

A STUDY ON CUSTOMER AWARENESS AND PREFERENCE TOWARDS E-BANKING SERVICES OF BANKS (STUDY OF SBI) WITH SPECIAL REFERENCE TO COIMBATORE CITY

Ms. K. Renuka* & Ms.M.Kirithikaa**

Assistant Professor, Department of Commerce, Rathinam College of Arts and Science
Coimbatore - 641021

ABSTRACT

E-Banking means providing banking products and services through electronic delivery channels like ATM, Internet banking, Telephone banking and other electronic delivery channels. SBI has over 4500 ATM centres in India approximately. Automated Teller Machine (ATM) is electronic computerized telecommunication device that allows a customer to directly use a secured method of communication to access their bank accounts or makes cash withdrawals and other services. Internet banking highly useful to the customer one who have computer with internet connection, they need not visit bank branch for their business transactions. Simply they can transact anywhere, anytime if they have internet connection. By dialing the telebanking number customer can get various facilities like cheque book request, balance inquiry etc. state bank of India introduced coin vending machine for their customers to get their service quickly without delay. Apart from these services, SBI provide SBI e-tax, demate services-pay, State bank mob cash.

Key words: *E-Banking, Electronic Deliver channels, ATM*

1.1 INTRODUCTION

The world is changing at a staggering rate and technology is considered to be the key driver for these changes around us. An analysis of technology and its uses show that it has permeated in almost every aspect of our life. Many activities are handled electronically due to the acceptance of information technology at home as well as at work place. E-banking or online banking is generalist term for the delivery of banking services and products through the electronic channels such as the telephone, the cell phone etc. The concept and scope of e-banking is still evolving. It facilitates an effective payment and accounting system thereby enhancing the speed of delivery of banking services considerably. Several initiatives have been taken by the government of India as well as the RBI (Reserve bank of India); have facilities the development online-banking in India. The government of India enacted the IT ACT, 2000, provides legal recognition to electronic transactions and other means of electronic commerce. The RBI has been preparing to upgrade self as regular and supervisor of the technologically dominated financial system.

1.2 Need of the study

- To determining growth direction of online banking service.
- Promoting E-banking services in banking industry
- Customer perception will be taken into consideration about the internet banking

1.3 Objectives of the study:

- To study about the factors that affects the customer's perception towards e-banking of SBI.
- To measure the customer satisfaction in E-Banking services provided by SBI.

1.4 Statement of the problem

SBI introduced ATM facility since the last four-five years. As the use of ATM is increasing day – by-day, it is important to study the customer preference towards use of ATM services Coimbatore city. This study is one of such an attempt. Identification of information needed to solve the problem, Selection or development of instruments for gathering the information, Identification of target population and determination of sampling procedure, Design of procedure for information collection, Collection of information, Analysis of information, Generalizations or predictions.

1.5 Limitation of the study

- Some respondents were hesitating to give true responses.
- The data was collected within 1 month time period.
- The inferences apply only to the respondents of Coimbatore City and are not applicable to any other place and cannot be generalized.

1.6 Research methodology

This research follows the survey research methodology based on previous research in related area; a questionnaire was constructed to study the customer preference towards e-banking services of banks. After pilot testing the questionnaire was administered to 500 persons who have account in SBI. Here we take minimum age as 20 years. The data was obtained through the use of structured questionnaire and convenience sampling. The data were analyzed with percentage method, frequencies and correlation, chi-square tests. Charts and tables are also prepared.

1.7 Sample size:

It indicates the numbers of people to be surveyed. though large sample give more reliable than small samples but due to constraint of time and money, the sample size was restricted to 500 respondents. The respondents belong to different income group and profession.

1.8 Data analysis tools:

1. Chi square test
2. Percentage analysis

2. Review of Literature

Anthony (2009), this article discusses the importance of usability within the e-banking sector and identifies common usability problems and ways to resolve them. it is widely recognized that Online banking provides more revenue per customer and costs less per transaction than any other channel, including phone banking. Encouraging news from forester research states that by 2009 the number of Europeans banking online will double to 130 million. Based on the principles of human computer interaction (HCI), web

usability has become a recognized success factor for all e-business, including online banking. Users most enjoy those sites that provide clear information, easy navigation and an engaging customer experience.

Ubadineke,Francis.N(2009) indicated that advances in information technology and telecommunications are resulting in new delivery channels for bank products and services in the developing countries.

Nitsure, R.R. (2012), this article indicates the e-banking challenges and opportunities, lies in the banking industry-banking have the potential to transform the banking business As it significantly lowers transaction and delivery costs. This paper discusses some of the problems developing countries, which have a low penetration of information and telecommunication technology, face in realizing the advantages of the e-banking initiatives.

