Digital Bank - Customer Preference at Tirupur city

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1.Introduction

Retail banking provides comprehensive range of financial product viz., deposit product, residential mortgage loan, auto finance, personal loans, consumer durable loans, loans against equity shares, mutual funds, bill payment service, investment advisory services, credit/debit cards and other cards. Hence present day customers prefer retail banks for varied operation. This study has been focused on the varied digital banking services opted by the customers.

1.2 Objective of the study:

To find out the reasons for using Digital banking.

1.3 Research design:

This study is empirical in nature

1..4 Area of the study:

The customers belonging to the SBI, Canara, HDFC, IOB, Indian Bank, ICICI of Tirupur city was selected at random, and the questionnaires were distributed and collected from 50 customers.

1.5 Statistical tools Used

1. Frequency analysis,   2. Factor analysis

Table No1: Demographic profile of Customers

S.No	Particulars		No. Of Respondent	Percentage
1	Gender	Male	33	66
		Female	17	34
2	Age Group	18-26	18	36
		27-35	19	38
		36-44	7	14
		45-53	4	8
		Above 54	2	4
3	Marital Status	Married	30	60
		Un married	20	40
4	Educational qualification	Below 10th	3	6
		Up to 12th	3	6
		Diploma	3	6
		Graduate	19	38
		Post Graduate	22	44

Source : Primary data

Panel 1 explain the gender group of the respondents. From the table it was understood that a 66 percent of themwere male and 34 percent of them were females.

Panel 2 presents the age group of the respondents. From the table it was clear that a 38 percent of them were in the age group of 27-35years, 36 percent of the were in the age group of 18-26 years, 14 percent of them were in the age group of 36-44 years, 8 percent of them were in the age group of 45-53 years and a 4 percent of them were in the age group of above 54 years.

Panel 3 Presents the marital status of the respondents. From the table it is clear that a 60 percent of them were married and the remaining 40 percent of them were unmarried.

Panel 4 illustrates the educational qualification of the respondents. From the panel it is clear that a highest of 56 percent of them were graduates, 18 percent of them have complete diploma, 12 percent of them have an education up to 12[th]stdand 6 percent of them have completed till 10th Standard.

Factor Analysis on the agreeability of the customers towards the factors influencing digital banking. For the purpose of analysis 20 statements were selected. Initially a reliability analysis was made and KMO Value Stood at.0.717 which has guaranteed to proceed to make factor analysis. The total Variance has guaranteed that the 20 Statements were grouped into 4.

Table No : 2 KMO and Bartlett's Test		
Kaiser-Meyer-Olkin Measure of Sampling Adequacy.		0.717
Bartlett's Test of Sphericity	Approx. Chi-Square	494.848
	Df	190
	Sig.	.000

Source : Primary data

Table No : 3 Communalities		
	Initial	Extraction
E payment system in more beneficial and easily adaptable	1.000	0.579
I consider it as a boon to regulate all economic settlements and processing	1.000	0.698
by switching over to e - payment I can avoid fraudulent conveyance as the system high safety	1.000	0.408
My idea about trying out e-payment can be dragged by the option of others/friends	1.000	0.602
E payment system is easy to understand flexible and foolproof which makes it trustworthy E payment system is easy to understand flexible and foolproof which makes it trustworthy	1.000	0.686
E payment system is well organized and proficient as compared to the age old procedure of payment	1.000	0.640
The first thing I would be bothered about using e payment system is my safety and protection.	1.000	0.397

