

CHAPTER 1

INTRODUCTION

1.1 INTRODUCTION

Now a day's information technology plays a vital role in banking sector. Day by day increasing change in technology world, it leads to improve E-Banking services of various banks. In banking industry in the past, large queues could be observed for payment utility bills or for cash withdrawals/deposits. The banks are succeeded to reduce this queue through uses of latest technology, but still busy common people are demanding less time methods for banking transactions. In this regard, banks are going utilize internet facility for customer's transactions. This method will reduce paper work, and will give quick response to customer while they remain in their office or at home. It provides various advantages to customers of various banks. Now a days people are educated more than older days, today human lives becomes machine oriented and they don't have enough time to visit bank branch than even before.

E-Banking means providing banking products and services through electronic delivery channels like ATM, internet banking, telephone banking and other electronic delivery channels. Internet banking highly useful to the customer one who have computer with internet connection, they need not visit bank branch for their business transactions. Simply they can transact anywhere, anytime if they have internet connection. by dialling the telebanking number customer can get various facilities like cheque book request, balance enquiry etc...E-Banking includes the system that enables the financial institution customers, individual or business, to access accounts, transact business, or obtain information on financial products and services through a public or private network, including the internet. Customers access E-Banking services using an intelligent electronic device, such as personal computer (PC), automated teller machine (ATM), kiosk or mobile phone.

Electronic banking is a high-order construct, which consists of several distribution channels. It should be noted that electronic banking is a bigger platform than just banking via the internet. The term electronic banking can be described in many ways. In a very simple form, it can mean the provision of information or services by a bank to its customers, via a computer, television, telephone, or mobile phone (Daniel, 1999). Electronic banking has different types of delivery channels: telephone, PC, mobile and the internet. Moreover, Personal Computer allow customer to use all E-Banking facility at home without go to bank. It gives customers a variety of services so they can move money between accounts, pay bills, check balances, and buy and sell mutual funds, securities and also submit electronic loan applications through PC Banking. A mobile banking service is the newest service in electronic banking. Customers can check their balance and make adjustments between accounts, account transactions, payments etc. Internet is the interconnection of computer communication networks which enable the customer to perform all the banking activities over the internet. It is the latest wave in the information technology. The NET is changing everything, from the way of conduct commerce and the way of distribution of information. Several benefits of strong electronic service have also been identified as including satisfied and retained customers, attraction of new customers, development of customer relationships,

increased sales and market shares, enhanced corporate image, reduced costs and increased profit margins and business performance.

The main advantage regarding E-Banking is that it is availability 24 hours a day and 7 days a week. Customer's perception and life style plays important role in growth of E-Banking system.

The fact is that the customers are even not using all of E-Banking products and services offered by the bank. So there arise the necessity for the study of customer's awareness and perception towards E-Banking services.

1.2 STATEMENT OF PROBLEM

With the changing environment, banks implemented various E-Banking facilities to the consumer's one after the other. It includes internet banking, mobile banking, sms banking and telebanking etc. According to consumer's interest and convenience they can use the – Banking transactions through online 24 hour services without hassle. Due to rapid change in technology and the delivery channels have been introduced. Despite these possibilities, there are various psychological and behavioural issues such as reluctance to change trust in one's bank, security concerns, preference of human interference and like impede the growth of E-Banking. In this regard a study has been undertaken on the topic consumer perception towards E-Banking services with special reference to areekode block panchayath.

1.3 SIGNIFICANCE OF THE STUDY

In the light of digital India and the central government's initiative on cashless transaction economy, it is relevant to study the consumer's perception towards E-Banking services. It is important to be aware of the facilities and its usage and what are their concerns for not using E-Banking. This is an attempt to know the consumer perception towards E-Banking services with special reference to areekode block panchayath.

1.4 SCOPE OF THE STUDY

Today the customer demands the bank's services for 24 hours. Now in the modern age entire banking structure has been changed due to widespread internet technology. Now all business like commerce, trade, import, export, purchase and sale of goods is relying upon electronic banking by using advanced electronic technology the banking services are fast and economical.

1.5 OBJECTIVES OF THE STUDY

- To identify the awareness of E-Banking services.
- To know the perception towards E-Banking services.
- To study various services of E-Banking.
- To understand various problems faced by consumers while using E-Banking services.
- To obtain suggestions for the improvement of E-Banking services.

1.6 HYPOTHESIS

H₀: The educational qualification and level of awareness about E-Banking services are independent.

H₁: The educational qualification and level of awareness about E-Banking services are dependent.

1.7 RESEARCH METHODOLOGY

Research design

The present study is designed as an exploratory research is the research conducted to know the nature of problem and does not intend to provide a conclusion but a better idea.

Source of data

Under this study both primary and secondary data are used. The primary data is collected by filling the questionnaire from the consumers of areekode block panchayath.

Sampling

- A. **Sample size:** 100 samples
- B. **Sample area:** Areekode block panchayath
- C. **Sampling method:** Random sampling method

Tools used

A. Data collection tools:

- i. **Primary data:** Questionnaire
- ii. **Secondary data:** Books, journals, websites.

B. Data analysis tools:

For the purpose of analysis the information obtained through primary data the tools used are percentages, weighted average, chi-square test.

C. Data presentation tools:

The tools used for presentation are tables, graphs, charts, and diagrams.

1.8 LIMITATIONS

- 1) The study is limited to areekode block panchayath alone.
- 2) Accuracy of data depends upon the information's provided by the respondent
- 3) Respondents were reluctant to respond.
- 4) Incomplete information from the respondents.

CHAPTER – 2

REVIEW OF LITERATURE

2.1 REVIEW OF LITERATURE

A Few studies had been made which were indirectly helpful to this investigation. Reviews of such studies are presented below :

Meuter et.al (2000) found that Customers perceive the quality of services of Internet banking based on the performance of online delivery systems – not on the processes in which the delivered service is developed and produced. Because customers perceive Internet banking service quality based on relatively standardized outcomes determined by online systems.

Black et.all (2001) Conducted the study to know; what are the customer's perceptions about internet banking and what are the drivers that drive consumers. How consumers have accepted internet banking and how to improve the usage rate .The study revealed that education, gender, income plays an important role in usage of internet banking. . The research states that if skills can be upgraded there will be greater will to use internet banking by consumers.

Janeetal (2004) Stated that Online banking requires perhaps the most consumer involvement, as it requires the consumer to maintain and regularly interact with additional technology (a computer and an Internet connection).

Riquelme (2006) Investigated that the majority of customers in the sample are satisfied or very satisfied with the service and online systems attributes. It appears that companies that offer a wide product portfolio and relevant website content accompanied by prompt and courteous response create satisfaction online.

Srivastva (2006) Found that (1) perceived risk with online shopping, (2) past experience with online shopping, (3) perceived benefits of online shopping, (4) perceived ease of online shopping, and (5) perceived\ uncertainty of online shopping are the factors that affect the customer perception regarding E-banking.

Kesseven (2007) Said that the mostly used E-Banking services are inter account transfer, payment to other personal account, transfer to credit card account, recharge mobile phones among others. Comparing demographic variables of the internet banking users to the non-internet banking users, the analysis reveals that there is no significant difference between the two group of users with respect to age group and the education level of the respondents.

Savar et. All (2007) Discussed that the developments in information technology and the subsequent evolution of internet banking have fundamentally changed the ways in which banks implement their business and consumers conduct their everyday banking activities. The results confirm the influence of internet trust on risk perception and consumer attitudes towards internet banking. Propensity to trust is a determinant not only for interpersonal relationships but also for trust in technological systems. This is not a representative study.

Srinivasan (2007) Investigated that in specified region of Karnataka, channel convenience, channel control and channel security plays an important role in the selection of channels. Some regions still see people who are stuck to branch banking and are not ready for a change in mindset. Across Telebanking was not popular since it was not perceived as a safe and convenient channel.

Uppal R.K (2007) The study concludes that the customers of e banks are satisfied with the different e-channels and their services in the spread of e banking services

Vardhman (2007) Said Online Banking - The Need of the Modern Professional- Internet Banking has been so popular in the countries it has been implemented in so far due to certain reasons. Online Banking makes the regular transactions for a client speedy and time efficient with little or no paperwork involved. There is no need for standing in long ques any more for making a deposit or getting a withdrawal. Banking has turned into a 24/7 service with the bank always available to their client.

Safeena (2010) Determined the consumer attitude on internet banking adoption. Finding shows that perceived usefulness, perceived ease of use, consumer awareness and perceived risk are the important determinants of online banking adoption and have strong and positive effect on customers to accept the online banking system.

Rao, K. Rama Mohana and Lakew, Tekeste Berhanu (2011) Examines the service quality perceptions of customers of public sector and private sector banks in the city of Visakhapatnam, India. The author reveals that the Reliability and Assurance dimensions of service quality scored the highest ratings while the Tangibles dimension got the lowest score. Moreover, the study found a strong dissimilarity in service quality perceptions between customers of private sector and public sector banks.

Uppal, R.K (2011) Threw light on growth of information technology in various banks. The objective of this research is to analyze the extent of technological developments in various bank groups. Findings shows as compared to new private sector banks and foreign banks, in public sector banks very less IT has taken place. The maximum technology is taking place in new generation private sector banks and foreign.

