

A STUDY ON PERCEPTION OF INTERNET BANKING WITH REFERENCE TO TIRUCHENDUR SBI BANK

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Abstract

Online banking offers a convenient electronic channel where customers can manage bank account and perform banking transaction over the internet. Online banking has many benefits but there are also risks involved. The internet is a wide area network of computer connected around the world to facilitate data transmission and exchange due to the open nature of the internet all web based services are inherently subjects to risks such as online theft of user Id/user name, password, virus attacks, hacking and fraudulent transactions. Internet banking offers 24-hour access to customer accounts everyday it is a quick and anywhere, anytime and from any computer with access to the internet.

Introduction

Internet banking has become an integral part of the global financial environment in order to meet different requirements of customers of banking sector, there by meeting the increased expectations of the participants in Indian banking system internet banking has emerged as one of the most profitable e-commerce applications over the last decade internet banking is defined as the usage of internet and telecommunication networks to deliver banking services to customer with the rapid growth of internet technology, online banking has played an important and central role in the e-payments are a which provides an online transaction platform to support many e-commerce applications such as online shopping, online action ,internet stock trading and so on banks need to understand which factors may influence and affect customers hesitate to use internet banking so that they can build long relationships with existing customers

Statement of the problem

Internet technology holds the potential to fundamentally change banks and the banking industry internet banking is a new specific banking area, part of banking industry which allows people to interact with their banking account virtually from anywhere in the world internet banking address few emerging trends such as customer demand for anytime, anywhere services product time to market essentials and increasingly complex back-office integration challenge therefore this study looks into the different challenge involved internet banking services used by the banking customer

Objectives of the study

- To analyse the socio-economic profile of online banking customers.
- To find out the Purpose of using internet banking
- To measure the acceptance of customers and analyze the quality of the Internet banking services provided by Banks

Methodology

The study is computed with the help of both primary data and secondary data. The primary data was collected from 150 respondents with the help of a structured questionnaire was circulated to the respondents and the secondary data was collected from various website and books.

Sampling design

The sample was selected from in and around of Tiruchendur taluk who are having account in Tiruchendur SBI and the sample size was selected as 150 respondents by applying convenience sampling method.

Tools for analysis

The data were collected tabulated and analyzed using statistical tools. The statistical tools used in this study are Percentage Analysis, and Sign Test .

Data Analysis

| S.No | Age | Number of respondents | Percentage(%) |
|------|--|-----------------------|----------------|
| 1. | Below 20 | 9 | 06 |
| 2. | 21-30 | 28 | 19 |
| 3. | 31-40 | 58 | 38 |
| 4. | 41-50 | 40 | 27 |
| 5. | Above 50 | 15 | 10 |
| | Total | 150 | 100 |
| S.No | Gender | Number of respondents | Percentage (%) |
| 1. | Male | 82 | 55 |
| 2. | Female | 68 | 45 |
| | Total | 150 | 100 |
| S.No | Level of Education | Number of respondents | Percentage (%) |
| 1. | Illiterate | 09 | 06 |
| 2. | Primary Education | 15 | 10 |
| 3. | Middle School | 12 | 08 |
| 4. | Secondary/HSC | 19 | 12 |
| 5. | Under Graduate | 69 | 46 |
| 6. | Post Graduate | 10 | 07 |
| 7. | Professional | 16 | 11 |
| | Total | 150 | 100 |
| | Occupation | Number of Respondents | Percentage (%) |
| 1. | Agriculture | 11 | 07 |
| 2. | Government employee | 16 | 11 |
| 3. | Private employee | 56 | 37 |
| 4. | Business person | 23 | 15 |
| 5. | Professional | 13 | 09 |
| 6. | Student | 19 | 13 |
| 7. | House wife | 12 | 08 |
| | Total | 150 | 100 |
| S.No | Income (per month) | Number of Respondents | Percentage |
| 1. | Below20000 | 72 | 48 |
| 2. | 20001-40000 | 59 | 39 |
| 3. | 40001-60000 | 14 | 10 |
| 4. | 60001-80000 | 03 | 02 |
| 5. | Above 80000 | 02 | 01 |
| | Total | 150 | 100 |
| S.No | Number of years availing Online Banking services | Number of Respondents | Percentage (%) |
| 1. | Below 5 years | 62 | 41 |
| 2. | 5-10 years | 29 | 19 |
| 3. | 11-15 years | 32 | 22 |
| 4. | Above 15 years | 27 | 18 |

