



## Customer's Adoption towards the Online Payments and Safety Measures - A Study with special Reference to Coimbatore City

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### Abstract

The banking industry like many other financial service industries is facing a rapidly changing market, new technologies, economic uncertainties, competition, more demanding customers and the changing climate has presented an unprecedented set of challenges. Though, banking is a customer oriented service quality provided under various services and products. This study mainly captured on knowing about the customers' awareness level towards the banking services and safety measures made to avoid fraudulent activities. The present is focused on public, private and foreign Banks in Coimbatore City. The major objective of this study is to understand the customers' adoption of e-banking services and how far they are aware about their banking safety measures. The result of this study indicates that the customers are lacking in safety measures of e-banking services.

**Keywords:** Customers' awareness, Safety measures, E-Banking.

### Introduction

The banking business was started as per ancient as the civilization itself. As early as 2,000 B.C., the Babylonians used their temples in lieu of lending gold and silver at higher rates of interest in which it had been left them for safe custody. A bank is a financial institution which plays a vital role in all aspects of financial intermediaries that accepts deposits and lending loans to the customers. And they serve as custodians of stocks and shares and other valuables. Thus the functions of banks, provides various products and services to their customers. As every organization is succeed due to their level of services among their customers' satisfaction and the quality towards their products.

Cyber space is increasingly used by organized criminal groups to target credit cards, bank accounts and other financial instruments for fraudulent transaction. Online fraud is considered to be the third highest amongst economic crimes prevalent in India, according to Global Economic Crime Survey, conducted by Pricewaterhouse Coopers, which reveals the propensity of such crimes in India. Information Technology has changed the lives of the people – the way people think the way they act and the way they respond. Thus the Electronic Banking has become the more innovation and easiest way of doing all financial status by being at anywhere and by any time.

Banking industry in India being a well-developed economic system is one which helps in sustainable economic growth of our country. Especially, for a developing country like India, it works like an economic development factors. As like banking industry several other financial service businesses are facing a rapid changes in market, by way of new technologies, economic uncertainties, competition, more demanding customers and the changing climate has presented an unparalleled set of challenges. Banking is a customer oriented service industry; therefore, the customer is focus on different service factors. Bank have also started realizing that business depends on client service and the gratification of the customer towards the service provided by them and this is fascinating them to improve customer service and build up relationship with customers. Banks needs to realize that by providing good quality of services makes to retain the customers and maximize profitability. Hence,



the aim of this study is to analyse the customer's adoption of online payments and awareness in safety measures towards the banking services.

### Statement of Problem

Now E-banking is fetching more popular between customers, the banks are providing E-banking service facility. Today, utmost of the customers are increasingly using the e-banking service facility for the purpose of their banking services. It reduces cost and save times. In every organization the service quality plays a vital role in increasing the growth of the business. Here the Public, Private and Foreign sector banks which is managed under the control of RBI Government in which these banks helps in increasing the economy level, only by providing the best services to their customers by understanding the needs. Therefore this study is there to find out the customers awareness towards their banks products and services, and also to identify how far their customers are aware about their banking safety measures E-Banking banking services.

### Literature Review

**Inderjot Kaur(2016)** in their study “Evolution of electronic services (e-services) in banking systems” it explores the E-services are impartment of various products and services through electronic means. In this paper, the wide use of mobile banking using apps, paperless transactions, more secure and easy to operate scenarios and hence the evolution of E-services are discussed during the past course of time. The statistical interpretation of various percentage implementations of e-services are discussed in this paper. As per this statement it can be wisely said that the mobile banking has brought a totally new face of banks in front of public. The rate of acceptance is not as satisfactory as per RBI but still that big fat parties are making such statements which were completely unpredictable in last few years. At last it can be said that it is not banks that are pushing the usage of mobile banking but their customers are.