Dharma lingam, S. Anand Kannan. V. (2012) Evaluated the service quality in retail banking in the Tamil Nadu, based on different levels of customers' perception regarding service quality. Data are collected from Three Private Banks, i.e. ICICI, AXIS and HDFC Bank. The result indicates that customers' perception is highest in the tangibles area and lowest in the Product Variety area.

Bahl, Sarita, (2013) Determined that security and privacy issues are the big issue in e-banking. If security and privacy issues resolved, the future of electronic banking can be very prosperous.

Dr. Shamsher Singh (2014) Researched on customer perception of e-banking. This paper has examined the adoption and impact of e-banking among the customers of different banks. The banks in India are racing to use this latest technology to reduce their operational costs and increase customer base. E-banking is a term used for performing balance checks, account transactions, payments etc.

E-Banking

R. Elavarasi, Dr. S. T. Surulivel (2014) Examined that mean age of e-banking users were mostly men as compared to women. The major finding is that there is an increasing change in technology world and it leads to improve e- banking services in various banks.

Sunil Kumar (2015) Has done a study on consumer awareness and usage of e-banking services. The result of this research was found to be that, the consumers are not frequently using these services but they have strong desire to use these services in future. The present study is being undertaken to analyze how the banks have been exploring the feasibility of using mobile phones as an alternative channel of delivery of banking services.

CHAPTER – 3

THEORETICAL FRAMEWORK

3.1 ELECTRONIC BANKING

Meaning

E-banking, also known as internet banking, online banking or virtual banking is an electronic payment system that enables customers of a bank or other financial institution to conduct a range of financial transactions through the financial institution's website. To access a financial institution's online facility, a customer with internet access would need to register with the institution for the service, and set up a password and other credentials for the verification. For other E-banking facilities, necessary procedures are to be done according to banker's instructions. For the use of ATM facility, the card must be availed.

There are two ways to offer Internet banking. First, an existing bank with physical offices can establish a web site and offer Internet banking in addition to its traditional delivery channels. Second, a bank may be established as a "branch less, Internet only, or virtual bank" without any physical branch.

3.2 HISTORY OF E –BANKING

The origin of the modern online banking services was the distance banking services over electronic media from the early 1980s. The term 'online' became popular in the late 1980s and referred to the use of a terminal, keyboard and TV (or monitor) to access the banking system using a phone line. Online services started in New York in 1981 when four of the city's major banks (Citibank, Chase Manhattan, Chemical and Manufacturers Hanover) offered home banking services using the videotext system. Because of the commercial failure of these banking services never became popular except in France where the use of videotext (Minitel) was subsidized by the telecom provider and the UK, where the Prestel system was used. The UK's first home online banking service was known as Homelink and it was set up by Bank of Scotland for customers of the Nottingham Building Society (NBS) in 1983. The system used was based on the UK's Prestel view link system and used a computer, such as the BBC Micro, or keyboard (Tandata Td1400) connected to the telephone system and television set.

The system allowed on-line viewing of statements, bank transfers and bill payments. In order to make bank transfers and bill payments, a written instruction giving

details of the intended recipient had to be sent to the NBS who set the details up on the Homelink system. Typical recipients were gas, electricity and telephone companies and accounts with other banks. Details of payments to be made were input into the NBS system by the account holder via Prestel. BACS was later used to transfer the payment directly. Stanford Federal Credit Union was the first financial institution to offer online internet banking services to all of its members in October 1994.

Today, many banks are internet only banks. They typically differentiate themselves by offering better interest rates and more extensive online banking features. In India, the ICICI was the first bank introduced online banking facility and which was in 1996.

3.3 IMPORTANCE OF E- BANKING IN THE PRESENT INDIA

E -banking is information technology based banking. Under this system, the banking services are delivered by a computer-controlled system. In India, E-banking is of fairly recent origin. In this fast moving technological world, every human activity is transforming to technology based, and the human life style also changed with this a lot of. So, a speed and convenient system is necessary in the banking sector also. Here comes the use and effectiveness of e- banking with the present world's requirements.

E -banking ensures 24 hours of service to its customers. The cost of transactions and effort for the access is negligibly small compared to the traditional banking system. The Indian government has put a reasonable care to this system and announced various programs and schemes like Digital India, Jan dhan yojana, Adhar linking with bank accounts, cashless economy initiatives etc. It is hopeful that Indian banking sector is fairly mature and also they are trying to make innovations in this sector. The shops keepers are very willing to install the POS swiping facility to simplify the money transactions with customers and dealers.

3.4 SALIENT FEATURES OF E-BANKING

The salient features of Internet Banking in India enlisted below:

- Easily adoptable by customers.
- Easy to deploy and maintains.
- Cost effective solution.

- Enables the bank to reach its customers on the net.
- Reduce rush at the counters of the bank.
- Enables the customers of the bank to access information from anywhere and at any time.
- Balance and transaction history search.
- Order new statements.
- Mobile banking.
- Money Transfers.
- Pay bills with PAYTM or others.
- Receive bills online, view and make payments electronically.
- Pay anyone payments.
- SMS banking services

3.5 BENEFITS OF E- BANKING

Benefits for Customers:-

- ❖ Convenient banking.
- ❖ Customized products and services.
- ❖ Easy access.
- ❖ Low cost and save time.
- ❖ Round the clock availability.
- ❖ Elimination of waiting time.
- ❖ Avoid travelling to and from a bank.

- ❖ Privacy.
- ❖ Ease of shopping around for best price.
- ❖ Information gateway.
- ❖ Financial planning capability.
- ❖ Offers new value to customers.

Benefits for Banks:-

- ❖ Lower cost per transaction.
- ❖ Increase customer relationship.
- ❖ Create customer loyalty.
- ❖ Reduce errors, time consumed and overhead charges.
- ❖ Ability to customize products and services as per customer's requirements.
- ❖ Ability to access a large market.
- ❖ Reach new segments of the population.
- ❖ Minimum physical infrastructure requirement.
- ❖ Increase customer knowledge.
- ❖ Eliminate the waste paper.
- ❖ Increase in flexibility and the opportunities for improved service.

3.6 DRAWBACKS OF E- BANKING

- ❖ The complex encryption software is used to protect the account information. Even though, there are no perfect systems. So, the accounts are prone to the hacking attacks, the phishing, the malware and the illegal activities.
- ❖ The online banking is generally secure. But, it is not always secure. Even the banks do not have confidence in their security system.
- ❖ Personal relationship with bank and staffs cannot be utilized for special benefits, acquiring loans and financial advices.
- ❖ The customer service can be below the expected quality.

- ❖ Lack of implementing advanced technologies and services like developed countries.
- ❖ If any problem occurred to internet or system, the customer must wait until its back up for accessing account.
- ❖ Much type of online transactions take up to 3 to 4 days to settle, especially when you make deposit by mailing cheques.
- ❖ When online link goes down, you cannot resort to any alternative system to get your transactions processed.
- ❖ Increasing number of fraudulent websites.

3.7 TOOLS, PRODUCTS AND SERVICES OF E-BANKING

3.7.1 TOOLS OF E- BANKING

- **AutomatedTeller Machine**

The Automated Teller Machines are computerized telecommunication device that provides a financial institutions customers a method of financial transactions in a public space without the need for a human clerk or bank teller. These are meant for balance enquiries, cash withdrawals and many other facilities depending upon policies of the bank. This requires a valid Customer Id and password to log in and is therefore safe to be used.

- **Debit Card**

Debit Cards is another advanced technology of the electronic banking. Now-a-days, these cards are the multi-purpose cards and can be used in ATMs for balance enquiry and cash withdrawal or can be used for easy shopping at various counters. Debit Cards ensure the automatic deduction of amount from the account just by scratching it on the machine.

- **Credit Card**

A credit card system is a type of retail transaction settlement and credit system, named after the small plastic card issued to users of the system. In the case of credit cards, the issuer lends money to the consumer. Credit cards become very popular in India with the introduction of foreign banks in the country.

- **Smart Card**

A Smart card is a plastic card used for storing and retrieving personal information. Normally, it is the size of a credit card and contains electronic memory and possibly an embedded integrated circuit.

- **Kiosk machine**

A kiosk is a small, free structure that displays information or provides a service. Kiosks can be manned or unmanned , and unmanned kiosks can be digital or non- digital. In business, kiosks are often used in locations with highfoot traffic. In shopping mall ,for example an unmanned ,non -digital kiosk can be placed near entrances to provide people passing by with directions or promotional messaging .manned kiosks temporarily set up in aisels can provide businesses that have seasonal sales cycles with a cost effective way to display wares, and digital kiosks placed near movie theatres can provide online banking or ticket sales services.

3.7.2 E-BANKING SERVICES

- **Online Bill Payment Service**

Each bank has tie - ups with various utility companies,service providers and insurance companies, across the country. You can facilitate payment of electricity and telephone bills, mobile phone and insurance premium bills . To pay your bills, all you need to do is complete a simple one-time registration for each biller. You can also set up standing instructions online to pay your recurring bills, automatically. Generally, the bank does not charge customers for online bill payment.

