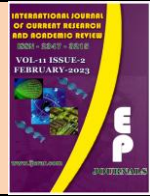




International Journal of Current Research and Academic Review

ISSN: 2347-3215 (Online) Volume 11 Number 2 (February-2023)

Journal homepage: <http://www.ijcrar.com>



doi: <https://doi.org/10.20546/ijcrar.2023.1102.012>

Attitude of Customers towards Internet Banking Services in Virudhunagar District, India

S. Muthulakshmi and P. Sundara Pandian*

Department of Commerce, V.H.N.Senthikumara Nadar College (Autonomous), Virudhunagar, Tamil Nadu, India

*Corresponding author

Abstract

Banks play an important role in the day-to-day activities of human beings. Internet banking is the latest in the services of delivery of banking products and services. It allows customers to access their accounts and execute their orders through use of websites without physically visiting banks. Though these services save time, energy and money on the part of customers, it is essential to know the level of customer satisfaction towards such services. Knowledge of satisfaction or dissatisfaction helps the service providers for betterment, introduction or modification. The present study has been carried out with the primary objective of understanding customer attitude towards internet banking services in Virudhunagar district. Both primary and secondary data have been used. The primary data have been collected by using interview schedule. The secondary data have been mainly collected from the books, journals, magazines and websites. For the purpose of the study, 150 bank customers were selected on the basis of convenient sampling. The primary data was analysed using percentages, Garrett Ranking Technique and Weighted Average Method. Findings were drawn and relevant suggestions and conclusion have been given.

Article Info

Received: 05 January 2023

Accepted: 10 February 2023

Available Online: 20 February 2023

Keywords

Balance inquiry, open recurring deposit, fund transfer, ATM access, customer satisfaction.

Introduction

Banks play an important role in the day-to-day activities of human beings. Information technology revolution in the Indian economy has made steady inroads into the banking institutions and has brought about significant changes in the form of computerization of transactions. Internet banking is the latest in the services of delivery of banking products and services. It allows customers to access their accounts and execute their orders through use of websites without physically visiting banks. A successful internet banking solution allows customers for balance inquiry, open recurring deposit, fund transfer, ATM access, stop payment of cheques and demand draft,

payment of utility bills, credit card payments and cheque book request. Such services are processed online at any time in the cheapest way. Though varied internet banking services are provided, it is the customer who is using it. In the present study an attempt has been made to study the customer satisfaction towards internet banking services.

Chang Yoonhietina (2005) found out that the adoption of Internet Banking in Korea is influenced by sex, age, marital status, degree of exposure to the Internet Banking and the characteristics of the banks. Hanudin Amin (2007) concluded that perceived credibility and social norm are significant determinants of Internet Banking

acceptance among Muslims and among non-Muslims they are perceived usefulness, ease of use, enjoyment and social norms. Premkumar and Esther Gnanapoo (2008), identified factors underlying the decision regarding online banking are perceived security of online transactions, internet experience, marketing exposure, use of other banking products and socio-demographic characteristics. Sudeep (2008), opined that banks could increase Internet Banking adoption by making their customer awareness about the usefulness of the service.

Malhotra *et al.*, (2010) found that among the determinants affecting the extent of internet banking services, size of the bank, experience of the bank in offering internet banking, financing pattern and ownership of the bank are found to be significant. Uma Maheswara Rao and Hymavathi (2010) opined that the Indian internet system needs to overcome many obstacles such as operational risks, security risks, system architecture risks and reputation risks. They should also be familiarize with proper customer identification devices, information screening techniques and various laws that would guide their customers.

Statement of the Problem

Technologically advanced services in the form of internet banking are provided by banks today. Though these services save time, energy and money on the part of customers, it is essential to know the level of customer satisfaction towards such services. Knowledge of satisfaction or dissatisfaction helps the service providers for betterment, introduction or modification. Providing customer satisfaction is essential for the growth of internet banking.

Scope of the Study

The study was undertaken to analyze the customer satisfaction towards internet banking services in Virudhunagar district. The approach of the study has been from the point of view of the bank customers. The study is designed to find out the frequency of using the internet banking services, problems and the level of satisfaction of the respondents.

Objectives of the Study

The important objectives of the study are:

To study the profile of the users of internet banking services in Virudhunagar District.

To find out the usage of internet banking services by the respondents in the district.

To understand the problems faced by the respondents and level of satisfaction in internet banking.

Sources of Data

The present study is mainly based on both primary and secondary data. The primary data needed for the study have been collected by using interview schedule. The secondary data have been mainly collected from the books, journals, magazines and websites.

