

An Evaluative Study on Internet Banking

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Abstract- *The advancement in technology plays a vital role in banking sector. Online banking becomes familiar to everyone and it also reduces the workload for the depositors by visiting the bank directly. This advancement is termed as e- banking.*

I. INTRODUCTION

Recently Internet banking has created a great impact in every common man's life. India has largest internet population in the world. Internet banking has reached the position that people can get completed their works through phone instantly from their home thus it saves time and energy.

II. STATEMENT OF THE PROBLEM

Presently the concept of E-banking has become familiar to many depositors, but some of the depositors are still unable to get into the process. E-banking has both benefits and risks in areas like cash withdrawal, depositing and even in some bank to bank transactions. Still there is debate about traditional banking and E- banking. This research undertakes to understand the above mentioned problems of the depositors. The study is undertaken to know about the difficulties faced by the depositors during transactions. It helps to know about the awareness of E-banking security system among depositors. It also helps to find out the depositors perception towards traditional banking and online banking. It also deals with the reason behind the difficulties occurrence in E- banking

III. REVIEW OF LITERATURE

Parthasarathy chaterjee presented an article entitled 'an study on online banking in India 'in which he reveals that ATM banking, bill payment, online shopping and online recharge area performed by so many respondents but it does not reflect that NEFT, RTGS or DMAT services

Lakshyasingh and Rohanzanwar presented a project report titled as "an analysis on E-banking services" Under the guidance of Dr Priya malhotra in which they declared that E-banking saves time for the customers and has high reach ability to customers.

IV. OBJECTIVES OF THE STUDY

1. To analyze the customers' perceptions and awareness towards Internet banking
2. To understand the problems faced by customers while using internet banking services; and
3. To find out the depositors perception towards traditional banking and online banking

V. RESEARCH METHODOLOGY

Methodology: The present study is descriptive research. Descriptive research is a survey and findings enquiries of different types. This study is based on the responses of 50 respondents.

Sources of Data:

Primary Data: Primary data is the first hand data gathered through google forms by means of questionnaire method

Secondary Data: Secondary data is research data that has previously been gathered and can be accessed by researchers. The sources of secondary data are from internet & articles

VI. TOOLS AND TECHNIQUES USED FOR ANALYSIS

The data was collected through structured questionnaire it has been tabulated, analyzed and applied Simple percentage analysis.

SIMPLE PERCENTAGE ANALYSIS:

Percentage analysis is mainly used to standardize the response of the respondents. This analysis is carried out for all the questions given in the questionnaire, mainly to assess the, how the respondents are distributed in each category.

$$\text{Percentage} = \frac{\text{number of respondents}}{\text{sample size}} \times 100$$

Table no 1

Socio economic profile of the respondents				
S. No	Variable	Options	Frequency	Percentage
1	Gender	Male	34	70%
		Female	15	30%
	Total		50	100%
2	Age group	Less than 20	14	28%
		20 -30	33	66%
		30above	3	6%
	Total		50	100%
3	Qualification	School	3	6%
		UG	42	84%
		PG	5	10%
Total		50	100%	
4	Occupation	Business /self employed	4	8%
		Profession	4	8%
		Employed	3	6%
		Student	39	78%
Total		50	100%	
5	Monthly income	Less than 10000	26	56.5%
		RS 10000-20000	9	19.6%
		RS20000-RS30000	4	8.7%
		Above RS 40000	7	15.2%
		Total		50
6	Marital status	Married	8	16%
		Unmarried	42	84%
Total		50	100%	
7	Type of bank account	Savings account	44	88%
		Current account	6	12%
Total		50	100%	

The above table indicates the socio economic profile of the respondents. From table it is understood that 66% of the respondents are between 20 to 30 years of age group. It also depicts that 70 % of the male use internet banking other than cash transactions among them UG students 84% of them use the most. Majority of their monthly income falls under less than 10000 that is 56.5% of the respondents. 84% of the

respondents are unmarried and 88% of the respondents use savings account.

Table No 2 Customers’ perceptions & awareness towards Internet banking

s. no	VARIABLE	OPTIONS	FREQUENCY	PERCENT
1	Frequency of internet banking transactions	Occasionally	20	40%
		Frequently	28	56%
		Never	2	4%
Total		50	100%	
2	Period of using banking services	0-2 years	39	78%
		2-4 years	7	14%
		4-6 years	4	8%
Total		50	100%	
3	Preferred communications with banks	Online via/smart phones	30	60%
		Call centre	3	6%
		Visiting banks	17	34%
Total		50	100%	
4	Purpose of using banking services	Online bill payments	43	86%
		Moneytransfer	41	82%
		Bank statement	25	50%
		For savings	18	36%
		updating profile	12	24%
		Calculate loan information	9	18%
5	Sources of internet banking awareness	Advertisement	27	55%
		Newspapers	11	22%
		Parents	20	40%
		Friends and relatives	32	65%
		television	10	20%
6	Frequency of changing internet banking password	Monthly	3	6%
		Quarterly	14	29%
		Halfyearly	7	14%
		annual	25	51%
Total		50	100%	

The above table establishes the customers point of view regarding its perceptions and awareness regarding internet banking. 56 % of the respondents frequently use internet banking more over internet banking has reach its peak

recently can be clearly said as a sample of these 50 respondents 78 % of them started using internet banking before 2 years only. 60 % of the respondents prefer contacting bank through online.

