

AN EVALUATIVE STUDY ON CUSTOMER AWARENESS TOWARDS ONLINE BANKING SERVICES IN KANNIYAKUMARI DISTRICT

Dr. H. SAJEENA

Assistant Professor, Department of Commerce
Government Arts and Science, Nagercoil
Email: sajeena.gasc@gmail.com

Dr. S.A. DEEPA AZHAKESWARI

Assistant Professor, Department of Business Administration
Muslim Arts College, Thiruvithancode.
Email: neshavishan@gmail.com

ABSTRACT

Online banking, also known as internet banking, e-banking or virtual banking, refers to carrying out banking operations such as paying bills, transferring money, checking one's balance, and setting up regular payments online. The service is offered by virtually all banks today so that customers can conduct their financial affairs through the internet rather than coming to the branch or sending surface-mail letters and forms. Online banking can be done from your computer, tablet or smart phone (mobile phone). According to banks and most customers, the main advantages of online banking offers are permanent access to one's account, lower costs, and access from virtually anywhere at any time. The main objective of the study is towards online banking services with special reference to Kanniyakumari district. The study is confined with both primary and secondary data. In order to study the customer awareness towards online banking services in Kanniyakumari district 80 bank customers are selected as samples using convenient sampling method. The collected data were analyzed with the help of various statistical measures such as Percentage and Chi-square test.

KEY WORDS: Bank, Banking, Online Banking and Awareness.

INTRODUCTION

Online banking, also known as internet banking, e-banking or virtual banking, refers to carrying out banking operations such as paying bills, transferring money, checking one's balance, and setting up regular payments online. The service is offered by virtually all banks today so that customers can conduct their financial affairs through the internet rather than coming to the branch or sending surface-mail letters and forms. Online banking can be done from your computer, tablet or smart phone (mobile phone). According to banks and most

customers, the main advantages of online banking offers are permanent access to one's account, lower costs, and access from virtually anywhere at any time.

Online Banking is a personal banking service on the Internet, protected with bank identifiers. It is available anywhere, anytime. Online Banking allows the customers to pay invoices to Finnish and foreign recipients easily and securely. Customers can also check their account balances and transactions. They can order a new card, withdraw a loan granted to you and make mutual fund subscriptions and access online Banking services by obtaining bank identifiers. Online Banking as such is free of charge but commissions and fees in accordance with the service tariff will be levied on orders and other transactions carried out through online Banking.

OBJECTIVE OF THE STUDY

The main objective of the study is to analyze the awareness of customers towards online banking services with special reference to Kanniyakumari district.

METHODOLOGY

SOURCES OF DATA

The study is confined with both primary and secondary data. The primary data is collected through a well-structured interview schedule. The secondary data have been mainly collected from the books, journals, magazines, and also from the internet.

SAMPLING DESIGN

In order to study the customer awareness towards online banking services in Kanniyakumari district 80 bank customers are selected as samples using convenient sampling method.

STATISTICAL TOOLS USED

The collected data were analyzed with the help of various statistical measures such as *Percentage and Chi-square test*.

The formula for Chi – square is

$$\chi^2 = \sum \frac{(O-E)^2}{E} \text{ with } (r-1) (c-1) \text{ degrees of freedom}$$

HYPOTHESIS

On the basis of the objective of the study, the following null hypothesis was developed for the purpose of the present study.

H₀: There is no relationship between the personal factors and the level of awareness towards online banking services.

ANALYSIS OF DATA

AGE OF THE CUSTOMERS

Age is an important factor which helps a person to acquire technical knowledge and it plays an important role in using online banking services. The sample customers were classified on the basis of their age and presented in the below table.

AGE OF THE CUSTOMERS

| Sl. No. | Age (in years) | No of respondents | Percentage |
|---------|----------------|-------------------|------------|
| 1 | Less than 25 | 14 | 17.5 |
| 2 | 25 – 40 | 36 | 45 |
| 3 | 41 – 50 | 22 | 27.5 |
| 4 | Above 50 | 8 | 10 |
| | Total | 80 | 100 |

Source: Primary Data

It is revealed from the above table that out of 80 sample customers 14(17.5 Percentage) of them comes under the age group of Less than 25 years, 36(45 Percentage) of the sample customers belongs to the age group of 25– 40 years, 22(27.5 Percentage) of the respondents comes under the age group of 41– 50 years and the remaining 8(10 Percentage) of them belongs to the age group of Above 50 years.

