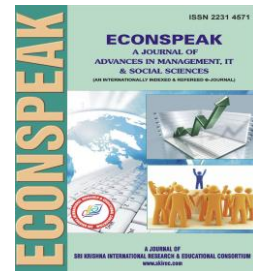




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## A STUDY ON CUSTOMER'S PERCEPTION ABOUT E-BANKING IN CUDDALORE DISTRICT

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### **Abstract**

Internet Banking refers to the provision of information or services by a bank to its customers, via a computer, television, telephone, or mobile phone. It has emerged as a strategic resource for attaining efficiency, control operations, productivity, and profitability. It has changed the traditional way of banking transactions. This paper analyses the customers of Indian Bank in Cuddalore. The survey concludes that the Internet Banking leads the customers to a benefit at the large extent.

**Keywords:** Internet Banking, Convenience, 24 Hour Service

### **Introduction**

E-banking (Internet banking or on line banking) refers to the deployment of banking services and products over electronic and communication networks directly to customers. The term electronic banking can be described in many ways. In a very simple form, it can mean the provision of information or services by a bank to its customers, via a computer, television, telephone, or mobile phone. It has emerged as a strategic resource for attaining efficiency, control operations, productivity and profitability. It has changed the traditional way of banking transactions. Through the e-banking customer do not visit to the bank office in order to carry out banking transaction. For instance, customers are using automated teller machines (ATM) in place of cashier tellers, and credit cards and electronic cash in place of bank transactions (Alagheband, Parisa, 2006). It also allows customers to submit their applications for different services make queries on their account balances and submit instructions to the

bank and also electronically transfer funds to their accounts, pay bill, and conduct other banking transaction online. It relies greatly on information and communication technology (ICT) to attain its promise for 24 hours availability and faster delivery of financial services.

### **Importance of Internet Banking**

The E-banking is now a global phenomenon. It is a precious and influential tool for heavy development, supporting growth, promoting innovation and enhancing competitiveness. A physically powerful banking industry is an essential in every country and can have a major affect in supporting economic development through competent financial services. It has had huge impact on the banking industry. Banks require developing creative solutions of how to make full use of the new technology and how to provide their customers with high online service quality. When lacking face to face interaction banks must increase the experienced online service quality among customers in order to attain and sustain competitive advantages and customer relationships.

### **Statement of the Problem**

The E-Banking is a fast growing sector all over the world. It is considered as the most convenience and advantageous banking practice to all both the parties i.e., bankers and the customers. At the same time, many possibilities exist in this line for fraud, misleading and misuse. This situation makes the E-Banking as the risky one.

### **Objectives**

1. To study the perception of the customers of Indian Bank in Cuddalore District, Tamil Nadu
2. To measure the level of satisfaction of the customers of Indian Bank in the study area.

### **Methodology**

This is a small survey conducted in Cuddalore District, Tamil Nadu on limited scale. Indian Bank customers were contacted in the bank premises and questionnaire was distributed among them. 200 customers were selected at random and their responses were analyzed. Apart from percentage, chi square test has been used in this study.

### **Demography of the samples**

The sample consumers consisting of the following features: Gender: [male – 115, female – 85]. Age: [Below 20 40 consumers, 20-30 – 77 consumers, 30-40 – 46 consumers, 40-50 – 21 consumers and above 50 – 16 consumers].

**Table-1****Source of Awareness Towards the E-Banking**

S.No.	Source of Awareness	No. of Respondents	Percentage
1.	Banks	26	13
2.	Self knowledge	154	77
3.	Advertisements	18	9
4.	Friends	42	21
	<b>Total</b>	<b>200</b>	<b>100</b>

**Source:** Computed from Primary Data

In respect of the awareness of the customers towards the E-banking facilities, self knowledge is the source to majority customers (77%) and it implies that the customers have knowledge through their formal education and self interest. 21% of the customers have got the awareness through their friends.

