

# An Analytical Study of E-Banking Services with Selected Banks in Coimbatore City

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## Abstract

Over the years, banks forecast the impending trends and prospects to bring out developments in electronic banking services and engage their customers with prominent digital experience. E-Banking is a completely programmed banking administration intended with the goal of web-based facilities that empowers people to have simple and safe access to their ledger. It plays a beneficial role in providing services like access to accounts, monetary transactions between one account to other account or making payments through E-Channels. Banks offer web banking in two principal ways. A second method is to form a computer-generated branchless system or virtual banking system. This study helps to determine the factor which influences to adopt electronic banking services and the impact towards post usage of services and also attempts to compare the determinant factor among the selected public sector and private sector banks. Sampling technique used in the study is non-probability, convenient sampling method. Data collection was made through google forms and the responses were tabulated and analysed using Percentage analysis, Chi-square, ANOVA and Spearman's Rank Test. From the study it is understood that banks must consider in implementing effective measures to the current banking practices in terms of safety and security.

**Keywords:** E-Banking, Virtual Banking, Online Banking

## Introduction

The Indian financial market had played a prominent role in the past, from the time of British providence to re-formation period. Banks initially followed the custom of traditional banking approach. Early after independence banks emerged as public sector banks, nationalized banks, private sector banks and foreign banks etc., Banking sector has evolved with greater opportunities with sound technical benefits in the current period. Technology adoption has created a positive feedback towards working methodology and work culture in the bank. From time to time the basic necessity of banking remains same with faith and transparency. As per the RBI norms, the banks in India are well regulated adequately funded with enormous capital resources. The monetary and economic fluctuations in the nation are superior other nations in the world. The funding segment in India has innovated with advanced banking models like payments bank and small finance banks. RBI has enhanced lot of developments in restructuring the old banking system. The digital payment with cashless transaction has created an impact in recent times. With the evolution of technology banks have upgraded electronic banking services and create an emphasis by providing virtuous banking services to their customers. These factors create a dynamic approach on service quality towards their customers and to have a maintainable competitiveness over its sector.

## Objectives of the Study

1. To ascertain the factors influencing E-Banking services on customer.
2. To find the level of usage towards E-Banking services.
3. To understand the post consumption effect of E-Banking services on customer.

## Scope of the Study

This study helps to determine the factor which influences to adopt electronic banking services and the impact towards post usage of services. This study attempts to compare the determinant factor in public sector and private segment banks.

### **Review of Literature**

**Anjalika, Priyanath (2020)<sup>1</sup>**, undergone their study to know the service quality of consumer satisfaction who have bank accounts in both public and private banks which was endeavored to inspect the impact of administrative nature of business counts on consumer loyalty. In addition, this investigation demonstrates that sympathy and unwavering quality measurements concerning open banks have most minimal criticalness positive association with consumer loyalty.

**Youssef Abdul Khalek, Ahmad Bakri (2019)<sup>2</sup>**, made a research on exploring the emerging trends of E-Banking which has changed the perspective on banks and enabled them to change their key conduct. The investigation uncovers that banks can embrace worldwide innovation to nearby prerequisites. It likewise can reinforce open help for E-Money, bank the executives and administrative experts, cross-fringe E-Banking, electronic and conventional banking.

**Wakil Ghori (2017)<sup>9</sup>**, made a study to identify the impending security issues in online transaction of digital banking that enables spotlights on realizing that business. The investigation proposes that banks should find a way to make mindfulness among individuals about the upsides of advanced financial administrations accessible for their utilization. Bank's ought to likewise routinely improve their interior security component to give protection and security to the client exchanges.

**Veena K.P, Suheel (2016)<sup>20</sup>**, undergone a study in customer perception towards E-Banking services which investigates to evaluate the persuasive components towards selection of E- Banking administrations and to dissect the fulfilment dimension of clients with respect to E-Banking Services. The examination recommends to support clients that E-Banking is absolutely sheltered and to take vital careful steps in securing the secret word and shielding exchanges.

### **Limitations of the Study**

The area of research was restricted to Coimbatore city and the study was conducted only to the users of online banking services of selected public sector and private segment bank

### **Methodology**

The respondents for the survey were selected by convenience sampling due to the cost, economy and time factors. Both primary and Secondary data is used for the analysis. Sampling technique used in the study is non-probability, convenient sampling method. The sample size selected for the study is finalized to 221respondents as the remaining were biased or incomplete. Following banks are the list of public sector and private sector banks taken for the study.