GENDER OF THE CUSTOMERS

Gender is an important factor considered to study about the awareness of customers towards online banking services in Kanniyakumari district. The respondents are classified on the above basis and presented in the below table.

GENDER OF THE RESPONDENTS

| Sl. No. | Gender | No of respondents | Percentage |
|---------|--------------|-------------------|------------|
| 1 | Male | 42 | 52.5 |
| 2 | Female | 38 | 47.5 |
| | Total | 80 | 100 |

Source: Primary Data

It is clear from the above table that 42(52.5 Percentage) of the sample bank customers are Male and the remaining 38(47.5 Percentage) of the respondents are Female.

MARITAL STATUS OF THE CUSTOMERS

The sample customers are also classified on the basis of their marital status and presented in the following table.

MARITAL STATUS OF THE CUSTOMERS

| Sl. No. | Marital status | No. of respondents | Percentage |
|---------|----------------|--------------------|------------|
| 1 | Unmarried | 12 | 15 |
| 2 | Married | 68 | 85 |
| | Total | 80 | 100 |

Source: Primary Data

The above table shows that 12(15 Percentage) of the respondents were unmarried and the remaining 68(85 Percentage) of them were married.

EDUCATIONAL QUALIFICATION OF THE CUSTOMERS

Educational qualification is an important factor considered for the study as it plays an important role in knowing about the various technological advancements. The sample customers were classified on the basis of their educational qualification and presented in the following table.

EDUCATIONAL QUALIFICATION

| Sl. No. | Educational qualification | No. of respondents | Percentage |
|---------|---------------------------|--------------------|------------|
| 1 | Under Graduation | 47 | 58.75 |
| 2 | Post Graduation | 21 | 26.25 |
| 3 | Others | 12 | 15 |
| | Total | 80 | 100 |

Source: Primary Data

It is revealed from the above table that 47(58.75 Percentage) of the sample customers are under graduates, 21(26.25 Percentage) of them are Post Graduates and the remaining 12(15 Percentage) of the sample customers are having other qualifications such as Diploma, school education, professional degree etc.

OCCUPATION OF THE CUSTOMERS

Occupation is another important factor which decides the income and expenses of a person which leads the usage of online banking services. The sample customers are also classified on the above basis and presented in the following table.

OCCUPATION OF THE CUSTOMERS

| Sl. No. | Occupation | No. of respondents | Percentage |
|---------|---------------------|--------------------|------------|
| 1 | Government employee | 06 | 7.5 |
| 2 | Private employee | 51 | 63.75 |
| 3 | Others | 23 | 28.75 |
| | Total | 80 | 100 |

Source: Primary Data

The above table clearly indicates that, 6(7.5 Percentage) of the sample customers are Government employees, 51(63.75 Percentage) of them are Private employees and the remaining 23(28.75 percent) of the respondents are engaged under other categories of occupation such as business, Agriculturist, house wives etc.

BANK IN WHICH THE CUSTOMERS' HOLDING THEIR ACCOUNT

There are many public sector and private sector banks situated in the study area and the customers maintain their account in any of the banks located near their residence. The following table depicts the bank in which the customers' holding their account.

BANK IN WHICH THE CUSTOMERS' HOLDING THEIR ACCOUNT

| Sl. No. | Name of the Bank | No. of respondents | Percentage |
|---------|----------------------|--------------------|------------|
| 1 | State Bank of India | 24 | 30 |
| 2 | Indian Overseas Bank | 31 | 38.75 |
| 3 | Axis Bank | 14 | 17.5 |
| 4 | Others | 11 | 13.75 |
| | Total | 80 | 100 |

Source: Primary Data

It is revealed from the above table that, 24(30 Percentage) of the sample customers are account holders in State Bank of India, 31(38.75 Percentage) of the respondents are Indian Overseas Bank customers, 14(12 Percentage) of them are account holders in Axis Bank and the remaining 23(15 Percentage) of the respondents are customers of other banks such as Indian ban, Tamil Nadu Mercantile Bank, Punjab National Bank, Central Bank etc.

