



CUSTOMER PREFERENCE TOWARDS TECHNOLOGY USAGE IN EXISTING BRANCHES IN KANCHEEPURAM DISTRICT- A STUDY WITH SPECIAL REFERENCE TO TAMBARAM CITY



Mrs. S. Kalyani¹ and Dr. Florence John²

¹Ph.D Part Time Research Scholar, Department of Commerce, Madras Christian College, East Tambaram, Chennai. & Assistant Professor, Department of Commerce, TMG College of Arts & Science, Manimangalam, Chennai.

²Research Supervisor & Guide, Assistant Professor, Department of Commerce, Madras Christian College, East Tambaram, Chennai.

ABSTRACT:

Every Customer has their preference of banks and on how they interact with a bank to meet their various banking needs. To withdraw cash, most of the customer may prefer using ATM or a live teller in a branch location while few may depend upon transferring the amount, by utilizing the internet services. This study focuses and analysis the channel preference, why customer prefer their traditional branch banking and how they utilize the technology in their existing branch in Kancheepuram District with special reference to Tambaram city. This survey is based on feedback of 160 customers pertaining to various banks in and around Tambaram city. This research analyses and brings to light the customer preference toward technology used in the banks.

KEYWORDS : Banking, Customer Preference, Technology usage etc....

INTRODUCTION:

A bank is a financial institution that accepts deposits and channels the money into lending activities. Banking is essentially a service industry and there is a close interaction between service contributor and the customers in the traditional banking scenario. Service is an invisible offering which is dependent on and inseparable from the person who extends it. Services in Indian Banks are mostly branch-based in the recent past Banks tramp with full scale technology enabled banking.

Banking industry is fast growing with the use of technology in the form of ATMs, e-banking, Telephone banking, Mobile banking, Bill pay service etc. Plastic card is one of the banking products that outfit to the needs of retail segment have seen its number grow in geometric progression in recent years. In this global circumstance, Banks have introduced many customer oriented services apart from the regular Banking activities.

Globally, the banks are recognizing the need to embrace technology in the area of products and services to compete successfully in the years ahead. In fact, the commercial banks—world over, are among the largest consumers of information technology. The banks perceive the future of the financial services industry thus becoming heavily dependent on electronic delivery mechanism and are working towards bringing banking right into their customer's finger tips and gestures. Information technology is one of the most important facilitators for the transformation of the Indian banking industry in terms of its transactions processing as well as for various other internal systems and processes. The various hi-tech platforms used by banks for the performing their day to day operations, their manner of reporting and the way in which interbank transactions and clearing is affected has evolved substantially over the years.. Banking

transactions have become easier and customer friendly due to the technological improvements. To play a assistive and key role, banks are providing plethora of services which are the culmination of electronics and information technology, like, Computerization ,networking, Core banking, Automatic Teller Machines (ATMs), Plastic money i.e. credit card, debit card and smart cards, Phone banking, Mobile banking, e-banking or net-banking, EFT, NEFT, RTGS etc.

STATEMENT OF THE PROBLEM

Today banking without Information Technology is unimaginable, not only in developed countries but also in many developing countries. Worldwide Information Technology is persistently changing the paradigm of banking industry. The domestic banks (Public and Private) have been facing fierce competition due to the entry of foreign banks. The application or use of technology for the qualitative transformation in the process of banking service is necessary and quite chronic since, the market is competitive and the customers are receptive. Customer has preferred the usage of technology in the existing branches. This study examines Customer Preference towards Technology Usage in Existing Branches in Kancheepuram District- A study with special reference to Tambaram city.

OBJECTIVES OF THE STUDY

- To study the nature, growth and extent of I.T. based products and services for the banks in existing branches.
- To analyze the customer preferences and satisfaction levels towards various Information Technology based products and services
- To analyze the demographic/ socio economic factors influencing the customer preference towards usage of technology in existing branches
- To measures the customer preference in E-Banking services provided by existing branches.
- To know which age group of customers are using different e-banking facilities
- To know about the significant of usage of information technology in banking sector.
- To suggest some measures for improving the customer preference through technology, based on the findings of the study.