**khan et al., (2015)** in this article “Customer Satisfaction and Trusting in obtaining online banking services” it discussed currently, customers expect that the highest quality services from banks that are satisfied can end This is a quantitative, one-off level of customer satisfaction. Investing in customer satisfaction. Customer satisfaction in the case of online banking is considered in terms of the quality of the bank's website and overall banking quality. This study also helps in assessing the rules of these factors in the rules of banking that it is in an online bank that does not help the bank's management not only in improving the level of satisfaction and trust, but also in strengthening the relationship between banks. Their views do not expand their influence by satisfying their impact on interactivity, when the satisfaction of online banking is influenced by factors such as customization, responsiveness, brand image and privacy. The findings also show that users' confidence in online banking depends on their level of satisfaction.

**Rajni Bhalla and Inderpal Singh (2014)** in this article it explores about the “Internet Banking and Its Impact on Traditional Banking Services”. The main aim of this study is the impact of internet banking on traditional banking services and the reasons for adoption of internet banking. This research paper has provided that the internet banking is gaining popularity among customers due to its various benefits like ease and convenience, fast and better services, user friendly approach, easy to manage accounts of the customers etc. all such positive features has put a negative impact on the use of traditional banking services. Thus the results of this study shows that, the internet banking have a significant impact on the traditional banking services. Thus, these banking services includes basic banking services such as checking accounts or requesting various banking services, as well as the cost of additional e services, such as transferring funds, paying utility bills, paying bills on credit cards, etc. due to all such features, Internet ban is becoming a substitute for various traditional banking services.

**Dr .V.Antony Joe Raja (2012)** in this study “Global E-Banking Scenario And Challenges In Banking System” it reveals at a basic level, Internet banking can mean creating a web page for the bank to provide information about its product and services. It provides for the provision of services such as access to accounts, the transfer of funds and the purchase of financial products or services on the Internet. The main objective of paper is to study the various levels of internet banking services and the



structure of banking services. It also compares the traditional banking systems with net banking. Net banking services are favourable for the present era, banks have a customer profile that will take time to adapt to new technologies. But these are temporary failures, so in this global economic state, in order to survive the banking industry, the adoption of technical solutions such as electronic banking / internet banking, without fail banks cannot survive.

**Dr. Harman Preet Singh and Shaveta T Grover (2011)** in their research paper “Marketing Of E-Banking Services: A Critical Analysis on Lifecycle Demographics, Enabling and Disabling Factors”. The main objective of this research article is to study the influence of lifecycle demographics on the adoption of e-banking. From the results it concluded that it comes out from the research that banks should focus on more qualified, in service, high income earning, young men and women. They should focus on and promote bank administrative, usage advantage and independency as enabling factors and also deactivate the effect of reliability, server hamper and personal memorizing as disabling factors.

**Oloyede et al., (2010)** in this research paper “E-Commerce and E-Banking in Nigeria” they have discussed with the advent of the global economy, e-business is increasingly becoming an essential component of the business strategy and is a strong catalyst for economic development in any country. The study assesses the relevance of electronic commerce and e-banking in the Nigerian economy. Empirical evidence shows that e-commerce and e-banking facilitate exchange operations, integrate the country into the world economy, improve the operational capacity and productivity of Nigerian enterprises and provide opportunities to stimulate economic growth. The study concludes that e-commerce and e-banking have been beneficial to the Nigerian economy, although it has not been optimally used to gain all of its benefits. It recommends that the government provide adequate infrastructure facilities in the telecommunications and energy sectors, coupled with the promotion of the use of information and communication technologies among the public for a more useful impact.

**Thomas Ogoro Ombati et.al., (2010)** in their study “Technology and Service Quality in the Banking Industry” it discussed that there is a need to change the way consumers interact with consumers and to raise many research and practical issues related to delivery. E Commitment, as well as a research paper, was to establish a post-lunch experience of the relationship between technology and services in the banking industry in Kenya. The main objective of this study is to establish the relationship between technology and service quality in banking industry; and to determine the factors that lead to customer preference of different electronic banking channels. The population of the study is a bank in the central business district (CBD), Nairobi. The respondents of the study were the uses of electronic banking services (Internet banking, mobile banking and ATM). Thus this study shows that the most important measurement followed by a convenient ATM location, efficiency (no need to wait), ability to set up so far, accuracy of records, ease of use, simplicity use, satisfaction with complaints, accurate transactions and work within 24 hours.

