

“A STUDY ON E-BANKING SERVICES AT PERAMBALUR DISTRICT”

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ABSTRACT

E-banking is spreading all over the world with speed, sometimes at the cost of throwing caution to the winds. This has not only transformed the banking and financial institutions in their modern form, but has also brought a paradigm shift in their attitude of banking operations. It has enabled banks to provide variety of services at reduced transactional costs and shrunk geographical boundaries. There is no conclusive study on the impact of E-banking on economies and scale in banking.

INTRODUCTION

Banking Institution from an indispensable part in a modern developing society. They perform various functions to meet the various section of the society. Banking occupies an important place in a nation's economy. It plays 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 cater to the ever growing requirement of millions of people belonging to different state of society they have diversified their activities on an accelerated place to cater the sophisticated need of corporate clients and other segments of trade and industry.

The information technology has revolutionized various aspects of our life. The world at large is rapidly entering into the 'net age' inter or simply 'net is an inter connection of computer communication networks covering the whole world the growth and expansion of interest and introduction technology have facilitated and emergency of E-Commerce.

E-Commerce essentially is the paperless exchange of business information spread through computer devices like electronic data inters change, E-mail, electronic bulletin boards in short the tool such as internet and extranets credited under the network based technologies thus E-Commerce transaction routed through internet.

Online banking and internet banking service have established themselves in us and other countries in recent years in India also banks have been offering net banking facilities many other banks are working out strategies related to E-Banking services E-Banking is one of the E-Commerce facilitating segments the application of information technology in the banking sector is an excellent opportunity for the industry but the technology should not be seen as a paid to speed up processing crumple costs but an additional revenue for delivering services to online clients. This was why the growing popularity of the ATM did not result in the absence of bank branches instead ATM's moved to off site locations and strengthened position of banks giving the facility in the retail market.

Today in view of global business the individual is not thus will demand take the center stage and banks are edging their way towards asbersplace with innovative services taken to retain these customers.

In the case of stock market investments changes will be taken effect through E-banking both by the customers as well as by the bankers in India, it picked up during the later half of the year 2001 this has enabled the central bank to monitor the commercial banks effectively.

The development of information technology has been a big boon to banking industry it has helped the banking industry in several way especially in improving its customer relations.

Meaning of E-Banking

E-Banking is nothing but Electronic banking where in most of the operations of the bank are carried out through the electronic media even the traditional functions like accepting deposits and granting of loans are done through the Electronic media.

Definition

E-banking is defined as “delivery of a banks service to a customer at his office or home by using electronics technology.

Advantages of E-banking

1. Inter branch transfer of funds will be made when the branches are connected by network as a result of this there can be movement of funds low demand area this will strengthen the money market in the country.

2. The issue of draft, pay order and entries in the pass book will be electronically done and this will speed up the work, improving customers enormously.
3. A bank customer's can be use ATM's for withdrawal of cash at any time of the day and this will also reduce the tension for the both the employees and the customer's especially during 'Business Hours'.
4. Electronic clearing system of ECS enables banks to pay on behalf of Customers telephone bills insurance premium etc, for this purpose the customer will have to give to the bank a cancelled cheque with signature.
5. Companies find it easy to distributed divided on shares and interest on the debentures through E-banking.
6. Standing instructions by customers to banks for periodical payments to different parties will be taken care of by the electronic media in the bank.
7. Credit card system is made more popular and all sales and purchased are recorded and this brings not only revenue to the banks but also to the government in the forms of excise duty and sales tax.
8. The central bank is in a better position to take appropriate monetary policy, as it can monitor on a day to day basis the extent deposits, cash reserve and lending by commercial banks to different sectors.
9. Foreign exchange transactions are speeded up by E-banking, banks can square of their transactions of purchase and sales of different foreign currencies in foreign exchange markets in different part of the world in fact it is done round the clock. Banks are able to take advantages of the arbitrage (different in the exchange rate between markets) spot, future forward and option markets will be benefitted by E-banking.
10. Mutual funds promoted by banks are able to take advantages of E-banking through portfolio investment and investing in different securities in the derivative market.
11. E-banking helps government in taming its tiscal policy as it can make its tax collection through the banking system more effective.
12. Commercial banks which have promoted factoring leasing tortating and merchant banking business will be able to make use of E-banking to the fullest extent possible.

STATEMENT OF THE PROBLEM

In the internet era, E-banking is growing concept many banks have offered E-banking service. In this situation, it is essential to make a study about effective functions of E-banking services, thus the researches take this topic under study.

