

A STUDY ON E-BANKING SERVICES WITH REFERENCE TO ATM SERVICES IN COIMBATORE CITY

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Abstract : Information technology has become a necessary tool in today's organization. IT has revolutionized the banking sector in delivering the service most effectively to their customers with lower cost and time. When e-commerce refers to carrying on business transactions electronically, it covers any form of business including banking business. E-banking is a generic term making use of electronically operated devices such as Computers, ATMs, etc., It allows customers to access banking services electronically such as withdrawal of amount, pay bills, transfer funds, view accounts or to obtain any banking information and advice. Now-a-days every banking sector is offering ATM services to their customers. The present study is a modest attempt made to know customer level of awareness, usage of services and satisfaction towards the services offered under ATM Services in Coimbatore City. The major tool used for the data collection is questionnaire. For the purpose of the study, required primary data have also been collected along with secondary data. A standard methodology has been adopted and various statistical tools have been used to extract the output.

IndexTerms - awareness,service,satisfaction,banking,electronic.

I. INTRODUCTION

Banking traditional operations has totally emerged with the use of Information and Communication Technology (ICT) and replace with Electronic Banking concepts. ICT came into picture in the year 1980 in banking industry through the Rangarajan Committee recommendations. It has completely changed the functioning of the banks and financial institutions.

Hong Kong and Shanghai Banking Corporation (HSBC) was the first to introduce ATM in India in 1987, Mumbai. ATM is a cash lending teller machine. This is a machine that is frequently seen at banks and various other locations like shopping malls, petrol bunks, etc. Customers can withdraw any sum up to a limited amount, can view the status of his account and order a new cheque book. There is a number called Personal Identification Number (PIN), which is a key for carrying the desired transactions. On the other hand, ATM machine replaces the human aspect of providing the cash and standing in a long queue. ATMs can be installed on the bank's premises (onsite ATMs) for which no license is required from RBI. However, for ATMs to be installed at public places (offsite ATMs), banks have to obtain a license. These offsite ATMs are mainly placed in shopping centres, airports, railway stations, market places, petrol pumps, etc.

Debit card allows the customers to access their account at any time through Automated Teller Machine. Customers can withdraw cash, transfer funds, find out their account balance, etc. The card used as a payment device to access a customer's financial resources referred to as a credit card. Credit card provides convenience and safety to the purchase process. The main reason for credit cards to become popular is it enables an individual to purchase certain products/services without paying immediately. On frequent usage of debit cards, the bank will deduct a certain percentage of amount as service charges from the account. With a credit card, the amount borrowed will be repaid later with certain interest rate.

II. STATEMENT OF PROBLEM

Banking is a customer oriented service industry. In the past, customer has to come in person to the bank branch to do their banking transactions including transfers, deposits and withdrawals. Bank has to employ small tellers to physically make use of all such transactions. ATMs were then introduced which allowed people to do banking on their own, anytime and anywhere. Even though banks offer more services under ATM services, there are customers who use only the familiar services like withdrawal, deposit, etc. Hence this attempt is made to study the customer awareness, usage of the services and satisfaction towards ATM services in Coimbatore City.

III. OBJECTIVES OF THE STUDY

- To identify the customers level of awareness towards ATM services.
- To analyse the factors influencing the customer towards ATM services.
- To find out customer level of satisfaction towards ATM Services.
- To offer suggestions based on the study.

IV. METHODOLOGY

Data Collection: Primary Data is collected directly by interacting with the customers by using structured questionnaire method. Secondary Data was collected from the existing data sources, Catalogues, Internet, Magazines and Newspapers.

The Population: The population consists of Coimbatore City.

Sample Size and Sampling Method: For purpose of the study, non-probability sampling technique has been adopted. 450 respondents who are using ATM services were selected for the study.

- Statistical Tools:**
1. Frequency Distribution
 2. Z-test
 3. ANOVA
 4. Post-Hoc test Level of significance – 5%
 5. Garrett Ranking

V. ANALYSIS AND FINDINGS

1. FREQUENCY DISTRIBUTION

Table-1 Frequency distribution of the respondents on the basis of their personal profile:

Profile	Groups	Frequency	Percentage
Gender	Male	305	67.8
	Female	145	32.2
Age	18-25 years	102	22.7
	26-35 years	193	42.9
	36-45 years	96	21.3
	Above 45 years	59	13.1
Annual Income	1 Lakh to 3 Lakhs	50	11.1
	3.1 Lakhs to 5 Lakhs	250	55.6
	5.1 Lakhs to 7 Lakhs	122	27.1
	Above 7 Lakhs	28	6.2
Frequency of using ATM per month	Less than 5 times	217	48.2
	6 -10 times	165	36.7
	10 -15 times	68	15.1

Majority of the respondents are male, under the age of 26-35 years whose annual income is between 3 Lakhs to 5 Lakhs and use ATM services for less than 5 times per month.

