

CUSTOMERS' PERCEPTION ABOUT E-BANKING SERVICES – A STUDY WITH REFERENCE TO MAYILADUTHURAI TOWN

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Abstract :

Banks today operate in a highly globalised, liberalized, privatized and a competitive environment. In order to survive in this environment banks have to use IT. It is increasingly playing a significant role in improving the services in the banking industry. 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. Hence, the present study is undertaken by the researcher to analyse the customers' perception towards the e-banking services in Mayiladuthurai town. The present research explore the customers' perception regarding the reasons for adoption of e-banking services, benefits availed through e-banking and problems faced while using e-banking services.

Keywords: *Banks, E-Banking, IT, Customers', Perception*

Introduction

Banking Industry is the stamina of the financial system of a nation. The need to stay alive in the changing environment has leaded the banking industry to adopt internet as a medium of operating in the market. Internet banking provides alternatives for quicker delivery of banking services to a wider range of customers. Internet banking refers to the use of internet as a remote delivery channel for banking services. It means any user with a computer, cell phone and a browser can get connected to his bank website to perform any of the banking functions.

Electronic banking

A system allows individuals to perform banking actions at home, via the internet. Some online banks are traditional banks which also offer online banking, while others are online only and have no physical presence. Online banking through traditional banks enable customers to perform all routine transactions, such account transfers, balance inquiries, bill payments, and stop-payment requests, and some even offer online loan and credit card applications.

Statement of the Problem

Information technology has become a necessary tool in today's organisations. Banks today operate in a highly globalised, liberalized, privatized and a competitive environment. In order to survive in this environment banks have to use IT. It is increasingly playing a significant role in improving the services in the banking industry. 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. Hence, the present study is undertaken by the researcher to analyse the customers' perception towards the e-banking services in Mayiladuthurai town.

Objectives of the Study

Objective is a base for any work. The objectives determine the future and outcome of the research. No one work is started without any objectives. The present research explore the customers' perception regarding the reasons for adoption of e-banking services, benefits availed through e-banking and problems faced while using e-banking services.

Research Methodology

The present study is mainly based on primary data. The primary data are collected from customers of public and private sector banks in Mayiladuthurai town. The researcher has conducted a survey with 100 retail customers of commercial banks. For the survey the respondents are selected using simple random sampling technique from the population of bank customers in the town.

Relationship of Customers with the Banks

In order to analyse the relationship between e-banking and the level of customer satisfaction, it is important to know how the duration of the banking relationship of the customers. Table 1 presents the banking relationship for the surveyed customer.

Table 1 Duration of the Banking Relationship with the Bank

Duration	Frequency	Percentage
Less than 1 years	14	14
1-3 years	26	26
3-5years	16	16
5-7 years	14	14
Above 7 years	30	30
Total	100	100

Source: Primary data

The results in table clearly indicates that large number of respondents (30%) have maintained a banking relationship with the banks for more than seven years and 26 percent of them have maintained such relationship between 1 to 3 years.

Customers' Opinion about Reasons for adoption of Electronic Banking Services

There are varieties of services offered by the banks through electronic banking. Therefore ranking was done to judge the opinion of respondents regarding different e-banking services.

Table 2 Reasons for Adoption of E-banking

Reasons for adoption	Frequency	Percentage
Detail Information	12	12
Convenience	35	35
Risk	9	9
Cost	10	10
Fastest Mode	11	11
Funds Movement	8	8
Internet Access	6	6
Improved Service	3	3
Anytime Banking	4	4
Easy	2	2
Total	100	100

Source: Primary data

Table 2 exhibits that the reasons for adoption of e-banking services by the sample customers. It shows that e-banking provides convenient ways to manage services and finance(35%) followed by detailed information (12%), fastest mode of services (11%), bring down the cost of banking(10%), less risk (9%) funds movement (8%), fastest internet access speed(6%),anywhere, anytime banking (4%), improved service (3%) and easy to (2%). It can be observed that bank customer found it suitable to transact through electronic banking.

Customers' Opinion regarding the benefits availed through Electronic Banking Services

Table 3 Benefits Availed Through E-banking

E-banking Services	Frequency	Percentage
Withdrawal	11	11
Opening of Accounts	8	8
Checking of Balance	4	4
Transfer of Funds	5	5
Online Information	11	11
Bill Payment	9	9
Loan Rates	12	12
E-shopping	13	13
Import-Export	14	14
Downloading of Forms	13	13
Total	100	100

Source: Primary data

Table 3 shows that the benefits availed through e-banking services by the sample customers. The findings shows that cash withdrawal (11%), Checking of account balance (4%), Opening of account through online internet (8%), transfer of funds (5%), bill payment (9%) and online information (11%) loan rates (12%), e-shopping (13%), import-export trade documents (14) and downloading of various forms (13%) are the benefits availed through e-banking.

Customers' Opinion regarding the problems in the use of E-Banking Services

Table 4 Problems in the Use of E-Banking

Nature of Problem	Frequency	Percentage
Server down	8	8
Untrained Personnel	9	9
Non Working of ATM	19	19
Deposit of Cash	12	12
Ignorance of People	9	9
Low Response of Phone Calls	8	8
Onsite and Offsite Location of ATM	10	10
Availability of Currency	13	13
Risk of Loss of Currency	8	8
Delay in Services	4	4
Total	100	100

Source: Primary data

Table 4 highlights the problems faced by the respondents while using of e-banking. The major problem arising in this is regarding the ATMs. 19% per cent respondents say that the ATMs of the bank do not work properly. 12% of the respondents are facing problem at the time of depositing cash through e-banking. 13% per cent respondent says that availability of currency might be in the bank premises or in the ATMs causes' problem to them. 10% per cent respondents agree that locations of ATMs are not adequate. 8% per cent are facing the problem due to server down and 4% per cent due to delay in services.

Findings of the Study

Large numbers of respondents (30%) have maintained a banking relationship with the banks for more than seven years and 26 percent of them have maintained such relationship between 1 to 3 years. e-banking provides convenient ways to manage services and finance(35%) followed by detailed information (12%), fastest mode of services (11%), bring down the cost of banking(10%) are the reasons for using e-banking services in the study area. cash withdrawal (11%), Checking of account balance (4%), Opening of account through online internet (8%), transfer of funds (5%), bill payment (9%) and online information (11%) are the benefits enjoyed through e-banking services by the sample customers. 19% per cent respondents say that the ATMs of the bank do not work properly, 13% per cent respondent says that availability of

currency might be in the bank premises or in the ATMs causes' problem to them and 8% per cent are facing the problem due to server down.

Suggestions

In order to improve the usage of e-banking services in the study area the banks should formulate attractive strategies to attract the customers still those who are not using the e-banking services in the study area. The banks should create self-reliance in the minds of the customers about the security e-banking transactions. The banks should conduct workshops and provide proper training to their customers in order to educate them to perform the e-banking transactions safely with the help of various mobile apps.

Conclusion:

This study analyzed the customers' perception about e-banking services offered by the public and private sector banks functioning in Mayiladuthurai town. The study concluded that the banks should motivate their customers to avail e-banking services and to provide proper training to them to improve their level of confidence while using e-banking.

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