OBJECTIVES OF THE STUDY

- To analyze the performance and the satisfaction level of the customers in E-banking services.
- To study the relationship between the banker and customer through E-banking.
- To find out different services offered to the customers through E-banking.

SCOPE OF THE STUDY:-

Ever since the era of globalization and liberalization of the economy started, there has been a phenomenal change in the technological development country, the advent of foreign banks into the country and the licensing of private sector banks have created a shift competition within the business. Technology is more important for a healthy growth of business and to compete the competition from rivals more on marketing and selling banks have to adopt alternative channels like phone banking E-banking, internet banking mobile banking, Automates teller machines (ATM etc) order to study the impact of modern technology in banking functions the researchers has taken this topic under study.

METHODOLOGY:-

This study has been used both primary and secondary data primary data has been collected from the customers through questionnaire. The secondary data has been collected from various books, journals, magazines and information sort from the net.

FUTURE AREAS OF RESEARCH:-

1. Comprehensive study is requires to know the employees satisfaction level in the e-banking working environment as compared to that of traditional banking at bank group level and at individual bank level.
2. Comparative study to examine the perceptive of employees of e-banks in rural areas as comparative that of urban areas especially the problems they generally face while working through computers and proving customer services electronically.
3. In depth survey of the HRM policies adopted by the various banks and to what extent these are effective.

LIMITATION

The main limitation of the present study is that a few bank employees were not interested to properly fill up the questionnaires either due to lack of time or lesser interest.

PROFILE OF THE STUDY

Perambalur is a municipality town in the state of Tamilnadu (Republic of India). It is administrative headquarters of Perambalur district and Perambalur taluk (Sub-District). Perambalur is the central town of Tamilnadu. Perambalur district is bounded on the north by Cuddalore and Salem, South by Trichy, East by Ariyalur, West by Trichy and Salem. As of 2011, the town had a population of 49,648.

Education:

Perambalur has many schools, polytechnic colleges, 9 engineering Colleges, one private medical college with multi speciality hospital and one government medical colleges. There are some Arts and Science colleges also situated in & around Perambalur. Perambalur has a central library with internet facilities.

Economy:

Perambalur has a one multi-Product Special Economic Zone (SEZ). MRF tyres has constructed their biggest plant in perambalur. Here, Agriculture is also one of the important key for Economy. Tamil Nadu government has planned to construct a textile park in perambalur. Perambalur is one of the area where Tamilnadu government is focusing more to boost economy.

Perambalur has most of the banks (State Bank of India, Punjab National Bank, ICICI, HDFC, Union Bank of India, Canara Bank, KVB, Lakshmi Vilas Bank, AXIS Bank, Bank of India, Bank of Baroda, Corporation Bank, Indian Overseas Bank, Catholic Syrian Bank, City Union Bank, Indian Bank, TDCC Bank, Tamilnad Mercantile Bank Ltd, The Pandyan Grama Bank and Perambalur Primary Cooperative Agricultural Rural Development Bank) for the town people.

Transport:

Perambalur is well connected by road. Perambalur is the major junction where NH-45 (Chennai-Trichy) and NH-226 meets. Perambalur has the outer ring road which connects NH-45, NH-226 and SH-157. The nearest airport is Tiruchirappalli International Airport (IATA: TRZ, ICAO: VOTR) situated 61 km away from the town. Railway network is planned by government which will mainly connect Perambalur with rest of the

state/ country. Government and private transport buses are available to connect rest of the state. Perambalur has two Bus Stands. Old bus stand handles the intra-town transport which includes buses and three whellers. New bus stand handles State Express Transport (SETC) and Inter- District Transport(TNSTC) buses.

PERAMBALUR TOURIST PLACES

Ranjankudi fort, Perambalur

Ranjankudi is located 17kms north of Perambalur. The fort was build by a jagirdar under Nawab of Carnatic in 17th century. A.D.The Fort walls are build with neatly cut stone blocks.There are three fortification walls at different heights and the bottom most is the main rampart. It is oblong on plan with semi circular bastions and encircled by a most fed by a tank on the Southern side. The fort contains a palace, residential buildings, underground between the English and Mohammad Ali on one side and Chanda Sahib and the French on the other side in 1751 AD. This fort is under protection of the Archaeological survey of India.