Sampling Design

For the purpose of the study, 150 bank customers were selected on the basis of convenient sampling.

Tools for Analysis

The primary data was analysed using percentages, Garrett Ranking Technique and Weighted Average Method.

Limitations of the Study

The present study is subjected to memory bias as the respondents were not maintaining any records. The customer behaviour is dynamic in nature and it may change in future. So the findings are suited for a specific period of time.

Data Analysis and Interpretation

Socio-Economic and Demographic Profile of the Respondents

The parameters such as gender, age, education, marital status, type of family, occupation, residential area and monthly income are considered to understand the socio-economic and demographic profile of the respondents and is exhibited in Table 1.

It is found out from Table 1 that 76 per cent of the respondents were males, 68 per cent of the respondents belonged to the age group of 26 to 45 years, 44 per cent of the respondents have undergone professional courses, 48 per cent of the respondents were doing business and 34 per cent were professionals. 68 per cent of the respondents were married. The type of the family of the respondents revealed that 54 per cent of the respondents

lived in a nuclear family. 72 per cent resides in urban area and 52 per cent of the respondents had a monthly income between Rs.25000 to Rs.45000.

Account Holders of Bank

The customers choose the bank to open their account on the basis of accessibility and convenience. The classification of the respondents on the basis of the bank in which they are account holders is given in the Table 2.

It is inferred from Table 2 that 38 per cent of the respondents are account holders of SBI, 22 per cent in ICICI, 16 per cent in IOB, 20 per cent in Canara bank and four per cent of them are holding accounts in other banks such as Indian bank, SBT etc.

Source of Information about Internet Banking

The respondents get the information related to the internet banking through varied sources. Table 3 shows the source of information about internet banking.

From the Table 3 it is revealed that respondents 18 per cent of them get information related to the internet banking through by the bank staff, 60 per cent through advertisements and the remaining 22 per cent of them getting information through their friends and relatives.

Reasons for Preferring Internet Banking Services

The respondents were asked to rank the reasons for preferring internet banking services. The responses were ranked using Garretts Ranking Technique as shown in Table 4.

It is inferred from Table 4 that the foremost reason for preferring internet banking services was time saving, followed by 24 hours service. Third rank was given to convenience. Variety of services secured fourth rank. Fifth and sixth rank was given to service quality and security.

Importance of Internet Banking Services

The importance various internet banking services were ranked by the respondents calculated using Garretts Ranking Technique and given in Table 5.

It is revealed from Table 5 that the most important internet banking service was ATM access, followed by

fund transfer. Online payment secured the third rank. Fourth rank was given to viewing of account balance and recent transactions and the last rank was given to open recurring deposit.

Problems in the Usage of Internet Banking Services

The respondents were asked to rate the problems faced by them in using internet banking services in the five point scale. Weighted average were calculated and ranked and is shown in Table 6.

It is inferred from Table 6 that the major problem faced by the respondents while using internet banking services was network problem followed by lack of operational knowledge. Processing time was ranked third followed by hidden cost. Insecurity was the fifth important problem faced by the respondents in the study area.

Satisfaction towards Various Internet Banking Services

The respondents were asked to rate their level of satisfaction towards various internet banking services on five point scale. The weighted average was calculated and presented in Table 7.

It is revealed from Table 7 that the respondents were highly satisfied with ATM access and balance and status viewing. They were all satisfied with other internet banking services.

Overall Satisfaction towards Internet Banking Services

The respondents' overall satisfaction was measured in five point scale and the frequency was given in Table 8.

Table 8 clearly shows that 64 per cent of the respondents were satisfied, 28 per cent were moderately satisfied and eight per cent of the respondents were highly satisfied with the internet banking services.

Suggestions

The following suggestions were given for the betterment of internet banking services:

The banks can arrange awareness programmes especially in rural areas to educate customers about the benefits of internet banking services.

Table.1 Socio-Economic and Demographic Profile of the Respondents

Profile Variables	Particulars	No. of Respondents	Percentage
Gender	Male	114	76
	Female	36	24
	Total	150	100
Age (in years)	Below 25	27	18
	26-45	102	68
	Above 45	21	14
	Total	150	100
Educational Status	School level	21	14
	College Level	63	42
	Professional	66	44
	Total	150	100
Occupation	Self Employment	27	18
	Business	72	48
	Profession	51	34
	Total	150	100
Marital Status	Married	102	68
	Un-married	48	32
	Total	150	100
Type of the Family	Joint	69	46
	Nuclear	81	54
	Total	150	100
Residential Area	Rural	42	28
	Urban	108	72
	Total	150	100
Monthly Family Income	Below Rs. 25000	54	36
	Rs. 25001 to 45000	78	52
	Above Rs. 45000	18	12
	Total	150	100

Source: Primary data.

