

INTERNET BANKING: A STUDY ON CUSTOMERS PERCEPTION IN CHENNAI CITY

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Abstract

As the selection in virtual banks developments, the bank customers' are more interested in using the banking services through online. Now a day, all the account holders are eager in using internet banking services for various purposes. The present study aimed to describe the perception of the customers on internet banking with special reference to Chennai. The questionnaire distributed to the 150 bank customers belongs to Chennai District at random. The perception on using the internet banking measured in the factors of accuracy, cost effectiveness, efficiency, accessibility and easy to use. Most of the customers are expecting to train for the banks staffs related to enhanced internet banking services, publicity among the public to improve the service

Keywords: Internet Banking, Banking, Perception

1. Introduction:

There is no any assurance that technology development will guide to successful consumer adoption, because the customer's knowledge and purpose towards implementation of new expertise are very critical aspect of services development and marketing. The effective engendering of new technology could be halfway controlled by potential customers' acceptations on the innovation. The technological era of today business needs to convey their items and administration by means of different electronic channels. Banks are one of the business area which are these days increasingly engaged towards technological services of administrations and its significance of traditional banking systems has declined. The banking sector had noticed many technological changes in the past decades which had shaped the banks from manually intensive industry into one that is technologically dependent. Alternatives to traditional banking system have attracted increasing attention as internet usage started to spread over the markets. Banks started to use the internet for gvings new services to their bank customers. Internet banking system allows bank customers to execute banking transactions at home through internet. Most of the internets banking system are traditional banking systems which also provide online banking services while others are online only and have no physical premises. Internet banking transactions mentioned that customers used the internet to get access to their personal / business bank accounts online at any time and to assume banking transactions through the use of bank's website without any problems. Internet banking allowed customers to do their banking transactions any time and providing continuous control over their accounts. Information technologies have affected the banking and finance sector significantly. Development in technology increased the integer of financial products & services offered by the banks. Nowadays, internet banking plays an important strategic role in the marketing at industrial banking. Internet banking is changing and developing with technology every day. Bank customers began to deal with internet banking together with the increasing usage of the internet and social media. The ultimate aim of this study is to analysis the customers' perception on the internet banking services in Chennai.

2. Review of Literature:

Varghese, Blessy A (2019) presented the customers perception on the using the internet banking system among the Alappuzha District of Kerala. The study attempted to analysis the individual customers' opinions about the usefulness of the internet banking, ease of using and their

attitudes towards using the internet banking systems. The study pointed the various problems encountered by the individual while accessing the internet banking and how the problems affect the satisfaction of the users. **Jegatha, T (2018)** aimed to present the customers perception on the internet banking and their satisfaction of the customers on various benefits and services of the internet banking. The study presented the opinion of the selected bank customers from Kanyakumari district of South India. Various statistical tools applied to know about the perception of the customers on the internet banking system. **Merugu, Pratima and Vaddadi, KM (2018)** attempted to apply SERVQUAL model on customers perception of the internet banking among Visakhapatnam city. The study aimed to analysis the various factors influence the satisfaction on using the internet banking system. The perception of the customers' analyses based on the website of banks, reliability on their services, communications and security are the factors influenced the use of internet banking.

Nayana, N, Veena K.P (2018) presented the bank employees perceptions on the internet banking system in Bengaluru. The authors used questionnaire to collect opinions from the fifty bank employees. The study mentioned about the age of bank employees not significant difference with their perception on internet banking. The study stated that bank employees' workload was reduced due to automation of the banking sector. **Thomas, Abby (2017)** mentioned that internet banking played an important role in today's competitive world. The bank customers are expecting more services apart from the traditional banking systems. It is expected transformation from the traditional banking system to internet banking systems. The study presented the various dimension of the internet banking on their customers' satisfaction. **Amutha, D. (2016)** aimed to present the consumer awareness and customers perception towards internet banking system particularly about the bank customers of Tuticorin of South India. It is noticed that one out of two customers are like to operate their bank transaction through internet banking and one fourth of the customers are mentioned about internet security on their banking transactions. The study mentioned that most of the customers had lack of awareness on using the internet banking systems and they felt like risky to operate. **Insan, D P & Kumari, S. (2015)** attempted to analysis the customers perception on the internet banking among the Sirsa City. It is also attempted to analysis the satisfaction of the bank customers on the internet banking services. The study used the questionnaire to collect responses from hundred bank customers to know about the perception on the internet banking and their satisfaction. The study mentioned that majorities of the respondents are satisfied with the internet banking services provided by the respective banks.