SATHANUR FOSSIL TREE, SATHANUR

Sathanur Fossil Tree is a pre-historic tree, which is about 100,000,000 years old. It is located at Sathanur in Perambalur District. This large trunk of petrified tree shows the presence of conifers that dominated the land vegetation prior to the advent of Angiosperms. The tree has a length of 18 m. Dr.M.S.Krishnan of the Geological Survey of India first reported this fossil tree in 1940. Similar fossil trees measuring a few meters in length are found along the stream sections near Varagur, Antipode, Alundalipur and Saradamangalam.

SIRUVACHUR MATHURA KALIAMMAN TEMPLE,SIRUVACHUR

Siruvachur Mathura Kaliamman temple at Siruvachhur in Perambalur taluk is one of the most popular shrine in the district. The presiding deity of the temple is known as Sri Mathura Kaliamman.Shae in one of the forms of kali. Poojas are performed on Monday and Friday of every week. The main annual festival commences on the last in Panguni. The Car festival is celebrated on the first in Chithirai.

TABLE 4.1

OCCUPATION OF THE RESPONDENTS

S.NO	OCCUPATION LEVEL	NO.OF RESPONDENTS	PERCENTAGE(%)
1	Business/profession	25	50%

2	Government employees	18	36%
3	Private employees	5	10%
4	Others	2	4%
	Total	50	100%

Source: Primary Data

INTERPRETATION:

From the data analysis reveals that 50 percentage of the respondents were doing business / profession category and 36 percentage of them were Government employees and 10 percentage were employed in private sector.

Hence, the above table proves that the most of the most of the online customers are belonging to the category of next, next to this Government employees also interested to utilize e- banking services.

TABLE 4.2

MONTHLY SAVING OF THE E- BANKING CUSTOMERS

S.NO	MONTHLY INCOME	NO.OF RESPONDENTS	PERCENTAGE(%)
1	Below Rs.5000	26	52%
2	Rs.5000-Rs.10000	20	40%
3	Rs.10000-Rs.15000	4	8%
4	Rs.15000 – Rs.20000	0	0%
5	Above Rs.20000	0	0%
	Total	50	100%

Source: Primary Data

INTERPRETATION: From the above table, shows that 52 percentage of customer's monthly saving below Rs. 5000 and 40 percentage of customer's saving come under category of Rs. 5000-10000. Most of the customer's come under below Rs.10000 per month

TABLE4.3

CLASSIFICATION OF CUSTOMERS ON THE BASIS OF HAVING SAVING ACCOUNT IN BANK

S.NO	BANKS	NO OF RESPONDENTS	PERCENTAGE(%)
1.	SBI	9	18%
2.	Canara bank	3	6%
3.	City union bank	2	4%
4.	Indian bank	11	22%
5.	ICICI	9	18%

6.	Indian overseas bank	10	20%
7.	HDFC	6	12%
8.	Others	0	0%
	Total	50	100%

Source: Primary Data

INTERPRETATION:

The above table shows classification of customers on the basis of having saving account in various banks. 18 percentage of respondents were having account in SBI, 6 percentage of respondents were in Canara Bank Account, 22 percentage of respondents were having account in Indian Bank. Next to this and 18 percentage of respondents were in ICICI bank account and percentage of respondents were having account in Indian Overseas Bank.

TABLE 4.4

AWARENESS ABOVE LATEST TECHNIQUES IN E-BANKING SERVICES

S.NO	PARTICULAR	NO.OF RESPONDENTS	PERCENTAGE(%)
1	Online Transfer of cash	11	22%
2	Mobile Banking	10	20%
3	Bio Metric ATM's	19	38%
4	Internet Banking	10	20%
	Total	50	100%

Source: Primary Data

INTERPRETATION:

The above table shows that awareness of customers about latest techniques in e-banking services, most of the respondents (i.e.) 22 percentage of respondents were availing online transfer of cash facility. Now a day's online transfer of cash is most popular in e-banking services. Next to this, 20 percentages of them used internet banking and 20 percentages of customers were knowing mobile banking and 38 percentage of them were well know aware of biometric ATM service.

TABLE 4.5

CLASSIFICATION OF BANKS ON THE BASIS OF TECHNOLOGY USED

S.NO	PARTICULARS	NO.OF RESPONDENTS	PERCENTAGE(%)
1	Public sector	20	40%

	bank		
2	Private sector bank	23	56%
3	Co-operative bank	7	14%
	Total	50	100%

Source: Primary Data

INTERPRETATION:

From the above table it is clear that 56 percentages of the customers accepted private sector banks are used latest technology in order to attract the customers.