- **Fund Transfer**

You can transfer any amount from one account to another of the same or any other bank. Customers can send money anywhere in India. Once you login to your account, you need to mention the payee's account number, his bank and the branch. The transfer will take place in a day or so, whereas in a traditional method, it takes about three working days.

Types of fund transfer

- **EFT**

It is the electronic transfer of money from one bank account to another , either within a single financial institution or across multiple institutions,via computer based systems , without the direct intervention of bank staff.

- **NEFT**

National electronic fund transfer (NEFT) is a nation- wide payment system facilitating one to one funds transfer. Under this scheme ,individuals can electronically transfer funds from any bank branch to any individual having an account with any other bank branch in the country participating in the scheme .it operates on a deferred net settlement (DNS) basis which settles transactions in batches .There is no minimum limit and maximum limit is 10 lakhs .

- **RTGS**

It is the electronic payment system that allows individuals to transfer funds between banks . it is based on gross settlements where transaction is settled on an instruction basis The minimum limit of transactions is 2 Lakhs and maximum limit is 10lakhs.

- **UPI**

It is a payment system launched by national payment corporation of india and regulated by the reserve bank of india which facilitates the instant fund transfer between two bank accounts on the mobile platform. It is built over (imps) for transferring funds using virtual payment address,account number with IFS Code,mobile number with MPIN.

- **Shopping At Your Fingertips**

Leading banks have tie ups with various shopping websites. With a range of all kind of products, you can shop online and the payment is also made conveniently through your account. You can also buy railway and air tickets through Internet banking.

- **Credit Card Customers**

With Internet banking, customers can not only pay their credit card bills online but also get a loan on their cards. If you lose your credit card, you can report lost card online.

- **Ticket Booking**

Internet banking provides the facility to book various tickets like railway, air tickets, movie tickets and other programs entry passes through online by making tied up with those parties.

- **Investing Through Internet Banking**

You can open an FD online through funds transfer. Now investors with interlinked demat account and bank account can easily trade in the stock market and the amount will be automatically debited from their respective bank accounts and the shares will be credited in their demat account. Moreover, some banks even give you the facility to purchase mutual funds directly from the online banking system. Nowadays, most leading banks offer both online banking and demat account. However if you have your demat account with independent share brokers, then you need to sign a special form, which will link your two accounts.

- **Recharging Your Prepaid Phone**

Now, we can top-up our prepaid mobile phones by logging in to Internet banking. By just selecting your operator's name, entering your mobile number and the amount for recharge, your phone is again back in action within few minutes.

- **Lending**

E-banking allows the customers the ability to apply for loans online. Make immediate loan decisions and give an on-the-spot response. Our interactive loan decisions are based on financial institution's own decision criteria and the applicant's real time credit bureau data at all major credit bureaus.

- **Imaging**

Internet banking provides customers fast, easy and secure electronic access to their check images and statements, it is convenient for them from home or office.

- **Account Alerts**

E-banking gives the financial institution the opportunity to notify customers with real time email account alerts. Customers define real-time, "tell me when" alerts that notify them when a check clears an account: an account balance threshold is met; and/or a specified transaction activity occurs. This solution is the perfect add-on to Internet Banking solution, enabling a financial institution to truly leverage 24/7 online banking channel

- **Account Opening & Funding**

E-banking provides an automated online account opening and funding process for new accounts. Automating real-time account opening and funding allows you to lower account opening costs by minimizing costly manual processes and making products and services available to consumers 24/7.

3.8 Types of e banking

- **Internet banking**

Internet banking is the use of internet as a delivery channel for the bankingservices, including traditional services, such as opening an account, or transferring funds among different accounts, as well as new banking services such as electronic bill presentment and payment, which allow the customers to pay and receive the bills on a bank's web site. There are two ways to offer internet banking. First, an existing bank with physical offices can

E-Banking

establish a web site and offer internet banking in addition to its traditional delivery channels. Second, a bank may be established as a 'branchless,' Internet only', or 'virtual' bank. The Reserve Bank of India constituted a working group on Internet Banking.

- **Mobile banking**

Mobile banking is a service provided by a bank or other financial institution that allows its customers to conduct financial transactions remotely using a mobile device such as a smart phone or tablet .it uses software ,usually called app, provided by the financial institution for the purpose. It is available on a 24 hour basis.

- **Sms banking**

It is a form of mobile banking. It is a facility used by some banks or other financial institutions to send messages (also called notifications or alerts) to customers mobile phones using sms messaging, or a service provided by them which enables customers to perform some financial transactions using sms.

- **Telephone banking**

Telephone banking is one of the most popular banking .it is a service provided by a bank or other financial institution, that enables customers to perform a range of financial transactions over the telephone, without the need to visit a bank branch or ATM . it cannot be used for cash documents (such as cheques) for which customers must visit an ATM or bank branch.

3.9 PROGRESS OF E-BANKING IN INDIA

The internet banking in India is growing steadily with the increasing number of internet users and smart phones. It is growing across a deep and wide demographic that includes age, income, gender, culture. The number of credit and debit cards in India is steadily rising but Indians still prefer debit cards over credit cards. In March 2016, a total of

24.51 million credit cards and 661.8 million debit cards were in operation, according to the Reserve Bank of India. It is estimated that the cost to the bank per transaction done over the Internet is nearly one eighth of that done through branch banking.

3.10 THE FUTURE SCENARIO

Compared to banks in abroad, Indian banks offering online services still have a long way to go. For online banking to reach a critical mass, there has to be sufficient number of users and the sufficient infrastructure in place. Though various security options like line encryption, branch connection encryption, firewalls, digital certificates, automatic signoffs, random pop-ups and disaster recovery sites are in place or are being looked at, there is as yet no Certification Authority in India offering Public Key Infrastructure which is absolutely necessary for online banking.

The customer can only be assured of a secured conduit for its online activities if an authority certifying digital signatures is in place. The communication bandwidth available today in India is also not enough to meet the needs of high priority services like online banking and trading. Banks offering online facilities need to have an effective disaster recovery plan along with comprehensive risk management measures. Banks offering online facilities also need to calculate their downtime losses, because even a few minutes of downtime in a week could mean substantial losses.

Some banks even today do not have uninterrupted power supply unit or systems to take care of prolonged power breakdown. Proper encryption of data and effective use of passwords are also matters that leave a lot to be desired. Systems and processes have to be put in place to ensure that errors do not take place. Even though there is a wide scope of market in India for e-banking services if the banks and government initiate with stronger decisions. The security features against hacking could be more hard and better. In 1.3 billion of population, there is a larger opportunities of E-banking by reaching at the every customers with the help of internet.

CHAPTER 4

ANALYSIS AND INTERPRETATION

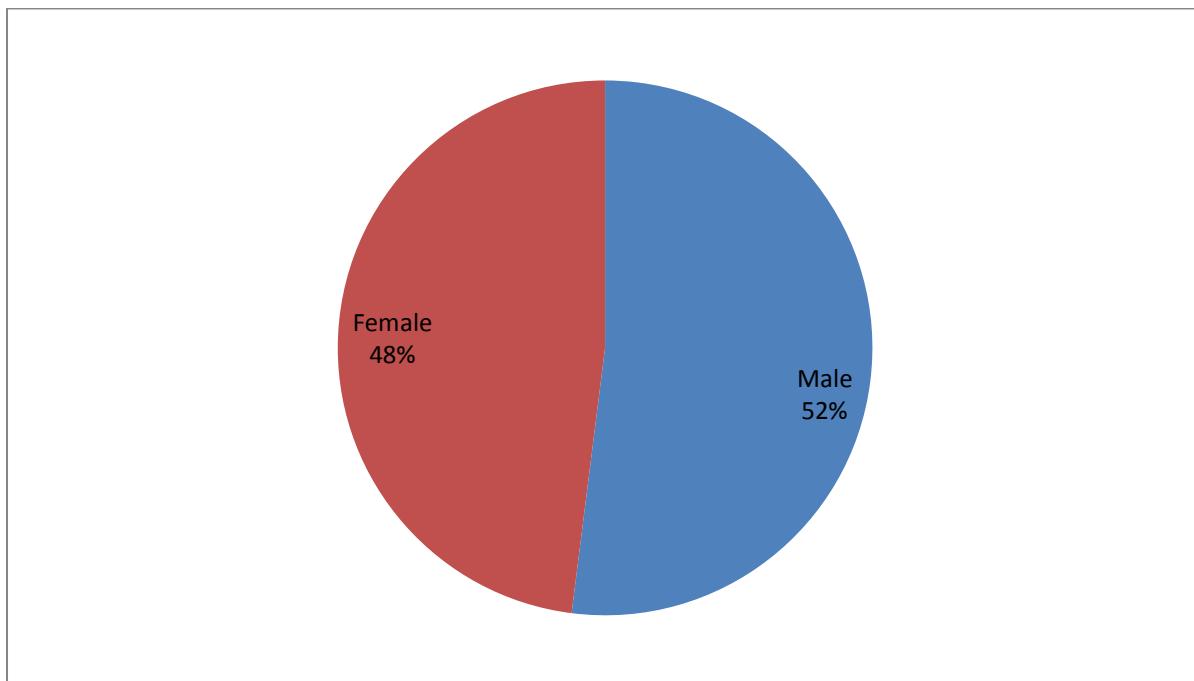
GENDER WISE CLASSIFICATION

Table no: 4.01

Gender	Number of respondents	Percentage
Male	52	52
Female	48	48
Total	100	100

Source: Primary data

Chart no: 4.01



INTERPRETATION

Male respondents are more than female respondents; they constitute 52 per cent and only 48 per cent from female respondents.