Public Sector Banks : State Bank of India, Canara Bank, Indian Bank, Bank of India

Private Sector Banks : ICICI, HDFC, IDBI, Karur Vysya Bank.

### **Data analysis**

The analysis used for the study is SPSS. The data collected through the interview schedule were coded, tabulated, and edited. Percentage analysis, Chi-Square, Anova, and Spearman's Rank Test were used for analysis.

Table 1: Selected Demographic and Socio-Economic Profile of the Respondents

S.No	Profile of the Respondents	Category	No. of Respondents	Percentage (%)
1	Gender	Male	166	75
		Female	55	25
2	Age	18 - 28 Years	38	17
		29 - 39 Years	119	54
		40 - 50 Years	37	17
		Above 51 Years	27	12
3	Education	Below Graduate	31	14
		Graduate	159	72
		Post Graduate	9	4
		Professionals	22	10
4	Family Size	1-3	59	27
		4-5	150	68
		Above 6	12	5
5	Occupation	Student	5	2
		Employee	185	84
		Business	19	9
		Home Maker	5	2
		Retired Person	7	3
6	Monthly Family Income	Below Rs.10,000	4	2
		Rs.10,001 – Rs.30,000	41	19
		Rs.30,001 – Rs.50,000	153	69
		Above Rs.50,001	23	10
7	Residential Status	Rural	38	17
		Urban	183	83
8	Category of Bank	Public Sector	90	41
		Private Sector	131	59
9	Name of the Bank: Public Sector Bank	SBI	34	15
		CANARA Bank	18	9
		INDIAN Bank	16	7
		BOI	22	10
	Private Sector Bank	ICICI	35	16
		HDFC	28	13
		IDBI	35	16
KVB	33	1		
10	Type of Account	Savings Bank	197	89
		Current Deposit	19	9
		Fixed Deposit	5	2
11	Purpose of Opening Bank Account	Savings	174	78
		Business	13	6
		Safety & Security	10	5

		Loan	24	11
12	Utilization of E-Banking Services	Daily	16	7
		Weekly	25	11
		Monthly	21	10
		One's Convenience	159	72

The Table:1 depicts the demographic and socio-economic profile of the respondents. The majority of the respondents (75)% are Male. The majority (54)% belong to the age group of 29-39 years. Many respondents have completed their Graduation and their family size is 4-5 members. Most of them are going for work and the majority of their monthly family income is between 30,001 and 50,000. Many respondents belong to Urban area and many have opted for Private banks. Most of the respondents have their account in SBI in the case of Public Sector banks and ICICI in the case of Private Sector banks. Many respondents have preferred for Savings account for their savings purpose and the majority use E-Banking services according to one's convenience.

Table: 2 Occupational Status and Type of Account

Factors	Value	Df	Asymp.Sig (2 sided)
Pearson Chi-Square	318.758 <sup>a</sup>	12	.000
Likelihood Ratio	106.041	12	.000
Linear-by-linear Association	.698	1	.403
N of valid case	221		

From the table-2 it is shown that Pearson chi-square value is 318.758 with Df- 12 and significant value (P value) is 0.000 which is less than 0.05, (i.e)  $P < 0.05$ . So, we reject null hypothesis and accept alternative hypothesis. Hence it is concluded as, there exists a significant relationship between occupational status and type of account because individuals preference vary in diversifying funds with different choice of bank accounts.

**H<sub>0</sub>: There is a significant relationship between occupational status and type of account.**

Table: 3 Anova Test - Between Duration of Using E-Banking Services and Post Consumption Effect on Customer

Factors		Sum of Squares	df	Mean Square	F	Sig.
Availability of cash in ATM	Between Groups	2.856	2	1.428	1.148	0.319
	Within Groups	271.262	218	1.244		
	Total	274.118	220			
Interest levied on credit card dues	Between Groups	0.385	2	0.193	0.586	0.557
	Within Groups	71.615	218	0.329		
	Total	72	220			
	Between	2.877	2	1.438	1.426	0.243

Charges on Third party (other bank) transactions	Groups					
	Within Groups	219.929	218	1.009		
	Total	222.805	220			
Client relationship	Between Groups	10.574	2	5.287	4.535	<b>0.012</b>
	Within Groups	254.177	218	1.166		
	Total	264.751	220			
Charges on exceeding transactions limit	Between Groups	9.119	2	4.559	6.893	<b>0.001</b>
	Within Groups	144.193	218	0.661		
	Total	153.312	220			

From the table-3 it is depicted that client relationship and charges on exceeding transactions limit has a significant value less than 0.05 and hence client relationship and charges on exceeding transactions has a significant relationship between duration of E- Banking services and post consumption effect on customer and all other variables like Availability of cash in ATM, Interest levied on credit card dues, charges on third party transactions has no significant relationship.

