

## USERS' ATTITUDE AND BEHAVIOUR TOWARDS TECHNOLOGICAL BANKING SERVICES WITH SPECIAL REFERENCE TO PALAYAMKOTTAI, TIRUNELVELI CITY - A STUDY.

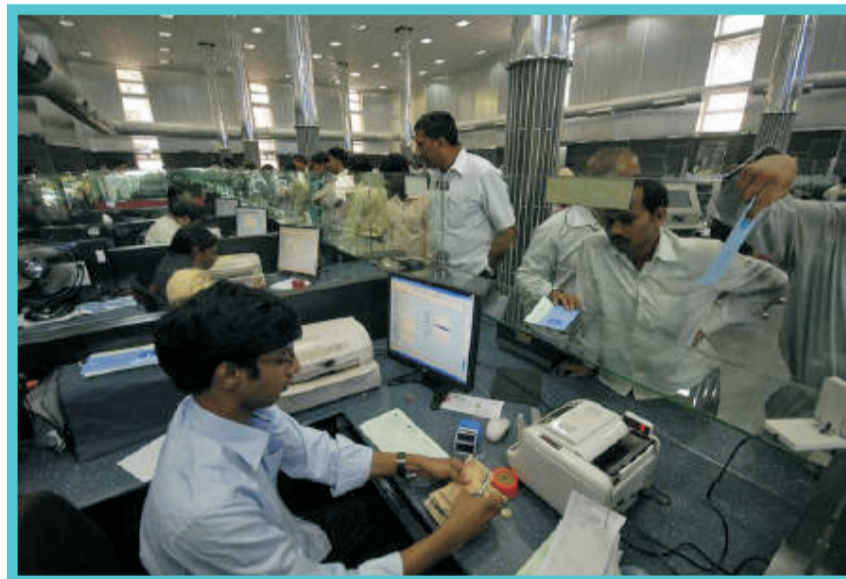


### Abstract:

Today, technology has a significant role in each and every field. Likewise it is occupied a vital place in banking sector also. As a result of that, user can enjoy some advantaged services and they can do their banking at sitting their home and easy manner. In this study, it is going to analyse whether the user has really benefited and what is their attitude towards this technological banking services.

### Key Words:

Technological banking, Attitude, Banking services, User behaviour & Service sector



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## INTRODUCTION

Banks have become a part and parcel of our economic life. Bank plays an important role in the 21st century of business world. Banks render valuable service to agriculturist, industrialist, businessmen and all the other section of lenders and borrowers. It is the middling or intermediation function between the saving surplus and saving deficit of economic unit within a society. Banks constitute an important segment of the financial infrastructure of any country. A bank is a financial institution and a financial intermediary that accepts deposits and channels those deposits into lending activities, either directly by loaning or indirectly through capital markets. It is the connection between customers who have capital deficits and customers with capital surplus.

## OBJECTIVES OF THE STUDY

The following are the objectives focused in this study:

To identify the customers' awareness and attitude towards technological banking services offered by public and private sector banks.

To analyse the problems faced by the customers while availing the technological banking services provided by banking sector in Tirunelveli District.

To analyse the satisfaction level of the customers while using technological banking.

To offer suggestions to improve the usage of technological banking services available in Banking Sector.

## STATEMENT OF THE PROBLEM

Once upon a time, people had to spend three to four hours to go for bank transaction sometimes cost of transaction was more than that of money deposited or withdrawn. E-banking allows customer to conduct financial transaction on a secure website.

Nowadays, technological banking is becoming more popular among customers; most of the banks are providing e-banking facility. Today, most of the customers are increasingly using the technological banking facilities available in banking sector. It reduces cost and saves time. From the customers perceptive towards technological banking provides a convenient and effective way to manage finance that is easily accessible at 24×7 days. On the other hand, online banking has certain problems such as lack of knowledge to operate the technology, set-up cost, legal issues, lack of relationship among banker and customer, securely and privacy issues.

For few people, the technological banking really simplifies their life style, while for others it is very much threatening and complex. Therefore in this context, it is necessary to study the attitude of customers' towards technological banking.

Scope of the Study

The present study is primarily designed to study the "Attitude of Customers towards Technological Banking with special reference to Palayamkottai at Tirunelveli District". Banks play a vital role in the economic development of our country. This study included the vast analysis about the customers' attitude towards technological banking available in public and private Sector banks, preference of the customers towards banking technology, reason for selection of bank for using the latest technology available in banking sector, benefits of services provided in banking sector, problem faced by the customers while availing services provided by the banker. It helps the customers to update their technical knowledge to access the technological banking services which are offered by various banks.

