



**A STUDY ON CONSUMER ATTITUDE TOWARDS E-BANKING IN
VIRUDHUNAGAR**

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ABSTRACT

Financial liberalization and technology revolution have allowed the developments of new and more efficient delivery and processing channels as well as more innovative products and services in banking industry. The world is changing at a staggering rate and technology is considered to be the key driver for these changes around us. An analysis of technology and its uses show that it has permeated in almost every aspect of our life. Many activities are handled electronically due to the acceptance of information technology at home as well as at workplace. Slowly but steadily, the Indian customer is moving towards the E-banking. The ATM and the Net transactions are becoming popular. But the customer is clear on one thing that he wants net-banking to be simple and the banking sector is matching its steps to the march of technology. E-banking or Online banking is a generic term for the delivery of banking services and products through the electronic channels such as the telephone, the internet, the cell phone etc. The concept and scope of e-banking is still evolving. It facilitates an effective payment and accounting system thereby enhancing the speed of delivery of banking services considerably.

Key words: E-banking, Internet banking, Automated Teller Machine

INTRODUCTION

The rapid changes in business operations in contemporary times in the

form of technological improvement require banks in India to serve their customers electronically. Traditionally,

banks have been in the forefront of harnessing technology to improve their products and services. The banking industry and its environment in the 21st century is highly complex and competitive and therefore the need for information and communication technology to take centre stage in the operations of banks (Stevens, 2002).

Electronic banking is critical in the transformation drive of banks in areas such as products and services and how they are delivered to customers. Thus, it is seen as a valuable and powerful tool in the development, growth, promotion of innovation and enhancing competitiveness of banks (Gupta, 2008; Kamel, 2005). Given the significant role of electronic banking in the developmental drive of banks, information technology has been found to lead to improvement in business efficiency and service quality and hence attract customers as well as retain them. (Kannabiran& Narayan, 2005).

Banking online is one of the easiest and cheapest way to access your account. Most financial institutions offer online services that include opening account, account inquiries, fund transfer, bill paying, an electronic account register, and access to important information regarding financial institution.

According to Chang, (2003), Electronic banking contributes significantly to the distribution channels of banks such as automated teller machine (ATM), Phone –banking, Tele-banking, PC-banking and now internet banking (Chang, 2003). In addition, transfer of funds, viewing and checking savings account balances, paying mortgages, paying bills and purchasing financial instruments and certificates of deposits processes have improved significantly as a result of internet banking (Mohammed et al., 2009). This implies that, Electronic banking has resulted in efficiency in service delivery in the banking sector because customers can transact business from one side of the country to another and from both long and short distance.

Electronic banking has transformed traditional banking practices to the extent that it has been found to create a paradigm shift in marketing practices resulting in positive performance in the banking sector (Gonzalez, 2008; Maholtra& Singh, 2007). This shows that the delivery of efficient and quality service is facilitated by information technology. Similarly, Christopher et al. (2006) indicated that electronic banking provides an important channel to sell products and services of banks and is perceived to be a necessity for banks to be successful. Therefore,

service quality and efficiency in the banking industry has increased tremendously worldwide in the world due to the integration of information technology into banking operation. The present study seeks to investigate the extent to which the electronic banking concept has impacted on customer satisfaction in Commercial Banks.

Another benefit of online banking is that it is available for us 24 hours a day. E-banking can be done from anywhere using ATM machine, the internet, or even a cell phone lone can still access the E-banking services from anywhere.

E-banking is the term that signifies and encompasses the entire sphere of technology initiatives that have taken place in the banking industry. E-banking is a generic term making use of electronic channel through telephone, mobile phone, internet etc., for delivery of banking services and products. The concept and scope of e-banking is still in the transitional stage. E-banking has broken the barriers of branch banking.

HISTORY OF E-BANKING IN INDIA

ICICI was the 1st bank to initiate internet banking revolution in India as early as 1997 under the brand name Infinity. ICICI kicked of online banking was back in 1996. But even as a whole,

1996 to 1998 marked the adoption phase, while usage increase only in 1999 due to lowest ISP online charges, increased PC penetration and a tech friendly atmosphere.

