



FACTORS INFLUENCING THE RURAL CUSTOMERS IN E-BANKING SERVICES: A STUDY IN ERODE DISTRICT

Dr. D. Vinoth,

Assistant Professor of Commerce, Gobi Arts & Science College, Gobichettipalayam.

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ABSTRSCT

Banking in India has been a protracted journey. It has seen a variety of changes because of innovations and technologies. The primary objective of this paper is to analyse the factors influencing the rural customers while using e-banking services in erode district. For the present study, primary data have been used and they have been collected from 300 sample bank customers by using questionnaire. The 300 bank customers have been selected by using convenience sampling method. The collected data have been analysed by using Garrett Ranking Technique. The result revealed that Speed in operation is the major factor to influencing the e-banking customers.

KEY WORDS: Banking, E-banking, E-banking technology and ATM.

INTRODUCTION

The banking sector is manifested with a series of complex roles which need to be performed with fulfilment and contentment. The introduction of technology has certainly accrued the fruitful benefits to the banking sector on discharging its duties and responsibilities. This eventually has led to the introduction of e-banking, which made the process more simple and efficient. In this context, it needs to be remembered that our Prime Minister Shri Narendra Modi insisted on that all Indians should possess a bank account. It is a testing time for the banks to attract new customers and bring all the customers under the ambit of e-banking services.

The banking industry like other financial services industries is facing a rapid changing market, new technologies, economic uncertainties, cut-throat competition and more demanding customers and the changing climate has presented an unprecedented set of challenges. Customer service is an integral part of

any facet of banking and it defines the future of any business organization.

A great majority of the respondents seem to venture into e-banking services as they are comfortable with factors influencing e-banking. Some respondents explored the facilities offered by banks and moved to the comfort zone, while other respondents started using e-banking services out of sheer necessity. It is a fact to be accepted that the most important factors hindering the spread of e-services in Chennai are lack of awareness, knowledge and fear of security. Adopting new technology is very challenging from both the sides i.e., customers and banks. A decade ago, the difficulties and intricacies of the day-to-day banking activities were many and required meticulous planning and implementation to the very best of their ability. Thus, banks need to play a dual role which is indeed very challenging and has to be confronted with considerable degree of conviction and determination. Based on these aspects, the present study is an attempt to analyse the Factors influencing the rural customers while using e-banking services in erode district.

REVIEW OF LITERATURE

The review of previous studies is considered as an essential for every research to carry on investigation successfully. It helps to understand the problem in-depth, the methodology followed and to identify the unexplored part of the field of study under consideration. In this regard a review of some of the previous studies in the field of the present study is summarized in this section.

Safeena et al. (2010) determines the consumers' perspective on internet banking adoption. Finding shows that perceived usefulness, perceived ease of use, consumer awareness and perceived risk are the important determinants of online banking adoption and have strong and positive effect on customers to accept the online banking system.

Gupta and Mishra (2012) examined the new emerging trends of E-banking in Indian banking industry. The study found that there are many challenges faced by banks in E-banking and there are many opportunities available with the banks. It concluded that the banking sector will need to master a new business model by building management and customer services. It also suggested that banks should contribute intensive efforts to render better services to their customers.

Agarwal (2012) this paper describes about various innovations in the banking and financial sector. The services are ECS, RTGS, EFT, NEFT, ATMs, retail banking, Debit and credit cards, Payment of utility bills, fund transfers, Internet banking, Telephone banking, Mobile Banking and many more value added services. The paper also describes the benefits and challenges of innovative banking trends. The paper end with the conclusion that, banks can go for cluster of villages of technological institutions have to bring low cost solutions.

STATEMENT OF THE PROBLEM

Today, banking industry has undergone a sea change. The main work of Bank employees is to provide quality information (which is consistent with all branches and direct access channels like ATMs, Phone Banking, Mobile Banking and Net Banking) at the branch at customer finger tips. Online banking or

Internet banking allows customers to conduct financial transactions on a secure website operated by their bank. E-banking services are delivered to customers through the Internet and the web using Hypertext Markup Language (HTML). In order to use e-banking services, customers need Internet access and web browser software. One of the main concerns of e-banking is security. Without great confidence in security, customers are unwilling to use a public network, such as the Internet, to view their financial information online and conduct financial transactions. Some of the security threats include invasion of individuals' privacy and theft of confidential information. Banks with e-banking service offer several methods to ensure a high level of security.

