

A Study on Internet Banking with Special Reference in Pudhukottai District.

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Abstract: Nowadays internet occupies a crucial place in normal human being day to day life. In this society from the child to elders need internet for all actions. This study is concerned about internet banking in Pudhukottai district. Information and communication technology is turned more advance now and assist growing use of the internet for business transaction and made a tremendous change in banking industry. Internet banking create global marketplace and penetration of banking into less developed countries lags behind that of the developed western countries. This paper reports the finding of research into adoption of internet banking in Pudhukottai district in the southern region of Tamilnadu, and proposes a variety of factors that are likely to be involved in its acceptance by users. Random sampling has been used in this study. Primary and secondary data has been collected from scheduled interview and journals, books and related websites. This study is based on primary data. According to study the researcher reveal that mostly customers have awareness with online banking and also banks need to take steps to reach the awareness of net banking to the customers.

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I. Introduction

A few online banks update information in real-time, while others do it daily. Once information has been entered, it doesn't need to be re-entered for similar subsequent checks and future payments can be scheduled to occur automatically. Many banks allow for file transfer between their program and popular accounting software packages, to simplify record keeping. Despite the advantages, there are a few drawbacks. It does take some time to set up and get used to an online account. Also, some banks only offer online banking in a limited area. In addition, when an account holder pays online, he/she may have to put in a check request as much as two weeks before the payment is due, but the bank may withdraw the money from the account the day that request is received, meaning the person has lost up to two weeks of interest on that payment. Online-only banks have a few additional drawbacks: an account holder has to mail in deposits (other than direct deposits), and some services that traditional banks offer are difficult or impossible for online-only banks to offer, such as a traveler's checks and cashier's checks. The exchange of business information extends through computer like electronic data interchange, e-mail, internet, intranet and extranets are created under the network based technologies. Internet is creating a huge impact on business than any other technology known to man. Online-Banking means that the banks no longer need to keep their branches open around the clock. That means you can simply login to the website of the bank and get what you are looking for. Self-service is the key here.

Need for the study

Introduction of new technologies allowed banking institutions to offer new channels of service outlets like ATM facility, internet banking, telephone banking and mobile banking. Indian consumers too have access to many new channels to interact with their bank. Banks race against each other in bringing the latest technology for the benefit of their customers and themselves. But not many studies have been conducted to evaluate if Internet Banking channel is utilized properly by the customers in the study area viz., Pudhukottai District. Reasons if any for customer apathy towards internet banking channel if that exist have also not been analyzed earlier. Pudhukottai district is one of the fast developing regions of south Tamil Nadu. The District is dotted with many industries, which promote international business. The banking sector therefore plays a vital role in the efficient functioning and smooth operation of industries in and around this district. Remarkable progress in economy is identified after the introduction of technology banking services especially internet banking services. Therefore the researcher has made an attempt to study the individual's perception about the usefulness, ease of use and attitude towards the use of Internet Banking among banking customers in Pudhukottai district.

II. Objectives of the study

The primary objectives of this study are:

1. To identify the demographic and other factors influence the adoption and usage of internet banking in Pudhukottai district.
2. To study the opinion of banking customers regarding the purpose of usage of internet banking services.
3. To analyze the relationship between demographic factor and various facilities of internet banking.
4. To develop a model to explain behavioral intention to use internet banking.

Scope of the study

The present era reveals user acceptance of computer and information technology in a wide range of end – user computing technologies. From a business point, commerce through Internet is exhibiting tremendous growth over the past few years, but there are few factors which affect the decisions of customers when adopting internet commerce positively or negatively. This study tries to analyze the customer feeling about internet banking. Findings of this study could help banks to fine tune their internet banking services. The period of the study is covered from May 2015– June 2017.

