

# A Study on Internet Banking System and Customers Satisfaction in Namakkal District

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## Abstract

The internet banking system is an innovative banking method and it is otherwise called online or electronic banking system. In view of this internet banking system is typically related with core banking system which has been operated by a bank with internet. The internet banking system refers to that the monetary transactions are involved through electronically from one person account to another person account with using internet, it does not depend upon physical transaction process. Under the following internet technologies, the banks have benefitted in several ways such as, it has the result found in reducing costs, saving time and energy, and has developing revenue from various channels. Further, the prime objective of the study is, to examine the usage of online banking facilities among gender wise classification in Morepalayam panchayat of Namakkal District. Next objective is that, to analyse the customer satisfaction among the usage of internet banking facilities in Morepalayam panchayat of Namakkal District. The design of the study is based on primary data analysis and using well-structured interview scheduled method. With respect to primary data collection, 85 samples have taken for this present research. Out of the whole 85 sample respondents, 48 respondents are male and the remaining 37 respondents are female. The period of the study is covered from 1<sup>st</sup> April 2018 to 31<sup>st</sup> July 2018. As a result found that, 41.18 percent of them respondents are strongly agree among the usage of internet banking facilities for the purpose of funds transferring from one account to another account.

**Keywords:** *Internet banking, customer satisfaction, fund transaction, technology and innovation.*

## Introduction

The present contribute to summarize the role of internet banking system and customers satisfaction in rural areas. The internet banking system is an innovative banking method and it is otherwise called online or electronic banking system. At present the internet banking system plays a vital role to improve their banking transactions among rural areas in India. The internet or online banking system was first introduced by 1980s in New York (US). Almost simultaneously with the US, online banking system is also started in United Kingdom. The United Kingdom's pointed out that the first home online banking service is called Home-link was set up by Bank of Scotland at Nottingham Building Society in 1983<sup>2</sup>. In India, internet banking system was first announced by ICICI bank to its customers in 1996. In view of this internet banking system is typically related with core banking system which has been operated by a bank with using internet which enables them lower level of cost than that of traditional brick and mortar banks.

In simple terms, the internet banking system refers to that the monetary transactions are involved through electronically from one person account to another person account with using internet, it does not depend upon physical transaction process<sup>1</sup>. Under the following internet technologies, the banks have benefitted in several ways such as, it has resulted in reducing costs with saving time, energy, and has developing income from various channels. Further, the number of customer need to their convenient in anywhere banking system. The internet and newer technology may be reduced human mistakes and errors<sup>4</sup>. The internet process is a way to access and analyse various data in anytime with providing a strong reporting system. Moreover the introduction of electronic funds transfer and the implementation of ATM channel have found that the convenient of any-time banking method.<sup>5</sup> By and large, the National Electronic Funds Transfer (NEFT) is contributing easiest way for electronic payment system according to the amount of funds transferred between one account to another account. Moreover, the Immediate Payment Service is

called IMPS; it is also one of the major processes for the funds transfer facility system and it is given by National Payments Corporation of India (NPCI) which is working in 24 X 7. At this juncture, the present study makes an attempt to analyse the online banking system and customer satisfaction in rural area.

### Importance of Internet Banking System in India

- i. The internet banking system is much easier and faster for both customers and banks.
- ii. The major important view is that to save time and energy.
- iii. It is easier to transfer the funds from one bank to other banks.
- iv. It is well organized method for cash management through internet optimization.
- v. The internet or online banking system is functioning throughout the year 24 X 7 from any place through internet access.
- vi. It provides more privacy to customers by using newer technologies.
- vii. It makes better relationship between customer and bank officers.

### Research Objectives:

- i. To examine the usage of online banking facilities among gender wise classification in Morepalayam panchayat of Namakkal District.
- ii. To analyse the customer satisfaction through internet banking facilities in Morepalayam panchayat of Namakkal District.

**Research Methodology:** The present study has adopted primary data analysis method with using well-structured interview scheduled method. It is specified by multi-stage sampling techniques method and the simple random sampling method was used. In view of this content, Namakkal district has selected in first stage, followed by the second stage, Morepalayam panchayat has selected in Namakkal district. Among third stage, Paruthipalli and Ramapuram villages have selected. Among the fourth stage, the sample respondents have selected with proper interview scheduled method. On the basis of this primary data, 85 samples have taken for this present research. Out of the whole 85 sample respondents, 48 respondents are male and the remaining 37 respondents are female. With respect to that data

collection, the period is covered from 1<sup>st</sup> April 2018 to 31<sup>st</sup> July 2018. Further, in view of this tools for analysis, the percentage method has used.

## Results and Discussion

**Table 1: Gender Wise Classification of Internet Banking Facilities**

Age / Gender	Male	Female	Total
Upto 20 Yrs	6(12.5)	4(10.81)	10(11.76)
20-30	21(43.75)	18(48.65)	39(45.88)
30-40	14(29.17)	11(29.73)	25(29.41)
40-50	5(10.41)	4(10.81)	9(10.59)
Above 50 Yrs	2(4.17)	0(0)	2(2.36)
<b>Total</b>	<b>48(100)</b>	<b>37(100)</b>	<b>85(100)</b>

Source: Field Survey

Table 1 explains the gender wise along with age wise classification of sample respondents which represents the usage of internet banking facilities in selected Namakkal district. Out of the total 85 respondents, most of them 45.88 percent of the respondents are stated that funds transferred from one person account to another person account with using internet banking facilities fall under the age group between 20-30 years, next 29.41 percent of them pointed out that using internet facilities for the purpose of transferring funds among the age group of 30-40, 11.76 percent of them recorded under the age group of upto 20 years, 10.59 percent of them recorded among the age group between 40-50 years and the least 2.36 percent of them opined that using internet facilities for their funds transferring from one person to another person account as it fall in the age group of above 50 years. As a result found that the comparative between male and female respondents, the female respondents are using internet facilities for transferring funds from one person account to another person account as it is more than that of male respondents who are fall in the age group between 20-30 years.

