

Consumers Perception towards Online Banking Services in Namakkal District

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Abstract: *Electronic banking has been successfully adopted by developed countries and has been fully embraced by all the stakeholders active in the process. But developing countries are still lagging behind to fully embrace the benefits of e-banking. It also provides a framework of the factors which are taken to assess the internet banking perception Electronic banking, an upcoming trend in today's commercial world is widely demanded by citizens, companies and various other organizations. The present paper explores the major factors responsible for internet banking based on respondents' perception on various internet applications.*

Introduction

Internet banking uses the internet as the delivery channel by which to conduct banking activity, for example, transferring funds, paying bills, viewing checking and savings account balances, paying mortgages and purchasing financial instruments and certificates of deposits. Internet banking is a result of explored possibility to use internet application in one of the various domains of commerce. It is difficult to infer whether the internet tool has been applied for convenience of bankers or for the customers' convenience. Customers have started perceiving the services of bank through internet as a prime attractive feature than any other prime product features of the bank. Customers have started evaluating the banks based on the convenience and comforts it provides to them. Bankers have started developing various product features and services using internet application online banking is a highly profitable channel for financial institutions. It provides customers convenience and flexibility and can be provided at a lower cost than traditional branch banking .The convenience of online banking is helping people gain greater control of their finances and contributing to changing patterns in cash withdrawal and day to day money management

Online Banking - Advantages

It is convenient, it isn't bound by operational timings, there are no geographical barriers and the services can be offered at a minuscule cost Electronic banking has experienced explosive growth and has transformed traditional practices in banking Private Banks in India were the first to implement internet banking services in the banking industry. Private Banks, due to late entry into the industry, understood that the establishing network in remote corners of the country is a very difficult task. It was clear to them that the only way to stay connected to the customers at any place and at anytime is through internet applications. They took the internet applications as a weapon of competitive advantage to corner the great monoliths like State Bank of India, Indian Bank etc. Private Banks are pioneer in India to explore the versatility of internet applications in delivering services to customers.

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Objectives

The Specific objectives framed for the present study are

- To identify the Socio - demographic variable (e.g. age, gender).
- To find out the respondents' perception about internet banking.

Methodology

The validity of any research is based on the systematic method of data collection and analysis. The study employs primary data as well as secondary data. Secondary data was collected from different published sources. Primary data was collected by structured survey the primary data was collected from 30 sample respondents from Namakkal District. The sampling used by the Researcher is convenience sampling. The respondents were selected from Namakkal district.

Limitations of the Study

1. The study was restricted to the respondents in Namakkal district only.
2. The sample of 30 makes it difficult to generalize the results.

Sample Profile

- From the total respondents 73% were males and 26.7% were females.
- Out of total respondents' 73.3% respondents were internet banking users' and 26.7% were non users.

Table 1: Descriptive Analysis – Personal Factors

Personal Factors	Frequency	Percent
Age		
18 -23 years	7	23.3
24 - 30 years	15	50.0
31 - 36 years	7	23.3
Above 36 years	1	3.3
Gender		
Male	22	73.3
Female	8	26.7
Education Qualification		
UG Level	12	40.0
PG Level	15	50.0
Doctorate Level	3	10.0
Occupation		
Professional	17	56.67
Student	10	33.3
Homemaker	3	10.0
User		
User	22	73.3
Non –User	8	26.7

The Factors which are taken to assess the Perception are

- **Reliability:** The very important service quality dimensions of i-banking service quality are reliability. The online banking environment has grown tremendously over the past

several years and will continue to grow as financial institutions continue to strive to allow customers to complete money transfers, pay bills, and access critical information online.

- **Saving transaction cost:** Improving customer service, increasing market reach and reducing costs are now basic expectations of Internet banking services. If consumers are to use new technologies, the technologies must be reasonably priced relative to alternatives. Otherwise, the acceptance of the new technology may not be viable from the standpoint of the consumer. Internet banking model offers advantages for both banks and customers. The Internet provides the banks with the ability to deliver products and services to customers at a cost that is lower than any existing mode of delivery
- **Convenience way of operating banking transactions:** Online banking is a highly profitable channel for financial institutions. It provides customers convenience and flexibility and can be provided at a lower cost than traditional branch banking. The convenience of online banking is helping people gain greater control of their finances and contributing to changing patterns in cash withdrawal and day to day money management.
- **Time factor:** Liu and Arnett in their study identified time factor as one of the prime factor that in Internet banking service quality feature for the customers. Saving time is an importance factor which influences the customers prefers to use E-banking. Banks can make the information of products and services available on their site, which is, an advantageous proposition.
- **On-line bill payments:** The most popular online transaction through internet banking. The report also highlighted that the usage of online bill payment services increased by thirty-seven percent at the end of the first quarter 2004.
- **Low transaction fees:** Another factor that would stand in the way of consumer adoption of Internet banking is the cost factor. In Internet banking, two types of costs are involved. First, the normal costs associated with Internet access fees and connection charges and secondly the bank fees and charges. These two types of costs shape the perception of the customers

Conclusions

Internet Banking Service was launched in December '97 and has appx.15,000 customers. It offers a convenient remote banking facility. It provides an easy and secure access to our accounts. With just a PC connected to the Internet, We can have our account information at your fingertips, from anywhere in the world, anytime. Thus, the analysis done with the help of statistical tools clearly indicate the factors responsible for internet banking. Thus, Internet banking is increasingly becoming a “need to have” Service.

Reference

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