16.7

Table relating to customer preference towards e-banking services:

Awareness of E-Banking Services:

Opinion	No. of respondents (n=60)	Percentage
Yes	52	86.67
No	08	13.33
	60	100

Majority of 86.67% of the respondents had awareness about E-banking Services.

Customer expectations are met through E-Banking services:

Opinion	No. of respondents (n=60)	Percentage
Yes	53	88.3
No	7	11.7
	60	100

88.3% of the respondents agree that their expectations are met through E-Banking services.

Recommend others to adopt E-Banking services:

Opinion	No. of respondents (n=60)	Percentage
Yes	53	88.3
No	07	11.7
	60	100

88.3% of the respondents agree that they definitely recommend others to adopt E-banking services.

E-Banking service you think is more user friendly

Opinion	No. of respondents (n=60)	Percentage
Internet banking	20	33.3
Telephone banking	03	5.0
ATM	29	48.3
Mobile banking	08	13.3
	60	100

Majority of the customers think that ATM is more user friendly.

Which e-banking services aware more?

Opinion	No. of respondents (n=60)	Percentage
Internet banking	22	36.7
Telephone banking	03	5.0
ATM	28	46.7
Mobile banking	07	11.7
	60	100



Majority of the customers had more awareness about ATM services.

Trust the security of E-Banking services

Opinion	No. of respondents (n=60)	Percentage
Completely	24	40.0
Somewhat	22	36.7
Dubious	06	10.0
Not at all	08	13.3
	60	100

40% of the respondents completely trust the security provided while using E-Banking services.

Respondents opinion regarding E-banking services measured in Likert 5 Point scale:

Opinion	Strongly agree	Agree	Neutral	Disagree	Strongly Disagree
E-banking services provides privacy of customers information	26 (43.3%)	21 (35%)	12 (20%)	01 (1.7%)	0
Fear of using e-banking services	10 (16.7%)	36 (60%)	10 (16.7%)	3 (5%)	1 (1.7%)
E-banking services are generally faster than traditional banking	26 (43.3%)	22 (36.7%)	9 (15%)	3 (5%)	0
High degree of convenience in e-banking services	21 (35%)	25 (41.7%)	9 (15%)	2 (3.3%)	3 (5%)
Using e-banking services is more prestigious	17 (28.3%)	30 (50%)	9 (15%)	3 (5%)	1 (1.7%)
Easy to maintain the banking transactions through e-banking services	19 (31.7%)	31 (51.7%)	8 (13.3%)	2 (3.3%)	0

CHI-SQUARE TEST - ASSOCIATION BETWEEN AGE OF THE RESPONDENTS AND THEIR AWARE ABOUT E-BANKING SERVICES

Research hypothesis: There is a significant association between age of the respondents and their aware about E-banking services

Null hypothesis: There is no significant association between age of the respondents and their aware about E-banking services

Statistical test : Chi-square test was used the above table

Age	aware about E-banking services			Statistical inference
	Yes (n=52)	No (n=8)	Total (n=60)	
21 to 30yrs	41(78.8%)	8(100%)	49(81.7%)	X ² =2.072 Df=3 .558>0.05 Not Significant
31 to 40yrs	6(11.5%)	0	6(10%)	



41 to 50yrs	3(5.8%)	0	3(5%)	
51yrs and above	2(3.8%)	0	2(3.3%)	

Findings: The above table reveals that there is no significant association between age of the respondents and their aware about E-banking services. Hence, the calculated value greater than table value ($p > 0.05$). So the research hypothesis is rejected and the null hypothesis is accepted.

CHI-SQUARE TEST - ASSOCIATION BETWEEN AGE OF THE RESPONDENTS AND THEIR EASY TO MAINTAIN THE BAKING TRANSACTIONS THROUGH E-BANKING SERVICES

Research hypothesis: There is a significant association between age of the respondents and their easy to maintain the baking transactions through e-banking services

Null hypothesis: There is no significant association between age of the respondents and their easy to maintain the baking transactions through e-banking services

Statistical test: Chi-square test was used the above table

Age	Easy to maintain the banking transactions through e-banking services					Statistical inference
	Disagree (n=2)	Neutral (n=8)	Agree (n=31)	Strongly agree(n=19)	Total (n=60)	
21 to 30yrs	2(100%)	4(50%)	27(87.1%)	16(84.2%)	49(81.7%)	$X^2=10.049$ Df=9 $.346 > 0.05$ Not Significant
31 to 40yrs	0	2(25%)	1(3.2%)	3(15.8%)	6(10%)	
41 to 50yrs	0	1(12.5%)	2(6.5%)	0	3(5%)	
51yrs and above	0	1(12.5%)	1(3.2%)	0	2(3.3%)	

Findings: The above table reveals that there is no significant association between age of the respondents and their easy to maintain the baking transactions through e-banking services. Hence, the calculated value greater than table value ($p > 0.05$). So the research hypothesis is rejected and the null hypothesis is accepted

T-Test - DIFFERENCE BETWEEN GENDER OF THE RESPONDENTS AND THEIR AWARE ABOUT E-BANKING SERVICES

Research hypothesis: There is a significant difference between gender of the respondents and their aware about E-banking services

Null hypothesis: There is no significant difference between gender of the respondents and their aware about E-banking services

Statistical test: Student 't' test was used the above table



Awareness about E-banking services	Mean	S.D	Statistical inference
Male (n=25)	1.08	.277	T=-1.019 Df=58 .558>0.05
Female (n=35)	1.17	.382	Not Significant

Findings: The above table reveals that there is no significant difference between gender of the respondents and their aware about E-banking services. Hence, the calculated value greater than table value ($p>0.05$). So the research hypothesis is rejected and the null hypothesis is accepted.