**Table 2: Types of Internet Banking Facilities**

Age / Gender	Male	Female	Total
Mobile Banking	20(41.67)	15(40.54)	35(41.18)
NEFT Using	17(35.42)	13(35.14)	30(35.29)
Other Facilities	11(22.91)	9(24.32)	20(23.53)
<b>Total</b>	<b>48(100)</b>	<b>37(100)</b>	<b>85(100)</b>

Source: Field Survey

Table 2 interprets the types of internet banking facilities in selected district. It could be noticed that, the male respondents (41.67%) are using mobile banking facilities through internet at high level as compared to that of female respondents (40.54%). Followed by NEFT using facilities, the male respondents are recorded higher level (35.42%) as compared to female respondents (35.14%). Remaining other facilities through internet, the female respondents are recorded high level (24.32%) as compared to that of female respondents (22.91%). As a result found that most of them 41.18 per cent of the respondents are recorded their funds transferred from one account to another account with using mobile banking facilities through internet in selected area.

**Table 3: Customer Satisfaction Through Internet Banking Facilities**

Perception	Male	Female	Total
Strongly Agree	20(41.67)	15(40.54)	35(41.18)
Agree	13(27.08)	12(32.43)	25(29.41)
Neutral	10(20.83)	3(8.11)	13(15.29)
Disagree	2(4.17)	5(13.51)	7(8.24)
Strongly Disagree	3(6.25)	2(5.41)	5(5.88)
<b>Total</b>	<b>48(100)</b>	<b>37(100)</b>	<b>85(100)</b>

Source: Field Survey

Table 3 analyse the customers satisfaction through the usage of internet banking facilities in Namakkal district. It is noticed that, 41.67 percent of the male respondents are opined that strongly agree with high level satisfied among the usage the internet banking facilities as compared to female respondents which contribute 40.54 percent. Followed by the female respondents (32.43%) agree with high level using internet banking facilities than that of male respondents (27.08%). Under neutral level, the male respondents are satisfied with using online banking facilities as compared to that of female respondents. The female respondents (13.51%) are opined that disagree about using internet banking facilities than that of male respondents at 4.17 percent. By and large, the male respondents (6.25%) stated that strongly disagree with using internet banking facilities than that of female respondents at 5.41 percent in selected area. It could be resulted that, 41.18 percent of them respondents are strongly agree among the usage internet banking facilities for the purpose of fund amount transferring from one account to another account.

**SWOT Analysis of Internet Banking Facilities**

Strengths	Weaknesses
<ul style="list-style-type: none"> <li>✓ It is possible for quick transaction between one account to another account among throughout the year 24 x 7 with internet access.</li> <li>✓ It is possible for booking bus ticket, train ticket, boarding and lodging facilities through internet access.</li> <li>✓ It gives more relationship between customers and bank officers.</li> <li>✓ Using internet facility, it is optimized for cash management process in banking sector.</li> <li>✓ Internet is a way for reducing cost and increasing efficiency.</li> </ul>	<ul style="list-style-type: none"> <li>✗ Need for huge investments for maintaining online banking method.</li> <li>✗ Lack of awareness about consumer side due to following digitalization process in our society.</li> <li>✗ Online banking system arise the gap between personal human touch.</li> <li>✗ Online banking system arises various types of risks and it is difficult to manage them.</li> <li>✗ Lack of Technology in rural areas</li> <li>✗ Lack of trained staff's</li> </ul>

Opportunities	Threats
<ul style="list-style-type: none"> <li>• To improving Customer Services</li> <li>• To reduce competitive pressure</li> <li>• To increase revenue</li> <li>• To replacing old scheme systems</li> <li>• To reducing human error</li> <li>• To encourage efficiency</li> <li>• To evaluate their technology and assess internet banking systems</li> <li>• To expand marketing through the usage of internet amenities.</li> </ul>	<ul style="list-style-type: none"> <li>• Outsourcing risks are high.</li> <li>• Operational risks are at high level.</li> <li>• Difficult to handling newer technologies.</li> <li>• Lack of well-trained staff</li> <li>• In remote villages, internet is not working in properly.</li> <li>• Legal risks are arising at various ways.</li> <li>• Arising information technology risks.</li> <li>• Internal audit problem also arising under online banking method.</li> </ul>

**Conclusion**

In view of this economic importance, online banking system is a good driven for improving relationship between customer care support and bank officers. It could be noticed that, the internet banking system is support to assess the efficiency for technology. Further, the internet banking system is an innovative banking system and it growing business in the market. The internet banking system to facilitate account management for business people and it is useful for foreign currency transactions. By offering speed and fast internet system is to reduce time and to manage various transactions. Thus the study concluded that, our society need for quality and efficient

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banking system like as eco-friendly manner, secure and privacy, convenient and reducing cost, saving time and go green method. The way of internet banking system is fully depends upon quality of services, to attain sustainable development, and maintaining customers satisfaction.

**Ethical Clearance:** Completed

**Sources of Funding:** Self

**Add Conflict:** Nil

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