Research Strategy

Research study is a systematic investigation to establish facts or principles. Researchers have to select a research paradigm based on the field and topic of study. Research in information systems realm could be divided into two paradigms: positivistic (quantitative) and interpretive (qualitative) (Galliers, 1994)¹². Positivism is based upon reductionist thinking, having its origins in the natural sciences and study of laws of nature. Positivism uses quantitative measurement and replicable testing in its aim for generalisability and prediction. Positivist studies generally attempt to test theory, in an attempt to increase the predictive understanding of phenomena. Interpretive studies generally attempt to understand phenomena through the meanings that people assign to them. Interpretive research does not predefine dependent and independent variables, but focuses on the full complexity of human sense making as the situation emerges. It uses qualitative methods to seek out explanations and gain an understanding of human and social systems. Both quantitative and qualitative methods have been used in the current study.

Sampling Technique

The current study is based on primary and secondary data. The sample for data collection is related to bank customers living in Pudhukottai district of Tamil Nadu. The instrument used for collection of data is a well designed and well defined questionnaire carrying the statements measuring various aspects pertaining to internet banking in addition to statements measuring demographic characteristics of the sample respondents.

Sample size

Structured questionnaire was administered to gather data for the study. 250 survey questionnaires were printed and distributed among the participants, 213 questionnaires were filled and returned, and 200 fully filled questionnaires were taken for the final analysis.

Limitations of the study

Internet banking is a relatively new concept in Pudhukottai district. The researcher found lack of relevant information regarding internet banking acceptance or adoption among banking customers covering the area of study during the collection of literature. The researcher had to rely on studies conducted in various other nations and regions in India while constructing the research model. Although the impact of the above lacunae was minimized by conducting a qualitative study before framing the research model, the limitation of lack of previous empirical studies cannot be neglected. The same survey instrument was administered to both users and non-users of internet banking service. The opinions/ perceptions of users and non-users could differ considerably and this limitation could have affected the survey results. The study focuses on the response of bank customers during the study period only.

III. Review of literature

Malhotra and Singh (2007) attempted to discover the factors affecting a bank's decision to adopt Internet banking in India. The study has examined the relationship between the bank's adoption decision and various bank and market characteristics. The data for the study consisted of panel data of 88 banks in India covering the financial years 1997-1998 to 2004-2005. To establish the relationship Logistic regression technique was employed. The results showed that the larger banks, banks with younger age, private ownership, and higher expenses for fixed assets, higher deposits and lower branch intensity evidenced a higher probability of adoption of internet banking. Study further found that banks with lower market share also saw the Internet banking

technology as a means to increase the market share by attracting more and more customers through this new channel of delivery

Maditinos et al., (2013) developed an extended technology acceptance model (TAM) model as a tool for examining the factors that have a significant impact on customers online banking acceptance. The typical TAM constructs were enhanced with the variables of perceived risk and quality of the internet connection. The proposed conceptual framework of the study (extended TAM), was tested on a sample of Greek internet users. The findings of the study provided overall support for the extended TAM model and confirmed its robustness in predicting customers intention of adoption of internet banking. More specifically, results underlined the important impact of perceived usefulness, security risk and performance risk on the intention to use internet banking. On the contrary, the impact of perceived ease of use and quality of the internet connection seemed to have only an indirect effect on internet banking adoption

Table 1 Descriptive statistics education and preference to net banking facility

Net banking facility	Education	N	Mean	Std. Deviation
24 hour service	Secondary level	29	1.2414	.51096
	Bachelors' degree	95	1.6211	.68694
	Master's degree	20	1.5500	.68633
	Professional	28	1.2857	.59982
	Others	28	1.4286	.69007
Quick transfer facility	Secondary level	29	1.4483	.73612
	Bachelors' degree	95	1.6632	.75245
	Master's degree	20	1.6500	.81273
	Professional	28	1.3571	.67847
	Others	28	1.3929	.56695
Easy accessibility	Secondary level	29	1.4138	.62776
	Bachelors' degree	95	1.5053	.72748
	Master's degree	20	1.5000	.68825
	Professional	28	1.6429	.78004
	Others	28	1.6429	.82616
E-statements	Secondary level	29	1.3793	.62185
	Bachelors' degree	95	1.4842	.69746
	Master's degree	20	1.8000	.89443
	Professional	28	1.3929	.62889
	Others	28	1.3571	.62148