Reddy, D K and Reddy, DMS (2015) discussed about the development of ICT on the banking sector which make all the activities easy and fast. The article presented the changes in the traditional banking system and how the e-banking systems helpful for the bank customers satisfaction. The authors attempted to present the customers perceptions on the e-banking and their willingness towards using the e-banking systems. **Akilandeswari, S. and Malliga, AL. (2014)** attempted to present the perception of the bank customers on various services provide by the banks through online. The authors presented their efforts on customers perspective towards online banking transactions, fund transfer and bill payments. The study presented the perception of the internet banking on selected public sector bank customers of Madurai district of south India. **Singhal, D and Padhmanabhan, V (2008)** explored about the various factors influenced to use the internet banking by the customers' perception. The usage of internet banking was increasing day by day to the expediency and suppleness. The study presented the perception on using internet banking in a selected framework factors.

Aim of the study

The present study aimed to describe the perception of the customers on internet banking with special reference to Chennai.

3. Objectives

1. To study the purpose and preference of using the internet banking
2. To analysis the perception of the customers on internet banking such as Accuracy, Cost effectiveness, Efficiency, Accessibility and Easy to use
3. To highlight the satisfaction on using the internet banking
4. To know about the suggestions of the customers to improve the internet banking

4. Methodology

The primary data is collected from the structured questionnaire from the bank customers of Chennai District. The questionnaire distributed to the 150 bank customers belongs to Chennai District at random. After data collections, SPSS used to analysis the collected data. Using simple percentage analysis, the respondents' opinions are presented. T Test, Mean, Standard Deviation and Regression used to address the objectives of the study.

5. Analysis and interpretation:

It is noticed that 43.3% of the respondents are male and 56.7% of the respondents are female. Among the age category, 36% of the respondents are 31-35 years and 26.7% of the respondents are 26-30 years. Around 16.7% of the respondents are below 25 years and 13.3% of the respondents are 36-40 years. Only 7.3% of the respondents are above 40 years. It is clear that 45.3% of the respondents are customers of public sector banks and 54.7% of the respondents are having account in Private sector banks. It is noticed that 42% of the respondents are using the internet banking for past two years and 27.3% of the respondents are using the internet banking more than two years. Around 17.3% of the respondents are using the internet banking for the past 1.5 years and 10.7% of the respondents are using the internet banking since 6 to 12 monthly. Only 2.7% of the respondents are using the internet banking lesser than 6 months.

Table1
Reasons for using Internet Banking

Sl. No	Factor	Total	Mean	Std. Deviation	Rank
1	Convenience	150	2.760	1.079	4
2	Safe and Secure	150	2.753	1.237	3
3	Low Service Charge	150	3.107	1.317	5
4	Online Shopping	150	2.040	1.169	1
5	Interest of using	150	2.480	0.888	2

The table shows the reasons for using the internet banking. It is clear that majorities of the respondents are using the internet banking for the online shopping (2.040) and interest of using (2.480) the internet banking. Some of the respondents are using the internet banking for safe and secure (2.753), convenience (2.760) and low service charges (3.107).