2. Z-TEST

2.1 Gender and Constructs:

Null Hypothesis: Both male and female give on an average same level of opinion on awareness and satisfaction on ATM Services.

Alternative Hypothesis: Both male and female do not give on an average same level of opinion on awareness and satisfaction on ATM Services.

Table-2 Gender and Constructs

Constructs	Gender	Mean	$ Z_0 $	Sig.	Result
Level of awareness on ATM Services	Male	44.1508	1.927	.055	Not Significant (Accept)
	Female	44.4414	2.145		
Level of satisfaction on ATM Services	Male	34.1016	1.168	.244	Not Significant (Accept)
	Female	33.8828	1.153		

The analysis shows that for the level of awareness and satisfaction on ATM Services, since the table significance is greater than 0.05 the level of significance, the null hypothesis is accepted and it is concluded that irrespective of gender, the respondents experience same level of awareness and satisfaction on ATM Services.

3. ANALYSIS OF VARIANCE (ANOVA) & POST-HOC:**3.1 Age and Constructs:**

Null Hypothesis: Respondents belonging to various age groups give on an average same level of opinion on awareness and satisfaction on ATM Services.

Alternative Hypothesis: Respondents belonging to various age groups do not give on an average same level of opinion on awareness and satisfaction on ATM Services.

Table- 3 Age and Constructs:

Constructs	Age	Mean	Standard Deviation	F	Sig.	Result
Level of awareness on ATM Services	18 - 25 years	44.0294	1.99730	3.978	.008	Significant (Reject)
	26-35 years	44.5233	1.07079			
	36-45 years	44.0313	1.38756			
	Above 45 years	44.0508	1.74617			
	Total	44.2444	1.49915			
Level of satisfaction on ATM Services	18 - 25 years	34.1765	1.63145	1.807	.145	Not Significant (Accept)
	26-35 years	33.8964	1.97633			
	36-45 years	34.3229	1.37263			
	Above 45 years	33.7458	2.40397			
	Total	34.0311	1.85892			

From the analysis of variance it is concluded that respondents belonging to various age group have same reasonable level of opinion on level of satisfaction on ATM Services. But for the level of awareness on ATM Services, the analysis significance is less than 0.05, the fixed level of significance and hence the null hypothesis is rejected. To find out which group differs significantly from other, the **POST-HOC** test is applied.

Construct	Age	Mean Difference	Significance	Remark
Level of awareness on ATM Services	26-35 years Vs 18 - 25 years	.49390	.034	Significant
	26-35 years Vs 36-45 years	.49207	.041	Significant
	36-45 years Vs Above 45 years	2.50712	.000	Significant

In case of Awareness on ATM Services, the mean value of 26-35 years age group is significantly greater than 18 - 25 years and 36-45 years age group respondents. This reveals that 26-35 years age group respondents have higher level of awareness on ATM Services over other age group respondents.

3.2 Annual Income and Constructs:

Null Hypothesis: Respondents belonging to various annual incomes give on an average same level of opinion on awareness and satisfaction on ATM Services.

Alternative Hypothesis: Respondents belonging to various annual incomes do not give on an average same level of opinion on awareness and satisfaction on ATM Services.

Table- 4 Annual Income and Constructs:

Constructs	Annual Income	Mean	Standard Deviation	F	Sig.	Result
Level of awareness on ATM Services	1 Lakh to 3 Lakh	43.6000	2.57935	9.526	.000	Significant (Reject)
	3.1 Lakhs to 5 Lakhs	44.5440	.94851			
	5.1 Lakhs to 7 Lakhs	43.8689	1.75787			
	Above 7 Lakhs	44.3571	.95119			
	Total	44.2444	1.49915			
Level of satisfaction on ATM Services	1 Lakh to 3 Lakh	33.9200	1.81648	3.412	.017	Significant (Reject)
	3.1 Lakhs to 5 Lakhs	34.1640	1.61354			
	5.1 Lakhs to 7 Lakhs	34.0410	1.87809			
	Above 7 Lakhs	33.0000	3.22031			
	Total	34.0311	1.85892			

From the analysis of variance it is found that the analysis significance is less than 0.05, the fixed level of significance and hence the null hypothesis is rejected. To find out which group differs significantly from other, the **POST-HOC** test is applied.