Now a day's public sector banks also in order to complete with the private sector banks used an advanced technology in their banking operations. 14 percentages of the customers accepted this fact also.

TABLE 4.7

ATTRIBUTES WHICH VALUE OF THE CUSTOMER MORE

S.NO	PARTICULARS	NO.OF RESPONDENTS	PERCENTAGE (%)
1	Quality of Service	20	40%
2	Technology Used	21	42%
3	Trust	6	12%
4	Location	3	6%
	Total	50	100%

Source: Primary Date

INTERPRETATION:

From the above table indicate that 40 percentages of customers prefers the quality of services renders by banks and 42 percentage of customers impressed upon the technology adopted by bank.12 percentage of customers trusted upon their banking transaction and 6 percentage of customers were selected banks because of convenient location.

TABLE 4.8

REASONS FOR SELECTING ONLINE SERVICES

S.NO	PARTICULARS	NO.OF RESPONDENTS	PERCENTAGE(%)
1	Time saving	28	56%
2	Reduce the transportation	9	18%
3	Safety and security	13	26%
	Total	50	100%

Source: Primary Data

INTERPRETATION:

From the above the analysis on reasons for selecting online services shows that 56 percentage of the respondents were selecting the service for their saving. 18 percentage of Customers have taken e-banking services cost saving. And 26 percentage of respondents for their safety and security purposes they selected online services. So, most of the respondents were selected the online services for their time saving purpose.

TABLE 4.9
OPINION ABOUT THE SECURITY OF FINANCIAL INFORMATION A
AVAILABLE OVER INTERNET

S.NO	PARTICULARS	NO.OF RESPONDENTS	PERCENTAGE(%)
1	Very Secure	12	24%
2	Some what secure	30	60%
3	Some what insecure	2	4%
4	Very unsecure	4	8%
5	Not secure	2	4%
	Total	50	100%

Source: Primary Data

INTERPRETATION:

Out of 50 respondents, 60 percentage of them felt that the financial information available over internet were secured, 4 percentage of them declared that they are not secure with the internet service availed to the customers.

TABLE 4.10
OPINION ON ELECTRONIC CHANNELS LIKE ATM, INTERNET WILL
REPLACE THE BANKS

S.NO	PARTICULARS	NO.OF RESPONDENTS	PERCENTAGE(%)
1	Very True	17	34%
2	Some what True	20	40%
3	Some what untrue	5	10%
4	Very untrue	6	12%
5	Not true	2	4%
	Total	50	100%

Source: Primary Data

INTERPRETATION:

The above table indicates about the technology have some what true of banks. 40% of respondents were about this opinion. 34% of respondents were gave very true about this opinion. 12% of respondents were gave very un true about this opinion. 10% of respondents were gave some what un true about technology services. 2% of respondents were gave not true about the technology services.

TABLE 4.11

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

S.NO	OPINION	NO.OF RESPONDENTS	PERCENTAGE
1	Yes	1	2%
2	No	49	98%
	Total	50	100%

Source: Primary Data

INTERPRETATION:

From the above table it is clear that 98 percentage of respondents told that they were not suffered any loss due to the insecurity for made transaction though electronic banking.

So, it is clear than E-banking transactions are very safe.

TABLE 4.12

RISK FACTOR ASSOCIATED IN E-BANKING SERVICES

S.NO	PARTICULARS	NO.OF RESPONDENTS	PERCENTAGE(%)
1	Highly Risk	9	18%
2	Moderate Risk	20	40%
3	No Risk	21	42%
	Total	50	100%

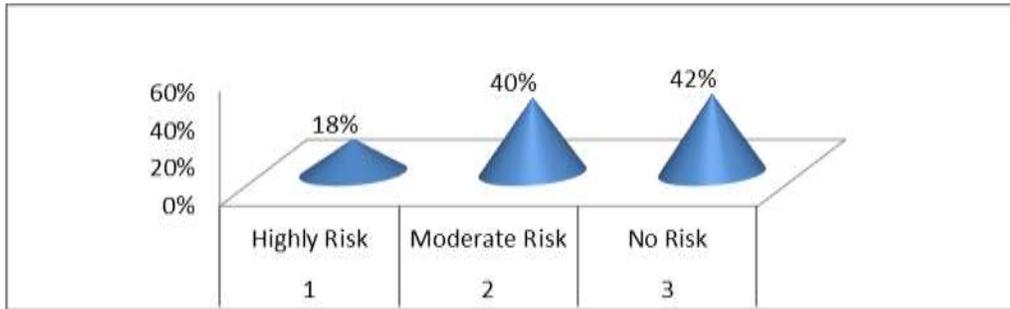
Source: Primary Data

INTERPRETATION:

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

Only 42 percentage of customers said that there is no risk when they are made transaction with e-banking services.