3. Data Analysis and Interpretation

The socio-economic factors of Customer Awareness And Preference Towards E-Banking Services of Banks (Study of SBI) was analyzed and the results are presented : **Table-3.1**

Particulars	Frequency	Percentage
Gender`		
Male	300	60%
Female	250	40%
Age Group		
18-21 years	350	70%
21-30 years	135	27%
31-40 years	15	3%
Educational Qualification		
Illiterate	50	10%
Under Graduate	335	67%
Post Graduate	115	23%
Marital Status		
Married	125	25%
Unmarried	375	75%
Nature of occupation		
Agriculturist	50	10%
Professionals	200	40%
Business	100	20%
Employee	150	30%
Place of Residence		
Urban	400	80%
Rural	100	20%
Semi-Urban		
Types of Family		
Nuclear Family	300	60%
Joint Family	200	40%
Monthly Income		
Below Rs15,000	135	27%
Rs15,000 - Rs25,000	315	63%
Rs25,000-Rs35,000	50	10%

INTERPRETATION:

1. Majority 400(80%) of the respondents belong to Urban area of the resident,
2. Majority 300(60%) of the respondents are Male.
3. Majority 350(70%) of the respondents are coming under the age group 18-21 years.
4. Majority 375(75%) of the respondents are Unmarried.
5. Majority 335(35.6%) of the respondents are Under Graduate.
6. Majority 200(40%) of the respondents are Professional people.
7. Majority 315(63%) of the respondent’s monthly income family is below 25,000.
8. Majority 300(60 %) of the respondent’s family type is Nuclear Family.

Table 3.2

The table showing that the satisfied of e-banking services in SBI

Satisfied E-banking	No of Respondents	Percentage
Most Satisfied	150	30%
Satisfied	265	53%
Unsatisfied	50	10%
Most Unsatisfied	35	7%
Total	500	100%

Interpretation:

The above table shows that 53% of the respondents are satisfied, 7% of the respondents are very unsatisfied.

Chart 3.2

Figure showing that the satisfied of e-banking services of SBI

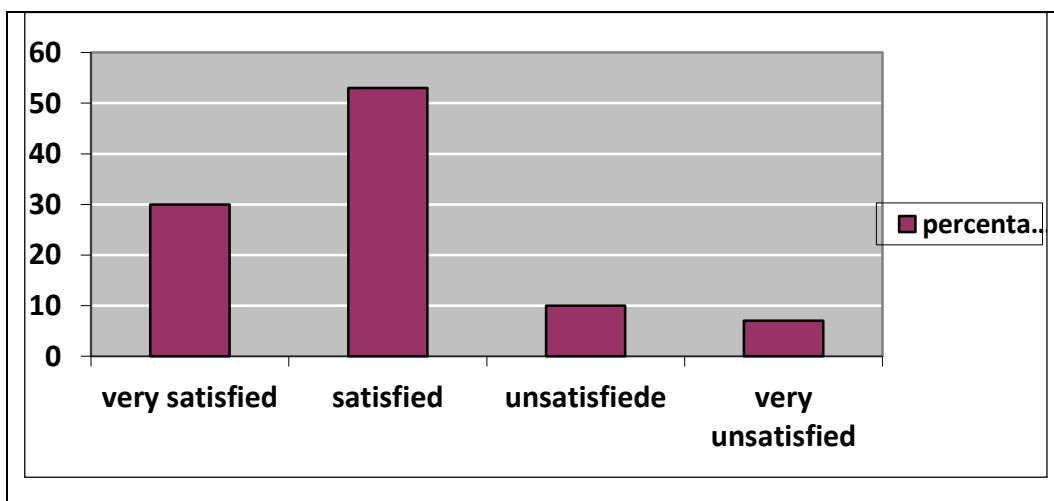


Table 3.3**CLASSIFICATION BASED ON GENDER AND EDUCATIONAL FACTORS****Chi-square analysis**

Ho: There is no difference between the educational and gender.

H1: There is difference between the educational and gender.

Gender& Education	Illiterate	Graduate	Post graduate	Total
Male	20	180	50	250
Female	30	155	65	250
Total	50	335	115	500

Observed frequency	Expected frequency	(O-E)	(O-E)²	(O-E)²/E
20	25	-5	25	0
180	167.5	14.5	210.25	1.255
50	57.5	-7.5	56.25	0.978
30	25	5	25	0
155	167.5	-12.5	156.25	0.932
65	57.5	7.5	56.25	0.978
Total				4.143

$$X^2 = \sum (O-E)^2 / E = 4.143$$

Degrees of freedom in this case = (r-1) (c-1)

$$(2-1) (3-1) = 2$$

	Value	Df	P value
Chi-square	4.143	2	

4.Suggestions

On the basis of data analysis and interpretations, the following suggestions can be made, To increase awareness among people, SBI should advertise and conduct special awareness programs to make E-Banking services more popular among customers.SBI should increase ATM centres nearby customer place

like cinema theatres, markets etc. Most of the respondents like E-banking services provided by SBI. But they hesitate to use because they don't know how to use it in correct manner. SBI should try to give proper training or other solution to solve this problem and it should try to improve their service level to face the stiff competition given by other commercial banks.

5. Conclusion

E-banking technology is highly useful to customers as well as banks and other organizations like government organizations. The findings of this study show that despite of many advantages of e-banking. People still consider it as an alternative for analyzing the bank records. Although every bank today provides the facility of e-banking but most of people use it only one month. The main factors which persuade people to use online banking are comfort & convenience & the facility which attracts them most is quality & quantity of information. To increase productivity, efficiency, service quality of banks, expansion of banks globally e-banking is major important of all commercial banks to adopt in their countries as well as their customers. SBI should try to maintain proper system of maintenance for internet banking.

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