

# A Study on Online Banking Services Rendered by Public Sector Banks in Virudhunagar

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**Abstract**— E-Banking money expands banks' reliance on data innovation, consequently expanding the specialized many-sided quality of numerous operational and security issues. This advancement has been prompting the formation of new plans of action including banks and non-bank elements, for example, Internet administration suppliers, telecom organizations and other innovation firms. The Indian Financial Network (INFINET) which at first included just people in general area banks was opened up for interest by different classes of individuals. An endeavor has been made to discover the clients' administrations which are profited to the client in the study range and this study will likewise comprehend the components influencing the administration and how to beat the issues or variables relying upon client. For the present Study, the examination has secured Virudhunagar Town Only.

**Research Methodology:** In the perspective of the significant information from study research and in addition auxiliary sources gathered and exhibited in this examination report, 'Elucidating exploration' is viewed as the most proper for the present study.

**Findings:** The Study demonstrates that the vast majority of the respondents are holding their record in State Bank of India which could be because of their better administrations.

**Keywords**— E-banking; Mobile banking; Card service.

## 1. Introduction

E-Banking began with presentation of PCs also, ATMs in 1970's. The development of Internet and Mobile-Banking has reformed Banking administrations. Banks use E-Banking offices to offer an extensive variety of items and administrations. Budgetary Institutions pick not to offer E-Banking organization, cause risk to their business and loss of customers that are consumed by the contender Banks that grasped the advancement in the business. Close by circumstances, E-keeping money produces amplified dangers for monetary foundations. E-keeping money a record grows banks' dependence on information advancement, along these lines extending the particular multifaceted nature of various operational and security issues. This improvement has been prompting the making

of new plans of action including banks and non-bank substances, for example, Internet administration suppliers, telecom organizations and other innovation firms. The Internet is omnipresent and worldwide by nature. It is an open system available from anyplace on the planet by obscure gatherings, with steering of messages through obscure areas and by means of quick developing remote gadgets.

## 2. E-banking initiatives in India and the role of RBI

Reserve Bank of India initiated several Electronic banking mechanisms in the early 2000. Some of the important E-banking mechanisms that came into existence are discussed below:

- Magnetic Ink Character Recognition (MICR) Cheque processing

MICR was introduced during the years 1986-88. MICR resulted in quicker realization of cheques

- Indian Financial Net (INFINET)

INFINET, a wide range satellite based system (WAN) utilizing VSAT (Very Small Aperture Terminals) innovation, was mutually set up by the Reserve Bank and Institute for Development and Research in Banking Technology (IDRBT) in June 1999. The Indian Financial Network (INFINET) which at first contained just people in general segment banks was opened up for investment by different classes of individuals. Different between bank and intra-bank applications running from straightforward informing, Electronic Fund Transfer (EFT), Electronic Clearing Services (ECS) for both Credits and Debits, web managing and exchanging Government securities, Centralized Funds Management Systems (CFMS) for Banks and Financial Institutions, Anywhere or Anytime Banking, Inter-Branch Reconciliation, Structured Financial Messaging System (SFMS) and Real Time Gross Settlement (RTGS) System are being executed utilizing the Indian Financial Network (INFINET) as the spine.

- Real Time Gross Settlement (RTGS) System

RTGS is an online framework for between bank store exchange on an exchange by-exchange premise. RTGS brought about danger free credit method of assets settlement through RTGS is accessible crosswise over

more than 23,700 branches of banks spreading over more than 500 focus' in the nation.

- Electronic Funds Transfer (EFT) / National Electronic Funds Transfer (NEFT) System.

EFT is a sheltered, secure and brisk electronic asset exchange framework for both corporate and retail sections. Save Bank executed the Electronic Funds Transfer (EFT) System in the mid nineties, which was later updated as the Special Electronic Funds Transfer (SEFT) System in 2003 and has now been further upgraded as the National Electronic Funds Transfer (NEFT) System since November 2005. Starting 2013 the NEFT office covers more than 5000 branches of 32 banks spread crosswise over 200 focuses.

- Cheque Truncation System (CTS)

CTS would enhance the proficiency of check clearing framework generously; it likewise would bring about quicker getting of out station check a pilot venture for executing CTS in progress in the National Capital Region.