### **Research Methodology**

The study explores the level of adoption of e-banking services and safety measures of the Public, Private and Foreign Banks in Coimbatore City. It’s a descriptive research design has been followed to fulfill the objectives of the research. This study includes Primary data. The data collected through by issuing questionnaire to the selected bank customers. The data have collected on customers of Public, Private and Foreign Sector Banks. The samples were collected from each selected banks, so total of 20 customers.

### **Framework of Analysis**

- Percentage Analysis
- One-Sample T-Test
- Two-Way ANOVA

### **Objectives of the Study**

1. To evaluate the e-banking service offered and satisfaction level between salaried and business people in Coimbatore City.



- To analyse the customers' adoption of e-banking services and how far they are aware about their banking safety measures.

### Limitations of the Study

The study was limited up to the Coimbatore City. The results of this study were based upon the information provided by the sample respondents. By collecting the information from some more cities the sample will be more representative.

### Analysis and Interpretation

**Table 1**  
**Percentage Analysis of Demographic Profile and Bank Details**

Particulars	Frequency	Percent
<b>Age of the Respondents in years</b>		
18-20 years	4	20.0
21-25 years	6	30.0
26-30 Years	1	5.0
31-35 years	2	10.0
36-40 years	4	20.0
Above 40 years	3	15.0
<b>Total</b>	<b>20</b>	<b>100.0</b>
<b>Gender of the Respondents</b>		
Male	11	55.0
Female	9	45.0
<b>Total</b>	<b>20</b>	<b>100.0</b>
<b>Occupational status of the Respondents</b>		
Private Employee	10	50.0
Government Employee	5	25.0
Business Peoples	5	25.0
<b>Total</b>	<b>20</b>	<b>100.0</b>
<b>Income level of the Respondents</b>		
Less than Rs.15,000	3	15.0
Rs.16,000-30,000	7	35.0
Rs.31,000-50,000	7	35.0
Above Rs.60,000	3	15.0
<b>Total</b>	<b>20</b>	<b>100.0</b>
<b>RespondentsBank Name</b>		
Public Sector Banks	7	35.0
Private Sector Banks	7	35.0
Foreign Sector Banks	6	30.0
<b>Total</b>	<b>20</b>	<b>100.0</b>
<b>Kind of Account Maintained by the Respondents</b>		
Savings A/c	11	55.0
Fixed Deposit A/c	5	25.0
Current A/c	4	20.0
<b>Total</b>	<b>20</b>	<b>100.0</b>

Source: Primary Data



It can be interpreted from the above table that 30% of the respondents belong to the age group of 21-25 years, 55% of the respondents are male, 50% of the respondents are private employees, 35% of the respondents income level is up to Rs.16,000 – 30,000 and Rs. 31,000 – 50,000 and 35% of the respondents have their account in Public and Private Sector Banks and 55% of the respondents maintain savings account.

**Table 2**  
**Percentage Analysis on Purpose of E-Banking Services**

<b>Purpose of ATM Usage</b>	<b>Frequency</b>	<b>Percent</b>
Cash withdrawal	7	35.00
Fund Transfer	0	0.00
Change of PIN	2	10.00
Balance Enquiry	2	10.00
Mini Statement	3	15.00
All Factors	6	30.00
<b>Total</b>	<b>20</b>	<b>100.00</b>
<b>Purpose Of Internet Banking Usage</b>		
Ordering Cheque Book	3	15.00
Downloading Bank Statement	5	25.00
Paying Bills	2	10.00
Application downloaded for loans and bank accounts	2	10.00
All Factors	3	15.00
Not Applicable	5	25.00
<b>Total</b>	<b>20</b>	<b>100.00</b>
<b>Purpose of Mobile Banking Usage</b>		
Paying Utility Bills	5	25.0
Transfer of Funds	2	10.0
Online Shopping	3	15.0
Checking Transaction statement	3	15.0
All Factors	2	10.0
Not Applicable	5	25.0
<b>Total</b>	<b>20</b>	<b>100.00</b>
<b>Purpose of Credit Card Usage</b>		
Secured online shopping and Payments	3	15.0
Smart credit for business	1	5.0
Not Applicable	16	80.0
<b>Total</b>	<b>20</b>	<b>100.0</b>