## HYPOTHESES OF THE STUDY

Ho: There is no significant association between type of bank and fear of using technological banking services.

Ho: There is no significant association between type of bank and major problem of network while using technological banking services.

## RESEARCH DESIGN

This research study is descriptive and analytical in nature. It is descriptive in the sense, it exists at present and it includes facts and findings. It is analytical in the sense, it involves analysis of collected data and information and this study is based on the sampling method.

## PRIMARY DATA

Primary Data was collected by using well framed questionnaire. 600 samples were selected on the basis of simple random sampling method. 600 sample respondents are customers of various Public Sector

Banks like State Bank of India, Indian Bank and Indian Overseas Bank and Private sector banks like ICICI, HDFC, Karur Vysya Bank at Palayamkottai in Tirunelveli City. The method of allocation is given in below table:

Name of Bank	No. of Respondents
State Bank of India	100
Indian Bank	100
Indian Overseas Bank	100
* ICICI	100
**HDFC	100
Karur Vysya Bank	100
<b>Total</b>	<b>600</b>

\*Industrial Credit and Investment Corporation

\*\* Housing Development Finance Corporation

### Secondary Data

The relevant secondary data were collected from different sources such as e-resources, books, journals, magazines and newspapers.

### Methods of Sampling

The survey was carried out in Palayamkottai, Tirunelveli City. Simple random sampling method was used for collecting data. The data have been collected from 600 respondents. It was equally divided, 300 respondents from Public Sector bank and 300 respondents from Private Sector Bank.

### Statistical Tools of Analysis

To make the present research study highly effective, the following statistical techniques were used for the analysis and interpretation of data i.e. mean, standard deviation, Garrett ranking, likert's five point scale and chi-square. The collected information was analysed using SPSS and represent it in the table with a fine output result.

### Limitations of the study

The following are the limitations of the study:

- The time at the disposal of the researcher was very short.
- The major limitations are lack of time, busy schedule of customers and their unwillingness for filling up the questionnaire.
- The secondary data relevant and supportive to this study are not sufficient enough.

### REVIEW OF LITERATURE:

•Phitkariwala D.K. (2006) study the issues related to cheque truncation system to improve customer services in banks. As the number of cheques issued are continuously rising and the cost of banks and business for producing, issuing and maintaining cheque payment system is ever increasing but the cheque transaction system helps to handle this problem very easily. The study suggests that when it will be implemented to the whole country, it is certain to revolutionize the payment mechanism giving a big jump towards the efforts of providing better technology based customer services.

•Pepreya B.K. (2006) suggests that Internet-banking is very useful for prompt payments and provide various facilities to the customers for 24 hours, anywhere anytime. But some risks related to security are involved still every customer wants a number of facilities anywhere anytime. So Internet-banking should be cheap, best affordable and secure from the present risks.

•Tiwari B. and Herstatt (2006) examine the installation of mobile banking and mobile financial services provided in Germany and other countries. 50 banks worldwide have been selected, half of them from Germany during May/June, 2005. From Indian banks, Bank of Punjab, HDFC, ICIC are dominating, providing mobile-financial services to their customers. The study explains different ways/methods to provide mobile-services that contain technical part with some case studies. The study concludes that mobile banking applications are gaining popularity amongst banks and suggests mobile banking to take the route of online banking.

•Srinivas (2006) an analysis of the defaults in credit card payments. The phrase "buy now and pay later" motivated the credit card holders to spend more than they afford to pay. This has resulted in to a vicious

problem of default in credit card payments. The main objectives are to analyse the socio economic profile of the default of credit card and to identify the set of factors which contributed to such defaults. The major findings of the sample units belong to the age group of 36-45 years .86 percent of the respondents income level are above Rs 1.00-1.50 lakhs, hence it is suggested that the banks concerned should redesign the payment structure of credit card defaulters in the flexible and affordable installments.

•Wan et al. (2005) study the customers' adoption of banking channels in Hong Kong. They covered four major banking channels namely ATM, Branch Banking, Telephone Banking and Internet Banking. The study segmented the customers on demographic variables and Psychological beliefs about the positive attributes processed by the channels. The psychological factors were ease of use, transaction security, transaction accuracy, speediness, and convenience, and time utility, provision of different personal services, social desirability, usefulness, economic benefits, and user involvement.

#### DATA ANALYSIS AND INTERPRETATION

Analysis of demographic profile is very important. Here some selected important demographic profiles are analysed. They are as follows.