STATEMENT OF THE PROBLEM

Banking sector is an integral part of the social and economic development of the nation. With the opening-up of the economy in the 1990's, banking sector has seen a tremendous change in the functioning and operative environment towards the customers. Banks have evolved over the years. With the advent of ICT, banking sectors have come a long way from a clumsy and clustered place where people have to wait in long queues to a sophisticated place where transactions are carried out through modern kiosks. E-banking is great boon to people of this country. Long queues and endless waits have become a thing of the past. People can operate and transact at their convenience of the home 24*7, 365 days a year. Internet and technology are the backbone of the modern banking sector. Therefor there is a need to analyse the consumer behaviors, service and satisfaction towards e-banking. So the researcher feels that this region and people of the locality will make and apt study on the adoption of e-banking and its services.

OBJECTIVES OF THE STUDY

- To find out basic reasons among consumers for preferring e-banking services.
- To measure the satisfactory level of the consumers towards e-banking.
- To assess the customers awareness regarding e-banking.

SCOPE OF THE STUDY

Virudhunagar is a district known for its business and industry. Therefore banking sector plays a pivotal role in the development of the region. This study is carried out on different sects of people and their experience towards e-banking. Being a semi-urban area the people of this locality have lack of knowledge about the technology used by banking sector for e-banking services. So the researcher is going to analyse how much it is difficult for them to adopt this technology and also how it is helpful for them. Hence an attempt has been taken to study about the attitude of consumers towards e-banking.

RESEARCH METHODOLOGY

SOURCES OF DATA

Data which is a vital aspect in any research has been collected through

various resources. Both primary as well as secondary data is used in this study.

PRIMARY DATA

Primary data is firsthand information collected through structured questionnaire. The structured questionnaire is designed to gather the data keeping in view of objectives of the study.

SECONDARY DATA

Secondary data is an integral part of any research study as it provides information on key variables which play a major part in the research. Secondary data will be collected from various studies, books, magazines, journals, websites and newspapers to gain an insight from various sources.

RESEARCH DESIGN

A research design has been enunciated with different sects of people so as to make the study more comprehensive and valid. The researcher has proposed to select 100 customers from different sectors of society.

TABLE – 1
GENDERWISE CLASIFICATION

S.NO	GENDER	NO OF RESPONDENT
1	MALE	65
2	FEMALE	35
	TOTAL	100

SOURCE: Primary data

From the above table 1, 65 are male respondents and the remaining 35 are female respondents.

TABLE – 2
OCCUPATIONWISE CLASSIFICATION

S.NO	OCCUPATION	NO OF RESPONENT
1	BUSINESS	28
2	GOVT EMPLOYEE	15
3	RETIRED	7
4	PRIVATE SECTOR	20
5	STUDENT	30
	TOTAL	100

SOURCE: PRIMARY DATA

Table 2 shows 28 respondents are business class, 15 respondents are government employees, 7 respondents are retired persons, 20 respondents are working in private sectors and the remaining 30 are student respondents.

TABLE – 3
FREQUENCY OF USING E-BANKING SERVICES

S.NO	USAGE	NO OF RESPONDENT
1	DAILY	36
2	WEEKLY TWICE	6
3	WEEKLY ONCE	8
4	FORTNIGHT	24
5	MONTHLY ONCE	19
6	RARELY	7
	TOTAL	100

SOURCE: PRIMARY DATA

Among all 100 respondents 36 are daily doing their banking activities through internet. 6 respondents access their account twice in a week. 8 are accessing weekly once, 24 respondents make their activity once in a month and 7 respondents rarely visit their account through e-banking services.

TABLE – 4

PURPOSE OF USING E-BANKING SERVICES

S.NO	PARTICULARS	NO OF RESPONDENT	RANK
1	MONEY TRANSFER	36	I
2	BALANCE ENQUIRY	8	V
3	MOBILE RECHARGE	19	III
4	ONLINE SHOPPING	24	II
5	TICKET BOOKING	13	IV
	TOTAL	100	

SOURCE: Primary Data

Table 4 analyses the purpose of using E-banking services. Money transfer is the primary objective for most of the respondents followed by online shopping. Mobile recharge and Ticket booking comes next. Balance enquiry is the least the consumers use E-banking for their transaction.