- Institute for Development and Research in Banking Technology (IDRBT)

The setting up of the Institute for Development and Research in Banking Technology (IDRBT), Hyderabad in the mid nineties, as an examination and innovation place for the Banking segment; has come about gigantic pace in the presentation of new innovation in this area. IDRBT contributed broadly in the setting up of INFINET furthermore is a guaranteeing Authority for the issuance of advanced mark and endorsements in India

### **3. Statement of the Problem**

In present days, exceptional changes have been happening in keeping money industry. Prior banks focused just on store assembly. Presently a-days they give much significance to Online Banking Services. Managing an account, being an administration industry, has parcel of stake in consumer loyalty. The need of one gathering of client is not quite the same as that of others. It is, subsequently, important to recognize diverse gatherings of clients, discover their needs and fulfill them in the most ideal way. In this manner, some Public banks peddle straightforwardly through mass promoting of managing an account administrations like Net saving money, Mobile Banking, ATM Card Services, Credit Card Services, and so on, to empower vast level of rivalry among banks.

### **4. Scope of the Study**

The study has high pertinence to the present day client administrations of the Public banks in Virudhunagar and the requirements of the Public. Open banks are currently taking after the advantages of client arranged methodology. They are giving a great deal of offices to the client to the client such as E-Payments, E-Shopping and so forth.

An endeavor has been made to discover the clients' administrations which are profited to the client in the study region and this study will likewise comprehend the elements influencing the administration and how to conquer the issues or elements relying upon client. For the present Study, the examination has secured Virudhunagar Town Only.

### **5. Objectives of the Study**

The following are the main objectives of the present study.

- To Study the Online Banking Services Rendered by the Public banks in Virudhunagar .
- To look at the financial profile of the bank's clients and their mindfulness level with respect to E-banking an account Products
- To analyze the customers' opinion towards Online Banking Services Rendered by Public banks in Virudhunagar .
- To offer suggestions for improving the service quality of the Public sector banks.

### **6. Methodology**

In the perspective of the significant information from study research and in addition auxiliary sources gathered and exhibited in this examination report, 'Elucidating exploration' is viewed as the most proper for the present study. Thus, the study is expressive and systematic. It includes both essential and optional sources.

### **7. Data Collection**

Both primary and secondary data are used in this study. Primary data was collected from the customers through questionnaire. The secondary data was collected from various studies, journals, magazines and websites.

### **8. Sampling Frame**

Sampling outline is the rundown of populace components from which the specimen is drawn. The decision of examining arrangement is identified with the cautious thought of different components, for example, nature of the issue, analyst's goal, geographical range secured, size of the populace to be concentrated on and the degree information accessible about the populace. Before choosing the technique for information accumulation, the specialist chooses to gather the information from each unit of the universe or utilize just a bit of the universe. The universe can be endless in this study on Online Banking Services Rendered by Public division Banks in Virudhunagar . The aggregate clients secured in the study region with the four banks are not effortlessly to distinguish. So it is

exceptionally hard to choose the respondent taking into account the aggregate populace. The inspecting system connected in this examination is advantageous testing. The specialist chose the respondents from 4 banks on the premise of the comfort. The example was limited to 200 from Sate Bank of India-55, Indian Bank-46, and Bank of India - 49 and from Industrial Development bank of India - 50.

## 9. Statistical Design

Most of the analysis is based on the responses shown in the form of frequency tables. Simple tables are prepared for understanding the general profile of the respondents and simple statistical techniques such as

- Percentages and averages
- One-way ANOVA
- Chi-square Test

## 10. Period of study

Primary data collected through questionnaire were obtained from the sample units for a period of six months from Aug 2014 to January 2015.

## 11. Hypothesis

The following are the assumptions of the study:-

- There is no association between the profile of the customers and their level of satisfaction towards E-Banking services.
- There is no significant association between age of the respondents and attitude towards card holders.
- There is no significant association between Nature of occupation of the respondents and attitude towards card holders.
- There is no significant association between Monthly Income of the respondents and attitude towards card holders.

## 12. Limitation of the study

The present study is subject to the following constraints and limitations

- The researcher has carried out the research in Virudhunagar.
- The researcher has collected data from selected Public sector banks for the study.

In spite of the above limitations maximum care has been taken to make the study a meaningful one.