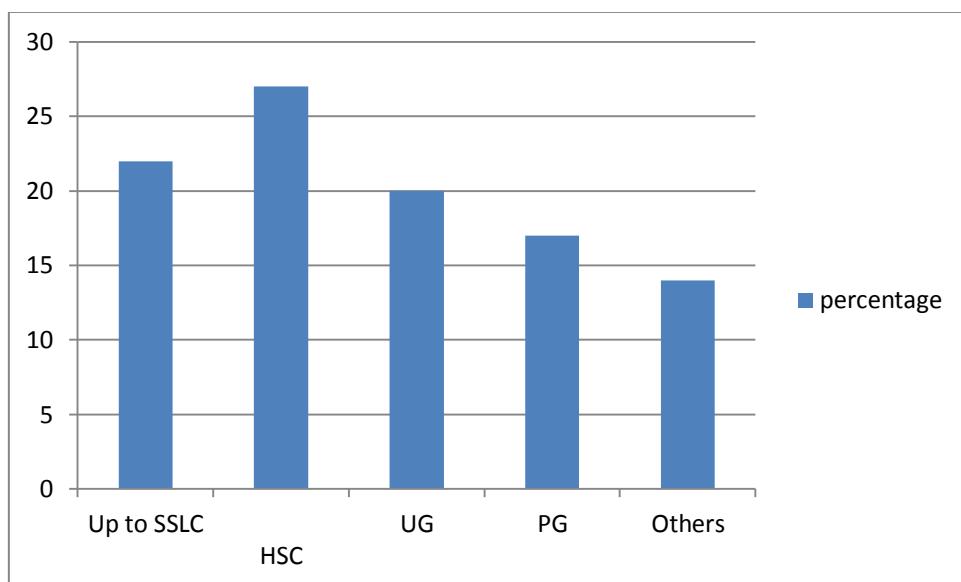
EDUCATIONAL QUALIFICATION OF RESPONDENTS

Table no: 4.02

Education qualification	Number of respondents	percentage
Up to SSLC	22	22
HSC	27	27
UG	20	20
PG	17	17
Others	14	14
Total	100	100

Source: primary data

Chart no: 4.02



INTERPRETATION

27 per cent are studied up to HSE and 17 per cent are post graduates. 20 % is graduates. It is clear that majority of respondents aware of E-Banking services because they are educated.

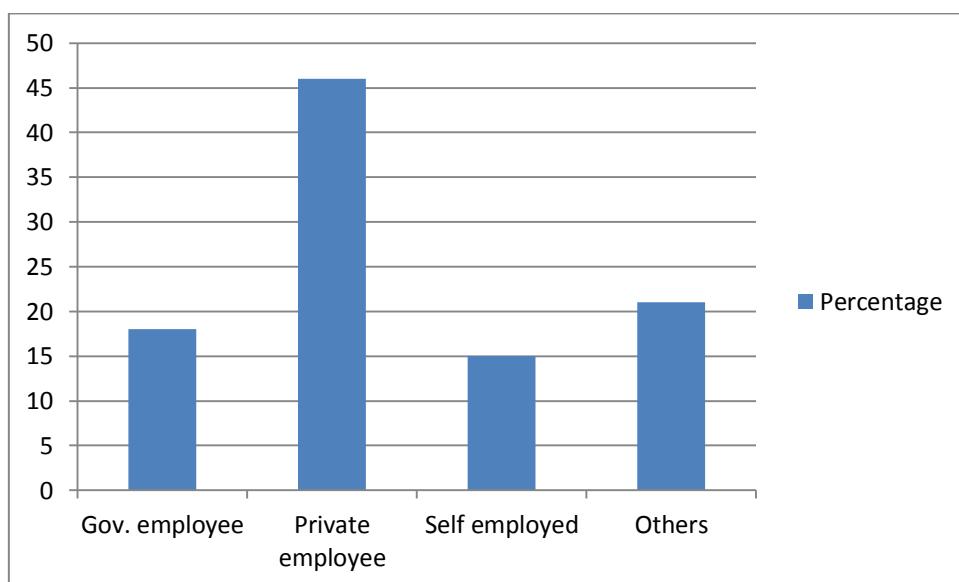
OCCUPATION OF REPONDENTS

Table no: 4.03

Occupation	Number of respondents	Percentage
Gov. employee	18	18
Private employee	46	46
Self employed	15	15
Others	21	21
Total	100	100

Source: primary data

Chart no: 4.03



INTERPRETATION

It is clear from the table that 46 % of the respondents are private employees. Only 18 per cent of respondents are fall in the category of Govt. employee. It is clear that the maximum Number of persons can adopt E-Banking services because of their busy daily life.

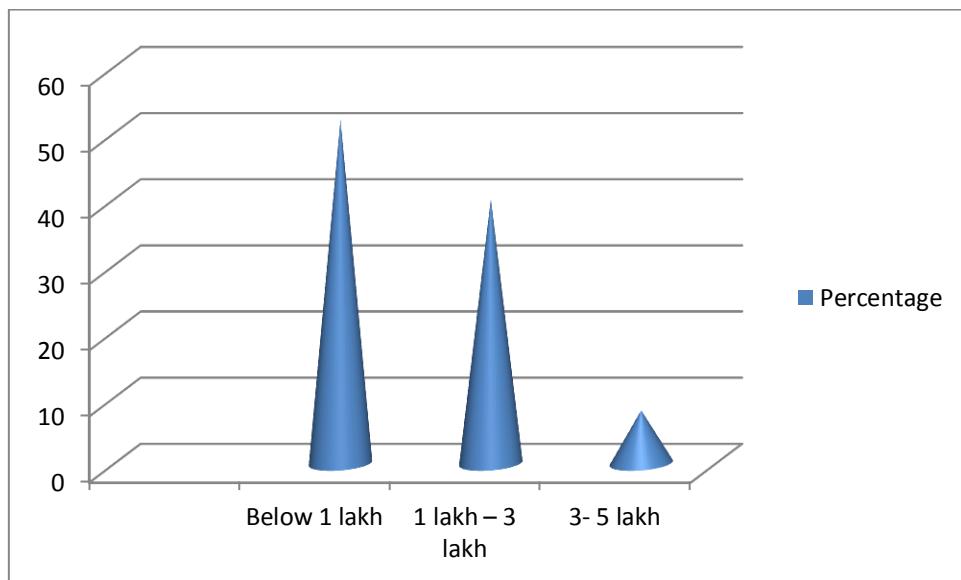
ANNUAL INCOME OF RESPONDENTS

Table no: 4.04

Annual income	No. of respondents	Percentage
Below 1 lakh	52	52
1 lakh – 3 lakh	40	40
3- 5 lakh	8	8
Total	100	100

Source: primary data

Chart no: 4.04



INTERPRETATION

52 per cent of respondents are having the annual income of below 1 lakh. Only 8 per cent respondents are earning above 3 lakh. At the same time 40 per cent respondents are earning 1-3 lakh.

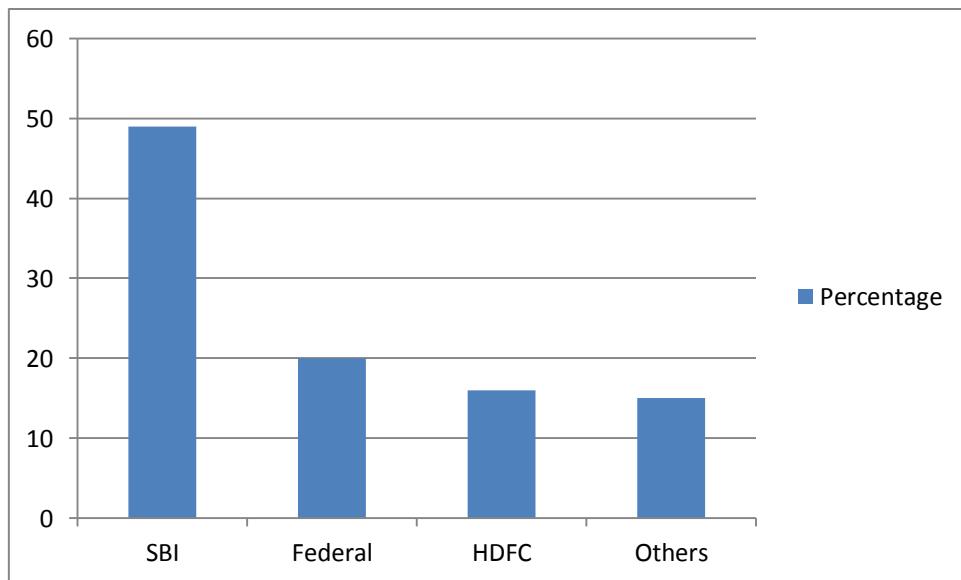
BANK ACCOUNT OF CONSUMERS

Table no: 4.05

Category	No. of respondents	Percentage
SBI	49	49
Federal	20	20
HDFC	16	16
Others	15	15
Total	100	100

Source: primary data

Chart no: 4.05



INTERPRETATION

Among the total respondents, 49 % of respondents are the customers of SBI, 20 % respondents are Federal bank, 16 % of respondents are the customers of HDFC, 15 % of them are customers of others banks.

