

EFFICIENCY AND CHALLENGES IN E – BANKING SERVICES PROVIDED BY PUBLIC SECTOR BANKS IN TIRUPUR DISTRICT

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Abstract:

Technology has come to play a important role of development country and innovation of newer modes of payment and settlement. The purpose of this research paper is to determine those factors that influence the adoption of online banking services in Tirupur District. A total of 150 respondents in Tirupur District was taken as sample for responding. The results also determine that demographic profile also impact significantly on online banking. Finally, this paper suggests that an understanding the factors affecting intention to use internet banking is very important to the practitioners who plan and promote new forms of banking in the current competitive market. Towards this end, innovative products such as e-banking and e-payments have been introduced. E-Banking is the process of conduct of banking with the use of electronic technique. In this paper an attempt is made to analyse the usage of e-banking services by public sector banks in Tirupur District.

Key Words: E-Banking, Banking, Public Sector Banks, ATM, CRM.

1. Introduction

A bank is a financial institution, which accepts deposits and channels those deposits in lending activities, either directly by loan or indirectly through capital markets. It is a financial intermediary for the safeguarding, transferring, exchanging, or lending of money. A primary

function of banks is connecting those with funds, such as investors and depositors, to those seeking funds, such as individual or businesses needing loans. Banks distribute the medium of exchange, Banking is a business, Banks sell their services to earn money, and they must market and manage those services in a competitive field. Understanding this fundamental concept of idea helps you to understand how banking systems work and helps you understand many modern trends in banking and finance.

Electronic banking is a form of banking in which funds are transferred through an exchange of electronic signals through an exchange of cash, checks, or other types of paper documents. Transfers of funds occur between financial institutions such as banks and credit unions. They also occur between financial institution and commercial institution such as stores. Whenever some of one withdraws cash from an automated teller machine (ATM) or pays for a debit card , the funds are transferred via electronic banking.

E- Banking services relies on intricate computer systems that communicate using telephone lines. These computer systems record transfers and ownership of funds, and they control the methods bank customers and commercial institutions use to access funds or banks transactions. E banking services commonly used method of access (or identification) is by access code, such as a personal identification number (PIN) that one might use to withdraw cash from an ATM machine

2. Review of Literature:

Versha Mehta (1999) in their article the study customer services of Electronic banking services. The main objective in the banking system increase complexities, urgent need to introduce new work technology and improve to housekeeping, control by head offices over branches. This is study focuses on Retail banking (EFT, ATM, Credit /debit cards, cheque book, home and office banking) and whole sale banking(banks automated clearing services, clearing house inter- bank payment system, society for world-wide inter- bank financial telecommunication).

Zillur rahman (2005) conducted a study the study deals with the measurement of Service quality of banks in Indian. It investigates the discrepancy between customer's expectations and

perceptions toward of quality of services. In this study result that the sample population has perceptual problems their banking services experiences.

Geetika et.al. (2008) pointed out that, a study on the internet banking in India has been uses of various concept of electronic bank continuum, gap analysis related to services and security features offered. In this study focuses of about the perception of users in internet banking survey method. The study find out that survey provide valuable insights for security, reasons for lower penetration and to make useful recommendations.

E- Mubanak Ali et.al (2011) conducted a study the service quality of Indian bank in Thanjavur district evidences from survey data method. In this study mainly objective is identity the quality of banking services, customer satisfaction and customer perception. In this study on services quality uses tools like, simple frequency analysis, confirmatory multiple regression analysis, exploratory factor analysis. This study find out the impact of various services rendered by Indian bank and overall services quality.

Sachin. A Kadam, Bharath V Yelikar and Nimisha Bharagava (2013) made an attempt to study the analysis of e- banking services offered by public sector banks in India. For this study the banking institutions that accepts money into lending activities and services offering to meet customer's needs. The result of the study was that offering of banking services thought internet and mobile devices enable a customer to perform conveniently.