TABLE – 5**REASONS FOR PREFERING E-BANKING SERVICES**

S.NO	PARTICULARS	STRONGLY AGREE	AGREE	NO OPINION	DISAGREE	STRONGLY DISAGREE	TOTAL
1	ROUND THE CLOCK SERVICE	78	22	-	-	-	100
2	SAVES TIME AND ENERGY	46	32	6	16	-	100
3	NO NEED TO CARRY CASH	33	6	10	24	27	100
4	CONVENIENT MODE OF PAYMENT	29	24	12	19	16	100
5	COST SAVING	35	18	2	27	18	100
6	ENVIRONMENT FRIENDLY	28	26	25	21	-	100

SOURCE: PRIMARY DATA

Table – 5 shows various reasons, why the people are interested in using e-banking services. From the 100 respondents 78 respondents prefer round the clock services as the primary reason why they use E-banking. They can transact at their own leisure and convenience without the time schedule that we have in regular banks. 46 respondents think that it saves time as it has become redundant to wait for hours in long queues. 33 respondent are convenient with not carrying cash. It augers well for the safety and security of every individual.

TABLE – 6

DRAWBACKS IN E-BANKING SERVICES

S.NO	DRAWBACKS	STRONGLY AGREE	AGREE	NO OPINION	DISAGREE	STRONGLY DISAGREE	TOTAL
1	LOW INTERNET PENETRATION	37	16	4	16	27	100
2	SAFETY AND SECURITY	28	46	6	4	16	100
3	NETWORK PROBLEM	33	21	14	15	17	100
4	HACKING AND PHISHING	22	30	18	12	18	100
5	LANGUAGE PROBLEM	48	28	8	7	9	100

Table -6 shows the major lacuna that customers face in E-banking services. One of the major impediments to E-banking is the lack of infrastructure and low internet penetration. The findings show that poor internet connection is the biggest problem with rural and semi-urban areas. Another important concern for the respondents is the safety and security aspect of the E-banking environment. Respondents want their hard earned money in safe hands. Phishing, data theft, keyboard logging are a cause of concern and the security infrastructure should be strengthened. Network problem quiet often interrupt your transaction and cause great hardships for the respondents.

FINDINGS

➤ The understanding from *this* study is the customers are very much satisfied with round the clock service, it helps to save time and money of the customers, helps to keeps the environment clean ,

there is no need to carry cash while travelling so the travelling become easier and safe, the mode of payment is very much convenient.

➤ From the analysis of the data its quiet evident that people adapt to technology quickly than expected. Once they were acquainted with the nuances of the E-

banking services, there was no going back and it was a privilege for them to use it. Leisure and convenience is the best part of E-banking services. It saves time and energy for the consumers and would not hinder their regular work. Bulk wallets and big bags carrying cash were a rarity and a small card is the norm.

- It's a convenient mode of payment for most of the respondents. They can transact on the move and at their convenient time.
- Almost all the respondents used ATM in their daily life and it was a game-changer for them. Long queues and waiting for hours together at the bank branch was a thing of the past as they use ATMs to withdraw money at their convenient time.
- Some of the respondents used E-banking for mobile recharge
- The shopping boom has augured well for E-banking and most of the people used E-banking for online shopping.

LIMITATIONS AND SUGGESTIONS

Though E-banking has many benefits, there were a few impediments and hiccups to E-banking. One of the foremost problems faced by consumers was the low penetration of Internet and unreliable data connection. Seventy percent of the respondents faced the issue of low internet penetration. In a country like India, internet reach is very minimal and people often face low speed and poor internet

infrastructure especially in rural areas. With increased online fraud like data theft and phishing, consumers are reluctant to adapt to E-banking as their hard earned money is at risk. So if banks could guarantee safety of their accounts, more people will transact online. Similarly better internet penetration and affordable tariff will pave way for more people using data for daily use.

CONCLUSION

E-banking has been a great boon to the masses. It's a blessing for many business enterprises. A majority of the respondents were positive about E-banking and its effect on their lives. Round the clock services, ease of doing transactions, anywhere banking, and time management were some of the positive aspects of E-banking and people adapted to this technology quiet well than expected. Convenience and ease of doing transaction was the hallmark quality of E-banking. If Internet penetration is better the banking services would be much better to the consumers. Similarly safety and security was a big concern for most of the people. If these issues are addressed, E-banking adaptability would definitely increase and it will be a level playing field for everyone.

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