
Regional Imbalance affecting quality of e-banking services with special reference to Tuticorin District- An Analysis

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Abstract

Banking is a part and parcel of life. Nowadays all the financial transactions are linked with bank account. Every individual is encouraged to open account in bank. Due to stiff competition in the banking industry and globalisation of the world leads to various changes in the banks apart from traditional banking activities i.e with the help and advancement of technology (IT) the banks are tremendously changed and computerised. It leads a path way for introducing new electronic banking services which is connected with internet. From that the quality services offered by the banks are increased. The researcher take a step to analyse the factors affecting e-banking services in Tuticorin District.

Key words: e-banking services, area, banking technology

Introduction

The banking system occupies an important place in a nation's economy. A

banking institution is indispensable in a modern society. It plays a crucial role in the economic development of a country and forms the core of the money market in an advanced country. Amongst the institutions in the organized sector of the money market, commercial banks and commercial co-operative banks have been in existence for the past several decades. The Regional Rural Banks come in the existence since the middle of seventies. Thus with the phenomenal geographical expansion of the commercial banks and the setting up of the RBIs during the recent past, the organized sector of money market has penetrated into the rural areas as well. Besides the aforesaid institutions which mainly served sources of short-term credit to industry, trade, commerce, and agriculture; a variety of specialised financial institutions have been setup in the country to cater to the specific needs of industry, agriculture and foreign trade.

Statement of the problem

Indian customers are not well versed in using the technological banking more comfortable in the way to do banking transactions. It is being to be a long time process to attract the Indian customers at a mass level. In this scenario, it would be meaningful to analyse about the customer's awareness towards user friendly technology available in Banking Sector. Some people feel that the User Friendly Technology really simplifies their life style while others think that it is very much threatening and complex. Therefore in this context, it is necessary to study the factors affecting quality of e-banking services with special reference to Tuticorin district

Scope of the study

The present study is primarily designed to study the "factors affecting quality of e-banking services with special reference to Tuticorin district". Banks play a vital role in the economic development of our country. This study included the vast analysis about the factors affecting quality of e-banking services in Public and Private Sector banks and the relationship between the factors and the area of the respondents. It helps the bankers to know about the influencing factors in e-banking and provide the effective e-banking services to

their customers. Future it is used to modify their e- banking facility according to the customers' wish.

Review of Literature

❖ A. Vinayagamoorthy ,K. Senthilkumar(2010)¹ the research examined " Role of Reach of Internet Banking In India" the major objectives are to identify the level of security among customers in using these services ,and to find out the popularity of the internet banking service in customers as users and non users along with reasons . The number of internet banking users has increased from 9% in 2003 to 50% in 2010 due to increase in internet services. The top level internet users are china, United States, Japan and India. The major difficulties are technical problems occur sometimes which affect customers badly, the infrastructural costs of providing such services are quite high. The findings are the services that are mostly used by maximum customers are transactions, online trading, and bill payment; shopping etc. the suggestions are Bank should provide the services in different languages.

¹ A. Vinayagamoorthy ,K. Senthilkumar(2010) " Role Of Reach Of Internet Banking In India" pp1-14, www.southganga.com

- ❖ **Syed Abdul Mannan (2010)**² examines that technology in Indian banks and customers perception. The study is based on primary data, which is collected through the issue of questionnaire to the bank 'customers. 22 percent banks are selected from both private and public banks. The area of the study in Maharashtra .the major findings are almost 92.1 percent of the respondents agree the electronic banking are more convenient and suitable in present life on the other hand 7.9 percent of the respondents are disagreed. The main reason is less education.
- ❖ **Praian(2010)**³ banking industry is one of the core and important area of the nation, which is the major requirement for the economic development of the nation. The banking industry has to implement lot of technology up gradation to overcome competition and keeping up with the changing times .now, Indian banking industry look equal excellent in technology

adaptation compared to other countries.

- ❖ **Thomas et.al (2010)**⁴ analyzed the technology and service quality in the banking industry. The research was carried through across sectional survey design on e-banking in Kenya. The sample in this study consists of 120 respondents' to the customers. The data collected was analyzed by the use of frequency, percentage, and mean and correlation analysis. The findings revealed that, secure services as the most important dimension followed by convenient location of ATM, efficiency (need not to wait) ability to set up accounts. So that the customer can perform transactions immediately.

Objectives of the Study

The following are the objectives focused in this study

- ❖ To analyse about the problems faced by the customers while using the e-banking services provided by banking sector in Tuticorin District.
- ❖ To identify the factors influenced in quality of e-banking services.

² Syed Abdul Mannan(2010) "technologies in Indian banks and customers' perception: an empirical study in Maharashtra" international conference of business and information ,university of kelaniya, srilanka,pp12-21.