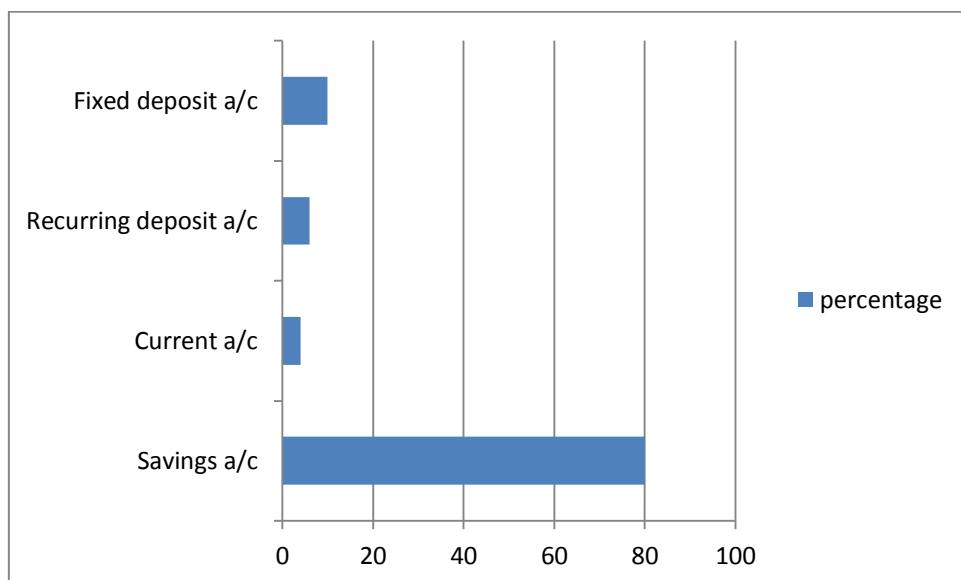
TYPE OF BANK ACCOUNT

Table no. 4.06

Type of bank account	No. of respondents	percentage
Savings a/c	80	80
Current a/c	4	4
Recurring deposit a/c	6	6
Fixed deposit a/c	10	10
Total	100	100

Source: primary data

Chart no: 4.06



INTERPRETATION

From the above table that is clear that most (80 per cent) customers have savings account in the bank. Savings accounts are mainly opened for increasing saving habits of the people. 10 per cent have fixed deposits. Only 4 per cent have current account. Current accounts are mainly opened by the business man

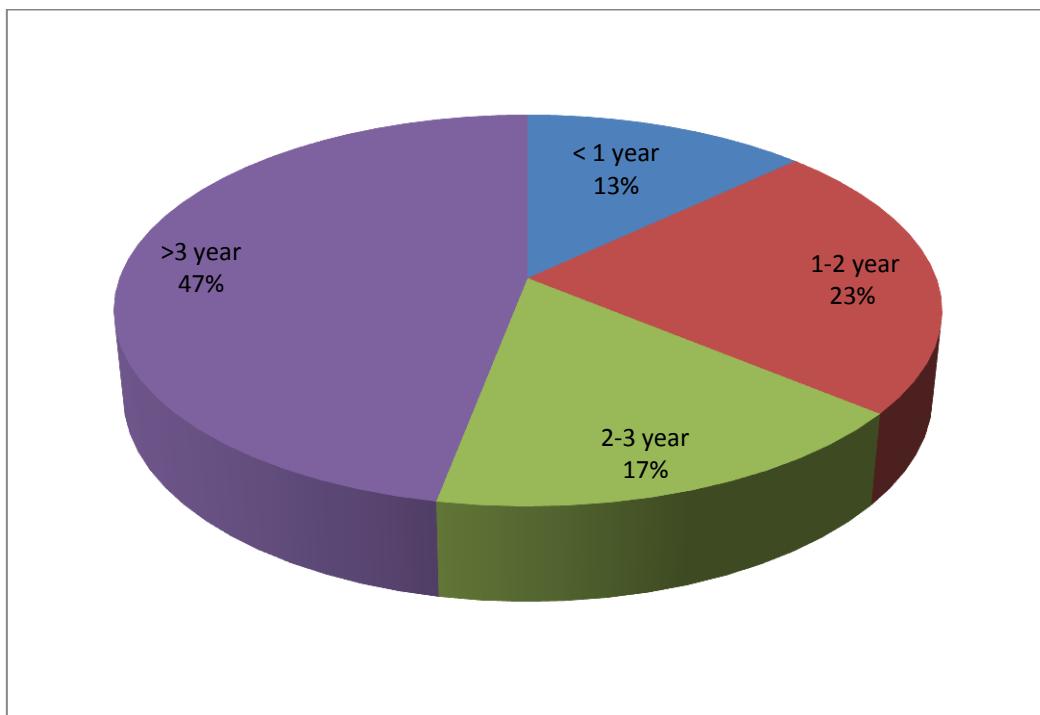
DURATION OF USING BANKING SERVICES

Table no: 4.07

Period	No. of respondents	percentage
< 1 year	13	13
1-2 year	23	23
2-3 year	17	17
>3 year	47	47
Total	100	100

Source: primary data

Chart no: 4.07



INTERPRETATION

The analysis reveals that 47 per cent of respondents are using banking services for more than 3 years. Only 13 per cent of them are using banking services for less than 1 year.

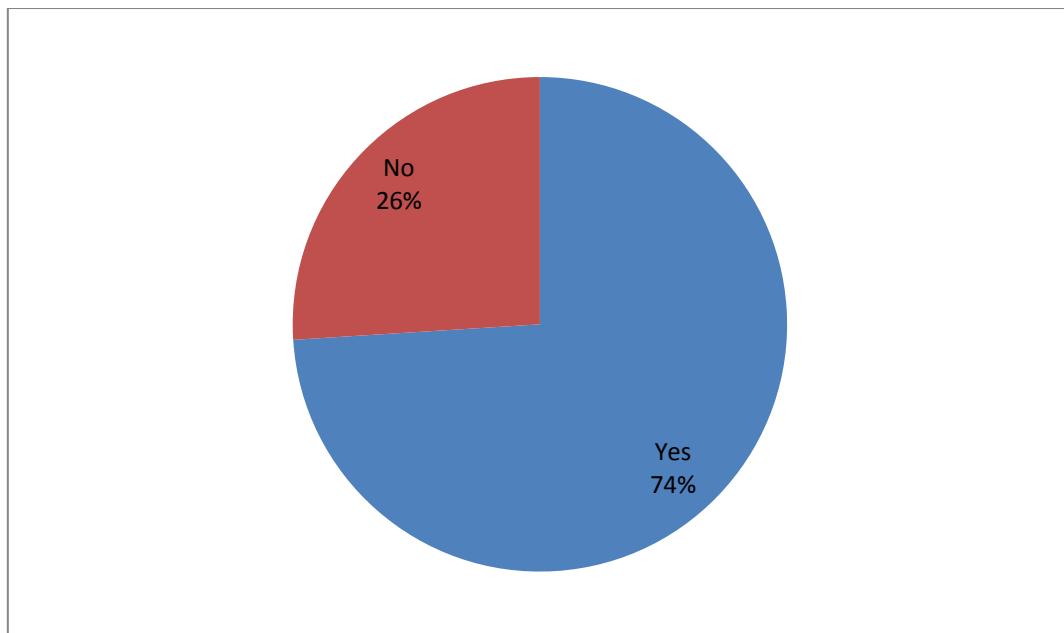
AWARNESS ABOUT E-BANKING SERVICES

Table no: 4.08

Response	No. of respondents	percentage
Yes	74	74
No	26	26
Total	100	100

Source: primary data

Chart no: 4.08



INTERPRETATION

Most of the customers are aware about E-Banking services. At the same time 26 per cent of customers are not aware of E-Banking services. They are aware about ATM only. Mainly educated respondents are aware about E-Banking services provided by the bank.