## 13. Findings

*Profile of Customers and Their Level of Satisfaction towards E-Banking Services*

- The examination on the financial profile of the respondents uncovers that the bank stores are utilized as the male respondents are in more prominent number than the female respondents, it can be presumed that male individuals use bank stores more than female individuals.
- Most (29.5 for each penny) of the respondents are between 20-30 age bunch.
- Majority (61.5 for each penny) of the respondents are hitched clients since they have more obligations and obligations to put something aside for their future needs.
- The Study demonstrates that most (26.5 for every penny) of the respondents have qualified up to their graduation.
- It is translated from the examination dominant part (35 for each penny) of the respondents are salaried representatives for the reason that they are more intrigued to spare their cash when contrasted with others.
- The Study uncovers that (37 for every penny) of the respondents win under 20000 in light of the fact that there is more number of individuals in Sivakasi having less salary.
- The Study demonstrates that the vast majority of the respondents are holding their record in State Bank of India which could be because of their better administrations.
- It is demonstrated that most (35 for every penny) of the respondents have funds financial balance, which by and large suits each kind of clients.
- The study uncovers that most (31.5 percent) of the respondents are utilizing ledger with the end goal of wellbeing.
- It is construed from the investigation that a large portion of the respondents have worked their financial balances for under 1 year. It could be because of a few hindrances they may have confronted amid operation.
- The Chi-Square test uncovers that the individual variables sex, age, instructive capability, occupation, month to month salary, kind of record and time of operation have huge impact on the level of fulfillment towards the E-Banking administrations of open division Bank.

### *Card Services*

- It is understood from the survey that majority (67.5%) of the respondents are having ATM cum Debit card.
- From the Garrett Ranking table it is clear that among the Seven Purpose of ATM cum Debit card, withdraw of cash which awarded first rank is the main purpose for using the ATM card.
- From Garrett Ranking Table, it is shown that out of Six Purpose for using credit cards, Emergency which

awarded first rank is the main reason for using the credit card,

- It can be concluded that the most (48 per cent) of the respondents are holding their Bank cards for less than 2 years.
- It is known that 45.5 per cent of the respondents have only one ATM card
- It's obvious that 33.94 per cent of the respondents have additional cards in TMB bank.
- From Weighted Arithmetic Mean table it is found that most of the respondents are using cards for the reason of 24X7 days services which is getting the first rank.
- It can be clearly shown that the most (41%) of the respondents are using their Bank cards 2 to 10 times in a month.
- It can be clear that most (28.50%) of the respondents feel the technical problems when using the bank cards.
- It can be evident that majority (68%) of the respondents report the problem in card services
- It can be evident that majority (62.5%) of the respondents are satisfied when action taken by the bank for the problems.
- It can be clearly shown that most (35.21%) of the respondents expect to Increase the maximum number of transaction per day.

#### *Internet banking services*

- It is interpreted from the analysis that majority (29.06%) of the respondents are using the Internet banking facilities for the purpose of Online Bill Payment for shopping
- It can be understood that majority of the respondents (27.90%) state that they don't have technical Knowledge about using internet banking services
- It is interpreted from the analysis that majority (42.03%) of the respondents are getting the Internet access through the Wi-Fi at home/office
- It can be clearly shown that the most (42.5%) of the respondents are using Internet Banking facilities in 2 – 4 years.
- It is interpreted from the table that majority (91%) of the respondents are using Electronic Clearing services.
- It can be understood from the analysis that the majority (49%) of the respondents are using Electronic Clearing services for the purpose of paying the Recurring Expenses.
- It is inferred from the table that most (32.40%) of the respondents are facing the problem in using the Internet banking service and there is poor response for queries.
- It can be clear that most (36%) of the respondents acknowledged proper network facilities from the bank
- It has been analyzed that the majority of the respondents believed that E-banking services save time & efforts which is getting the first rank with a

mean score of 2.88.

#### *Result of One way Anova*

- There is no significant association between age of the respondents and attitude towards card holders is calculated value (.058) is greater than the significant value 0.05.
- There is no significant association between Nature of occupation of the respondents and attitude towards card holders are calculated value (.084) is greater than the significant value 0.05.
- There is significant association between Monthly Income of the respondents and attitude towards card holders is calculated value (.013) is less than the significant value 0.05.

### **14. Suggestions**

Based on the finding of this study, a few suggestions have been made by the researcher to improve the utilization of the Online Banking Services.