Table - 1

Gender - Wise classification of respondents			
S.No	Gender	No. of Respondents	Percentage (%)
1	Male	483	80.5
2	Female	117	19.5
	<b>Total</b>	<b>600</b>	<b>100</b>
Age-Wise classification of respondents			
S.No	Age(in years)	No. of Respondents	Percentage (%)
1	Below 25	77	12.8
2	25-35	123	20.8
3	<b>36-45</b>	<b>241</b>	<b>40.2</b>
4	46-55	102	16.7
5	Above 55	57	9.5
	<b>Total</b>	<b>600</b>	<b>100</b>
Marital Status - Wise classification of respondents			
S.No	Marital Status	No. of Respondents	Percentage (%)
1	<b>Married</b>	<b>491</b>	<b>80.2</b>
2	Unmarried	92	3.2
3	Widow	17	16.7
	<b>Total</b>	<b>600</b>	<b>100</b>
Qualification- Wise classification of respondents			
S.No	Qualification	No. of respondents	Percentage (%)
1	Below 12 <sup>th</sup>	19	3.2
2	<b>Graduates</b>	<b>203</b>	<b>33.8</b>
3	Post Graduates	181	30.2
4	Technical	91	15.2
5	Professionals	106	17.7
	<b>Total</b>	<b>600</b>	<b>100</b>
Occupation -Wise classification of respondents			
S.no	Occupation	No. of Respondents	Percentage (%)
1	<b>Salaried (Govt/Pvt.)</b>	<b>197</b>	<b>32.8</b>
2	Professionals	156	26.0
3	Businessmen	181	30.2
4	Agriculturalist	11	1.8
5	Student	55	9.2
	<b>Total</b>	<b>600</b>	<b>100</b>
Monthly Income -Wise classification of respondents			
S.no	Monthly Income	No. of Respondents	Percentage (%)
1	Below Rs.10000	54	9.0
2	<b>Rs.10001-20000</b>	<b>281</b>	<b>46.8</b>
3	Rs.20001-30000	117	19.5
4	Rs.30001-40000	61	10.2
5	Above Rs.40000	87	14.5
	<b>Total</b>	<b>600</b>	<b>100</b>

The above table 1 shows that 80.5 percent of the respondents are male and remaining 19.5 percent of the respondents are female. It describes that majority of the respondents are male. Most of the respondents (40.2 percent) are belonging to the age group of 36-45 years. It is found that a vast majority of the respondents (80.2 percent) are married. Most of the respondents (33.8 percent) are Graduates. It is

observed that 32.8 percent of the respondents are Salaried (Govt. /Pvt. It shows that salaried people are more having saving habit and using most of the services provided by the banks. It is found that, 46.8 percent of the respondents are earning Rs. 10001-20000.

**Table- 2**  
**Awareness about the Services Provided By the Banks**

S.No	Service	Fully Aware	Partly Aware	Unaware	Total	Rank
1.	Statement of Account	600 (1800)	0	0	1800	<b>I</b>
2.	Fund Transfer	600 (1800)	0	0	1800	<b>I</b>
3.	Request and Limitation	523 (1569)	48 (96)	29 (29)	1694	<b>V</b>
4.	Bill Payment	396 (1188)	129 (258)	75 (75)	1521	<b>VI</b>
5.	Mobile Recharging	365 (1095)	111 (222)	124 (124)	1441	<b>IX</b>
6.	Stop Payment of Cheque	274 (822)	258 (516)	68 (68)	1406	<b>X</b>
7.	Online Payment	562 (1686)	25 (50)	13 (13)	1749	<b>IV</b>
8.	Tax Accounting	346 (1038)	170 (340)	84 (84)	1462	<b>VIII</b>
9.	Request for issue of Cheque, Bond, DD etc	369 (1107)	181 (362)	50 (50)	1519	<b>VII</b>
10.	Access information like opening of accounts, rate of interest, services provided by bank...etc	579 (1737)	21 (42)	0	1779	<b>III</b>

Source: Primary data

It clearly stated that respondents are fully aware of taking statement of account and fund transfer to third party within the bank or with other banks. But respondents are not much aware of mobile recharging and stop payment of cheques. For this, the bankers have to give proper instruction to use these technological banking services.

