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Consumer Awareness Towards E-Banking- Special Reference To Medchal District, Telangana State

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Abstract

The paper deals with consumer's perception towards e-banking system connected to consumer awareness towards e-banking system with special reference to Medchal District of Telangana. Data for this examination were collected from primary as well as secondary sources. The sampling is random. The data was collected during the months between April to June, 2017. The data collected from the primary source were analysed with the help of various statistical measures such as straightforward percentage analysis, averages, F-Statistic, chi square test and probability study were used. Secondary data have been collected from books, journals, newspapers, internet and periodicals. It is incidental that 36.67% of the respondents income levels are up to Rs. 1,00,000, 52.22% of the respondents are Rs. 1,00, 001 to Rs. 3,00,000 and 11.11% respondents are belonging to above Rs. 3,00,000 and the average income is 167222. The study reveals that, the opinion of customers on future expectations. Out of the total respondents, Majority (i.e.) 58.89% of the sample respondents have mentioned that they would like operate their banking transactions in a core banking environment which is free from neither technical intervention such as computer connecting nor 23.33% of the samples respondents expect the bank will provide security. 17.78% of the sample respondents have stated reasonable charges have to be imposed on their banking transaction. The main difficulty for using the E-banking facility is less knowledge about the operations of banking facility (50%). Respondents also feel the services of E-banking too complex to use (30%) and respondents also believe the E-banking to be risky (12.22%). The research report is based on primary data. According to the study, the researcher concludes that the most of the bank customers are aware about all the banking services in Medchal District of Telangana. The banks further have to take necessary steps to educate the customers regarding the new technology and other services offered by the banks.

Keywords: Electronic banking; Internet banking; Credit/debit cards; Transparency; Accuracy; Cost saving; Customer's awareness and Satisfaction

INTRODUCTION

The Internet has changed the operations of many businesses, and has been becoming a powerful channel for business marketing and communication American Banker. The banking

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industry has followed this trend in recent years, and sometimes called "*e-banking*" referring to all banking transactions now completing through Internet applications. The advance of communication and computer technology and the availability of the Internet have made it possible that one can do most banking transactions from a remote location even without stepping into a physical financial structure i.e., the emerging of e-banking Bruene Today, less than 30% of the same consumer financial transactions run through a branch office or the lobby of a main bank office (Online Banking Report. As a result, the banks, as an industry, are formulating strategic plans to fight back in winning their customers suggested by Healy.

E-banking has been viewed as an advanced upgrading from previous electronic delivery systems to open many new business opportunities for the banking industry. A survey revealed that at that time there was a planned $2 billion new investment in the new electronic banking technology within the banking industry Radeki. Among surveyed banks at the time, about two third (66%) planned to invest in telephone banking technology, and the remaining one third (34%) already targeted e-banking options. Some key issues addressed in the recent literature about the e banking include: customer acceptance and satisfaction, services rendered, value added for consumers and banks, privacy concerns, profitability, operational risks, and competition from non-banking institutions Boss et al. In addition to previous electronic banking delivery systems-automated teller machine (ATMs) and telephone transaction processing centers, online banking provides banks a new and more efficient electronic delivery tool Costanzo. There have been several major challenges and issues faced to the e-banking growth and the e-business in general. One major obstacle addressed most is the security concern. Another issue challenged e-business (including e-banking) is the quality of delivery service-including both delivery speed (i.e., short advance time required in ordering) and delivery reliability i.e., delivery of items/services on time Furst et al. Limited payment options available to online customers are also being complained by Furash, Additionally, customers (who are non-computer "*genius*" like most senior citizens) have been reluctant in their choice of doing business (including banking transactions) online and worried their unfamiliarity about the computer placing them in a disadvantageous position.

OBJECTIVES

1. To know the socio economic characteristics of the customers of E-banks
2. To identify the reasons for preferring E-banking.
3. To study the consumer's service quality in E-banking System.

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4. To find out the opinion of the respondents regarding the various problems of E-banking

RESEARCH METHODOLOGY

The study is intended to cover the awareness and satisfaction about E-banking facility provided by commercial banks in Medchal District of Telangana. Data for this investigation were collected from primary as well as secondary sources. The sample chosen consisted of 90 sample respondents representing the customers of E-banks. The sampling is random. The data was collected during the months between April to June, 2015. The data collected from the primary source were analysed with the help of various statistical measures such as simple percentage analysis, averages, F-Statistic, chi square test and probability analysis were used. Secondary data have been collected from books, journals, newspapers, internet and periodicals (Table 1).