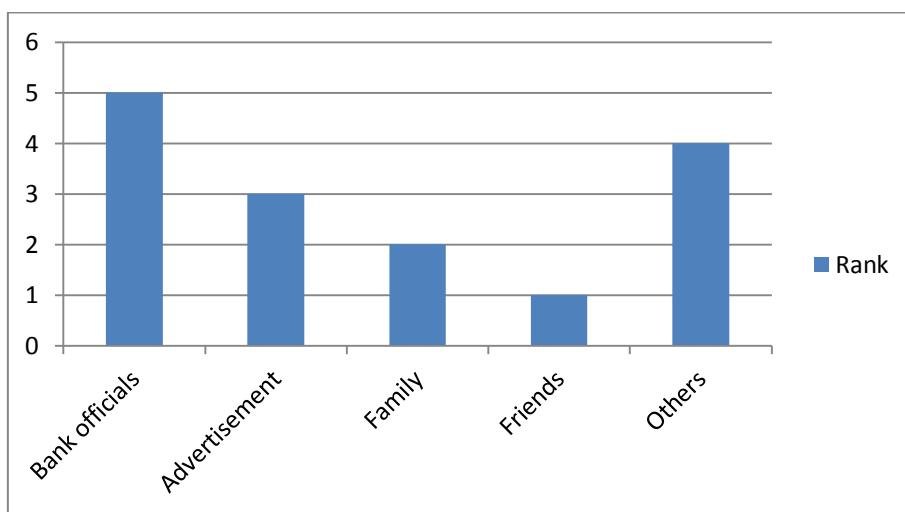
SOURCE OF KNOWING E-BANKING SERVICES (RANKING)

Table no: 4.09

source	Rank 1	Rank 2	Rank3	Rank 4	Rank 5
Bank officials	32	20	8	32	8
Advertisement	20	8	32	20	20
Family	8	44	8	20	20
Friends	20	20	32	20	8
Others	20	8	20	8	44

Source	Ran k 1	Ran k 2	Rank 3	Rank 4	Rank 5	Mean square	Rank
Bank officials	160	80	24	64	8	2.52	5
Advertisement	100	32	96	40	20	2.88	3
Family	40	176	24	40	20	3	2
Friends	100	80	96	40	8	3.24	1
Others	100	32	60	16	44	2.36	4

Chart no: 4.09



INTERPRETATION

Most customers came to know E-Banking services from friends and secondly from families. 3rd rank goes to advertisement .Last rank goes to others. They came to know E-Banking services also from other services include co-workers.

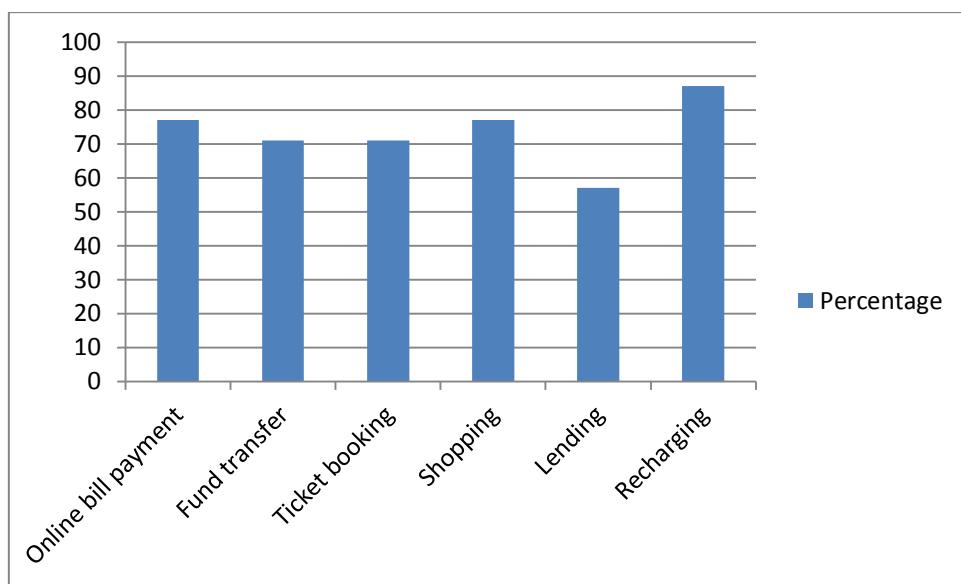
LEVEL OF AWARENESS ABOUT VARIOUS E-BANKING SERVICES

Table no: 4.10

SERVICES	HW	A	N	LA	HNA	Percentage
Online bill payment	210	88	57	22	6	77
Fund transfer	180	112	24	22	17	71
Ticket booking	145	132	42	24	12	71
Shopping	210	108	33	24	8	77
Lending	100	76	42	40	27	57
Recharging	320	80	9	22	2	87

Source: primary data

Chart no: 4.10



INTERPRETATION

Most of the customers (87 per cent) are highly aware about recharging service. 77 per cent of customers are aware about online bill payment. 71 per cent of respondents are aware about fund transfer and ticket booking. Only 57 per cent of customers are aware about lending services provided by the bank.

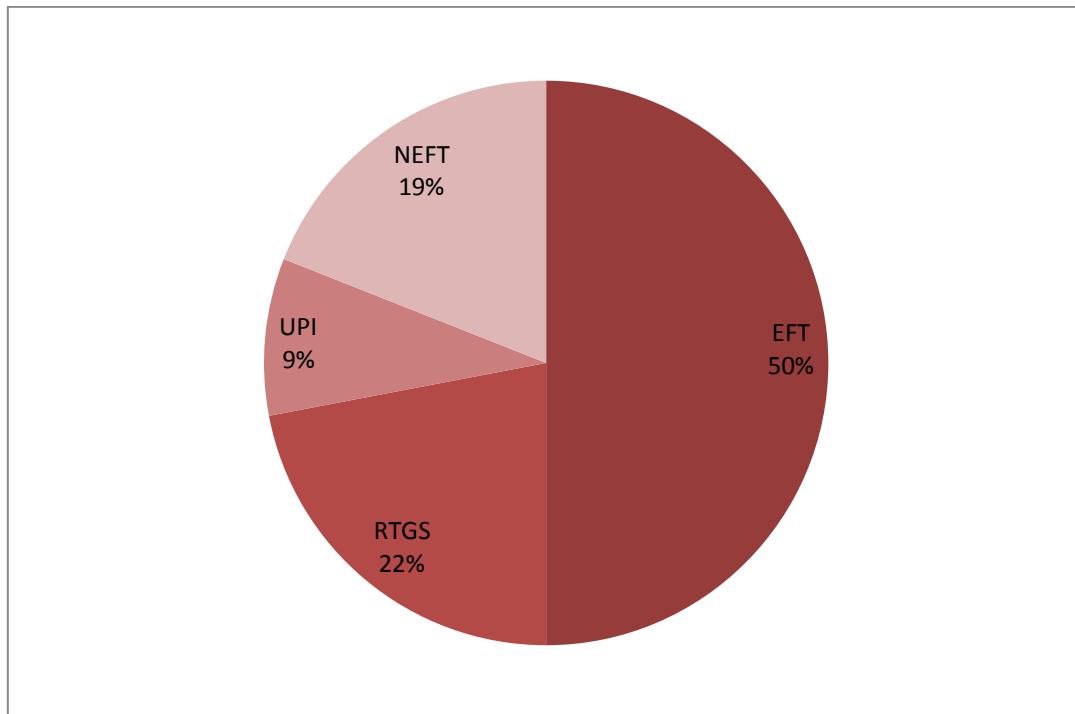
MOST FAMILIAR FUND TRANSFERS

Table no: 4.11

Category	No. of respondents	Percentage
EFT	50	50
RTGS	22	22
UPI	9	9
NEFT	19	19
Total	100	100

Source: primary data

Chart no: 4.11



INTERPRETATION

Among the total respondents, 50 % of respondents are more familiar with EFT (Electronic fund transfer), 22 % of respondents are familiar with RTGS (Real time gross settlement), 19 % of respondents are familiar with NEFT (National electronic fund transfer), and remaining are familiar with UPI (United payment scheme).

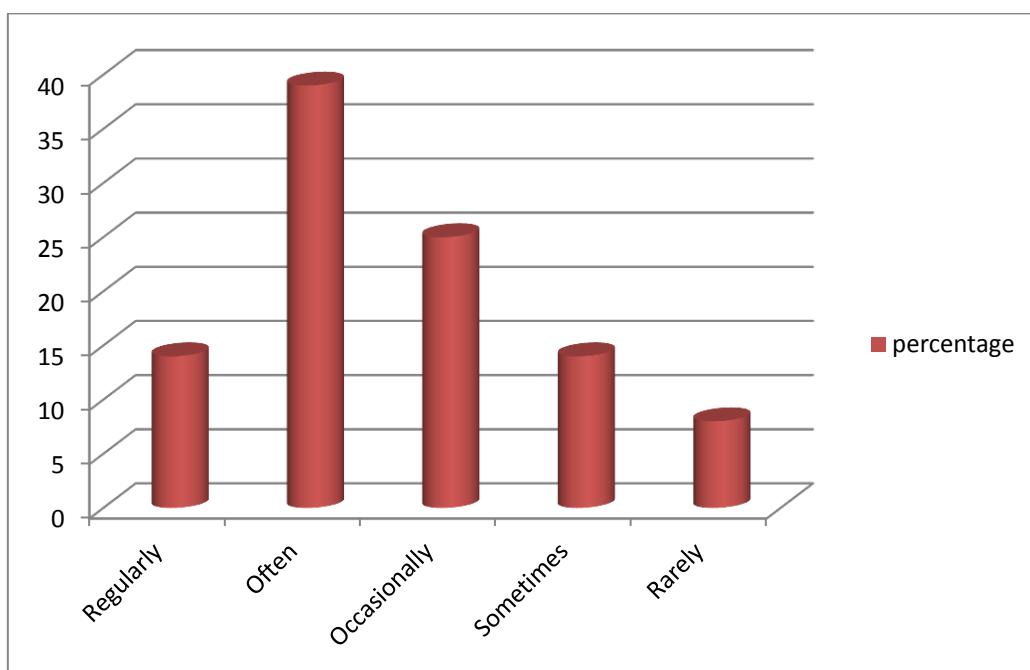
USAGE OF BANKING SERVICES

Table no: 4.12

Use	No. of respondents	percentage
Regularly	14	14
Often	39	39
Occasionally	25	25
Sometimes	14	14
Rarely	8	8
Total	100	100

Source: primary data

Chart no: 4.12



INTERPRETATION

It is clear from the table that 39 per cent of respondents are using E-Banking often. 14 per cent respondents are using regularly. 8 per cent of respondents are rarely using E-Banking service. This is because of their unawareness about using E-Banking services.

