

A study on consumer awareness and usage of E-Banking services with reference to Coimbatore City

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Abstract

Electronic banking or e-banking is the term that describes all transitions takes place among companies, organisations and individual and their banking institutions. First conceptualized was in the mid-1970's some banks offered customer electronic banking in 1985. The emergence of E-Banking has enabled the banks to offer real-time transactions and integrate all customers' related functions. Indian Banks are utilizing the new technology to provide better technology and convenient access to its customers and India is thus poised to for a huge growth in the world of electronic banking. The impact of e-banking on profitability has been ignored which can give a good platform for future research.

Keywords: e-banking, new technology

Introduction

Online banking, also known as internet banking, e-banking or virtual banking, is an electronic payment system that enables customers of a bank or other financial institution to conduct a range of financial transactions through the financial institution's website.

E-Banking refers to the banking services provided by the banks over the internet. Some of these services include paying of bills, funds transfer, viewing account statement, etc. Banks also deliver their latest products and services over the internet. Internet banking is performed through a computer system or similar devices that can connect to the banking site via the internet. Nowadays, you can also use internet banking on your mobile phones using a Wi-Fi or 3G connection.

Banking is now no more limited in going and visiting the bank in person for various purposes like depositing and withdrawing money, requesting for account statement, stop a payment, etc.

Review of literature

- Sunil Kumar (2015) has done a study on consumer awareness and usage of e-banking services. The result of this research was found to be that, the consumers are not frequently using these services but they have strong desire to use these services in future. The present study is being undertaken to analyze how the banks have been exploring the feasibility of using mobile phones as an alternative channel of delivery of banking services.
- Dr. Shamsher Singh (2014) Researched on customer perception of e-banking. The Internet technology is regarded as the most important wave of revolution after the agricultural and industrial revolution. This paper has examined the adoption and impact of e-banking among the customers of different banks. The banks in India are racing to use this latest technology to reduce their operational costs and increase customer base. E-banking is a term used for performing balance checks, account transactions, payments etc.
- R. Elavarasi, Dr. S. T. Surulivel (2014) examined that mean age of e-banking users were mostly men as compared to

women. The major finding is that there is an increasing change in technology world and it leads to improve e-banking services in various banks. As today's human life has become machine oriented and they don't have enough time to visit bank branch like before. And they could access it anywhere at anytime, if they have internet connection.

Statement of the problem

E-banking offers various services to the customer's, and the facilities of internet banking services can be carried out from their comfort of their home/ office with only the usage of Internet. The E-Banking services help to check the accounts and do all the transactions through online 24*7 without any hassle. They can transfer funds to other accounts maintained with any bank in the world, hence this study focuses on the different services of E-banking and customer's convenience towards it.

Objectives of the study

To identify the awareness of e-banking and how frequently it is used by the respondents.

Research Methodology

Data Source

Primary data has been used for the study. Primary data was collected by means of questionnaire and analysis has been made on the basis of response received from the customer's.

Tools and Techniques

The data was analysed with the help of statistical tools such as Percentage analysis, Chi-square test, ANOVA.

Period of the study

The survey to know about the awareness and usage of customers who use E-banking service has been done only for 4 months from June to September

Sample Design

A sample size of 100 respondents has been taken for the study

by adopting convenience sampling techniques. The study has been undertaken only in Coimbatore City.

Limitations of the study

- The sample size of only 100 was taken from the large population.
- The study is limited to areas of Coimbatore city only.

Analysis and interpretation

Relationship between annual income and knowledge of banking service

Hypothesis (H_0): There is no significant difference between annual income and knowledge of banking services.

Hypothesis (H_1): There is a significant difference between annual income and knowledge of banking services.

Table 1

System variable	Source of variation	Sum of Squares	Degree of freedom	Mean Square	F ratio	F- Limit	Result
Bank branch	Between Groups	1.580	3	.527	.385	.764	Accepted
	Within Groups	131.420	96	1.369			
	Total	133.000	99				
Banking service	Between Groups	.372	3	.124	.099	.961	Accepted
	Within Groups	120.618	96	1.256			
	Total	120.990	99				

Source: computed
At 5% significance

The above table shows that there is no significant difference between annual income and knowledge of banking services.

Relationship between Gender and Ability to use

Hypothesis (H_0): There is no significant difference between gender and ability to use.

Hypothesis (H_1): There is a significant difference between gender and ability to use.

Table 2

System variable	Source of variation	Sum of Squares	Degree of freedom	Mean Square	F ratio	F- Limit	Result
Mobile phone	Between Groups	5.046	3	1.682	1.529	.212	Accepted
	Within Groups	105.594	96	1.100			
	Total	110.640	99				
ATM machine	Between Groups	.680	3	.227	.190	.903	Accepted
	Within Groups	114.230	96	1.190			
	Total	114.910	99				
Internet	Between Groups	1.295	3	.432	.351	.788	Accepted
	Within Groups	118.015	96	1.229			
	Total	119.310	99				
Debit card	Between Groups	.603	3	.201	.135	.939	Accepted
	Within Groups	143.397	96	1.494			
	Total	144.000	99				
Prepaid card	Between Groups	.521	3	.174	.101	.959	Accepted
	Within Groups	165.039	96	1.719			
	Total	165.560	99				

Source: computed
At 5% significance

The above table shows that there is no significant difference between gender and factors like Mobile phone, ATM machine, internet, debit card and prepaid card.

Conclusion

Most of the services through e-banking/ Internet banking performed by both public and private are beyond the expectations of the customer's. It has been observed that even the customers who know about internet banking channel are not using this facility due to misconception and lack of information. These customers should be targeted by the bank and must be convinced to use the same. The result of the study shows that customers are using only few facilities of various E-banking services.

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