

A STUDY ON E-BANKING AT CANARA BANK IN ARIYALUR

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ABSTRACT

E-banking means any user with a personal computer and a browser can get connected to his bank's website to perform any of the virtual banking functions. In internet banking system the bank has a centralized database that is web-enabled. All the services that the bank has permitted on the internet are displayed in menu. Once the branch offices of the bank are interconnected through terrestrial or satellite links, there would be no physical identity for any branch. It would be a borderless entity permitting anytime, anywhere and any how banking. The network which connects the various locations and gives connectivity to the central office within the organization is called intranet. These networks are limited to organizations for which they are set up. SWIFT is alive example of intranet application. E-banking provides enormous benefits to consumers in terms of ease and cost of transaction, either through internet, telephone or other electronic delivery. Electronic finance (E- finance) has become one of the most essential technological changes in the financial industry. E- finance as the provision of financial services and markets using electronic communication and computation. In practice, E- finance includes e-payment, e-trading, and e- banking. E-banking or online banking is powerful "value added" tool to attract the new customers while it helps to eliminate costly paper handling and teller interactions in an increasingly competitive banking environment. Trust factor values high in implementing such kind of services and so higher priority is given to the security infrastructure.

KEY WORDS: *E-BANKING, CUSTOMER, OPINION, SATISFACTION*

INTRODUCTION

Banking occupies an important place in a nation's economy. Banks are in dispensable in

the modern society. At place a pivotal role in the economic development of a country. They are dealing with the field of banking which is highly dynamic, complex and sophisticated and must cates to the ever growing requirements of millions of people belonging to different state of society. They have diversified their activities on an accelerated place to cates the sophisticated needs of corporate clients and other segments of trade and industry. Hence the banking terminology seems to be must incomprehensible one

STATEMENT OF THE PROBLEM

In the internet era, E-banking is growing concept. Many banks have offered E-banking services. In this situation, it is essential to make a study about effective functions of E-banking services.

SCOPE OF STUDY

This study is based on net banking system. To know the improvement of E- banking services. Customers satisfaction and views over the product channels banking services gave worldwide promoted transactions which mean the best utilization of the bank. Canara bank services extended 24 hours a day over 2350 branches across the country.

OBJECTIVES OF THE STUDY

- To find out the different services offered by CANARA banks through E-banking.
- To analyze the performance and the satisfaction level of the customers in study area.
- To study relationship between the bankers and cutomers through E-banking in aryalur.

REVIEW OF LITERATURE

R.K.Uppal (2008): E-banking also affected the customers' expectations as they deal with the banks that offer better, efficient and innovative services. To face and survive in this cutting edge competition, the banks have to deliver better quality services to the customers because it is only a customer who can evaluate the quality of services.

Abuhsam and Lee (2012) in his study investigate the key factors affecting bank staff's attitude towards E-banking technology, a step necessary to understand what makes effective the introduction of E-banking projects in Libya. The paper draws on existing literature on technological developments in the banking industry and the finding's from semi-structured interviews with leys bank staff of a leading commercial bank in Libya. A number of factors affecting the adoption of E-banking technology are identified, viz. organizational change,

management support, its knowledge and awareness, its funds, telecommunications infrastructure, its security, compatibility and complexity.

Guillaoume Large and Arnaud Badin say related to E-banking “the banking industry has witnessed the onslaught of the internet and new technology. The banking industry getting more specialized with its business being divided into production, distribution and a device. The ability of the internet to push down the transaction cost and collaborate with various suppliers is making the bank to rethink their strategy.

HYPOTHESIS OF THE STUDY

Ho: There is no significant relationship between the savings and incomes earned by customers.

H1: There is significant relationship between the savings and incomes earned by customers.

ANALYSIS AND DISCUSSION

TABLE-1
CLASSIFICATION OF AGE GROUP OF THE CUSTOMERS

Category	No.of Respondents	Percentage
Below 20 years	5	10
20 years-30 years	10	20
30 years-40 years	21	42
40 years-50 years	12	24
Above50 years	2	4
Total	50	100

Source: Primary data

The above table 1 represents 20% of the respondents were under the age groups of 20 year to 30year and 42% of the represents were come under the age groups of 30 year to 40year. So, it is clear that most of the persons interest to use the E-banking services falls in the age group of 30 years to 40 years of category for their security purpose.