Ideas of my friend and colleagues will definitely have an effect upon my usage of e – payment	1.000	0.670
The conventional system of payment entangles so many difficulties but E – payment is more easy and preferable	1.000	0.600
E – payment system is comfortable for me and its user friendly	1.000	0.733
E payment system is completely reliable and its highly confidential	1.000	0.556
The promotions about the perils affiliated with e payment system are only an exaggeration/ and I consider the danger is low	1.000	0.552
I entrust E payment to carry out my business dealings transactions	1.000	0.514
I would learn in detail about the security measures involved and that to main point I would reach for	1.000	0.478
The celerity of E payment system is as rapid as a Brue streak, replacing the conventional system of payment	1.000	0.625
Various website on E payment makes it easy to get the picture about the system	1.000	0.586
The system guarantees forwarding intimate notification cautiously to the clients	1.000	0.582
If I have to choose E payments system I must have prior knowledge/ I must be aware of it	1.000	0.688
If I am ensured that the E payment system is safe and authentic, I can adopt it	1.000	0.661
The system provides secure payment and handles proceeding	1.000	0.718
Extraction Method: Principal Component Analysis.		

Source : Primary data

Table No: 4 Total Variance Explained									
Component	Initial Eigenvalues			Extraction Sums of Squared Loadings			Rotation Sums of Squared Loadings		
	Total	% of Variance	Cumulative %	Total	% of Variance	Cumulative %	Total	% of Variance	Cumulative %
1	7.621	38.106	38.106	7.621	38.106	38.106	3.743	18.714	18.714
2	1.759	8.795	46.901	1.759	8.795	46.901	3.199	15.995	34.709
3	1.409	7.043	53.944	1.409	7.043	53.944	3.142	15.711	50.419
4	1.184	5.922	59.865	1.184	5.922	59.865	1.889	9.446	59.865
5	1.058	5.290	65.155						
6	.992	4.961	70.116						
7	.944	4.720	74.836						
8	.838	4.191	79.027						
9	.740	3.698	82.725						

10	.553	2.764	85.489						
11	.536	2.679	88.168						
12	.479	2.393	90.562						
13	.375	1.873	92.435						
14	.362	1.809	94.243						
15	.289	1.447	95.691						
16	.277	1.383	97.074						
17	.213	1.067	98.141						
18	.192	.962	99.103						
19	.110	.550	99.653						
20	.069	.347	100.000						
Extraction Method: Principal Component Analysis.									

Source : Primary data

TableNo : 5 Rotated Components Matrix

S.No	Statements	Group Name
1	1.E payment System in more beneficial and easily adaptable. 10. E – payment system is comfortable for me and its user friendly. 20.The system provides secure payment and handles proceeding. 15. The celerity of E payment system is as rapid as a Brue streak, replacing the conventional system of payment.2. I consider it as a boon to regulate all economic settlements and proceeding	Billing
2.	11.E – payment system is comfortable for me and its user friendly.3. By switching over to e-payment i can avoid fraudulent conveyance as the system high safety. 17.The system guarantees forwarding intimate notification cautiously to the clients.12. The promotions about the perils affiliated with e payment system are only an exaggeration/ and I consider the danger is low.	Trust
3.	18.If I have to choose E payments system I must have prior knowledge/ I must be aware of it.4. My idea about trying out e-payment can be dragged by the options of others / friends.19. If I am ensured that the E payment system is safe and authentic, I can adopt it.8. Ideas of my friend and colleagues will definitely have an effect upon my usage of e – payment.16. Various website on E payment makes it easy to get the picture about the system	Preference
4.	7.The first thing I would be bothered about using e payment system is my safety and protection.16. I would learn in detail about the security measures involved and that to main point I would reach for.7.The conventional system of payment entangles so many difficulties but 6.E – payment is more easy and preferable. E payment system is well organized and proficient as compared to the age old procedure of payment. 13. I entrust E payment to carry out my business dealings transactions. 5.E payment system is easy to understand flexible and foolproof which makes it trustworthy.	Usage

Source : Primary data

The Rotated component matrix has made the statements in to four group viz., Billing, Truust, Preference and Usage.

Conclusion:

The customer prefer digital banking because of four major reasons Viz., Billing, Trust, Preference and usage.

Reference:

1. Kpmg – Digital Banking White Paper, Feb. 2016.
2. AT Kearney and Efma (2013). Banking is a Digital World.