Maitio G M et.al (2015) founded out that the study to determine those factors that influences the adoption of online banking services in Hyderabad city. For the study the required primary data was collected from 302 customers using questionnaire method. The data was analyzed using factor analysis and regression technique. The result of the model tested clearly that use of online banking is influences by channel, convenient, perceived risk, security perception, prior interest knowledge and information on online banking. The result also determine that demographic factors on online banking. Finally this paper suggests that an undertaking the factor affecting to use internet banking is important to practitioners who plan and promote new forms of banking in current competitive market

S.Nataraj et.al (2017) conducted a study on usage of e banking services offered by public and private sector banks in Nagapattinam district. In this study mainly objective

development of newer modes of payment and settlement toward innovative products. Such as e-banking and e-payment have been to introduced. In this paper an attempt is analyses the usage of e-banking services offered by public and private sector banks in nagapattinam

Monish etal (2017) in this study article the study innovation, challenges and opportunities of e-banking in India. In presently areas of information and technology cannot achieve the target of suitable development by following traditional banking method. So it has become mandatory for developing country like India to increase automation in banking sectors. In this study focuses on ATM,dirct bill payment, electronic fund transfer develop in India such as telephone internet, cell phones etc....., the present papers mainly focused on the need of innovation in India in field of e-banking services

Prof Dr Dinesh et.al (2017) founded out that the study A comparative study of e-banking in public and private sector banks with special references to SBI and HDFC banks in HARIDWAR. In this study mainly objective to find the customer perception and satisfaction of employees for using e-banking services. The method of study is collected primary and secondary data. In this study analyzed the benefits of e-banking as compared to traditional banking, in terms of cost, efficiency, time, secrey, quality of services and complaint resolution

S.Kavitha and B. Mathivanan (2020) conducted a study consumer perception for factor influencing e- banking services towards private sector banks in Tiruchirappalli district. This study mainly feature of traditional banking is customer can ask their queries and clarify their doubts immediately to the bank employee. In this study suggested the banking industry, banks realized that the increasing popularity of the world wide web involves customers using internet to access their bank account and undertake the banking transaction

On the basis of above reviews, it is clear that the present study is differing from others studies in the aspects of scope and objects and area.

3. Sample Design

The sample size of this study is 150 and questionnaire method is used for primary data collection. Researcher personally meets in the respondents inside banks and outside the banks. For secondary data, the web sites journals and publication issued at different on internet basis.

The information was collected and analysis according to respondent's socio economic background included the factor of gender, age, education, occupation, etc.

4. Objective of the study:

1. To Compute the Performance of Public sector banks in the Electronic era in Tirupur district.
2. To know the factors which will influence the various e – banking Services offered by Public sector banks.
3. To Identify the Determinants using e – banking Services of Public sector banks by the customers.

5. Methodology:

Tirupur district has been selected for the purpose of primary data collection. To find the research objectives, the researcher has used both primary and secondary data. The secondary data collected for the various sources like newspaper, journals, magazines etc. Primary data has been collected through well structured interview schedule from the sample respondents of public sector banks. For this study sample respondents are selected using convenient sampling technique. The sample size is fixed as 150 from various public sector banks are selected.

6. SCOPE OF THE STUDY:

The present study attempt to examine the banking services of the Public sector bank Ltd in Tirupur district, Tamilnadu. This study is confined only to various account holders used to customers and services in Public sector bank in Tirupur district. The E-banking services are the almost mainly subject. Therefore, the important E-banking services of the Public sector bank namely range of the Performance of E-banking services; factors influence the various e – banking Services, Identify the Determinants using e – banking Services with their banks are only studied in the present work.

7. Results and discussion:

The following table highlights the demographic profile of the sample respondents of public sector banks in Tiruppur district.

Table 1: Demographic profile of the sample respondents

Demographic factors	Frequency	Percentage
Gender:		
Male	82	55
Female	68	45
Age:		
Up to 18	25	17
19-30	55	37
31-50	60	40
Above 50	10	6
Education:		
SSLC	22	15
HSC	48	32
Diploma	10	6
UG	55	37
PG	15	10
Occupation:		
Un employment	6	5
Self – employment	38	25
Business	20	13
Govt employee	18	12
Private employee	48	32
Professional	20	13
TOTAL	150	100

Sources: primary data

Table 1 shows that the distribution of the sample respondents by demographic and socio – economic characteristics. That table observed from the male customers 55 % and female customers 45%. The sample respondents in the age between 19 and 30 years constitute more than followed by 31 and 50 years, Up to 18, Above 50 and years constituting 40%, 37%, 17 and 6% respectively. By level of education, 37 % of customers UG, 32 % of HSC, 15% of SSLC, 10% of PG and remaining 6% of customers of Diploma (ie polytechnic, ITI). As much as 32% of the

sample respondents are found private employment group, next to the above group, 25% of self employment, 13% of both business and professional group of customers and 5% of unemployment of respondents (i.e. students, house wife) in the study area.