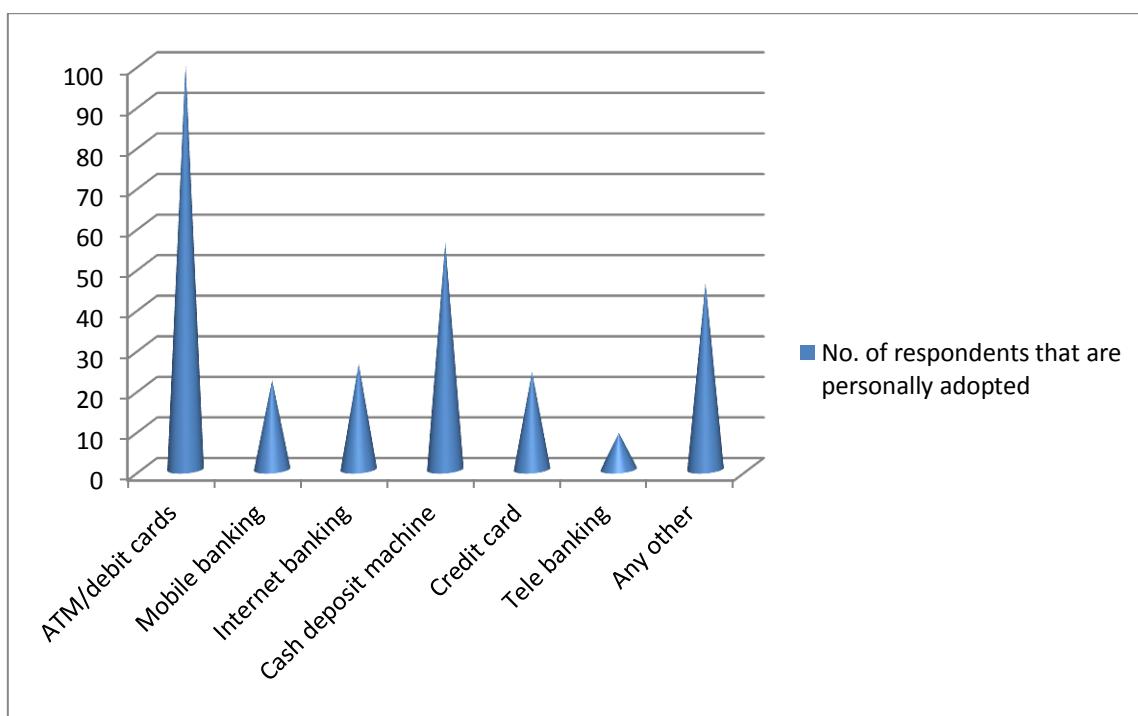
E-BANKING SERVICES PERSONALLY ADOPTED

Table no: 4.13

E-Banking services	No. of respondents that are personally adopted
ATM/debit cards	100
Mobile banking	22
Internet banking	26
Cash deposit machine	56
Credit card	24
Tele banking	9
Any other	46

Source: primary data

Chart no: 4.13



INTERPRETATION

From the above table it is clear that all respondents have ATM card. Only are using mobile banking facility. Credit card facility is using by only 24 persons. Cash deposit machine is using by 56 persons. 46 persons are using other E-Banking services like SBI buddy, self-service kiosk etc.

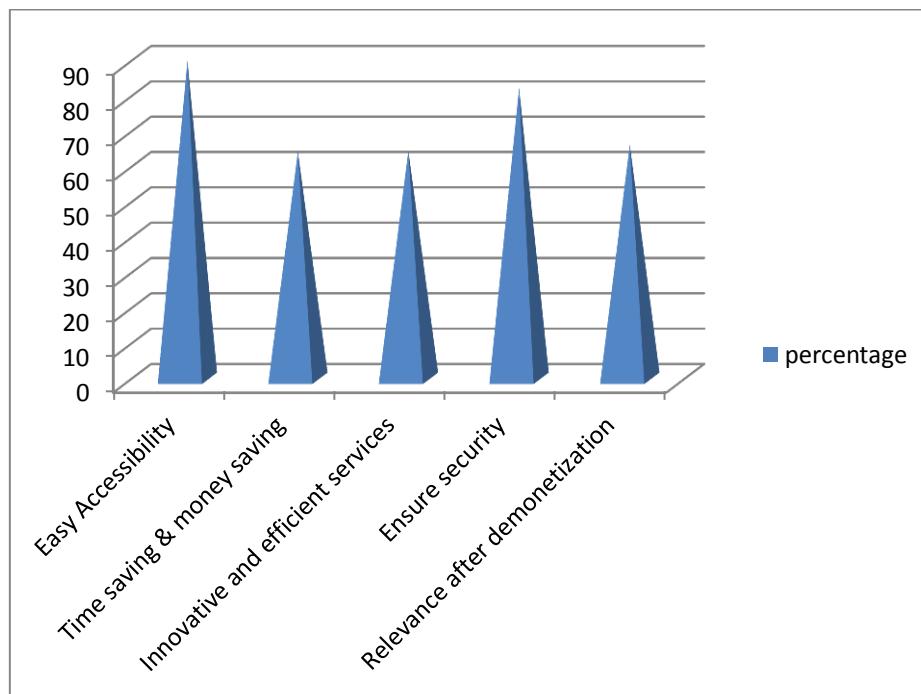
INFLUENCING FACTORS TO PREFER BANKING SERVICES

Table no: 4.14

Factors	SA	A	N	DA	SDA	percentage
Easy Accessibility	280	156	15	0	0	90
Time saving & money saving	250	124	33	12	2	64.2
Innovative and efficient services	60	72	160	16	6	64.4
Ensure security	190	224	15	2	0	82.2
Relevance after demonetization	75	72	156	26	2	66.2

Source: primary data

Chart no: 4.14



INTERPRETATION

As per the opinion of the respondents, highest influencing factor is easy accessible (90%), next most influencing factor is ensure security (86%), and third influencing factors are both time saving, money saving and efficient services(64 %), and the least influencing factor is demonetization

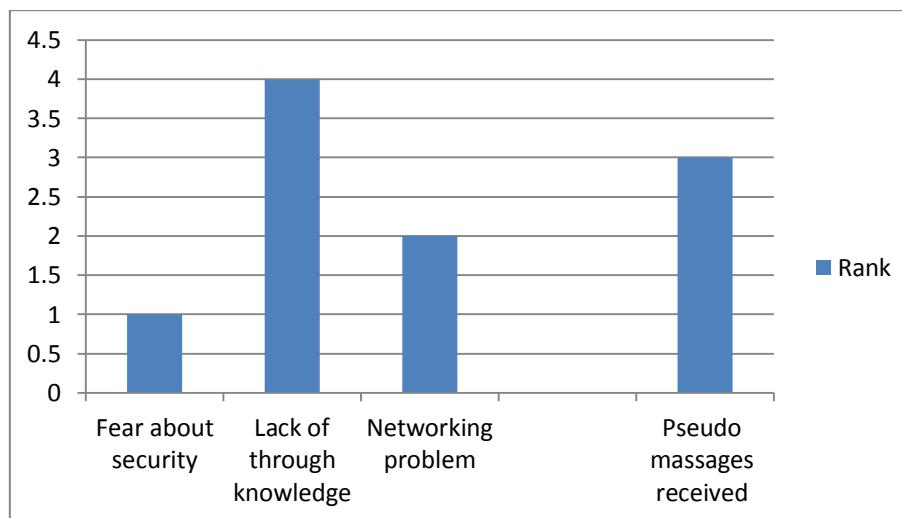
LIMITING FACTORS FACED BY CUSTOMERS WHILE OPERATING TRANSACTION (RANKING)

Table no: 4.15

Factors	Rank1	Rank2	Rank3	Rank 4
Fear about security	56	32	11	1
Lack of through knowledge	35	25	22	18
Networking problem	44	29	18	9
Pseudo massages received	36	45	12	7

Factors	Rank1	Rank2	Rank3	Rank4	Mean square	Rank
Fear about security	224	96	22	1	3.43	1
Lack of through knowledge	140	75	44	18	2.77	4
Networking problem	176	87	36	9	3.28	2
Pseudo massages received	144	135	24	7	3.1	3

Chart no: 4.15



INTERPRETATION

As per the opinion of respondents, highest limiting factor is fear about security, second limiting factor is networking problem, third limiting factor is pseudo massages received, and the lowest limiting factor is lack of through knowledge.