**Table - 3**  
**Frequency of Using Latest Technology in Banking Sector**

Particulars	When Needed	Often	Very often	Fort Nightly	Daily	Total	Weighted Score	Rank
Statement of Account	300	70	174	56	0	2526	168.4	<b>III</b>
	1500	280	522	224				
<b>Fund Transfer</b>	<b>241</b>	<b>23</b>	<b>111</b>	<b>146</b>	<b>79</b>	<b>2005</b>	<b>133.66</b>	<b>IX</b>
	1205	92	333	296	79			
<b>Request and Limitation</b>	<b>577</b>	<b>11</b>	<b>12</b>	<b>0</b>	<b>0</b>	<b>2965</b>	<b>197.66</b>	<b>I</b>
	2885	44	36					
<b>Bill payment</b>	<b>366</b>	<b>60</b>	<b>174</b>	<b>0</b>	<b>0</b>	<b>2592</b>	<b>172.8</b>	<b>II</b>
	1830	240	522					
Mobile Recharging	222	42	336	0	0	2286	152.4	<b>VII</b>
	1110	168	1008					
Stop payment of Cheque	225	77	298	0	0	2327	155.13	<b>IV</b>
	1125	308	894					
Online payment	217	27	356	0	0	2261	150.73	<b>VIII</b>
	1085	108	1068					
Tax Accounting	106	263	231	0	0	2275	151.66	<b>V</b>
	530	1052	693					
Request for issue of cheque, Bond, DD etc.	199	75	326	0	0	2273	151.53	<b>VI</b>
	995	300	978					
<b>Access information like opening of accounts, rate of interest, services provided by bank. Etc</b>	<b>124</b>	<b>117</b>	<b>69</b>	<b>190</b>	<b>100</b>	<b>1775</b>	<b>118.33</b>	<b>X</b>
	620	468	207	380	100			

Source: Primary Data

Table 3 shows that customers use requisition and bill payments whenever needed but frequently they use fund transfer and accessing information related to rate of interest and latest services provided by

the bankers.

**Table - 4**  
**Problem faced by customers while using Technological Banking**

S.No	Problems	Highly influenced	Moderately influenced	No such problem	Weighted Score	Rank
1	Time consuming	74	336	190	216.8	VI
		(%)12.3	56.0	31.7		
2	Insecurity	80	240	280	200.0	VII
		(%) 13.3	40.0	46.7		
3	Password together	26	74	500	145.2	IX
		(%) 4.3	12.3	83.3		
4	Hidden Costs	175	174	251	224.8	V
		(%)29.2	29.0	41.8		
5	Lack of Operational Industry	189	260	151	247.6	IV
		(%)31.5	43.3	25.2		
6	Network Problem	73	205	322	190.2	VIII
		(%) 12.2	34.2	53.7		
7	<b>Processing Time</b>	<b>336</b>	<b>194</b>	<b>70</b>	<b>293.2</b>	<b>I</b>
		(%)56.0	32.3	11.7		
8	No access of internet	288	152	160	265.6	III
		(%) 48.0	25.3	26.7		
9	Fear of using technology in banking services	230	300	70	284.0	II
		(%)38.3	50.0	11.7		

Source: Primary Data

Table 4 clearly stated that the respondents are facing too much time for processing the account and have fear of using technological banking due to hackers and fear of forgetting the password. At the same time the respondents facing much network problem and password together while process their accounts.

**Table -5**  
**Satisfaction Level of technological banking by public and private sector banks**

Particulars	Highly Satisfied	Satisfied	Partly Satisfied	Dis satisfied	Highly Dis satisfied	Total	Mean Score	Rank
Facilities	2700	180	45	0	0	2925	4.88	II
Convenience	2770	120	48	0	0	2938	4.90	I
Ease of Use	2065	308	174	78	13	2638	4.39	V
Cost Savings	995	996	294	18	0	2303	3.84	VIII
Time Savings	2340	332	147	0	0	2819	4.69	IV
Employee behavior	580	912	741	0	0	2233	3.72	IX
Grievance redressed Mechanism	890	1328	198	48	0	2464	4.11	VII
Use of latest technology	2375	308	144	0	0	2827	4.71	III
Secure & security	845	1404	222	12	0	2483	4.14	VI

Source: Primary Data

Table 5 reveals that the respondents are highly satisfied about the services provided through technological banking services due to convenience and more facilities available in the banking sector. At the same time, they are highly dissatisfied about the employees' behaviour. It signifies that due to dissatisfied of the employees' behaviour, they may prefer technological banking services.

**Table- 6**  
**Type of bank and using Technological Banking Services – Fear of using technology in banking services**

Type of bank	Fear of using technology in banking services			Total
	Highly Influenced	Moderately Influenced	No such Problem	
Public	138	144	18	300
Private	92	156	52	300
<b>Total</b>	<b>230</b>	<b>300</b>	<b>70</b>	<b>600</b>

Source: Primary Data

H<sub>0</sub> There is no significant association between the types of bank and using technological banking services – Fear of using technology in banking services.

H<sub>1</sub> There is significant association between the types of bank and using technological banking services – Fear of using technology in banking services.