| | Total | 150 | 100 |
|-------------|--|------------------------------|-----------------------|
| S.No | Kind of Deposit Account | Number of Respondents | Percentage (%) |
| 1. | Savings Account | 69 | 46 |
| 2. | Current Account | 17 | 11 |
| 3. | Fixed Deposit Account | 21 | 14 |
| 4. | Recurring Deposit Account | 43 | 29 |
| | Total | 150 | 100 |
| S.No | Reason | Number of Respondents | Percentage (%) |
| 1. | Personalized service | 33 | 22 |
| 2. | Wide branch network | 21 | 14 |
| 3. | Quality service | 43 | 28 |
| 4. | Computerized banking | 25 | 17 |
| 5. | Core banking | 16 | 11 |
| 6. | Transparency | 12 | 08 |
| | Total | 150 | 100 |
| S.No | Frequency to using | Number of Respondents | Percentage (%) |
| 1. | Daily | 20 | 13 |
| 2. | Once in a week | 39 | 26 |
| 3. | Twice in a month | 48 | 32 |
| 4. | Once in a month | 34 | 23 |
| 5. | Occasionally | 09 | 06 |
| | Total | 150 | 100 |
| S.No | Purpose of Using online Banking | Number of Respondents | Percentage (%) |
| 1. | To deposit money or online transfer | 47 | 31 |
| 2. | To withdraw cash | 25 | 17 |
| 3. | To deposit cheque for Collection | 17 | 11 |
| 4. | To credit the proceeds | 19 | 13 |
| 5. | To avail loan | 23 | 15 |
| 6. | To take draft | 10 | 07 |
| 7. | To make enquiries | 09 | 06 |
| | Total | 150 | 100 |

Service quality Gap in Online Banking Services

| S.No | Factors | Expectation Mean | Perception Mean | Service quality gap |
|------|-------------|------------------|-----------------|---------------------|
| 1. | Tangibility | 2.23 | 2.06 | 0.17 |
| 2. | Response | 2.13 | 1.97 | 0.16 |
| 3. | Reliability | 2.38 | 2.08 | 0.30 |
| 4. | Assurance | 2.28 | 2.06 | 0.22 |
| 5. | Empathy | 2.24 | 2.12 | 0.12 |

Source: Computed Data

- ❖ The highest gap of the quality relates to the Reliability dimension (gap mean score =0.30), and there is a considerable gap between the customers' expectations and perceptions. The lowest gap of the quality relates to the Empathy dimension (gap mean score = 0.12)
- ❖ Out of four major accounts, majority of the respondents have opened saving Account in internet banking.
- ❖ Majority of respondents opened their account in internet banking for personalized service.
- ❖ Major portion of the respondents visited the bank twice in a month.

- ❖ Majority of the respondents visit the bank for all purposes like depositing money, withdrawal of cash, for availing loan, to credit proceed, for presenting cheques for collection ,for taking draft and for making enquiries.
- ❖ In selecting a particular branch of internet banking, the customers give more importance to the services of the bank and its location.

Suggestions

- ❖ In the changing environment, the banks have to create a separate Research and Development to evaluate the customer's expectation and level of satisfaction.
- ❖ Security should be enhanced for online transaction so as to encourage more and more people to do online transactions.
- ❖ Training should be given to the bank employees for solving the customer's problem voluntarily and updating their knowledge.

Conclusion

Some of the business activities that have been facilitated through the use of internet banking include electronic fund transfer, mobile payment service, electronic wallet, magnetic ink character recognition, online transaction processing, electronic data interchange and automated data management among others. Customers' choice of banks is influenced by the quality of e-banking services provided. E-banking technology is highly useful to customers as well as banks and other organizations like government organisation. 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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