Table 2
Preference of using Internet Banking

Sl. No	Factor	Total	Mean	Std. Deviation	Rank
1	Seeking product and rate information	150	2.767	1.490	8
2	Calculation of loan repayment	150	2.307	1.198	3
3	Download loan applications	150	2.447	1.078	4
4	Download personal bank transaction activity	150	2.487	1.219	5
5	Checking the account balance	150	2.153	1.151	1

6	Apply for loan and credit cards	150	2.233	1.144	2
7	Inter-account transfers	150	2.700	1.441	7
8	On-line bill payments	150	2.633	1.368	6

The table shows the preference of using the internet banking. it is noticed that majorities of the respondents are using the internet banking for checking the account balance (2.153), apply for the loan and credit cards (2.233) and calculation of loan repayment (2.307). Most of the respondents are download the loan applications (2.447), download the banking transactions (2.487) and for online payments (2.633). Some of the respondents are using the internet banking for inter account transfers(2.700) and getting banking related information (2.767).

Table 3
Perception on Internet banking

Sl. No	Perception	Factors	Mean	Std. Deviation	F Value
1	Accuracy	Problem solving through instant information	2.473	1.505	2.64
2		Bank maintains the error free transaction in records	2.747	1.188	
3		Service charges	2.707	1.179	
1	Cost effectiveness	Charges for fund transfer	3.580	1.322	2.54
2		Interest rate	2.067	1.267	
3		Bill collection and payment .	2.540	1.283	
4		Transaction charges	2.407	1.147	
5		Charges on changing of ATM	2.120	1.226	
1	Efficiency	Easier log in facility	2.333	1.241	2.91
2		Performance of plastic card	3.267	1.427	
3		Fund transfer	2.920	1.398	
4		Clearing services	3.120	1.479	
1	Accessibility	Availability throughout the day and week	2.013	1.285	2.59
2		Transactions at anytime	2.740	1.212	
3		Able to get on site rapidly	2.340	1.192	
4		Online shopping facilities	3.260	1.444	
1	Easy to use	Information from the bank website	1.993	0.980	2.2
2		Website and its navigations	2.193	0.849	
3		User-friendly website system	2.427	1.089	

The table presented perception of the respondents on using the internet banking. Among the accuracy perception of internet banking, it is noticed that most of the respondents mentioned about the problem solving through instant information (2.473) as accuracy perspective and service charges (2.707) mentioned by most of the respondents. Some of the respondents mentioned about the banking maintain the error free transactions in their records (2.747) accuracy perspective in the internet banking. Among the cost effectiveness perception on the internet banking, it is noticed that majorities of the respondents are keen about the knowing on the cost effectiveness on the interest rate of the banks (2.067) as cost effective, charges on changing of ARM (2.120) and cost effectiveness on transaction charges (2.407). Some of the respondents mentioned about the cost effectiveness on bill collections and payment for the bills (2.540) and cost effectiveness on the charges on the fund transfer (3.580). Among the efficiency perception on the internet banking, it is clear that majorities of the respondents mentioned about the easier log in facility (2.333) in the internet banking, fund transfer on the efficiency (2.920) and clearing services on the efficiency (3.120). Some of the respondents

mentioned about the efficiency of performance of the plastic cards (3.267) on the internet banking services. On the accessibility perception factor on the internet banking, it is noticed that majorities of the respondents mentioned about the accessibility factor on availability of the internet banking throughout the day (2.013) and the respondents able to get the website promptly (2.340) of internet banking. Some of the respondents mentioned about the access the internet banking for anytime transactions (2.740) and facilities for the online shopping (3.260). Among easy to use perception on the internet banking, majorities of the respondents mentioned about the easy to use the internet banking as information from the bank website (1.993). Most of the respondents stated about the easy to use the bank website and their navigations. Some of the respondents mentioned about the user-friendly website system.

On the basis of F value, Easy to use perception rated first(2.20), Cost effectiveness perception rated second(2.54), Accessibility perception rated third (2.59), Accuracy perception rated fourth (2.64), Efficiency perception rated fifth (2.91).