DURATION OF USING ONLINE BANKING SERVICES

It is important to know how long the customers were using online banking services to analyze their awareness level. The sample customers are classified on the above basis and presented in the following table.

DURATION OF USING ONLINE BANKING SERVICES

| Sl. No. | No. of Years | No. of respondents | Percentage |
|---------|-------------------|--------------------|------------|
| 1 | Less than 5 years | 27 | 33.75 |
| 2 | 5to 10 years | 32 | 40 |
| 3 | Above 10 years | 21 | 26.25 |
| | Total | 80 | 100 |

Source: Primary Data

The above table reveals that from the total 80 respondents, 27(33.75 Percentage) of the sample customers are using the online banking services for less than 5 years, 32(40 Percentage) of them are using the services for 5 years to 10 years and the remaining 21(26.25 Percentage) of the customers are using online banking services for above 10 years.

FREQUENCY OF USING ONLINE BANKING SERVICES

The respondents use the online banking services on the basis of their needs and convenience so it is also considered for the study. The sample bank customers are classified on the above basis and presented in the below table.

FREQUENCY OF USING ONLINE BANKING SERVICES

| Sl. No. | Frequency | No. of respondents | Percentage |
|---------|--------------|--------------------|------------|
| 1 | Weekly | 11 | 13.75 |
| 2 | Fortnightly | 23 | 28.75 |
| 3 | Monthly | 46 | 57.5 |
| | Total | 80 | 100 |

Source: Primary Data

It is inferred from the above table that 11(13.75 Percentage) of the respondents use online banking services weekly, 23(28.75 Percentage) of the respondents are using online banking services fortnightly and the remaining 46(57.5 Percentage) of the sample customers are using the online banking services monthly.

REASON FOR USING ONLINE BANKING SERVICES

There are many reasons for using online banking services and the ranks assigned by the respondents for the reasons are converted into scores using Garrett ranking technique and presented in the following table.

REASON FOR SELECTING ONLINE BANKING SERVICES

| Sl. No. | Reasons | Garrett mean score | Rank |
|---------|------------------|--------------------|------|
| 1 | Convenience | 50.36 | II |
| 2 | Services Quality | 48.66 | V |
| 3 | Trust with bank | 49.54 | IV |
| 4 | Security | 49.92 | III |
| 5 | Nearness | 47.37 | VI |
| 6 | Time saving | 52.68 | I |

Source: Primary Data

It is inferred from the above table that time saving scores high and holds the first rank in the reason for using online banking, the reasons convenience and security holds second and third rank respectively in the reason for using online banking services.

LEVEL OF AWARENESS TOWARDS ONLINE BANKING SERVICES

The opinion of the sample customers about the awareness towards the online banking services provided by the banks are also analyzed and presented in the following table.

LEVEL OF AWARENESS TOWARDS MARKETING STRATEGIES OF BANKS

| Sl. No. | Awareness Level | No. of respondents | Percentage |
|---------|-----------------|--------------------|------------|
| 1 | Highly aware | 16 | 20 |
| 2 | Neutrally aware | 57 | 71.25 |
| 3 | Not aware | 07 | 8.75 |
| | Total | 80 | 100 |

Source: Primary Data

From the above table it is found that, out of 80 respondents' 16(20 percentage) of the respondents are highly aware, 57 (71.25 percentage) of them are neutrally aware and the remaining 07(8.75 percentage) of the sample customers are not aware about the online banking services provided by the banks.

ASSOCIATION BETWEEN PERSONAL FACTORS AND LEVEL OF AWARENESS [CHI – SQUARE ANALYSIS]

An attempt has been made to analyze the personal factors and the Level of awareness towards the online banking services provided by the banks by adopting Chi – square test.

AGE AND LEVEL OF AWARENESS

An analysis was made to analyze the association between the age of the respondents and their awareness level towards the online banking services provided by the Banks by using chi-square test and presented in the below table.