Table 2: Adoptions of e-banking services by the sample respondents

Services	Frequency	Percentage
ATM / Debit card	138	46
Credit card	40	13
Internet banking	20	7
Mobile / phone banking	66	22
Fund transfer	36	12
TOTAL	300	100

Sources: Primary data

The above table shows the result of the analysis of e-banking between public sector banks by the sample respondents in the study area. Majority of public sector banks customers adopted ATM/ Debit card (46%), mobile/phone banking (22%), fund transfer (12%) and credit card (13%) as their electronic mode.

Table 3: Number of years using e – banking services by the sample respondents

Number of years	Frequency	Percentage
1-2 years	55	37
3-5 years	65	43
4-8 years	30	20
TOTAL	300	100

Sources: Primary data

According to table 3, 43% of bank customers have stated that using e-banking services 3 to 5 years, 37% of customers using services of 1 to 2 and 20% of customers using services 4 to 8 years in the study area.

Table 4: Factors influences by the sample respondents

Factors	Frequency
Easy and convenient access	112
Confidentiality	96
Services Quality	108
Time Save	118
Speed transaction	125
Security	85
Money save	75
Social Status	50

Sources: Primary data

It is clear from table 4 that the sample respondents are giving more importance to the factor “speed transaction” (125) followed by sample respondents and very poor factor musing bank customer “social status”(50) in the study area.

Table 5: Determinants of e-banking services of your bank using Garrett rank method

Factors	Total scale value	Mean value	Rank
Highest No of branches and ATM	8297	55.31	5
Security Transaction	8605	57.37	3
Reputation	8669	57.79	2
Advertisements	8696	57.97	1
Innovation Services	8590	57.27	4
User friendly E- banking services	7817	52.11	6
Salary Account	7257	48.38	9
Proximity	7727	51.51	7
Customer Relationship Management	6920	46.13	10
Rate of Interest	7608	50.72	8

Sources: Primary data

The Table 5 reveals that it can be concluded that Advertisements is an important factor that influencing the bank services to all 150 sample respondents with highest (mean score 57.97). the second factor is Reputation (mean score 57.79), the third factor is Security Transaction (mean score 57.37), the fourth factor is Innovation Services (mean score 57.27), the fifth factor is Highest No of branches and ATM (mean score 55.31), the sixth factor is User friendly E-banking services (mean score 52.11), the seventh factor is Proximity at the time of using e-banking services (mean score 51.51), the eighth factor is Rate of interest (mean score 50.72), the ninth is Salary Account (mean score 48.38), the tenth factor is Customer Relationship Management (CRM) (mean score 46.13).

8. Findings:

- It is observed that minority of the sample respondents of female customers are 45 %
- It is found that the minority of sample respondents in the age between above 50 years (6%) constitute more than using age group.
- It is seen that less than customers using electronic services in Diploma level (6 %) basis of education.
- It is found that minority of 13% and 12% of the sample respondents are found business and government employment group in the electronic area.
- It is interpreted that minority of public sector banks customers using services of adopted internet banking facilities (7%).
- It is compute the 20% of bank customers have stated that using e-banking services 4 to 8 years.
- It is found that the sample respondents are giving less importance to the factor “social status transaction” (50) followed by sample respondents.
- In the ranking analysis, it is found that customers relationship management (CRM) is an Less important factor that influencing the bank services has been indicated as the issues with the total score values is 6920.

9. Suggestions:

In order to improve the usage of electronic banking services in the study area the following suggestion were,

- The banks should offer various scheme to attract the customers still who are not using electronic services yet.
- The banks should focus on the creation of confidence in the minds of customers about the security of electronic services.
- The banks should provide proper training and developing programmes to their customers to be known the e- services of the bank.

10. Suggestion for the further researcher:

- Other areas can be covered for further researcher
- Further researcher may undertake with the comparative study of performances of various services.

11. Conclusion:

This study analyzed the usage of electronic banking services by customers of public sector banks in Tirupur district. The study concludes that the customers are willing to adoption of electronic banking facilities but they fear about the safety electronic transaction. Considering the present day competition, private banks are becoming more conscious of the customer from the above findings it is evident that the customers plays an important role in the selection of a particular bank.

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