



A STUDY ON PERFORMANCE AND USAGE LEVEL OF INTERNET BANKING TOWARDS DIFFERENT SMALL SCALE BUSINESS ENTREPRENEURS IN THOOTHUKUDI DISTRICT

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Abstract:

Small businesses are the backbone of many economies and their contributions are linked to the amount of employment produced as a result of exports as well as the economic outcomes of countries. In today's commercial world, technology plays a critical role. The use of Internet Banking in small business procedures leads to increased financial performance and organizational effectiveness. Financial services and contracted credits are the performance of Internet Banking which is aimed to increase the transaction speed and internal financial department agility. The study will be useful in determining the amount of Internet banking usage and performance among different small businesses like clothing stores, internet cafes, hotels, beauty parlors, and the like in Thoothukudi district.

Keywords: Internet Banking, Small Business, Entrepreneurs.

1.1 INTRODUCTION:

The Internet banking revolution plays a significant impact on business. This technology has numerous benefits for business development. The Internet banking platform has essentially replaced traditional banking. Many traditional brick-and-mortar banks have been compelled to move their services online or close their doors entirely. Businesses that have adopted internet banking have received a slew of benefits. Internet Banking is a set of resources made available to bank customers as an extension of financial services and contracted credit with the goal of improving transaction speed and internal financial department agility among other things. Whereas, the quality of specific variables such as information, security & systems, the amount of knowledge of users using the application in organizations, the information

technology, infrastructure available and so on all influence how users utilize the application. As a result, Internet Banking's reinforcement of business processes lead to enhanced financial performance and organizational productivity. Hence, the purpose of this study was to determine how small business owners use internet banking and the performance of internet banking.

1.2 STATEMENT OF PROBLEM:

Every company operation necessitates the use of internet banking. Internet banking reduces human errors, tiresome procedures, complicated processes and unnecessary service costs while increasing corporate efficiency. Technology and service interruptions, Security and identity theft concerns, Deposit limitations, convenient but not always faster, and lack of personal banker relationship are some of the issues that business professionals experience today when using internet banking due to a lack of awareness. The purpose of this study was to examine how small enterprises have been using internet banking effectively in Thoothukudi District.

1.3 OBJECTIVES:

- ✓ To identify the demographic profile of small business entrepreneurs in Thoothukudi District.
- ✓ To evaluate the extent of performance and usage level of internet banking services among business professionals.
- ✓ To find out the factors affecting performance and usage of internet banking services.

1.4 REVIEW OF LITERATURE:

Hernandez and Marion (2006) presented a strategy for investigating new technology adoption and tested the method in Brazil on internet banking uptake. Interviews were conducted with a total of 100 respondents who lived in one of Brazil's largest cities. The findings appear to imply that people's intentions to utilize online banking are exclusively impacted by their opinions about internet banking.

AMIN 2007 He conducted a study on internet banking uptake among Malaysia's young business intellectuals. The study used the modified Technology Adoption Model (TAM) as the theoretical framework to investigate the technology acceptance of internet banking among Malaysian undergraduate students. According to the findings, perceived utility, clear case of usage, and perceived credibility all had a substantial impact on behavioral indentation.

According to MAÇADA, A.C.G.; BELTRAME, M.M.; DOLCI, P.C.; BECKER, J.L. 2012. Information-Intensive Organizations' IT Business Value Model 9(1):44-65 in Brazilian Administration Review (BAR). Among the numerous business segments, the banking sector is one of the most significant investors in information technology to implement strategy and obtain a competitive edge.

1.6 RESEARCH METHODOLOGY

Sampling Technique:

The study was conducted among 60 small scale business entrepreneurs in Thoothukudi district by adopting convenient sampling technique. The Researcher has collected primary data using a questionnaire from a sample population. The collected data was tabulated and well analyzed for the interpretation of the data.

Limitations:

- The time duration assigned for the study was limited.
- The research is confined to the usage and performance of internet banking by small businesses only.