Table.2 Account Holders of Bank

SI. No.	Name of the bank	No. of respondents	Percentage
1	SBI	57	38
2	ICICI	33	22
3	IOB	24	16
4	Canara Bank	30	20
5	Others	06	04
6	Total	150	100

Source: Primary Data

Table.3 Source of Information about Internet Banking

SI. No.	Source	No. of respondents	Percentage
1	Information from bank staff	27	18
2	Advertisement	90	60
3	Friends / relatives	33	22
	Total	150	100

Source: Primary Data

Table.4 Reasons for Preferring Internet Banking Services

SI. No.	Reasons	Mean Score	Rank
1	Convenience	52.12	III
2	Services Quality	45.42	V
3	Variety of services	48.32	IV
4	24 hours service	53.02	II
5	Security	43.46	VI
6	Saves Time	57.54	I

Source: Primary Data

Table.5 Importance of Internet Banking Services

SI. No.	Services	Mean Score	Rank
1	View account balance and recent transactions	48.66	IV
2	Fund transfer	56.25	II
3	Online payment	51.05	III
4	ATM access	56.72	I
5	Stop payment of cheque book, demand draft	41.70	VII
6	Open recurring deposit	39.70	VIII
7	Credit card payments	47.49	V
8	Cheque book request	46.54	VI

Source: Primary data

Table.6 Problems in the Usage of Internet Banking Services

SI. No.	Problems	Weighted Average	Rank
1	Network problem	4.12	I
2	Processing time	3.82	III
3	Insecurity	3.49	V
4	Hidden cost	3.62	IV
5	Lack of operational knowledge	4.02	II

Source: Primary Data

Table.7 Satisfaction towards Various Internet Banking Services

SI. No.	Services	Weighted mean score
1	Fund transfer	3.90
2	Online payment	3.72
3	View account balance and recent transactions	4.02
4	ATM access	4.15
5	Open recurring deposit	3.52
6	Credit card payments	3.60
7	Cheque book request	3.53
8	Stop payment of cheque book, demand draft	3.00

Source: Primary Data

Table.8 Overall Satisfaction towards Internet Banking Services

SI. No.	Level of Satisfaction	No. of respondents	Percentage
1	Highly Satisfied	12	08
2	Satisfied	96	64
3	Moderate	42	28
	Total	150	100

Source: Primary Data

As there is lack of operational knowledge among customers, the operations can be made more user friendly and if possible in regional languages.

The banks can provide information about internet banking at the time of open of account and make them aware of the services through an employee who is an expert in internet banking.

Internet banking service depends only on technology. Efforts can be taken to minimize the technical problem for uninterrupted service.

Banks should create trust in the mind of customers towards security of their accounts and its details.

It is concluded that Internet banking plays a vital role in our modern life. Internet banking services are accessible any time, convenient and saves time. The banks can insist on the benefits of internet banking services and if possible the services can be more user-friendly and in regional language. Creation of trust in minds of customers about the security aspect is highly important.

Though, there are certain problems in such service, it is indispensable in the technological era.

References

Chang Yoonhietina (2005), "The diffusion of internet banking in western Europe", *Electronic Markets*, Vol.3, issue 3, August.

Hanudin Amin (2007), "An Emprical investigation on consumer acceptance of internet banking in a Islamic bank" *Bulletin of International Business and Finance*.

Malhotra, P. and Singh, B. (2010), "An analysis of Internet banking offerings and its determinants in India", *Journal of Internet Research*, Vol. 20, Iss. 1, pp. 87.

Premkumar. N. B and Esther Gnanapoo. J (2003), "Internet Banking in Indian Scenario", *Indian Journal of Marketing*, Vol. 45, PP. 16-21.

Sudeep S (2008), "Internet banking and customer acceptance-Indian scenario", CUSAT, May.

Uma Maheswara Rao, T. and L. Hymavathi (2010), "Internet Banking – Indian Banking Scenario," *Indian Journal of Marketing*, Nov 15, PP. 25-29.

How to cite this article:

Muthulakshmi, S. and Sundara Pandian, P. 2023. Attitude of Customers Towards Internet Banking Services in Virudhunagar District, India. *Int.J.Curr.Res.Aca.Rev.* 11(02), 94-99.
doi: <https://doi.org/10.20546/ijcrar.2023.1102.012>