³ Praian (2010) "technology up gradation to overcome competition" www.nibmindia.org

⁴ Thomas et.al (2010) "the technology and service quality in the banking industry" African journal of business and management,vol-1,(2010),pp151-164.

- ❖ To know the relationship between factors and area of the respondents.
- ❖ To offer suggestions to improve the usage of e-banking services.

HYPOTHESIS OF THE STUDY

Ho: There is no significant association between area of the respondents and problems faced by customers using Technological banking services.

METHODOLOGY

Primary Data

Primary Data was collected by simple random sampling method. 600 samples were selected from various Public Sector Banks like State Bank of India, Indian Bank and Indian Overseas Bank and Private sector banks like ICICI, HDFC, Tamilnadu Mercantile Bank at Tuticorin District. The method of allocation is given in below table.

Name of Bank	No. of Respondents
State Bank of India	100
Indian Bank	100
Indian Overseas Bank	100
Industrial Credit and Investment Corporation (ICICI)	100
Housing Development Finance Corporation (HDFC)	100
Tamilnadu Mercantile Bank (TMB)	100
Total	600

Secondary Data

They were collected from internet, books, journals, magazines and newspapers.

Tools of Analysis

To make the present research study highly effective, the following statistical techniques were used for the analysis and interpretation of data i.e. mean, standard deviation, Garrett ranking, likert's five point scale and chi-square. The collected information was presented in a master table and

then in separate table with a fine output result.

Limitations of the Study

The following are the limitations of the study

- ❖ The study covers only 3 public sector banks and 3 private sector banks in Tuticorin district.
- ❖ Due to time and finance constraints the researcher was able to meet only limited number of samples respondents.

❖ The major limitations are lack of time, busy schedule of customers and their unwillingness for filling up the questionnaire.

Data Analysis and Interpretation

Analysis of demographic profile is very important. Here, some selected important demographic profiles are analysed. They are as follows.

Table - 1

Gender of the respondents			
S. No	Gender	No. of Respondents	Percentage (%)
1	Male	483	80.5
2	Female	117	19.5
	Total	600	100
Age of the respondents			
S. No	Age(in years)	No. of Respondents	Percentage (%)
1	Below 25	77	12.8
2	25-35	123	20.8
3	36-45	241	40.2
4	46-55	102	16.7
5	Above 55	57	9.5
	Total	600	100
Marital status of the respondents			
S. No	Marital Status	No. of Respondents	Percentage (%)
1	Married	491	80.2
2	Unmarried	92	3.2
3	Widow	17	16.7
	Total	600	100
Qualification of the respondents			
S. No	Qualification	No. of respondents	Percentage (%)
1	Below 12 th	19	3.2
2	Graduates	203	33.8
3	Post Graduates	181	30.2
4	Technical	91	15.2
5	Professionals	106	17.7
	Total	600	100
Occupation of respondents			
S. No	Occupation	No. of Respondents	Percentage (%)
1	Salaried (Govt/Pvt.)	197	32.8
2	Professionals	156	26.0
3	Businessmen	181	30.2
4	Agriculturalist	11	1.8
5	Student	55	9.2
	Total	600	100
Monthly income of the respondents			
S. No	Monthly Income	No. of Respondents	Percentage (%)
1	Upto Rs.10000	54	9.0

2	Rs.10001-20000	281	46.8
3	Rs.20001-30000	117	19.5
4	Rs.30001-40000	61	10.2
5	Above Rs.40000	87	14.5
	Total	600	100

Table 1 shows that 80.5 percent of the respondents are male and remaining 19.5 percent of the respondents are female. It shows that male are availing the banking services more than female.

In the age wise classification of the 600 sample respondents, 12.80 percent of the respondents are in the age group of below 25 years, 20.8 percent respondents belong to the age group of 25-35 years, 40.2 percent respondents comes under 36-45 years and 16.7 percent respondents belong to the age group of 46-55 years. 9.5 percent of the respondents are above 55 years. It is evident that the respondents come under the age group of 36-45 years are salaried people or business people. They are much using the facilities provided by the banks as customers. This also shows that aged people prefer only traditional banking system.

The above table 1 shows that most of the respondents are married. It implies that married peoples are saving money to run their family smoothly and for future undertaking.

Table 1 reveals that 33.8 percent of the respondents are Graduates, 30.2 percent of the respondents are Post-Graduates, and 17.7 percent of the respondents are Professionals, 15.2 percent and 3.2 of the respondents are Technicians and below 12th std respectively. It clearly shows that, educational qualification in the selected area is good and they are well aware of the latest technology used in banking sector.

Table 1 shows that according to occupation of the respondents. 32.8 percent of the respondents are Salaried (Govt. /Pvt) 26 percent of the respondents are professionals and 30.2 percent of the respondents are business people, 9.2 percent of the respondents are students studying in colleges. 1.8 percent of the respondents are agriculturalist. It shows that salaried people are more having saving habit and using most of the services provided by the banks.