**Source:** Primary Data

It can be concluded that 35% of the respondents purpose on ATM machine is cash withdrawal, 25% of the respondents purpose on internet banking is ordering cheque book, 25% of the respondents purpose on mobile banking is paying utility bills, and 80% of the respondents are not yet availed credit card services, and mostly 15% of the respondents purpose on credit card is for secured online shopping and making payments.



**Table 3**  
**Gender and occupational status of the Respondents and the Purpose of E-Banking Services**

**H<sub>0</sub>:** There is no significant between gender and occupational status and the purpose of E-Banking Services usage.

Source	Type III Sum of Squares	df	Mean Square	F Value	Sig. value	S/NS
Gender *Occupational_Status	16.856	2	8.428	1.618	.233	NS
Gender *Occupational_Status	2.450	2	1.225	.375	.694	NS
Gender *Occupational_Status	18.952	2	9.476	2.843	.092	NS
Gender *Occupational_Status	2.806	2	1.403	.450	.647	NS

Significant at 5% level

From the Table 3, it can be concluded that the p value which is greater than the significant value (0.05) for the variables namely ATM, internet banking, mobile banking and credit card. Hence the null hypothesis is accepted (not significant). Therefore there is no significant difference between personal factor of the respondents such as between the gender, occupational status and in respect of their purpose of e-banking services.

**Table 4**  
**E-Banking Service issues between Salaried and Business People**

**H<sub>0</sub>:** There is not a statistically significant difference on Salaried, Business People by issues relating to E-Banking Services.

Variable	Mean	Std. Dev.	t Value	Sig. (2 tailed)	S/NS
Hacking Problems	2.55	.999	-2.015	.058	NS
Server Problem	2.55	.945	-2.131	.046	S
Network Problem	2.65	1.268	-1.234	.232	NS
Lack of knowledge on safety measures	3.50	2.364	.326	.029	S
Browsing apps problem	2.40	.888	-3.040	.007	S
Lack of security	2.20	1.152	-3.107	.006	S

\*NS- Significant S-Significant

From the Table 4 it is inferred that the p value is less than 0.05 for four factors out of six factors namely, server problem, lack of knowledge on safety measures, browsing apps problem and lack of security. Therefore, there was a statistically significant difference between means ( $p < .05$ ) and, we can reject (significant) the null hypothesis and accept the alternative hypothesis.



Table 5

**Occupational status and Age of the Respondents between the Safety Measures of Debit and Credit Card Services**

$H_0$ : There is no significant interaction effect by occupational status and age in the Safety Measures of Debit and Credit Card Services.

Source	Type III Sum of Squares	Df	Mean Square	F Value	Sig. Value	S/NS
Occupational Status * Age	10.622	3	3.541	.015	.997	NS
Occupational Status * Age	4.904	3	1.635	.981	.444	NS
Occupational Status * Age	127.616	3	42.539	.929	.466	NS
Occupational Status * Age	1.596	3	.532	.220	.880	NS
Occupational Status * Age	8.618	3	2.873	.926	.467	NS
Occupational Status * Age	4.598	3	1.533	.583	.641	NS
Occupational Status * Age	1.751	3	.584	.404	.754	NS
Occupational Status * Age	5.116	3	1.705	1.077	.407	NS

Significant at 5% level

From the Table 5, it can be concluded that the p value which is greater than the significant value (0.05) for all variables of safety measures on debit and credit services. Hence the null hypothesis is accepted (not significant). Therefore there is no significant difference between personal factors of the respondents such as the age, occupational status and in respect of their safety measures on debit and credit services.