RISK FACTOR ASSOCIATED IN E-BANKING SERVICES



SATISFACTION LEVEL OF CUTOMERS ON E-BANKING SERVICES

S.NO	PARTICULARS	NO.OF RESPONDENTS	PERCENTAGE(%)
1	Very much satisfied	16	32%
2	Satisfied	28	56%
3	No Satisfied	6	12%
	Total	50	100%

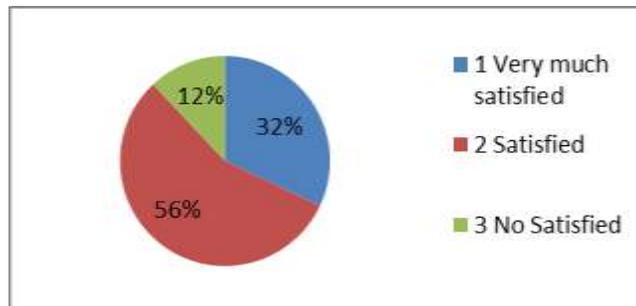
Source: Primary Data

INTERPRETATION:

The above table represents that 56 percentage of the respondents are satisfied about the e-banking services only 12 percentage of the respondents are not satisfied.

So most of the respondents satisfied with the services rendered by banking through internet.

SATISFACTION LEVEL OF CUTOMERS ON E-BANKING SERVICES



FINDINGS, SUGGESTIONS AND CONCLUSION

FINDINGS

- Only 36 percentage of the respondents earned Rs.20,000-Rs.30,000 Per month 52 percentage of the customers saving come under below Rs.10000 Only per month.
- 40percentage of respondents were mostly utilizing ATM services. Now a Days, ATM is a most popular service in E-banking and 12 percentage of Them were availing banking services through internet.
- 44percentnagte of respondents agreed the fact that the technology used by banks are influenced them to select the bank to open an account.
- 56 percentage of the customers accepted that private sector banks are Adopt latest technology for their banking transactions in order to attract the customers compared to public sector banks.
- Majority, 40 percentage of customers impressed upon the technology Adopted by bank and 42 percentage of them were satisfied with the Quality of service rendered by banks.
- 60percentage of respondents felt the financial information available Over internet were secured.
- Most of the respondents (i.e.44percentage) accepted that introduction of Technology has improved the service level of banks.
- Out of total respondents, 60 percentage of them rated that they the services Of electronic Banking channels are very comfortable.
- Majority 98 percentage of respondents total that they were not suffered Any loss due to the insecurity for made transactions though electronic banking. So it is clear the e-banking transactions are very safe.
- Majority 56 percentage of the respondents are quite satisfied about the E-banking service rendered by banks.

SUGGESTIONS

- The banks must be reduced the service charges. Especially the private Sector banks are levied huge amount of services charges that will Dissatisfied the customer to do transactions through e-banking.
- The technical problems like networking problems should be eliminated totally
- ATM facilities should be checked frequently in order to avoid the Unexpected losses due to the problems in ATM machines.

- The wide spectrums of channels are to be provided to all branches when it is released.
- Whenever the new services introduced by the banks must be informed to the customer properly

CONCLUSION

E-banking is spreading all over the world with speed, sometimes at the cost of throwing caution to the winds. This has not only transformed the banking and financial institutions in their modern form, but has also brought a paradigm shift in their attitude of banking operations. It has enabled banks to provide variety of services at reduced transactional costs and shrunk geographical boundaries. There is no conclusive study on the impact of E-banking on economies and scale in banking.

It is, however, imperative that the large banks, particularly private sector banks and foreign banks are more likely to pioneer aggressively a variety of internet services in a country with the objectives of improving productivity and profitability and increasing their market share in a highly competitive environment.

In India, the public sector bank lag behind the private sector and foreign banks with respect to adopting E-banking and launching new and innovative products and services. Many premium services have either not been launched or have negligible presence. However, leveraged by growing competition and increasing consumer demand, e-banking has become a matter of compulsion rather than a choice of today environment.

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