Table: 4 Purpose of Usage towards E-Banking services

E-Banking Services	Mean	Rank
Managing the account	2.88	2
Managing the cash and withdrawal purpose	1.99	1
Payment of bills	2.91	3
Investment purpose	3.23	4
Request for loan and approvals	4.14	5
Brokerage services	5.81	6

From the table-4 it is inferred that purpose of usage towards E-Banking services in order of preference, managing the cash and withdrawal purpose ranks first with a mean value of 1.99, managing the account ranks second with a mean value of 2.88, payment of bills ranks third with a mean value of 2.91, investment purpose ranks fourth with a mean value of 3.23, request for loans and approvals ranks fifth with a mean value of 4.14 and brokerage services ranks least with a mean value of 5.81.

**Findings and Results**

- Majority of the respondents are female and they belong to the age group of 29-39 years.

- Most of the respondents have completed their under graduation and many are working as employees
- Monthly family income of the respondents shows that most of them earn monthly income ranging from Rs.40,001 -Rs.50,000 and most of the respondents belong to the urban area.
- Most of the respondents have opted for Private bank services.
- Many respondents are holding their account with SBI towards public sector bank and ICICI in the case of Private sector bank.
- Many respondents have preferred for Savings account for their savings purpose and the majority use E-Banking services according to one's convenience.
- The Chi-Square analysis proves that there is a significant relationship between occupational status and type of account.
- The results from ANOVA shows that client relationship and charges on exceeding transactions has a significant relationship between duration of E-Banking services and post consumption effect on customer.
- Spearman's Rank Test examines that Respondents preferred to use E-Banking services mainly for the purpose of managing the cash and withdrawal purpose.

### **Suggestions**

Banks must highlight the treasured value and convenience of electronic banking in order to gain more customers in future. Charges on online monetary transfers and third party transactions can be reduced for efficient transferring of funds. Banks must provide high end encryption security protection in software to prevent threat in online transacting interfaces for convenient paperless transactions. As an initiative activity of corporate social responsibility banks should reach out to the public and must feed information on benefits of using E-Banking services.

### **Conclusion**

The study is conducted to the users of E-Banking services among the public sector and private sector banks. This study has summed up in analyzing the factors influencing towards E-banking services and the post-consumption effect on consumer. Online banking services have become a major facilitator in providing greater transactional ability to the users. There is a need to provide improved service facilities in order to retain the existing customers and to attract new ones. Banking sector in India is a huge tremendous monetary backbone of the country. Therefore banks must consider in implementing effective measures to the current banking practices in terms of safety and security.

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#### Author Profile



Mrs.S.Aishwariya is pursuing her doctoral degree in the field of Management at Sri Krishna Arts and Science College, Coimbatore. She is currently working as an Assistant Professor and contributes her mastering expertise in papers like Marketing, Strategic and Financial Management. She has completed her M.B.A., M.Phil., and accomplished her skills in many Online professional certification programs. She holds 2 years of teaching experience and 3 years of corporate career expertise in Finance and Accounting. She has published several papers in National journals. She focuses on the concept 'Education to Everyone' and chose her career in teaching. She is a vibrant social activist, highly motivated and received many accolades for her contribution in work.



Dr. M. Vidya is presently working as Assistant Professor in the Department of Management Science at Sri Krishna Arts and Science College with 8 years of teaching experience. She has done her Doctorate Degree in the field of Online Shopping and her area of expertise is Marketing and Human Resource Management. Adding credit to her qualification she has completed National Eligibility Test (NET) and State Level Eligibility Test (SLET) in Management. She holds Life Membership in ISTE. She had presented 25 papers at various national and international level seminars and conferences. Her 14 papers are published in national and international journals. She is at present guiding two Part time scholars in Ph.D. under her guidance. Being a resource person and delivered talks on career guidance, Personality development, Morale and stress thereby getting good feedback from the participants