Table 4
Regression on Type of Bank and the perception of the internet banking

ANOVA^b

Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	17.141	19	.902	3.077	.000 ^a
	Residual	38.119	130	.293		
	Total	55.260	149			

The table presents the regression between type of the bank and the customers' perception on internet banking. It is inferred that significance value is zero and both variables are statistically matched. Hence it is noticed that there is significant difference between type of banking system and the customers' perception on internet banking.

Table 5
Regression on duration of using the internet banking and the perception of the internet banking

ANOVA^b

Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	14.692	19	.773	1.821	.005 ^a
	Residual	55.201	130	.425		
	Total	69.893	149			

The table presents the regression between duration of using the internet banking and the customers' perception on internet banking. It is inferred that significance value is zero and both variables are statistically matched. Hence it is noticed that there is significant difference between duration of using the internet banking and the customers' perception on internet banking.

Table 6
Satisfaction on various internet banking Services

Sl. No	Factor	Total	T test	Rank
1	Check balance online	150	2.467	5

2	SMS service for the credit and debit	150	2.267	2
3	Money Transfer	150	2.133	1
4	Plastic card services	150	2.467	4
5	Online payment	150	2.987	6
6	Loan repayment	150	3.080	8
7	Download loan application	150	3.047	7
8	DEMAT Trading etc	150	2.320	3

The table presents the satisfaction of the respondents on various type of internet banking services. Based on the T test values, money Transfer (2.133) rated first, SMS service for the credit and debit (2.267) rated second, DEMAT Trading etc (2.320) rated third, Check balance online (2.467) rated fourth, Plastic card services (2.467) rated fifth, Online payment (2.987) rated sixth, Download loan application (3.047) rated seventh and Loan repayment (3.080) rated eighth.

Table 7
Suggestions to improve the Internet Banking services

Sl. No	Factor	Total	Mean	Std. Deviation	Rank
1	Awareness for the customers	150	2.900	1.315	8
2	Training for the Staffs	150	2.220	1.390	1
3	Improvement in the connectivity	150	2.567	1.234	5
4	Publicity among the public	150	2.327	1.303	2
5	Safe and secure	150	2.787	1.393	7
6	Reduce charges	150	2.333	1.127	4
7	Advertisements	150	2.327	0.973	3
8	Regular updating in website	150	2.773	1.227	6

The table presents the suggestions related to improve the internet banking services among the customers. It is noticed that majorities of the respondents are suggested for the training for the banks staffs (2.220) related to enhanced internet banking services, publicity among the public (2.327) to improve the service and advertisement (2.327) for the increasing the internet banking. Most of the respondents are suggested to reduce the internet banking charges (2.333), improvement in the connectivity (2.567) and regular updating in the website (2.773). Some of the respondents suggested for safe and secure browsing (2.787) and create awareness for the customers (2.900).

6. Results and Discussion:

The study indicated that majorities of the respondents are using the internet banking for the online shopping and they are very interested internet banking system. Most of the customers are using the internet banking for checking the account balance, apply for the loan and credit cards and calculation of loan repayment system. The perception of using the internet banking ranked as easy to use perception, cost effectiveness perception, accessibility perception, accuracy perception, efficiency perception. The customers' perception on internet banking was difference with public and private banking sectors and duration of using the internet banking. Most of the customers are expecting to train for the banks staffs related to enhanced internet banking services, publicity among the public to improve the service and advertisement for the increasing the internet banking.

7. Conclusion:

The study highlighted the higher level of customer perception on using the internet banking in Chennai Region. Apart from regular banking services, most of the customers are using the internet banking of loan related purposes also. The perception of the customers on using the internet banking

was differed with the private and public sector banks in Chennai. Most of the Chennai banking customers are feels the internet banking is easy to use and cost effective. However, the customers are expecting to provide more training on bank employees on internet banking system.

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