T-Test - DIFFERENCE BETWEEN GENDER OF THE RESPONDENTS AND THEIR RECOMMEND OTHERS TO ADOPT E- BANKING SERVICES

Research hypothesis: There is a significant difference between gender of the respondents and their recommend others to adopt e- banking services

Null hypothesis: There is no significant difference between gender of the respondents and their recommend others to adopt e- banking services

Statistical test: Student 't' test was used the above table

Recommend others to adopt e- banking services	Mean	S.D	Statistical inference
Male (n=25)	1.00	.000	T=-2.458 Df=58 .017<0.05
Female (n=35)	1.20	.406	Significant

Findings: The above table reveals that there is a significant difference between gender of the respondents and their recommend others to adopt e- banking services. Hence, the calculated value less than table value ($p<0.05$). So the research hypothesis is accepted and the null hypothesis is rejected.

ONE WAY ANOVA DIFFERENCE BETWEEN INCOME OF THE RESPONDENTS AND THEIR AWARE ABOUT E-BANKING SERVICES

Research hypothesis: There is a significant difference between income of the respondents and their aware about E-banking services

Null hypothesis: There is no significant difference between income of the respondents and their aware about E-banking services

Statistical test: One way ANOVA 'f' test was used the above table



aware about E-banking services	Mean	S.D	SS	Df	MS	Statistical inference
Between Groups			.118	2	.059	F=.495 .612>0.05 Not Significant
Rs.100001 to 200000 (n=44)	1.16	.370				
Rs.200001 to 300000 (n=14)	1.07	.267				
Rs.300001 to 400000 (n=2)	1.00	.000				
Within Groups			6.815	57	.120	

Findings: The above table reveals that there is no significant difference between income of the respondents and their aware about E-banking services. Hence, the calculated value greater than table value ($p>0.05$). So the research hypothesis is rejected and the null hypothesis is accepted.

ONEWAY ANOVA DIFFERENCE BETWEEN INCOME OF THE RESPONDENTS AND THEIR EASY TO MAINTAIN THE BAKING TRANSACTIONS THROUGH E-BANKING SERVICES

Research hypothesis: There is a significant difference between income of the respondents and their easy to maintain the baking transactions through E-Banking services

Null hypothesis: There is no significant difference between income of the respondents and their easy to maintain the baking transactions through E-Banking services

Statistical test: One way ANOVA 'f' test was used the above table

easy to maintain the baking transactions through E-Banking services	Mean	S.D	SS	Df	MS	Statistical inference
Between Groups			2.255	2	1.127	F=2.013 .143>0.05 Not Significant
Rs.100001 to 200000 (n=44)	4.00	.807				
Rs.200001 to 300000 (n=14)	4.43	.514				
Rs.300001 to 400000 (n=2)	4.50	.707				
Within Groups			31.929	57	.560	

Findings : The above table reveals that there is no significant difference between income of the respondents and their easy to maintain the baking transactions through E-Banking services. Hence, the calculated value greater than table value ($p>0.05$). So the research hypothesis is rejected and the null hypothesis is accepted.

ONEWAY ANOVA DIFFERENCE BETWEEN TYPE OF BANK OF THE RESPONDENTS AND THEIR AWARE ABOUT E-BANKING SERVICES

Research hypothesis: There is a significant difference between type of bank of the respondents and their aware about E-banking services

Null hypothesis: There is no significant difference between type of bank of the respondents and their aware about E-banking services

Statistical test: One way ANOVA 'f' test was used the above table



aware about E-banking services	Mean	S.D	SS	Df	MS	Statistical inference
Between Groups			.238	3	.079	F=.664 .578>0.05 Not Significant
ICICI (n=12)	1.17	.389				
HDFC (n=10)	1.00	.000				
SBI (n=22)	1.14	.351				
IOB (n=16)	1.19	.403				
Within Groups			6.695	56	.120	

Findings: The above table reveals that there is no significant difference between type of bank of the respondents and their aware about E-banking services. Hence, the calculated value greater than table value ($p>0.05$). So the research hypothesis is rejected and the null hypothesis is accepted.

FINDINGS:

- Thus majority 55% of the respondents post graduate only.
- Thus majority 43.3% of the respondents are working in a private concern
- Thus majority 73.3% of the respondent's annual income 100001-200000
- Thus majority 36.7% of the respondents having an account with State Bank of India
- Thus all the sample respondents have awareness about e-banking services.
- 88.3% of the respondents agree that their expectations are met through e-banking services 48.3% of the respondents opt that ATM service is more user friendly
- majority 88.3% of the respondents agree that they definitely recommend others to adopt the e-banking services
- majority 43.3% of the respondents strongly agree that e-banking services provides privacy of customer information

SUGGESTION:

Use of technology in expanding banking is one of the key focus areas of banks. The banks in India are using Information Technology (IT) not only to improve their own internal process but also to increase facilities and services to their customers. Efficient use of technology of the increased transaction volume of banks of that comes with larger customer base. By designing and offering simple, safe and secure technology, banks reach at doorstep of customer with delight customer satisfaction.

CONCLUSION:

Education and awareness campaigns are key focus areas which financial institutions should continuously invest in. Information should be easily retrievable and communicated in a



manner that makes sense to a wide customer base. Banks would do well to realize their central role in enabling this transformation and should take conscious recourse to relentless adoption of technology. And the goal should be not just to satisfy but to engage with customers and enrich their experience.

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