RESULTS AND DISCUSSION

Table 1: Distribution of sample respondents according to their age

Age in Group (in years)	No. of Respondents	Percentage
Up to 25	36	40%
Between 26-50	39	43.33%
Above 50	15	16.67%
Total	90	100%

Source: Primary Data.

From the above table it is clear that 40% of the respondents belong to up to 25 years, 43.33% of the respondents belong to between 26-50 years and 16.67% of the respondents are in the age group of above 50 years and the mean age group is 33.41667 (Table 2). From the above table it is clear 61.11% of the respondents belong to male group and 38.89% of the respondents belong to female group (Table 3). From the survey the above table reveals that 64.44% of the respondents are married and 35.56% of the respondents are unmarried (Table 4). From the above table out of 90 respondents, it is clear that 13.33% of the respondents are illiterate, 22.22% of the respondent's educational qualification is school level and 26.67% of the respondent's educational qualification is college level and 20% of the respondent's educational qualification is

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Table 2: Distribution of sample respondents according to their gender.

Gender	No. of Respondents	Percentage
Male	55	61.11%
Female	35	38.89%
Total	90	100%

Source: Primary Data.

Table 3: Distribution of sample respondents according to their marital status

Marital Status	No. of Respondents	Percentage
Married	58	64.44
Unmarried	32	35.56
Total	90	100

Source: Primary Data

Table 4: Distribution of sample respondents according to their educational qualification

Educational Qualification	No. of Respondents
Illiterate	12 (13.33)
School level	20 (22.22)
College level	24 (26.67)
Professional	18 (20.00)
Diploma	16 (17.78)
Total	90 (100)

Source: Primary Data.Figures in brackets represent percentages to total.

professionals and 17.78% of the respondent's educational qualification is diploma (Table 5). From the above table it is clear that 54.44% of the occupational status of respondents are belong to employee, 13.33% of the respondents belonging to business, 8.89% belonging to agriculture, 12.22% belong to professional 18.89% belonging to student (Table 6). From the above table it is inferred that 36.67% of the respondents income levels are up to Rs. 1,00,000, 52.22% of the respondents are Rs. 1,00,001 to Rs. 3,00,000 and 11.11% respondents are belonging to above Rs. 3,00,000 and the average income is 167222 (Table 7). The table highlights the customer preference towards E-banking services. Out of the total respondents, Majority (i.e.) 93.33% of the customers are satisfied about the mobile banking as most of the customers prefer to adopt the mobile banking services in the near future. 88.89% of the customers are satisfied with the ATM and 78.89% of the customers are satisfied about

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internet banking. 86.67% of the customers are satisfied about credit/debit cards service and 81.11% are satisfied about the Electronic fund transfer services by the customer. The chi-square analysis ($\chi 2$=53.1, df=8, P=0.000) result shows there is relationship between the customer preference towards E-banking services and their level of satisfaction. Thus, most of the respondent is aware and satisfied with the services provided by the bankers (Table 8). Easy and convenient access, confidentiality, service quality and time saving are the factors influencing the respondents to prefer e-banking services at 75.56%, 55.56%, 74.44% and 81.11% respectively in Tuticorin district. 70%, 54.44%, 85.56%, 34.44%, and 97.78% of the respondents are influenced by factors such as transparency, accuracy, cost saving, ubiquity, and speed respectively to prefer e-banking services of the commercial banks. Social status, security, control over funds, time out feature and exchange of information are the motivating factors for the customers at 95.56%, 50%, 40%, 58.89% and 90% respectively to prefer

Table 5: Distribution of sample respondents according to their occupation

Occupation	No. of Respondents
Employee	49-54.44
Business	12-13.33
Agriculture	8-8.89
Professional	11 (12.22)
Student	17-18.89
Total	90 (100)

Source: Primary Data. Figures in brackets represent percentages to total.

Table 6: Distribution of sample respondents according to their income

Income	No. of Respondents	Percentage
Up to Rs.1,00,000	33	36.67
Rs 1,00,001 to 3,00,000	47	52.22
Above Rs 3,00,000	10	11.11
Total	90	100.00

Source: Primary Data.

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Table 7: Customer preference of E-banking services (n=90).