TABLE-2 CLASSIFICATION BASED ON THE GENDER

Category	No.of Respondents	Percentage
Male	38	76
Female	12	24
Total	50	100

Source: Primary data

The about table 2 reveals that 76% of the respondents were male and only 24% of the respondents were female.

TABLE-3 CLASSIFACATION BASED ON NATIVITY

Category	No.of Respondents	Percentage
Urban	31	62
Semi urban	16	32
Rural	3	6
Total	50	100

Source: Primary data

The about table 3 reveals that classifications of online customers on basis of nativity 62% of the customers were belonging to urban 32% respondents were come under semi urban and only 6% of the respondents were come under rural place.

TABLE-4 CLASSIFACATION BASED ON EDUCATIONAL QUALIFICATION

Category	No.of Respondents	Percentage
HSC	-	-
UG	16	32
PG	12	24
Diploma	21	42
Others	1	2
Total	50	100

Source: Primary data

The above table 4 reveals that the classification of on-line customers on the basis of educational qualification 32% of the respondents were under graduate (UG) and 24% of the respondents were post graduates (PG) 42% of the respondents were technically qualified. So, maximum numbers of the on-line customers were technically qualified.

TABLE-5 CLASSIFACATION BASED ON OCCUPATION

Category	No.of Respondents	Percentage
Business/professions	21	42
Govt.Services	16	32
Private services	8	16
Others	5	10
Total	50	100

Source: Primary data

Table no.5 proves that most of the on-line customers are belonging to the category of business / professions (i.e.,42%). 16% of the respondents were occupied in private services.

TABLE-6

CLASSIFACATION BASED ON INCOME OF THE CUSTOMERS

Category	No.of Respondents	Percentage
Below Rs.5000	3	6
Rs.5001- Rs.10000	8	16
Rs.10001-Rs.20000	15	30
Rs.20001-Rs.30000	13	26
Above Rs.30000	11	22
Total	50	100

Source: Primary data

The above table 6 shows that majority (30%) of the customer's earned monthly income of Rs.10001 to Rs.20000. 26% of the online customer were earned Rs.20001 to 30000. 22% of the respondents were earned above Rs.30000. Only 6% of the customers were earned below Rs.5000.

TABLE-7 CLASSIFACATION ON THE BASIS OF SAVINGS

Category	No.of Respondents	Percentage
No savings	3	6
Below Rs.5000	22	44
Rs.5001- Rs.10000	15	30
Rs.10001-Rs.15000	6	12
Above Rs.15000	4	8
Total	50	100

Source: Primary data

The above table 7 that 30% of the online customers were saved were Rs.5001 to Rs.10000 and only 8% of the online customers were saved monthly Rs.15000

TABLE-8

CLASSIFACATION BASED ON UTILIZATION OF E-BANKING SERVICES

Category	No.of Respondents	Percentage
Branch	2	4
ATM	7	14
Internet	29	58
Mobile	10	20
Others	2	4
Total	50	100

Source: Primary data

The above table 8 shows that 58% of the respondents were mostly utilizing internet services next to this 20% of the respondents were used the mobile phone and 4% of the respondents were used the branch services under E-banking services.

TABLE-9 CLASSIFACATION BASED ON LATEST TECHNIQUES IN E-BANKING SERVICES

Category	No.of Respondents	Percentage
Online transfer of cash	15	30
Mobile	11	22
Biometric ATM'S	10	20
Internet banking	14	28
Total	50	100

Source: Primary data

The above table 9 shows that awareness of customers about latest techniques in e-banking services; most of the respondents (i.e.) 30% of respondents were availing online transfer of cash facility. Now a days online transfer of cash is most popular in e.banking services. Next to this 28% of them used internet banking and 22% of customers knew mobile banking and 20% of them were well known aware of biometric ATM service.