The above table 1 shows that details of descriptive statistics between education and net banking facilities. According to 24 hour service the highest mean score 1.6211 for bachelor's degree indicates that they are more satisfied about 24 hour service and mean score of 1.5500, 1.2857 and 1.4286 are for master's degree, professional and others respectively. It shows that almost all bank customers prefer the use of 24 hour service. In the case of quick transfer facility the highest mean score 1.6632 is for bachelor's degree and 1.6500, 1.3571, 1.3929 and 1.4483 for master's degree, professionals, others and secondary level respondents. In the case of easy accessibility the respondents who studied professional and others their mean score is high and the mean score is 1.6429 followed by the mean score 1.5053, 1.5000 and 1.4138 for bachelor's degree, master's degree and secondary level respondents.

In the case of E-statements the highest mean score 1.8000 the E-statements mostly prefer by master's degree respondents. The mean score for bachelor's degree, professional, secondary level and others are 1.4842, 1.3929, 1.3793 and 1.3571 respectively.

Table 2 One way ANOVA – Education and Net banking facility

Net banking facility	Education	Sum of Squares	df	Mean Square	F	Sig.
24 hour service	Between Groups	4.765	4	1.191	2.793	.028
	Within Groups	83.190	195	.427		
	Total	87.955	199			
Quick transfer facility	Between Groups	3.449	4	.862	1.648	.164
	Within Groups	102.051	195	.523		
	Total	105.500	199			
Easy accessibility	Between Groups	1.181	4	.295	.550	.699

	Within Groups	104.639	195	.537		
	Total	105.820	199			
E-statements	Between Groups	2.959	4	.740	1.553	.188
	Within Groups	92.861	195	.476		
	Total	95.820	199			

Null hypothesis: The preference of internet banking facility is not based on the education of the respondents.

The above table 2 indicates that relationship between education and net banking facility of the respondents. It is found that there is no significant relationship between education and quick transfer facility, easy accessibility and E-statements by the values of F which are 1.648, 0.550 and 1.553 and the values of p which are 0.164, 0.699 and 0.188 respectively. Therefore the null hypothesis is accepted because the calculated value is more than the significant value 0.05. The analysis of 24 hour service the F value is 2.793 and the P value is .028 and the calculated value is lower than the table value. Hence the null hypothesis is rejected and the alternative hypothesis is accepted. Therefore there is significant relationship between education and 24 hour service of net banking respectively.

Table 3 Descriptive statistics for frequency of access and net banking facility

Net banking facility	Frequency of access	N	Mean	Std. Deviation
Service	Daily	33	1.5455	.71111
	Weekly	110	1.5818	.73425
	Monthly	28	1.3929	.62889
	Less than once a month	29	1.5862	.82450
	Total	200	1.5500	.72811
Quicktransfer	Daily	33	1.3939	.55562
	Weekly	110	1.5364	.69964
	Monthly	28	1.3571	.55872
	Less than once a amount	29	1.5172	.73779
	Total	200	1.4850	.66482
Easyaccessibility	Daily	33	1.3030	.52944
	Weekly	110	1.6455	.76129
	Monthly	28	1.4643	.74447
	Less than once a amount	29	1.4138	.73277
	Total	200	1.5300	.72922
E- statements	Daily	33	1.4545	.71111
	Weekly	110	1.4455	.67166
	Monthly	28	1.3214	.54796
	Less than once a month	29	1.7241	.84077
	Total	200	1.4700	.69391

The above table 3 shows that details about descriptive analysis between frequency of access and net banking facilities of the respondents. The highest mean square is 1.5862 for less than once a month and followed by mean score 1.5818, 1.5455 and 1.3929 for weekly, daily and monthly access of net banking. Mostly respondents access the net banking less than once a month. In the case of quick transfer the highest mean score 1.5364 for weekly access is frequent followed by the mean score 1.5172, 1.3939 and 1.3571 for less than once a month, daily and weekly respectively. In the case of easy accessibility the highest mean score 1.6455 for weekly is more when frequency of access is compared with easy accessibility and followed by the mean score 1.4643, 1.4138 and 1.3030 for monthly, less than once a month and daily is preferred by the respondents. In the case of E-statements the highest mean score 1.7241 for less than once a month is more preferred by respondents when E-statements is compared with frequency of access and followed by the mean score 1.4545, 1.4455 and 1.3214 for daily, weekly and monthly access is preferred by the respondents respectively.