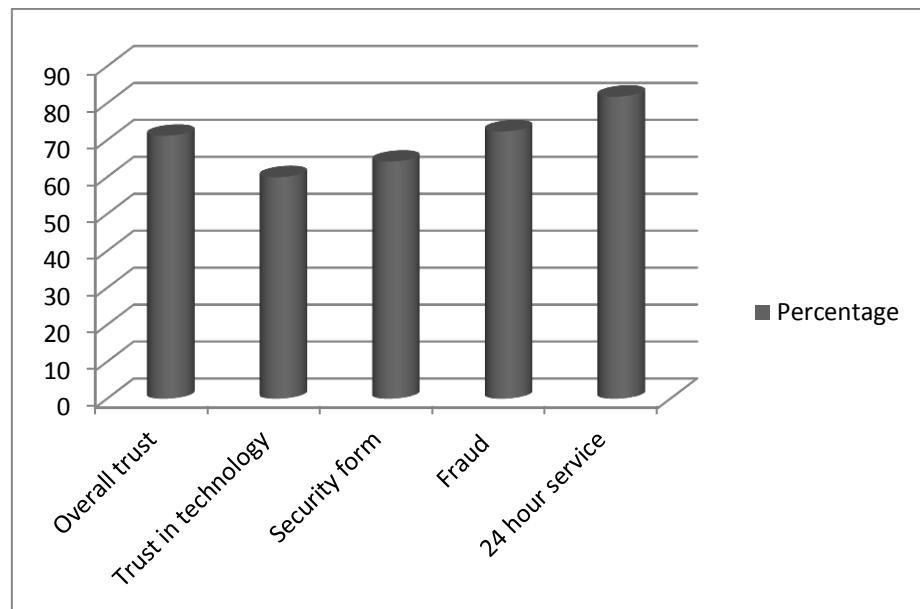
OPINION ABOUT VARIOUS FACTORS REGARDING E-BANKING SERVICES

TABLE NO: 4.16

Factors	Very low	Low	Average	High	Very high	Percentage
Overall trust	0	4	147	160	45	71.2
Trust in technology	2	40	174	64	20	60
Security form	0	22	177	80	40	64.2
Fraud	0	8	129	184	35	72.4
24 hour service	0	18	54	112	225	81.8

Source: primary data

Chart no: 4.16



INTERPRETATION

As per the opinion of respondents, 24 hour service is the factor that leads the respondents to use E-Banking services (82%), other factor is fraud, then third factor is overall trust, and the last factor leading to is overall trust in technology.

CHI – SQUARE TEST

H₀: The educational qualification and level of awareness about E-Banking services are independent.

Table no: 4.17

	Not aware	Not aware	Total
SSLC	2	14	16
HSC	11	10	21
UG	22	2	24
PG	21	0	21
OTHERS	18	0	18
Total	74	26	100

Source: primary data

O	E	(O-E) ² /E
2	11.84	8.177
11	15.54	1.326
22	17.76	1.012
21	15.54	1.918
18	13.32	1.644
14	4.16	23.27
10	5.46	3.775
2	6.24	2.881
0	5.46	5.46
0	4.68	4.68

$$\text{Calculated value, } \chi^2 = \sum (O-E)^2/E$$

$$= 54.143$$

$$\text{Degree of freedom} = (c-1)(r-1) = 4$$

Table value at 5 per cent level of significance for 4 degree of freedom is 9.49. The calculated value is more than the table value. Therefore the null hypothesis rejected. Therefore the educational qualification and level of awareness about E-Banking Services are independent.

CHAPTER 5

FINDINGS, SUGGESTIONS AND CONCLUSIONS

5.1 FINDINGS

It is found that majority of the respondents are aware about E-Banking services provided by the BANK. But only some of the respondents are using these services. Major findings are;

- ATM is the most preferred E-Banking service to the respondents.
- 80% of the respondents are using savings bank deposit of the bank.
47% of the people are started to using E-Banking services from more than 3 year. This is because most of the people are using at least ATM facility provided by the bank.
- Majority of the respondents are aware the E-Banking services from their friends and relatives.
- 87% of respondents are aware about recharging service provided by the bank. 50 % of the respondents is more familiar with EFT.
- 39% of respondents using E-Banking service in often.
- Only some respondents are using internet banking and mobile banking facility. Most of them aware about mobile banking and internet banking even though they are not using such facilities.
- 90% of the respondents have the opinion the most influencing factor is that it is easily accessible.
- The limiting factors faced by consumers while operating E-Banking services are fear about security and networking problem.
- The opinion about E-Banking services by the respondents is 24 hours service, and trust in technology.
- The educational qualification and level of awareness of E-Banking services are dependent. Because they can know more about E-Banking services.

5.2 SUGGESTIONS

Suggestions from the study

- ❖ Bank should give awareness to their customers to use more of E-Banking services.
- ❖ Motivate the customers to use E-Banking services.
- ❖ Make the site more users friendly.
- ❖ Create a trust in the minds of consumers towards the security issues.
- ❖ Avoid networking problem with proper technologies as it creates delay in transactions.
- ❖ E-Banking system should be enhanced to make the online enquiry and online payment much easier to consumers.
- ❖ Promote the use of fund transfers as many of them are aware of it.

Suggestions from the respondents

- ❖ Reduce the charges levied for the use of E-Banking services.
- ❖ Bring innovative developments into E-Banking so that it creates an interest to use E-Banking services.
- ❖ Provide more offers and discounts for all products by the use of cards.
- ❖ More advertisement should be made in print Medias, television channels etc.to aware general public.
- ❖ The bank should take necessary steps of create awareness among rural people about the advantages of E-Banking.
- ❖ Give opinion to change the address provided in E-Banking.

CONCLUSION

E-Banking has become a necessary survival weapon. Today, the click of the mouse offers customers banking services at a much lower cost and also empowers them with unprecedented freedom in choosing vendors for their financial service needs. Banks have to upgrade and constantly think of new innovative customized packages and services to remain competitive. Banks have come to realize that survival in the new E-Economy depends on delivering some or all of their banking services on the internet while continuing to support their traditional infrastructure. The rise of E-Banking is redefining business relationships and the most successful banks will be those that can truly strengthen their relationship with their customers. Without any doubt, the international scope of E-Banking provides new growth perspectives and internet business is a catalyst for new business processes.

Most of the customers are aware about E-Banking services but they hesitate to use it and some customers are unaware about all E-Banking services provided by the bank. So the bank should take some measures for removing such hesitation of customers and for increasing awareness among public about the E-Banking products and services.

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APPENDIX

QUESTIONNAIRE

Dear sir/madam,

I am Mubeena T of fourth semester M.com finance student of sullamussalam science college Areekode and I am conducting a project on “CONSUMER PERCEPTION TOWARDS E BANKING SERVICES”. I would be obliged if you kindly fill up the questionnaire which is required for collecting data for my project. I assure you that I will keep the information confidential and use only for my academic purpose.

1. Name

2. Age

3. Gender

Male

Female

4. Educational qualification

Up to SSLC

HSE

UG

OTHERS

5. Occupation

Govt. employee

Private employee

Self-employed

others

6. Annual income

Below 1 lakh

1-3 lakh

3-5 lakh

7. In which bank you have account?

SBI

Federal bank

HDFC

Others

8. Type of your bank account?

Saving a/c

Current a/c

Recurring deposit a/c

Fixed deposit a/c

9. How long have you using banking services?

Less than 1 year

1-2 year

2-3 year

More than 3 year

E-Banking

10. Do you have any awareness among e-banking services?

Yes

No

11. If yes, how did you come to know about e-banking services?

From bank officials

from advertisement

From family members

from friends

Others

12. Rate your level of awareness about various e-banking services?

E-banking services	Highly aware	Aware	Neutral	Less aware	Not aware
Online bill payment					
Fund transfer					
Ticket booking					
Shopping					
Lending					
Recharging					

13. Among these which fund transfer are more familiar to you?

- EFT (Electronic Fund Transfer)
Settlement) RTGS (Real Time Gross

UPI (Unified Payment Scheme transfer NEFT (National Electronic Fund
Transfer)

14. How often do you use e-banking services?

Regularly

Often

Occasionally

Sometimes

Rarely

15. The E-banking services that you have personally adopted

Internet banking

Mobile banking

ATM

Cash deposit machine

Self-service kiosk

Telebanking

Credit card

any other (please specify)

E-Banking

16. Which are influencing factors encourages you to prefer E-banking services?

Influencing factors	Strongly agree	Agree	Neutral	Disagree	Strongly disagree
Easy Accessibility					
Time saving & money saving					
Innovative and efficient service					
Ensure security					
Relevance after demonetization					

17. Rank the following Limiting factors faced by customer while operating transactions?

(Rank from 4(high) to 1(low)).

Limiting factor	Rank
Fear about Security	
Lack of through knowledge	
Networking problem	
Pseudo massages received	

18. Rate your opinion about various factors regarding E-banking services?

Factors	Very low	Low	Average	High	Very high
Overall trust					
Trust in technology					
Ease of use					
Security form					
Fraud					
24 hour service					

19. Your suggestion for improvement of E-banking services

THANK YOU FOR SPENDING YOUR VALUABLE TIME FOR US