TABLE-10 CLASSIFICATION BASED ON THE USAGE OF TECHNOLOGY

Category	No.of Respondents	Percentage
Public sector banks	18	36
Private sector banks	23	46
Co-operative banks	5	10
Nationalized banks	4	8
Total	50	100

Source: Primary data

From The above table 10 it is clear that 46% of the customers accepted private sector banks are used latest technology in order to attract the customers.

TABLE-11

OPINION ABOUT THE PERFORMANCE OF ATTRIBUTES

Category	No.of Respondents	Percentage
Quality of service	18	36
Technology used	13	26
Trust	7	14
Location	10	20
Interest	2	4
Total	50	100

Source: Primary data

The above table 11 indicates that 36% of the respondents preferred the quality of services rendered by banks and 20% of the customers were selected banks for convenient of locations. So, most of them selected for time saving purpose.

TABLE-12

OPINION ABOUT THE LOSS SUFFERED BY CUSTOMERS DUE TO SECURITY ATTACK OF E-BANKING SERVICES

Category	No.of Respondents	Percentage
Yes	1	2
No	49	98
Total	50	100

Source: Primary data

From the about table 12 it is clear that 98% of respondents total that they were not suffered any loss due to the insecurity for made transaction through electronic banking. So, it is clear than e-banking transactions are very safe.

TABLE-13

OPINION ABOUT RISK FACTOR ASSOCIATED IN E-BANKING SERVICES

Category	No.of Respondents	Percentage
High risk	9	18
Moderate risk	20	40
No risk	21	42
Total	50	100

Source: Primary data

The above table 13 emphasized the fact 18% of customers said e-banking services are highly risk and 40% of customers were come under the category of moderate risk.

Only 40% of customers said that there is no risk when they are made transaction with e-banking services.

TABLE-14

OPINION ABOUT THE PERFORMANCE OF E-BANKING SERVICE

Category	No.of Respondents	Percentage
Very good	28	56
Good	20	40
Fair	2	4
Poor	-	-
Total	50	100

Source: Primary data

The above table 14 clears that 56% of the customers were felt that performance of E-banking services was very good on e-banking services and 40% of customers were felt that good and 4% of the customers were felt that fair in banking services.

TABLE-15

OPINION ABOUT THE SATISFACTION LEVEL OF CUSTOMERS ON E-BANKING SERVICES

Category	No.of Respondents	Percentage
Very much satisfied	36	72
Satisfied	12	24
Not satisfied	2	4
Total	50	100

Source: Primary data

The above table 15 represents that 88% of the represents are quite satisfied about the e-banking services. Only 12% of the represents are not satisfied. So, most of the represents satisfied with the services rendered by banking through internet.

TABLE-16

OPINION ABOUT TECHNOLOGY USED BY BANKING PLAYS A CRUCIAL ROLE FOR SELECTING A PARTICULAR BANK

Category	No.of Respondents	Percentage
Strongly agree	8	16
Agree	13	26
Undecided	21	42
Disagree	6	12
Strongly Disagree	2	4
Total	50	100

Source: Primary data

From the above table 16 reveals that 68% of the customers agreed the fact that technology used by banks are influenced them to select the bank for open an account and only 26% of thee customers were disagreed. Hence, it is clear that most of the customers influenced the technology used by the banks for selecting a bank.

TABLE-17

OPINION ABOUT INTRODUCTION OF TECHNOLOGIES HAVE IMPROVED THE SERVICE LEVEL OF BANKS

Category	No.of Respondents	Percentage
Very true	22	44
Somewhat true	14	28
Somewhat untrue	3	6
Not sure	16	20
Not at all	1	2
Total	50	100

Source: Primary data

From the above table 17 analysis, 72% of respondents accepted that introduction of

technology has improved the services level of banks. Only 26% of customers disagreed with the statement.

TABLE-18 OPINION ABOUT CURRENT PRIME BANK

Category	No.of Respondents	Percentage
Very happy	22	44
Somewhat happy	18	36
Somewhat unhappy	3	6
Very unhappy	5	10
Not at all	2	4
Total	50	100

Source: Primary data

From the above table 18 it was clear it was clear that 44% of respondents were very happy with their banking functions, 36% of respondents were somewhat happy and 16% of customers were unhappy with their current banking functions.

