

## **ATTITUDE OF CUSTOMERS TOWARDS E-BANKING SERVICES OFFERED BY PUBLIC AND PRIVATE SECTOR BANKS IN TIRUNELVELI DISTRICT**

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### **ABSTRACT**

With the rapid advancement of technology and increasing internet penetration, e-banking has become a vital component of the banking sector, offering numerous benefits such as convenience, speed, and cost efficiency. The research employs a quantitative approach, surveying a diverse sample of bank customers to gauge their perceptions, satisfaction levels, and the factors influencing their adoption of e-banking services. Key findings indicate a positive overall attitude towards e-banking, with significant differences in customer satisfaction and usage patterns between public and private sector banks. Public sector bank customers cited reliability and trust as primary factors for their preference, whereas private sector bank customers were more influenced by advanced technological features and user-friendly interfaces. The study highlights the need for banks to address specific customer concerns and enhance the user experience to foster greater acceptance and utilization of e-banking services. These insights are crucial for banks aiming to improve their digital offerings and achieve competitive advantage in the evolving financial landscape.

**Key Words:** E-banking, Banking Sector, Public Sector banks, Private Sector banks, Technology, Customer concern, etc.,

### **INTRODUCTION**

The advent of information technology has revolutionized the banking sector, bringing about a paradigm shift from traditional banking methods to more sophisticated and customer-friendly electronic banking (e-banking) services. E-banking encompasses a broad spectrum of

services such as online banking, mobile banking, and ATMs, which facilitate various financial transactions through electronic means, offering convenience and efficiency to customers. In India, the banking landscape is primarily divided between public sector banks, which are government-owned, and private sector banks, which are privately owned. Both categories strive to provide superior e-banking services, yet they often differ in their approaches, resources, and customer reach.

E-banking has become an integral part of the modern financial landscape, offering numerous benefits that enhance the overall banking experience for customers. It provides unparalleled convenience, allowing users to conduct financial transactions and access banking services anytime and anywhere, without the need to visit a physical branch. This accessibility is particularly beneficial in today's fast-paced world, where time efficiency is crucial. E-banking also offers improved security features, such as encryption and multi-factor authentication, which help protect customers' financial information and transactions. Furthermore, it enables banks to reduce operational costs by minimizing the need for physical infrastructure and manual processes, allowing them to offer more competitive rates and fees. Additionally, e-banking fosters financial inclusion by providing banking services to underserved and remote areas, thus contributing to broader economic development. Overall, e-banking represents a significant advancement in the banking sector, driving innovation, efficiency, and accessibility.

This research paper aims to conduct a comparative study of the e-banking services offered by public and private sector banks in the Tirunelveli district, a prominent region in the state of Tamil Nadu. Tirunelveli, known for its vibrant economic activities and diverse population, provides an ideal setting to explore how different banking institutions cater to the varied needs of their clientele through electronic banking services.

## REVIEW OF LITERATURE

**Sheeba Gnanamalar and Ajit (2022)** in their study explained that a bank is a financial institution that accepts deposits and channels those deposit into lending activities. With the increase in competition, the banks are focussing more on users' delight through firstclass services. The net banking offer allows and users perform a variety of banking features conveniently. To meet this challenge the actual e- banking services provided by a bank needs to support expected functionalities involved in this domain. The present paper

critically studies the internet banking outline involving public sector banks in Tirunelveli district.

**Karthikeyan and Ganapathi Sankara Krishnan (2021)** in their research article stated that in traditional banking, the products and services provided by bank branches are not adequate to meet the customer needs and desires. Customers are the king in the market. Every business should know the customer perception and satisfy their needs. Customers are progressively more demanding with valuable services customized to their exact needs, at least cost and promptly done. It is possible by the use of Information technology in banking sector. In Today's scenario E - Banking service plays a vital role in attracting new customers and retaining old customers. Without e-banking service no banks can survive in this competitive banking business. E - Banking means the provision of information about a bank and its services through a home page on the World Wide Web (WWW). E - Banking services provide customer access to accounts, the ability to transfer their money between different accounts, and making payments or applying for loans through E - Channels. Electronic Banking is otherwise called as Internet Banking or Virtual Banking or Online Banking or Web Banking. E – Banking is the medium and latest delivery channel to be offered by the retail banks. It provided number of benefits to customer in term of easy to use and at least cost of transactions; it may be either through internet, telephone or other electronic delivery channels. Nationalization was a structural change in the performance of commercial banks which resulted in to the emergence of public sector banks. Privatization leads to the emergence of private sector banks and globalization which facilitated the entry of foreign banks in India. This study helps to know the satisfaction level of customers towards e – banking services provided by Axis Bank in Tirunelveli Town. Here E – Banking services includes ATM service, POS using debit card and credit services, mobile banking, EFT etc.

## OBJECTIVES OF THE STUDY

- ✓ To study the socio-demographic profile of the respondents in the study area
- ✓ To identify the attitude of the respondents towards e-banking services offered by both public and private sector banks in Tirunelveli district
- ✓ To examine the relationship between the socio-demographic profile of the respondents and the attitude in the study area.

## RESEARCH METHODOLOGY

The present study is empirical in nature. The primary data for the study has been collected from 60 sample respondents; 30 respondents each from both public sector and private sector banks. The secondary data has been collected from various journals, books and websites.