Table 6

**Occupational status and Age of the Respondents between the Safety Measures of E-Banking Services**

$H_0$ : There is no significant interaction effect by occupational status and age in the Safety Measures of E-Banking Services.

Source	Type III Sum of Squares	df	Mean Square	F Value	Sig. value	S/NS
Occupational Status * Age	3.298	3	1.099	.973	.447	NS
Occupational Status * Age	3.305	3	1.102	.447	.725	NS
Occupational Status * Age	10.332	3	3.444	2.044	.178	NS
Occupational Status * Age	5.595	3	1.865	.887	.484	NS
Occupational Status * Age	3.139	3	1.046	1.270	.342	NS
Occupational Status * Age	2.724	3	.908	.522	.678	NS
Occupational Status * Age	2.046	3	.682	.356	.786	NS
Occupational Status * Age	1.701	3	.567	.681	.586	NS

Significant at 5% level

From the Table 6, it can be concluded that the p value which is greater than the significant value (0.05) for all variables of safety measures on E-Banking services. Hence the null hypothesis is accepted (not significant). Therefore there is no significant difference between personal factors of the respondents such as age, occupational status and in respect of their safety measures on E-Banking services.



## Findings

### 1. Percentage Analysis

From the results it is observed that, 30% of the respondents belong to the age group of 21-25 years, because the younger generation now and updated about the new inventions and to handle the new technologies of e-banking services. 55% of the respondents are male, 50% of the respondents are private employees, 35% of the respondents income level is up to Rs.16,000 – 30,000 and Rs. 31,000 – 50,000 and 35% of the respondents have their account in Public and Private Sector Banks and 55% of the respondents maintain savings account.

The level of purpose of e-banking services are 35% of the respondents use ATM services for the purpose of cash withdrawal, 25% of the respondents use internet banking services for the purpose of ordering cheque book, 25% of the respondents use mobile banking services for the purpose of paying utility bills and 25% of the respondents use credit card services for the purpose of secured online shopping and making payments.

### 2. Two-Way ANOVA

With the regard the purpose of e-banking services are not known to everyone because of lack knowledge and also the safety measures to be handled by using e-banking services such as internet banking, mobile banking, ATM, credit card services etc., that the customers are lacking in those safety measures.

### 3. Paired T-Test

Calculated values i.e. p value is less than 0.05 for four factors out of six factors. Which prove that it is statistically significant on issues relating to Salaried and Business People and E-Banking Services. Hence the null the hypothesis is rejected (significant).The network and hacking problems are the most anxious between the customers by way of using e-banking services.

## Suggestions

The preventive measures to be taken by the Banks are the data security in which most of the banks in India issue Visa, Master card and Rupay cards at present for ATM transactions. Thus the transactions through Master card and Visa are governed by the payment Card Industry Data Security Standards (PCIDSS) and Rupay card by National Payments Corporation of India (NPCI) which are fully secured by them. The E-banking services have to be maintained by the banks more effective and innovative measures to be taken reduce hacking problems between frauds. Thought the banks can take steps to reduce the e-banking issues are by data security, physical security, training the staff, creating awareness in customers, tracking of frauds and inventory maintenance. There by the banks should create awareness program to their customers with the help of awareness meeting, can keep one monitor screen play of safety measures tips inside the bank.

## Conclusion

From the results, we have concluded that information technology has empowered the customers and business people and their usage of e-banking services is to make better easy payments choices. At the same time, technology is allowing banks to offer new products, operate more efficiently, raise productivity, expand geographically and compete globally. E-banking has turned into an essential service and is primarily changing the banking industry in worldwide. The innovations have brought efficiencies creating a better customer experience through best pricing, speed and convenience. E-Banking is a future solution to achieve the payment system of vision of cashless and checkless financial system as in India.



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