Construct	Annual Income	Mean Difference	Sig.	Remark
Level of awareness on ATM Services	3.1 Lakhs To 5 Lakhs Vs 1 Lakhs To 3 Lakhs	.94400	.000	Significant
	3.1 Lakhs To 5 Lakhs Vs 5.1 Lakhs To 7 Lakhs	.67515	.000	Significant
Level of satisfaction on ATM Services	3.1 Lakhs To 5 Lakhs Vs Above 7 Lakhs	1.16400	.009	Significant
	5.1 Lakhs To 7 Lakhs Vs Above 7 Lakhs	1.04098	.037	Significant

In case of level of awareness on ATM Services, the mean value reveals that respondents earning 3.1 Lakhs to 5 Lakhs have higher level of awareness on ATM Services than respondents earning 1 Lakhs to 3 Lakhs and 5.1 Lakhs to 7 Lakhs annually. In case of level of satisfaction on ATM Services, the respondents earning 3.1 Lakhs to 5 Lakhs and 5.1 Lakhs to 7 Lakhs have higher level of satisfaction on ATM Services than respondents earning above 7 Lakhs annually.

4. GARRETT RANKING:

Table- 5 Usage of ATM services by the respondents

	1	2	3	4	5	6	7	8	9	Total	Rank
	81	69	62	56	50	45	38	31	19		
Cash Withdrawal(F1)	151	143	55	12	33	10	23	7	16		
XF1	12231	9867	3410	672	1650	450	874	217	304	29675	1
Transfer of funds(F2)	114	176	34	28	10	27	22	3	36		
XF2	9234	12144	2108	1568	500	1215	836	93	684	28382	3
Deposit of Cash / Cheque in ATM (F3)	167	52	164	3	5	12	13	13	21		
XF3	13527	3588	10168	168	250	540	494	403	399	29537	2
Request for Cheque book and enquiry and stop payment of cheque (F4)	0	0	23	15	6	19	38	130	219		
XF4	0	0	1426	840	300	855	1444	4030	4161	13056	9
Balance Enquiry and Mini Statement(F5)	0	27	58	107	34	53	72	67	32		
XF5	0	1863	3596	5992	1700	2385	2736	2077	608	20957	6
PIN change(F6)	0	0	36	73	73	40	59	90	79		
XF6	0	0	2232	4088	3650	1800	2242	2790	1501	18303	8
Payment of purchase at retail store/Online(F7)	8	24	33	102	95	76	49	45	18		
XF7	648	1656	2046	5712	4750	3420	1862	1395	342	21831	4
Top-up / Recharge(F8)	10	11	34	69	124	81	88	26	7		
XF8	810	759	2108	3864	6200	3645	3344	806	133	21669	5
Ticket Booking (F9)	0	17	13	41	70	132	86	69	22		
XF9	0	1173	806	2296	3500	5940	3268	2139	418	19540	7

From the above table, it is observed that under the usage of ATM Services, "Cash Withdrawal" is ranked 1 by the respondents. This seems to be the majority of the respondents use ATM Services for withdrawing cash. From the ranks it is understood that under the usage of ATM Services, "Deposit of cash / cheque in ATM" is ranked 2 and "Transfer of Funds" is ranked 3 by the respondents and so on.

VI. SUGGESTIONS

- The customers are mainly concerned on safety issues. They can be educated on the various digital security and safety system available. The customers should be requested to change their password and PIN numbers every six months to avoid fraudulent activities.
- In ATM services, the customers have to be directed to use virtual keyboard system. A virtual keyboard prevents username or password from being stolen.
- The number of ATMs on-site and off-site can be increased for the benefit of the customers.
- Opening of more ATMs in rural areas help to improve better business opportunities.

- It is suggested to the banks to consider the service charges and not to collect charges for their digital transactions in order to increase the use of cash less transactions.

VII. CONCLUSION

India is a technology driven country, where all the sectors started updating with the latest technology which created an urge in the banking sector to adopt the technology. This concept was termed to be e-banking. Today, Banking services are rendered through the click of the mouse and touch of the screen at a lower cost with quickest mode. No doubt, the facilities in e-banking are immense but the banks need to create awareness among the customers about the various facilities available. It is found from the study the awareness about other ATM services should also be created and customers should be encouraged to change their PIN frequently in order to avoid fraudulent activities. The users of ATM Services are satisfied with the services rendered by their banks. Banks should ensure that ATM services are safe and secure for financial transaction like as traditional banking.

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