Customer preference	Satisfied	Percentage	Not Satisfied	Percentage
Mobile Banking	84	93.33	6	6.67
E-Cheques	69	76.67	21	23.33
Phone Banking	61	67.78	29	32.22
Credit /Debit cards	78	86.67	12	13.33
ATM	80	88.89	10	11.11
Electronic fund transfer	73	81.11	17	18.89
Tele banking	54	60	36	40
Internet Banking	71	78.89	19	21.11
SMS Banking	59	65.56	31	34.44

Source: Primary data.

Table 8: Motivating factors to prefer E-banking services (n=90).

Motivating Factors	No. of Respondents	Percentage
Time saving	73	81.11
Accuracy	49	54.44
Ubiquity	31	34.44
Easy and convenient access	68	75.56
Cost saving	77	85.56
Transparency	63	70.00
Social status	86	95.56
Confidentiality	50	55.56
Exchange of information	81	90.00
Service quality	67	74.44
Security	45	50.00
Speed	88	97.78
Control over funds	36	40.00
Time out feature	53	58.89
Total	90	100.00

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Table 9: Customer perception on service quality factors

Service Quality Factors	Average Score Of Respondents	F-Statistic
Time factor	3.1032	1.1361
Reliability	2.1736	3.1432*
Queue management	2.1438	1.6413
On-line bill payments	2.3710	1.4351
Easy to use and user friendliness	3.2134	0.4751
Anytime and anywhere banking facility	3.6415	3.2185*
Convenience way of operating banking transactions	2.8124	3.6141*
*Significant at 5% level.		

Customer Perception on Service Quality Factors

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. identified one of the very important service quality dimensions of i-banking service quality is reliability. Saving time is an importance factor which influences the customers prefers to use i-banking. The most popular online transaction through internet banking is funds transfer/ bill payment. Ease of use is another important determinant for the customer preferring the internet banking. Online banking users say that convenience is the most important factor, online banking lets them access their accounts from anywhere and at any time. One among the important dimensions of e-banking service quality is queue management Joseph et al. The attitude towards the above said customer perception on service quality factors is measured at a five point scale highly satisfied, satisfied, moderate, dissatisfied, highly dissatisfied which carries 5, 4, 3, 2, and 1 mark respectively. The mean score in the attitude towards various customer perceptions on service quality factors are measured by the customers separately is shown in the following table (Table 9). The customers are asked to rate each SQFs five point scale according to their order of satisfaction.

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The mean score of each SQFs and F-Statistic is given in table. According to the table customer perception on service quality factors was found high in the variables namely reliability, anytime and anywhere banking facility and convenience way of operating banking transactions. The mean score values of these variables are 3.1432, 3.2185 and 3.6141 respectively.

Table 10: Respondent's response with future expectations with E- banking services

Future Expectations	No. Of Respondents	Percentage
Reasonable cost	16	17.78
Expected neither technique intervention nor quality services	53	58.89
Security	21	23.33
Total	90	100.00

Table 11: Difficulty for using the E-banking facility

Difficulty	No. of Respondents	Percentage
Risky	11	12.22
Less Knowledge	45	50
High Fees	7	7.78
Complex to use	27	30
Total	90	100.00

The significant differences among the different customers are noticed in the case of service quality factors namely reliability, anytime and anywhere banking facility and convenience way of operating banking transactions since the respective 'F' values are significant at 5 per cent level (Table 10). The table reveals that the opinion of customers on future expectations. Out of the total respondents, Majority (i.e.) 58.89% of the sample respondents have mentioned that they would like operate their banking transactions in a core banking environment which is free from neither technical intervention such as computer connecting nor 23.33% of the samples respondents expect the bank will provide security. 17.78% of the sample respondents have stated reasonable charges have to be imposed on their banking transaction (Table 11). The main difficulty for using the E-banking facility is less knowledge

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about the operations of banking facility (50%). Respondents also feel the services of E-banking too complex to use (30%) and respondents also believe the E-banking to be risky (12.22%).

CONCLUSIONS

The research report is based on primary data. According to the study, the researcher concludes that the most of the bank customers are aware about all the banking services in Medchal District of Telangana. The banks further have to take necessary steps to educate the customers regarding the new technology and other services offered by the banks. Banks may extend customer meeting time with bank officials and also friendly approach is necessary. Definitely it will help to retain the existing customers and to attract new customers. It will automatically improve the banking service and development of banks in India and also in abroad. The research report is useful to know the consumer awareness of e-banking system and what types of risk involved in e-banking system.

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