Factors influencing the customers with e-banking is an essential part of a bank's strategy formulation process in an emerging economy like India. It has become imperative for both public and private sector banks to perform to the best of their abilities to retain their customers by catering to their explicit as well as implicit needs. Many a times it happens that the banks fail to satisfy their customer which can cause huge losses for banks. It is identified that there is a need for research work in the field of the Factors influencing the rural customers on e- banking services in the area of Erode District of Tamil Nadu. Against this background, the present study is an attempt to find out the answer to the following question:

- ❖ What are the factors influencing the customers while using e-banking services in Erode District?

SCOPE OF THE STUDY

The present study has been undertaken in Erode District or Tamil Nadu. This study aims to examine the factors influencing the rural customers while using e-banking services. The study is conducted with primary data collected from 300 sample bank customers. Collected data have been analysed with Garret Ranking Technique.

OBJECTIVE OF THE STUDY

- ❖ To identify the factors influencing the rural customers while using e-banking services in erode district.

SAMPLE DESIGN

For the present study, primary data are used. The Required Primary Data are collected by using Well-structured Questionnaire. The required primary data are from 300 bank customers and they were selected by using convenience sampling technique. The collected primary data have been analysed by using Garrett Ranking Technique.

FACTORS INFLUENCING THE CUSTOMERS TO USE E-BANKING SERVICES:**GARRETT'S RANKING ANALYSIS**

To identify the factors influencing the customers to use banking services, Garrett's Ranking Analysis has been employed.¹

By referring the Garrett's Table, the per cent position estimated is converted into scores. Accordingly, score value as per Garrett's Ranking Analysis for first rank to tenth rank is calculated. Then for each factor, the scores of each sample customer are added and then mean value is calculated. The factor which has the highest mean value is considered to be the first.

Ranks assigned by the sample customers have been converted into score by using the following formula and on the basis of Garrett's Table.

$$\text{Percent position} = 100 (R_{ij} - 0.5) / N_j$$

Where R_{ij} is the rank given for the i^{th} problem by the j^{th} respondents and N_j is the number of factors ranked by j^{th} respondents. The Table-1 displays the results of Garrett Ranking Technique for factors faced by the e-banking customers.

Table-1**FACTORS INFLUENCING THE CUSTOMERS TO USE E-BANKING SERVICES: GARRETT'S RANKING ANALYSIS**

Factors	Total Score	Mean Score	Rank
Speed in Operation	18813	62.71	I
24/7 Usage	17790	59.30	III
User Friendly	16440	54.80	IV
Time Saving	18363	61.21	II
Any Where Access	15966	53.22	V
Safety and Security	13449	44.83	VI
Online Bill Payments	12285	40.95	IX
Funds Transfer	12357	41.19	VIII
Reasonable Charges	10686	35.62	X
Heavy Cash Handling is Avoided	12396	41.32	VII

From the Table-1, it is observed that the main factor influenced the sample customers is the Speed in Operation (highest mean score of 62.71). This is followed by Time Saving, 24/7 Usage, User

¹Selvaraj, A., (2004), "Cultivation and Marketing of Jasmine in Erode District of Tamil Nadu", Unpublished Ph.D. thesis submitted to the Bharathiar University, Coimbatore (Supervisor: Dr.E.K.Rayappan).

Friendly, Any Where Access, Safety and Security, Heavy Cash Handling is Avoided, Funds Transfer, Online Bill Payments and Reasonable Charges.

CONCLUSION:

In the present study, Factors influencing the customers to use e-banking services have been examined by applying Garrett's Ranking Analysis. While examine the Factors influencing the customers to use e-banking services by using Garrett's Ranking Analysis, it is found that the main factor felt by the sample customers is the Speed in Operation with the highest mean score of 62.71 proves to be the most significant factor, this is followed by Time Saving, 24/7 Usage, User Friendly, Any Where Access, Safety and Security, Heavy Cash Handling is Avoided, Funds Transfer, Online Bill Payments and Reasonable Charges.

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