

A STUDY ON CUSTOMER PREFERENCE TOWARDS E-BANKING WITH SPECIAL REFERENCE TO PRIVATE SECTOR BANKS IN COIMBATORE DISTRICT

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ABSTRACT:

Indian Banking industry has witnessed a tremendous developments due to sweeping changes that are taking place in the information technology. Electronic banking has emerged from such an innovative development. 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 sectors in recent years have given birth to a new concept called E-Banking. Hence this study is undertaken in order to know the customer preference towards E-banking services with special reference to private sector banks.

Keywords: Electronic banking, Security, awareness and customer preferences, Electronic Data Interchange, Bank Customers

INTRODUCTION

E-Banking means any user with a personal computer and a browser can get connected to his bank's websites to perform any of the virtual banking functions. In internet banking system the bank has a centralized database that is web – enabled. All the services that the bank has permitted on the internet are displayed in menu. Once the branch offices of bank are interconnected through terrestrial or satellite links, there would be no physical identity for any branch. It would be a borderless entity permitting anytime,

anywhere and anyhow banking. The network which connects the various locations and gives connectivity to the central office within the organisation is called intranet. These networks are limited to organizations for which they are set up. SWIFT is a live example of intranet application. E-banking provides enormous benefits to consumers in terms of ease and cost of transactions, either through Internet, telephone or other electronic delivery. Electronic finance (E-finance) has become one of the most essential technological changes in the financial (E-finance) has become one of the most essential technological changes in the financial industry. E-finance as the provision of financial services and markets using electronic communication and computation. In practice, e-finance includes e-payment, e-trading and e-banking.

STATEMENT OF 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 contract because while performing transactions through e-banking the customer doesn't get any assistance from the banker.

OBJECTIVES OF THE STUDY

- To find the customers preference towards e-banking services.
- To know the customers awareness towards e-banking services.
- To know the satisfaction level of customers towards e-banking services.

RESEARCH METHODOLOGY

Sample Size:

This study has a sample of 120 respondents, which is selected at convenient sample technique to know the E-Banking preference towards private sector bank 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 student T-Test and One way Anova and Inter-Correlation test.

Period of the Study:

The data were collected for the month of October to December 2018.

REVIEW OF LITERATURE

Raghavan (2008) opined that at present, over 85% of the finished payment transactions are electronic and traditional way of doing banking at the branch level has relatively little importance to electronic banking users. Many banks, including PSU banks, would have online ATM's, Phone banking, virtual banking, e-banking, Internet banking, etc.,

Sharma (2012) opined that the trend towards electronic delivery of banking products and services is occurring partly as a result of consumer demand, and partly because of the increasing competitive environment in the global context.

Geetha.K.T & Malarvizhi.V (2015) 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.

ANALYSIS & INTERPRETATION

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

Table No.1

Factors	Assumption about variance	Levene's Test for Equality of Variances		T-Test for Equality of Means	
		F	Sig.	t	Sig. (2 – tailed)
Internet Banking Awareness	Equal variances assumed	0.049	0.824	0.719	0.037*
	Equal variances not assumed	-	-	0.749	0.032

*Significant at 0.05 level;

The above Table on t-test reveals that, Levene's test on internet banking awareness has a probability grater than 0.05($F=0.049$, $P>0.05$), it can be assumed that variances are relatively equal. Therefore, we use the t-value and two-tail significance for the equal

variance estimates to determine internet banking awareness of differences exist among the two group of gender vis., male and female. The two tail significance for the gender indicates that $p < 0.05$ and therefore, is significant and it shows that there is significant difference internet banking awareness among the respondents between the two groups gender vis., male and female ($t=0.719$, $p < 0.05$). So the 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

Table No.1

Factors	Assumption about variance	Levene's Test for Equality of Variances		T-Test for Equality of Means	
E-Banking Recommendation		F	Sig.	t	Sig. (2 – tailed)
	Equal variances assumed	5.048	0.026	-0.137	0.011
	Equal variances not assumed	-	-	-0.116	0.018*

*Significant at 0.05 level;

The above Table on t-test reveals that, Levene's test on recommendation to adopt e-banking services has a probability lesser than 0.05 ($F=5.408$, $P < 0.05$), it can be assumed that variances are relatively unequal. Therefore, we use the t-value and two-tail significance for the equal variance estimates to determine other factors of differences exist among among the two group of gender vis., male and female. The two tail significance for the gender indicates that $p < 0.05$ and therefore, is significant and it shows that there is significant difference in recommendation to adopt e-banking services among the respondents between the two groups gender vis., male and female ($t=0.116$, $p < 0.05$). So the hypothesis is accepted.

ANOVA TEST

Table No.3
IMPACT OF AGE OF RESPONDENTS ON USING E-BANKING SERVICES

		Sum of Squares	df	Mean Square	F	Sig.
Maintenance of E-Services	Between Groups	10.251	3	3.417	8.541	0.000**
	Within Groups	98.425	116	0.400		

	Total	108.676	119			
Awareness about E-Banking	Between Groups	0.515	3	0.172	0.425	0.035*
	Within Groups	99.421	116	0.404		
	Total	99.936	119			

Null Hypothesis: There is no significant relationship between age of the respondents and usage on e-banking services.

**Significant at the 0.01 level (2-tailed); *Significant at the 0.05 level (2-tailed)

In connection with the hypothesis, the F-test on Table No.3, shows the component maintenance of e-services has significant differences across the age of respondents (F-Value=8.541, $p < 0.01$), awareness about e-banking has significant differences across the age of respondents (F-value=0.425, $p < 0.05$)

SUGGESTIONS

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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