#### *Suggestion for Card Services*

- The Public part banks are prescribed to find a way to decrease the high rate of enthusiasm for card administrations to the clients.
- The Public banks are recommended to make prompt move for maintaining a strategic distance from credit misrepresentation exercises so more number of clients can acknowledge these administrations other than the standard clients.
- The banks can give agreeable alternatives to utilizing charge cards like satisfactory purpose of procurement, sufficient time for reimbursements, minimized loan fees.
- The banks could augment their credit installment length of time for their client.
- The banks ought to find a way to expand the measure of with draws and to make money store office.
- The banks have been introducing their ATM focuses just at urban and metro zones. It can take endeavors for the foundation of ATM focuses at both the semi-urban and rustic ranges.
- Problems of specialized nature bringing about charging of client record without apportioning of money ought to be corrected critically. Care must be taken to guarantee that such issues don't happen by any stretch of the imagination.
- The bank ought to find a way to give administrations like installment of power bills, phone charges, protection premium and installment for railroad and air tickets through ATM focuses.
- Reduction of least qualification criteria will pull in the clients to acquire Visas.

- The banks ought to execute biometric innovation in ATMs, versatile and web managing an account which is more useful for beneficiaries for working effectively these electronic gadgets and abstains from taking care of cards. The thumb, palm and iris are great confirmations.
- Suggestion for Internet banking Services
- The bank clients have seen the danger of getting incorrectly data from web managing account administrations. These illusions ought to be expelled from the psyches of the clients by bank individuals as these elements are the boundaries for the greater part of the clients for not receiving these administrations.
- The web keeping money framework ought to be improved to make the online enquiry and online installment much less demanding to the clients.
- Though web keeping money is advantageous and simple to utilize, clients fear embracing these administrations since they feel that utilizing these "administrations are troublesome and muddled". Thus, on location preparing can be given to the bank clients who mean to utilize web keeping money administrations.
- Special courses of action ought to be made by banks to guarantee full security of client assets. Specialized defaults ought to be maintained a strategic distance from by utilizing all around prepared and master experts in field of PCs, so that loss of information can be kept away from.
- The banks ought to counsel their staff to give legitimate reactions to their clients furthermore keep away from the postponement of reaction to them.
- To expand the utilization of e-installment modes banks ought to decrease the expenses charged on clearing and interbank store exchange administrations.
- The banks ought to accentuate more on promoting web use by clients which comes about into change in consumer loyalty furthermore cost decrease.
- To enhance consumer loyalty Internet Banking suppliers can't disregard the notoriety of banks. Purchasers like to visit destinations that speak to a firm with which the buyer is now well known from conventional channels on the grounds that the notoriety of the physical branch will impact clients' state of mind towards an online website Therefore, enhancing the physical branch's notoriety can enhance clients' trust in its Internet webpage.
- Internet banks must attempt to grow their system as quickly as time permits. Since the vast majority of the clients use Internet saving money office to pay charges, shopping and so on as more outsider will include in the system, they could assault more clients.
- Bankers ought to utilize more special exercises to draw in client for empowering higher adjustment rate.

- Government powers and in addition banks ought to take security of web saving money into genuine thought and they ought to actualize more propelled encryption techniques to avert security interruption.
- Customers ought to think about the security dangers included with e-managing an account and take after the rules endorsed by the banks for security.
- Encryption strategies utilized by the bank would guarantee that security of information streaming between the program and the limitlessness framework is ensured.

## 15. Conclusion

The present study is made to dissect, A Study on Online Banking Services Rendered by Public Sector Banks in Virudhunagar. Achievement of the bank primarily relies on upon its clients. Being an administration industry, all banks ought to go for providing so as to fulfill clients' needs most extreme elements in their administrations. E-Banking is a creative device that is quick turning into a need. It is an effective vital weapon for banks to stay productive in an unstable and focused commercial center of today. Legitimate preparing ought to be given to client by the bank workers to open a record will be useful. Besides the site ought to be made friendlier from where the first run through clients can specifically make and get to their records. The significance of security and protection for the acknowledgment of E-managing an account administrations has been noted in numerous Public division banks' study and found that individuals have powerless comprehension of E-keeping money administrations, despite the fact that they know about dangers. The Public area banks noticed that albeit shopper trust in their bank was solid yet their trust in the innovation was powerless, the nature of their E-managing an account administration ought to pick up the certainty of the clients which thusly will unquestionably think about the efficiency and gainfulness of the banks. In future, the accessibility of innovation to guarantee wellbeing and protection of e-exchanges and the RBI rules on different parts of web keeping money will help in fast development of web saving money in India.

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