#### STATISTICAL INFERENCE

X	Df	P	P ≤ 0.05 significant
26.194	2	0.000	

In the above table the observed value of chi square is 26.194 and the corresponding significant value is 0.000 less than 0.05, there is a significant association between type of bank and using technological banking services – Fear of using technology in banking services. Here the null hypothesis is rejected.

**Table – 7**  
**Type of bank and using Technological Banking Services – Network Problem**

Type of bank	Network Problem			Total
	Highly Influenced	Moderately Influenced	No such Problem	
Public	44	107	149	300
Private	29	98	173	300
<b>Total</b>	<b>73</b>	<b>205</b>	<b>322</b>	<b>600</b>

H<sub>0</sub> There is no significant association between the types of bank and using technological banking services – Network Problem.

H<sub>1</sub> There is significant association between the types of bank and using technological banking services – Network Problem.

#### Statistical inference

X	Df	P	P > 0.05 significant
5.266	2	0.072	

In the above table the observed value of chi square is 36.649 and the corresponding significant value is 0.072 greater than 0.05, there is a significant association between type of bank and using technological banking services – Network problem. Hence the null hypothesis is accepted.

#### FINDINGS

- 80.5 percent of the respondents are male and remaining 19.5 percent of the respondents are female. It describes that majority of the respondents are male.
- Most of the respondents (40.2 percent) are belonging to the age group of 36-45 years.
- It is found that a vast majority of the respondents (80.2 percent) are married.
- Most of the respondents (33.8 percent) are Graduates.
- It is observed that 32.8 percent of the respondents are Salaried (Govt. /Pvt. It shows that salaried people are more having saving habit and using most of the services provided by the banks.
- It is found that, 46.8 percent of the respondents are earning Rs. 10001-20000.
- Respondents are fully aware of taking statement of account and fund transfer to third party within the bank or with other banks. But, respondents are not aware of mobile recharging and stop payment of cheques.
- Customers are using requisition and bill payments whenever needed but frequently they are using fund transfer and accessing information related to rate of interest and latest services provided by the bankers.
- Respondents are facing too much of time taken for processing the account and have fear of using technological banking due to hackers and fear of forgetting the password. At the same time, the respondents facing network problem and password together while processing their accounts.

- The respondents are highly satisfied about the services provided through technological banking services due to convenience and more facilities available in banking sector. At the same, they are highly dissatisfied about the employees' behaviour.
- There is significant relationship between type of bank and network problem.
- There is no significant relationship between type of bank and fear of using technology in banking services.

### SUGGESTIONS

The following are the suggestions recommended to the banks to improve quality in technological banking services.

- The security and safety in accessing the ATM, Mobile Banking, and Internet Banking have to be keenly noted.
- Make use of the technology much easier.
- The thumb impression is used as a PIN code or Password for Internet Banking to avoid money theft from the hacker in technological banking.
- Number of times using ATM to withdraw money from other banks' ATM is not to be restricted.
- The intimation of any information through post is in Tamil to the customers who are not able to understand English/Hindi.
- There is delay in receiving the SMS for their transactions. To avoid this, banker should arrange proper communication network to convey it properly.
- There should be proper guidance to the customers through pamphlets, notices, notice boards, note books which denote all the instructions and guidance regarding how to use the latest technology in the proper way. And also it should be sent to the customers periodically. It helps customers to use latest technology easily.
- Internet and communication system should be tied ups with banks for making awareness about the innovative channels for banking operations.
- ATM machines should be maintained properly in order to avoid frequent out of order. Private sector banks can establish more ATM centers in the peak places with parking area.
- In Internet banking, there should not be time limit for transferring amount from the account to the beneficiaries.

### CONCLUSION

Technological banking is becoming popular amongst customers who are familiar with the technology upgradation but it is gradually spreading to mass especially at urban and metropolitan cities. Few banks have taken an early lead by introducing technological banking. These banks are providing the basic services through technological banking viz account enquiry, details of last five transactions and statement of accounts, etc. they have the basic infrastructure to offer the art of services through technological banking.

The study on the customer perception towards user friendly technology in banking sector reveals that respondents are satisfied in some aspects and they want to continue in their respective banks. The shift from customerised service to personalized services is highly essential to satisfy all groups of customers. The findings of the study stresses upon the importance of the security and safety expected by the customers especially in technological banking like ATM, Internet Banking, Mobile Banking., etc.

The future of Internet banking lies in offering personalized Internet based services that are not only valued by their customers but are also unique to them. This would help to distinguish themselves in the crowd. This would also help them evolve continuously to meet customers' needs, capitalizing on new technology to build stronger customer relationship.

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