Table 4 One way ANOVA – frequency of access and net banking facility

Net banking facility	Frequency of access	Sum of Squares	df	Mean Square	F	Sig.
24 hour Service	Between Groups	.841	3	.280	.525	.665
	Within Groups	104.659	196	.534		
	Total	105.500	199			
Quick transfer	Between Groups	1.052	3	.351	.791	.500
	Within Groups	86.903	196	.443		
	Total	87.955	199			

Easy accessibility	Between Groups	3.679	3	1.226	2.353	.073
	Within Groups	102.141	196	.521		
	Total	105.820	199			
E - statements	Between Groups	2.565	3	.855	1.797	.149
	Within Groups	93.255	196	.476		
	Total	95.820	199			

Null hypothesis: The preference towards internet banking facility is not based on frequency of web access.

The above table 4 indicates that relationship between frequency of access of the respondents and net banking facility. It is found clearly there is no significant relationship between frequency of access and 24 hour service, quick transfer, easy accessibility and E-statements by the F value which is 0.525, 0.791, 2.353 and 1.797 by the P value which is 0.665, 0.500, 0.073 and 0.149 respectively. The calculated value is higher than table value. Therefore the null hypothesis is accepted.

Suggestions

Banks should generate and provide a unique password for each and every customer which can be used by the customers for all kind transactions, such as: ATM transactions, Credit and Debit card transactions, Online Banking transactions, Mobile Banking transaction etc. in order to make more qualitative, convenient, reliable, safe and secure Internet Banking Services which attracts the customers towards the use of Internet Banking Services and also to protect customer's account information from internet hackers. Consumers have become more cautious about the use of Internet Banking Services due to probability of theft of customers' privacy through internet hackers, which usually remains in the cache memory of the system or PC even after the customer is logged out from internet. Therefore, strong anti hacking system has to be tailored to not only strengthen online user's authentication for the vast Online Banking System but also to defend the theft of customers' privacy from internet hackers.

One of the key challenges of the Online Banking System as a service delivery channel is how banks manage their services quality, which holds a significant importance of customer satisfaction. Banks must pioneer service quality dimensions in Online Banking such as – Efficiency, Reliability, Responsiveness, Fulfillment, Privacy, Communication, Personalization, Technological Advancement and Technical Support. All the quality dimensions will perform well to provide strong internet connectivity, reduce sudden failure of internet connectivity or server down problem and strong impact on customer's satisfaction. Banks should pay attention to reach out their female customers who-in a majority of cases-would have less experience and willingness to avail Internet Banking Service by facilitating direct shopping through Online Banking with some special discounts over a particular range, so that transaction frequency as well as amount that have been transacted through Online Banking will increase and result in increment of bank's productivity.

IV. Conclusion

Indian economy is witnessing stellar growth over the last few years. There have been rapid developments in infrastructural and business front during the growth period. Internet adoption among Indians has been increasing over the last one decade. Indian banks have also risen to the occasion by offering new channels of delivery to their customers. Internet banking is one such new channel which has become available to Indian customers. Customer acceptance for internet banking has been good so far. In this study the researcher tried to conduct a qualitative and quantitative investigation of internet banking customer acceptance among banking customers in Pudukkottai district. The researcher tried to identify important factors that affect customer's behavioral intention for internet banking. The researcher also proposes a research model which was extended from Technology Acceptance Model for predicting internet banking acceptance. The quantitative analysis of the model confirmed that the factors identified by the researcher viz. perceived usefulness, perceived ease of use, consumer awareness, consumer security concerns, quality offacilities, subjective norms and trust and privacy did influence customer behavioral intentions towards internet banking. The results showed that five variables PerceivedUsefulness, Perceived Ease of Use, Consumer Awareness, Quality of Facilities andSubjective Norms had positive influence on internet banking use.

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