## DATA ANALYSIS

This section presents the analysis of data and the interpretation. The following table shows the socio-demographic profile of the respondents,

**Table 1**

**Socio-demographic Profile of the Respondents**

<b>Socio-Demographic Profile</b>	<b>Categories</b>	<b>No of Respondents</b>	<b>Percentage</b>
Gender	Male	41	68.3
	Female	19	31.7
Educational Qualification	HSC	8	13.3
	UG	39	65.0
	PG	13	21.7
Area of Residence	Rural	11	18.3
	Semi-urban	26	43.3
	Urban	23	38.4
Nature of banks	Private Sector Banks	30	50
	Public Sector Banks	30	50

Source: Primary Data

The above table 1 shows that 68.3% of the respondents are male and 31.7% of the respondents are female. The table also shows that 13.3% of the respondents completed HSC, 65% of the respondents are Undergraduates and 38.4% of the respondents are Post graduates. It is found from the above table that 18.3% of the respondents are from rural areas, 43.3% of the respondents are from Semi-urban areas and the remaining 38.4% of the respondents are

from Urban areas. The table also depicts that 30% of the respondents are availing e-banking services from Private Sector banks and 30% of the respondents from Public sector banks.

**Table 2**

**Opinion of the Respondents Towards the E-services Offered**

Opinion	Public Sector Banks		Private Sector Banks	
	No of Respondents	Percentage	No of Respondents	Percentage
Good	13	43.3	15	25.0
Better	12	40.0	5	8.3
Average	5	16.7	7	11.7
Worse	-	-	3	5.0

Source: Primary data

The table 2 shows that 43.3% of the respondents opined that the E-banking services of Public sector banks are good, for 40% of the respondents the services are better and for 16.7% of the respondents the services are average. It is also found the table that 25% of the respondents opined that the E-banking services of Private sector banks are good, for 8.3% of the respondents the services are better, for 11.7% of the respondents the services are average and for 5% of the respondents the services are worst.

**Relationship between the Socio-demographic Profile of the Respondents and their attitude towards the E-banking services offered by the Public and Private Sector Banks**

In order to examine whether there is any relationship between the Socio-demographic Profile of the respondents and their attitude towards the E-banking services offered by the banks, the researcher has identified 4 variables namely, Ease of use, Technological upgradation, Secure transactions and Trust and reliability. In order to test the relationship, the following null hypothesis has been framed,

**H<sub>0</sub>: There is no significant relationship between the Socio-demographic Profile of the Respondents and their attitude towards the E-banking services offered by the Public and Private Sector Banks in Tirunelveli district.**

Table 3

**Relationship between the Socio-demographic Profile of the Respondents and their attitude towards the E-banking services offered by the Public and Private Sector Banks – Chi Square Test**

Domains	Banks	Value	Gender	Educational Qualification	Area of residence
Ease of use	Public Sector	$\chi^2$ value p- value	2.165 (0.002)	1.731 (0.010)	11.840 (0.000)
	Private Sector	$\chi^2$ value p- value	1.519 (0.000)	3.440 (0.008)	5.129 (0.011)
Technological upgradation	Public Sector	$\chi^2$ value p- value	13.803 (0.000)	3.810 (0.020)	10.060 (0.001)
	Private Sector	$\chi^2$ value p- value	7.528 (0.000)	1.064 (0.000)	21.825 (0.000)
Secure Transactions	Public Sector	$\chi^2$ value p- value	22.109 (0.021)	3.333 (0.000)	6.219 (0.002)
	Private Sector	$\chi^2$ value p- value	22.772 (0.001)	18.157 (0.021)	19.462 (0.000)
Trust and Reliability	Public Sector	$\chi^2$ value p- value	3.498 (0.000)	13.354 (0.003)	14.367 (0.001)
	Private Sector	$\chi^2$ value p- value	6.535 (0.005)	7.771 (0.001)	3.215 (0.000)

Sources: Computed Data.

Note: Figure outside the parenthesis indicates the Chi-Square value.  
Figures in parenthesis indicate P-Value

The above table 3 shows that the null hypothesis is rejected in all the cases as the p-value is  $< 0.05$ . Hence there exist significant relationship between socio-demographic profile of the respondents and their attitude towards the e-banking services offered by both Public sector and the private sector banks in the study area.

## SUGGESTIONS

- The banks must ensure the e-banking interface is user-friendly, with clear, simple navigation and easy access to frequently used features.
- The banks need to implement multi-factor authentication (MFA) and biometric security measures (e.g., fingerprint or facial recognition) to ensure robust security
- Provide continuous customer support through multiple channels such as chatbots, live chat, email, and phone.
- Ensure that mobile banking apps are comprehensive, offering all the features available on the desktop version, and optimized for mobile use.
- The banks should conduct regular customer satisfaction surveys to gather feedback on e-banking services.
- The Public Sector banks must provide real-time notifications for all transactions and account activities via SMS, email, or push notifications.
- The banks must offer workshops, webinars, and online resources to help customers understand and use e-banking services effectively.

## CONCLUSION

The study on the e-banking services offered by public and private sector banks in Tirunelveli district has illuminated several key insights and distinctions between these two types of financial institutions. Both public and private sector banks have made significant strides in adopting and enhancing e-banking services, responding to the growing demand for digital banking solutions. However, the study reveals notable differences in the approaches, strengths, and areas for improvement between these sectors.

Public sector banks, with their extensive reach and established trust, have focused on expanding accessibility and ensuring the security of their e-banking platforms. Despite these efforts, they often lag in technological innovation and user experience, areas where private sector banks excel. Private sector banks, leveraging their agility and customer-centric approach, have been more successful in integrating cutting-edge technologies and offering personalized services, resulting in higher customer satisfaction. Ultimately, the study underscores the critical role of e-banking in meeting the dynamic needs of customers and fostering financial inclusion. By understanding and addressing the unique challenges and

opportunities within each sector, banks can better serve their customers and contribute to the overall development of the banking industry in Tirunelveli district. The findings provide valuable insights for policymakers, banking professionals, and researchers, paving the way for more effective and inclusive e-banking strategies in the future.

## REFERENCE

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