Internet banking is used for many transactions but in major they are used for online bill payments (86%) and money transfer (82%). Internet banking awareness through friends and relatives is more preferable one. Frequency of changing password is done annually by 51 % of the respondents.

TABLE NO 3

Problems faced by customers						
s.no	VARIABLE	OPTIONS	Agree	Neutral	Disagree	Total
1	Problems and difficulties while using internet banking	Hacking	42%	38%	20%	100%
		Poor network	58%	28%	14%	100%
		Inadequate knowledge	32%	58%	10%	100%
		Lack of clarity in procedures	44%	44%	12%	100%
		Hanging websites	54%	36%	10%	100%
Variable factors						
sno.	VARIABLE	OPTIONS	FREQUENCY	PERCENT		
2	Convenient of using internet banking services	Easy	25	50%		
		Normal	23	46%		
		Difficult	2	4%		
Total			50	100%		
3	Safety on disclosing details on internet	Yes	29	58%		
		No	21	42%		
Total			50	100%		

42% of the respondents agree that they face problem regarding hacking. And 58% of the respondents has poor network while transacting payments. Inadequate knowledge is immaterial for 10 % of the respondents. 44 % of the respondents agree and 44 % of the respondents are neutral in nature for lack of clarity regarding transacting through online banking. Only 4 % of the respondents feel difficulty for using internet banking. 59.2% of the respondents feel safe on disclosing on details on internet.

TABLE NO 4

Depositors perception towards traditional banking and online banking				
sno.	VARIABLE	OPTIONS	agree	disagree
1	Benefits of traditional banking system	Interaction with banker	86%	14%
		Easy deposit and withdrawal	60%	40%
		Collection of cheques	74%	26%
		Security	80%	20%
		Security lockers	92%	8%
2	Benefits of internet banking system	Time saving	94%	6%
		Any time banking	90%	10%
		Anywhere banking	90%	10%
		Transparency	76%	24%
		No queue	84%	16%
		Secured transactions	68%	32%

86% of the respondents say interaction with bankers as a major benefit in traditional banking. 60% of the respondents withdraw easily at traditional banking. 74% of the respondents collect cheques at banks. 92% of the respondents prefer security lockers in traditional banking. 80% of the respondents feel secure in traditional banking. 94 % of the respondents say internet banking is best for its time saving option. 90% of the respondents say banking 24/7 working and working at any place is a major benefit. 76% of the respondents feel safe and transparent transactions. 84% of the respondents say no queue as their perceptive regarding benefit of internet banking

Table No5:

Ratings for traditional and internet banking				
s.no	Variable	Ratings	Frequency	Percentage
3	Ranking for traditional banking	1	0	0
		2	2	4%
		3	15	31%
		4	25	51%
		5	7	14%
Total			50	100%
4	Ranking for internet banking	1	0	0
		2	1	2%
		3	11	23%
		4	12	24%
		5	26	52%
Total			50	100%

Rating for traditional banking by the majority (51%) of the respondents is “4”. Rating for internet banking by the majority (52%) of the respondents is “5”

V. FINDINGS

- Majority 86 % of the respondents were using internet banking system for online bill payments
- Majority 51% of the respondents said that convenient for accessing internet banking services is easy
- Majority 65.3% of the respondents source of internet banking awareness was from friends and relatives
- Majority 58% of the respondents strongly agree that poor network is the major problem
- Majority 54 % of the respondents say they face hanging of websites
- Majority 60% of the respondents feel safe on disclosing data on internet
- 92% of the respondents prefer security lockers in traditional banking .
- Majority 80% of the respondents feel secure in traditional banking
- Majority 90% of the respondents say banking 24/7 working and working at any place is a major benefit .
- Majority 76% of the respondents feel safe and transparent transactions.
- Majority 94 % of the respondents say internet banking is best for its time saving option.

VI. CONCLUSIONS

The study reveals about the internet banking system service and quality. This study will make a better understanding on the attitude of internet banking, and relationship between banker and customers. Thus it will help banks for implementing new strategies and run more efficiently

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