**Table-2****Attractive Factors**

S.No.	Attractive Factors	No. of Respondents	Percentage
1.	Convenience	86	43
2.	Time saving	26	13
3.	Speed of transactions	16	8
4.	24 hours service	60	30
5.	Less expensive	5	2.5
6.	Safety	7	3.5
	<b>Total</b>	<b>200</b>	<b>100</b>

**Source:** Computed from Primary data

Form the above table it is clear that the convenience is the attractive factor that has majority of the customers (43 %). At the same time, 24 hour service is another important factor (supported by 30 % customers). Time saving is mentioned as the attractive factor to 13% customers. Speed of transactions, safety and less expensive are the other factors.

**Testing the Hypotheses****Test – 1 Age of the Customers and Overall Satisfaction on E- Banking Services****Null hypothesis (H0)**

There is no significant relationship between age of the customers and overall satisfaction towards E-Banking Services.

**Table-3****Age and Overall Satisfaction Cross Tabulation**

Respondents Opinion about Age	Satisfactory Level on towards Internet Banking Services					Total
	Highly Satisfied	Satisfied	Neutral	Dissatisfied	Highly Dissatisfied	
Below-20	9	13	10	6	2	40
20-30	35	21	15	5	1	77
30-40	9	16	10	8	3	46
40-50	4	8	5	2	2	21
Above-50	6	4	4	2	0	16
<b>Total</b>	<b>63</b>	<b>62</b>	<b>44</b>	<b>23</b>	<b>8</b>	<b>200</b>

**Chi-square Test**

	Value	Df	Asymp. Sig. (2-sided)
Pearson Chi-Square	18.738	16	.282
Likelihood Ratio	19.418	16	.248
Linear-by-Linear Association	.319	1	.572
No. of Valid Cases	200		

Degrees of Freedom = 16 Chi Square Value = 18.738 Table Value = 19.418

At 5% level of significant.

Since the calculated value is less than the table value, the null hypothesis is accepted.

Hence there is no significant relationship between the age and towards overall satisfaction towards the E- Banking Services

**Test-2 Gender of the Customers and Overall Satisfaction towards E-Banking Services****Null hypothesis (H0)**

There is no significant difference between gender of the customers and overall satisfaction towards the E-Banking Services

**Table-4****Gender and Overall Satisfaction- Cross Tabulation**

Gender of the Customers	Overall Satisfaction on E-Banking Services					Total
	Highly Satisfied	Satisfied	Neutral	Dissatisfied	Highly Dissatisfied	
Male	38	33	11	21	12	115
Female	30	26	13	8	8	85
<b>Total</b>	<b>68</b>	<b>59</b>	<b>24</b>	<b>29</b>	<b>20</b>	<b>200</b>

**Chi-Square Test**

	<b>Value</b>	<b>df</b>	<b>Asymp. Sig. (2-sided)</b>
Pearson Chi-Square	4.160	4	.385
Likelihood Ratio	4.271	4	.371
Linear-by-Linear Association	.806	1	.369
N of Valid Cases	200		

Degrees of Freedom = 16

At 5% level of significant.

Hence is it understood that the calculated value is less than the tabular value, there for null hypothesis (H<sub>0</sub>) is accepted.

There is no significant difference between gender of the customers and overall satisfaction towards the E-Banking Services.

**Findings**

1. In respect of the awareness of the customers towards the E-Banking facilities, self knowledge is the source to majority customers (77%) and it implies that the customers have knowledge through their formal education and self interest.
2. Convenience is the attractive factor that has majority of the customers (43 %)
3. There is no significant relationship between the age and overall satisfaction towards E-Banking Services
4. There is no significant difference between gender of the customers and overall satisfaction towards E-Banking Services.

**Conclusion**

So, the present paper concludes that the E- Banking leads the customers to a benefit at the large extent. And at the same time, it offers the maximum convenience to them in such a way that they are able to transact the banking transactions at any time. The attraction arises to the customers from convenience, 24 hour service and speed of transactions.

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