AGE AND LEVEL OF AWARENESS [Chi-Square Test]

| Chi-square value | Degrees of freedom | Table value | Inference |
|------------------|--------------------|-------------|---------------|
| 10.52 | 6 | 12.59 | Insignificant |

Source: Computed Value

From the above analysis it is seen that the calculated value (10.52) of Chi-square is less than the table value (12.59), and hence the null hypothesis is accepted. Thus, the age of the respondent has no significant association with the level of awareness towards the online banking services provided by the banks.

GENDER AND LEVEL OF AWARENESS

The association between the gender of the respondents and their awareness level towards the online banking services provided by the Banks is also analyzed by adopting chi-square test is presented in the following table.

GENDER AND LEVEL OF AWARENESS [Chi-Square Test]

| Chi-square value | Degrees of freedom | Table value | Inference |
|------------------|--------------------|-------------|---------------|
| 5.87 | 2 | 5.99 | Insignificant |

Source: Computed Value

From the above analysis it is seen that the calculated value (5.87) of Chi-square is less than the table value (5.99), and hence the null hypothesis is accepted. Thus, the gender of the respondent has no significant association with the level of awareness towards the online banking services provided by the banks.

EDUCATION AND LEVEL OF AWARENESS

An analysis was made to know about the education and the level of awareness towards the online banking services provided by the banks is analyzed by using chi-square test and presented in the below table.

EDUCATION AND LEVEL OF AWARENESS [Chi-Square Test]

| Chi-square value | Degrees of freedom | Table value | Inference |
|------------------|--------------------|-------------|-------------|
| 11.61 | 4 | 9.488 | Significant |

Source: Computed Value

It is revealed that the calculated value (11.61) of Chi-square is greater than the table value (9.488), and hence the null hypothesis is rejected. Hence it is revealed that the education of the sample customers is dependent to the Level of awareness towards the online banking services provided by the banks.

OCCUPATION AND LEVEL OF AWARENESS

An analysis was made to find out the association between the occupation of the respondents and the level of awareness towards the online banking services by using chi-square test and presented in the below table.

OCCUPATION AND LEVEL OF AWARENESS [Chi-Square Test]

| Chi-square value | Degrees of freedom | Table value | Inference |
|------------------|--------------------|-------------|-------------|
| 10.31 | 4 | 9.488 | Significant |

Source: Computed Value

From the above analysis it is seen that the calculated value (10.31) of Chi-square is greater than the table value (9.488), and hence the null hypothesis is rejected. Hence it is revealed that the occupation of the respondents is dependent to their level of awareness towards online banking services.

FINDINGS**The major important findings of the study are:**

- The researcher found out that 36(45 Percentage) of the sample customers belongs to the age group of 25– 40 years.
- It is revealed that 42(52.5 Percentage) of the respondents are Male.
- Most 68(85 Percentage) of the sample customers were married.
- Regarding the educational qualification of the sample bank customers (58.75 Percentage) of them are under graduates.
- It is found out that 51(63.75 Percentage) of the respondents are Private employees.
- From the total 80 respondents, 31(38.75 Percentage) of them are Indian Overseas Bank customers.
- Majority 32(40 Percentage) of the sample bank customers are using the services for 5 years to 10 years.
- The researcher found out that 46(57.5 Percentage) of the sample customers are using the online banking services monthly.
- The reason time saving scores high and holds the first rank in the reason for using online banking, the reasons convenience and security holds second and third rank respectively in the reason for using online banking services.
- The personal factors such as educational qualification and occupation are dependent to the level of awareness and the factor age and gender is independent to the awareness level of the customers towards the online banking services provided by the Banks.

CONCLUSION

From the above study it is concluded that most of the sample bank customers are neutrally aware about the online banking services provided by the banks. Promoting awareness of online banking services is crucial for ensuring that people can take advantage of the convenience and efficiency they offer. Hence it is suggested that the bank must launch campaigns that educate people about the benefits and safety measures of online banking. This could include social media posts, informative videos, and blog posts explaining how online banking works, its advantages, and tips for staying secure. Provide ongoing support and updates to users through customer service channels, FAQs, and online forums. Addressing user concerns promptly and keeping them informed about new features or security measures will help maintain trust and confidence in online banking services.

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