1.7 ANALYSIS AND INTERPRETATION OF THE STUDY

1.7.1. Overall Demographics of Survey

VARIABLES	CATEGORY	FREQUENCY	PERCENTAGE (%)
Age	Below 30	18	30%
	31–40	20	33%
	41–50	12	20%
	51 -60	7	12%
	Above 60	3	5%
TOTAL		60	100%
Gender	Male	38	63%
	Female	22	37%
TOTAL		60	100%
Married status	Married	49	82%
	Unmarried	11	18%
TOTAL		60	100%
Education	Below SSC	10	17%
	HSC	21	35%
	Graduate	20	33%
	Masters	9	15%
TOTAL		60	100%
Type Of business	Clothing store	16	28%
	Internet café	7	12%
	Hotels	18	30%
	Beauty parlour	10	17%
	Others	9	15%
TOTAL		60	100%
Income level	Below 20000	17	28%
	20000 – 30000	10	17%
	30000 – 40000	14	23%
	40000 – 50000	11	18%
	50000 Above	8	13%
TOTAL		60	100%

Source: primary data

Inference:

From the above Table 1.7.1 it is inferred that majority of the small scale business entrepreneurs belong to the age group of 31 to 40 years (33. %). The survey reveals that highest portion of small business entrepreneurs (35.%) have studied up to higher Secondary Education and those who have studied SSLC contributed the least percentage. Majority of (82%) of business entrepreneurs are married. (63%) of male entrepreneurs is engaged in business. (23%) of small business entrepreneurs' level of income 30000-40000

per month. The study found out approximately (30%) are small business entrepreneurs carrying out hotel business, followed up with clothing stores, beauty parlours, internet cafes, and others.

1.7.2 Type of banks

Table 1.7.2

S.NO	Type of bank	No of response	Percentage
1	SBI	16	28%
2	INDIAN BANK	9	15%
3	HDFC	18	30%
4	FEDERAL	10	17%
5	OTHERS	7	12%
	TOTAL	60	100%

Source: primary data

Inference:

The above table 1.7.2 shows that most of the entrepreneurs having account in HDFC bank (30%). 28% are using online banking services in SBI bank account and 15% are holding account in Federal bank and 15% are holding account in Indian bank and only 12% of users hold their accounts in other banks.

1.7.3 Performance Level of Internet Banking

Table 1.7.3

Performance	WEIGHED AVERAGE	Rank
Paying bills	4.11	I
Invest and conduct trade	3.62	V
Fund Transfer	3.68	IV
Make Merchant Payments	4.03	II
Open/Close a Fixed Deposit	3.58	VI
Check Mortgages, Loans	3.98	III

Source: primary data

Inference:

The above table 1.7.3 states that performance level of internet banking. Most of the respondents give rank I by (paying bills 4.11%) which is followed by at Make Merchant Payments II, Check Mortgages, Loan III, Fund Transfer at rank IV, and Invest and conduct trade at rank V, and Open/Close a Fixed Deposit at rank VI with the weighted score of (3.58%).

1.7.5 ANALYSIS ON THE PROBLEMS OF INTERNET BANKING

Table 1.7.5

S.NO.	PROBLEMS	WEIGHTED AVERAGE	RANK
1	Technology and Service Interruptions	3.99	II
2	Deposit Limitations	3.68	IV
3	Security and Identity Theft Concerns	3.57	VI
4	Lack of Personal Banker Relationship	4.13	I
5	Delay in Refund	3.89	III
6	High bank charges	3.62	V

Source: primary data

Interpretation

The above table 1.7.5 states that problems are facing business professional while using internet banking. Most of the respondents are given rank I (Lack of Personal Banker Relationship 4.13%) which is followed by Technology and Service Interruptions II, Delay in Refund rank III, Deposit limitation at rank IV, High bank charges at rank V, and Security and Identity Theft Concerns with the weighted score of (3.57%).

1.7 FINDINGS:

- The study found that most of the small scale business entrepreneur (30%) carrying out hotel business.
- Majority of the customers are holding an account in HDFC bank (30%).
- Most of the respondents are given I rank to (Paying bills) in performance of internet banking.
- Majority of respondents are given I rank to Lack of Personal Banker Relationship problem while using internet banking

SUGGESTIONS:

Based on the findings of the study, the following suggestions are made by the researchers.

- By providing good internet banking education can improve the knowledge of the consumers.
- Making internet banking transactions more secure will attract more people.
- To provide a best customer service to retain internet banking customers.
- Maintaining the quality of services will increase the popularity of internet banking.
- Preventative measures should be done to avoid technical issues.

1.9 CONCLUSION

Small firms can use internet banking to improve their financial performance and organizational effectiveness. It helps to pay bills, money transfer, view account statements, and repay loans. Despite the popularity of internet banking among small scale businesses professionals, it is expected to develop fast with the global expansion of internet usage and as more consumers become aware of its benefits. The performance and usage of internet banking among small scale businesses professionals as well as their satisfaction with the bank's services, were investigated in this study. Today, the bank offers a dependable and efficient internet banking system that performs admirably. To strengthen security, banking institutions should implement stronger safeguards.

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