FINDINGS OF THE STUDY

- Majority (42%) of the respondents came under the age group of 30 years- 40years .
- Maximum (76%) of respondents were male.
- Majority (62%) of respondents were living in urban areas.
- Highly (42%) of the respondents were technically qualified.
- Maximum (42%) of the respondents were businessmen.
- Majority (30%) of the respondents are earned Rs.10001 to Rs.20000 in a month.
- Highly (44%) of the respondents were saved below Rs.5000
- Maximum (58%) of the respondents utilized internet services.
- Majority (36%) of the respondents were agreed to the fact that the quality of services.
- The Majority of (54%) respondents were contacted at 16 to 25 times in a month.
- The Majority of (58%) of the customers selected the e-banking services for the time savings purpose.
- Highly (56%) of the respondents felt that performances of banking services were very good.

- Maximum (40%) of the respondents faced that moderate risk.
- Majority (72%) of the respondents were very much satisfied in e-banking services.
- Majority (52%) of the respondents faced the moderate risk.
- Maximum (52%) of the respondents were felt that financial information was very much secured.
- The Majority of the respondents (92%) are accepted that the service levels are improved.
- Majority (42%) of the customers were agreed that the electronic channels replace the regular service of the banks.
- The maximum (76%) of the respondents agreed that the banks and customers relationship was very good.
- The Majority (30%) respondents preferred bill payment services under e-banking services.
- Highly (98%) of the customers felt that there is no financial loss.
- Majority (60%) of the respondents accepted that very comfortable in e-banking transaction.

SUGGESTIONS OF THE STUDY

On the basis of the study, this project offers some suggestions to make e- banking services more effective, which will further accelerate the process of transformation in banks.

❖ Convenient accessibility of e-channels:

The banks should make the ATMs and other e- channels accessible, Convenient and secure from information loss by increasing the number of ATMs. Mobile ATMs should be started as these are time saving and more popular in these days.

❖ Popularity of e-channels:

ATMs, credit cards and internet banking are preferred the most by the customers due to time, cost utility and efficient services. So the banks should make efforts by arranging demo-fares or provide information to customers at the channels popular and easier to understand.

❖ Transparency:

The banks should disclose the full information regarding service charge, service tax, tax,

internet, penalty, if any, etc., to these customers to win their confidence.

❖ **Awareness regarding e-delivery channels:**

More than 50% of respondents are not aware of all type e- delivery Channels and their operating systems, bank should provide appropriate information and demo to operate these channel and solve any problem regarding these channels on apriority basis. Besides these channels, customers should also be made aware of the different types of services provided by particular e- channels with each of their function s to the customers according to their age and occupation.

❖ **Rural and semi – urban sector:**

More than 35% of the canara bank (ariyalur branch) customers in the rura6l areas. Therefore, it is the need of the hour to capture this market through e- delivery channels. Hence, the bank should make practical and effective strategies.

❖ **Wider scope of e- channels:**

The banks should make the area of e- delivery channels Wider by providing the facilities of draft making, mega-size withdrawals and deposits and even provide loans to the customers. This will further strengthen the popularity of these channels and help to earn more income by way of more changes on mega-size deposits and withdrawals.

❖ **Improvement of HRD systems:**

The employes of e-banks should be given training to match their skill with the requirements of changing environment. They should at least make them aware of all the schemes provided by the banks.

❖ **Social report with customers:**

It is suggested that the bank officials should maintain a good rapport with the customers will, develop customers' social banking environment.

CONCLUSION

It is evident from the above discussion that a majority of the customers of e-bank are highly satisfied from e-banking services. The customers prefer e-channels with time and cost utility which provide efficient services. The customers are not fully aware of the operational part of each channel and their transactional facilities. On the basis of the observations of the respondents, the present of e-banking service is bright and it helps in the transformation of banking in positive manner. On the basis of the findings, the project suggests that details regarding operating systems and facilities provided by irrespective of their occupations. This will create a better awareness among the customers regarding the e-banking services.

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