Table 1 describes that 9 percent of the respondents are earning below Rs. 10000, 46.8 percent of the respondents are

earning Rs. 10001-20000, 19.5 percent of the respondents are getting Rs. 20001-30000, 10.2 percent of the respondents are getting Rs. 30001-40000, 14.5 percent of the respondents are earning Rs.40000.

The following tables describe the significant relationship between various variables analysed using Chi-Square.

Table – 2: Area of the respondents and Hidden Costs

Area of the respondents	Hidden Costs			Total
	Influenced	Moderately Influenced	Not influenced	
Rural	71	67	162	300
Urban	104	107	89	300
Total	175	174	251	600

Source: Primary Data

H₀ There is no significant association between Area of the respondents and Hidden Costs.

H₁ There is significant association between Area of the respondents and Hidden Costs.

Statistical inference

X	Df	P	P < 0.05 significant
36.649	2	0.001	

The above table shows that the p value (0.001) is less than 0.05.

Therefore the null hypothesis was rejected and concluded that there is a significant association between area of the respondents and Hidden Costs.

Table -3: Area of the respondents and Network Problem

Area of the respondents	Network Problem			Total
	Influenced	Moderately Influenced	Not influenced	
Rural	44	107	149	300
Urban	29	98	173	300
Total	73	205	322	600

H₀ There is no significant association between Area of the respondents and Network Problem.

H₁ There is significant association between Area of the respondents and Network Problem. **Statistical inference**

X ²	Df	P	P > 0.05 significant
5.266	2	0.072	

The above table shows that the p value (0.072) is greater than 0.05. Therefore the null hypothesis was accepted and concluded that there is no significant association between area of the respondents and Network problem.

Table – 4: Area of the respondents and Processing Time

Area of the respondents	Processing Time			Total
	Influenced	Moderately Influenced	Not influenced	
Rural	179	91	30	300
Urban	157	103	40	300
Total	336	194	70	600

Source: Primary Data

H₀ There is no significant association between Area of the respondents and Processing Time. H₁ There is significant association between Area of the respondents and Processing Time. **Statistical inference**

X	Df	P	P > 0.05 significant
3.611	2	0.164	

The above table shows that the p value (0.164) is greater than 0.05. Therefore the null hypothesis was accepted and concluded that there is no significant association between area of the respondents and processing Time.

Table – 5: Area of the respondents and Fear of using technology in banking services

Area of the respondents	Fear of using technology in banking services			Total
	Influenced	Moderately Influenced	Not influenced	
Rural	138	144	18	300
Urban	92	156	52	300
Total	230	300	70	600

Source: Primary Data

H₀ There is no significant association between Area of the respondents and Fear of using

technology in banking services.

H₁ There is significant association between Area of the respondents and Fear of using technology in banking services.

Statistical inference

X	Df	P	P < 0.05 significant
26.194	2	0.001	

In the above table shows that the p value (0.001) is less than 0.05. Therefore the null hypothesis was rejected and concluded that there is a significant association between area of the respondents and fear of using technology in banking services.

Findings

- 80.5 percent of the respondents are male and remaining 19.5 percent of the respondents are female. It describes that majority of the respondents are male. Most of the respondents (40.2 percent) are belonging to the age group of 36-45 years. It is found that a vast majority of the respondents (80.2 percent) are married. Most of the respondents (33.8 percent) are Graduates. It is observed

that 32.8 percent of the respondents are Salaried (Govt. /Pvt. It shows that salaried people are more having saving habit and using most of the services provided by the banks. It is found that, 46.8 percent of the respondents are earning Rs. 10001-20000.

- There is a significant association between Area of the respondents and Hidden costs.
- There is no significant association between Area of the respondents and Network problem.
- There is no significant association between Area of the respondents and Processing Time.
- There is a significant

association between area of the respondents and Fear of using technology in banking services.

Suggestions

- ❖ The banker should clarify about the hidden cost among the rural people because they bother much about the cost.
- ❖ The e-banking service should be simplified by the banker to use easily by rural as well as urban customers.
- ❖ The bankers are asked to make their customer to believe about the e- banking services.
- ❖ The banker should create awareness to the customers to use e-banking services.
- ❖ The local language is adopted and implemented in all the e-banking services to help the cutomers to avail the services much easier.
- ❖ The banker should introduces demo shows for using e-banking services in the branches and separate apps to teach the customers

to learn themselves easily.

Conclusion

Due to advancement of science, nowadays technology plays a significant role in every field. Giving fast service and modernisation, technology is mostly useful for that. But sometimes the technology may be complex and risky one. It should be ratified and make it convenient to the users. Then, it will be useful to users as well the bankers.

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