SAMPLE DESIGN AND DATA COLLECTION

The sample for this study was selected from different bank's customer based on Tambaram City. Given the nature of this study, a non-probability (convenience) sampling was chosen. Self-administered surveys were distributed in 2017. Respondents were assured of the confidentiality of their responses and their names and account no. were not solicited. A total of 200+ questionnaire distributed, out of which 160 were collected to the customer of three banks namely Indian Overseas Bank, Indian Bank, State Bank of India distributed across Tambaram city

Data was collected on both primary data and secondary data. Primary data were collected through survey method and secondary data were collected through published records and banking journals etc.

In this research the researcher has used various statistical tools like simple tables diagrams, ranking technique and chi square analysis and simple ranking technique.

LIMITATIONS OF THE STUDY

- ❖ Some respondents were skeptical in giving responses.
- ❖ The data was collected within a time window of 2 month time period.
- ❖ The inferences apply only to the respondents of Tambaram City and are not pertinent to any other place and cannot be indiscriminate.

REVIEW OF LITERATURE

Johri and Jauhari (2010) also examine the titled on “**importance of technology and issues emerging from this technology**”. According to them technology is emerging as a key-driver of business in the financial services industry. The advancement in computing and telecommunication has revolutionized the financial industry and banking through the internet is fast catching on. As e-commerce gets transformed into m-commerce with the increasing use of technologies like WAP, banking business is in for a major overhaul.

Husain (2010) highlights the importance of “**Information technology in various sectors**”. In introducing any new technology or system, various organizational, financial and functional problems are faced in the initiative stage. People are generally, reluctant to accept a new system, howsoever beneficial it may be. Such issues as are involved in computerization have been critically and gaudily discussed.

Balaji (2011) observed that “**Information and information technology are the key drivers of the information age**”. The information age has user in a knowledge-based industrial revolution. The business in this era is networked and uses information technology to survive in a highly competitive environment.

Rao (2010) views the role of “**Information technology in the financial services industry**”. Technology is bringing about important evolutionary changes in the investment industry, giving portfolio managers greater control over their activities and even more time to spend on developing insights into the stock they own or in managing them .

Evan Mannakee (2009) has expressed his opinion in his abstract titled “**Customer focused technology improved the banks business**”. He has voiced out that the better way to help the organization would be a proper mix of technology with customer service. It is the task of the banks to look up to customer needs and to actively position the products and services to fulfill the customer requirements.

Bhasin (2009) has analyzed the impact of “**Information technology on the banking sector**”. Information technology has revolutionized various aspects of our life. It has transformed the repetitive and overlapping systems and procedures into simple single key pressing operandi resulting in speed, accuracy and efficiency of conducting business. The computerization of banks has provided a major push for enabling them to enter the newer horizons. The banking industry has prepared itself and is strongly emerging to play a major supplementary role in nurturing e-commerce packed applications.

Tessler Franklin N, Mejarland Scholle Sawyer (2008) are the authors who have expressed their opinion on “**Online Banking Made Easy**”. The use of online services, for bank and credit card accounts, helps to save time by allowing the transfer of transactions directly. It is via the programmes, Direct Connect feature of downloading and importing files from the bank’s web site. The user needs to know how to process it. He needs to register with the banks to obtain customer ID and password and also the account name. Paperless payments made electronically are a great benefit and is appreciated for its quickness and accuracy.

Wileox and Melynda Dovel (2009) have given their paper titled, “**On line banking beats standing in bank lines**”. They have articulated on the use of online banking services that United States focuses on. On line banking is preferable as all banking can be done even without setting foot inside a branch office. It is easier as all transactions, even to order cheques, verify the encashed cheques, apply for mortgage, take loan, by certificate of deposits and investment products can be performed. It is expected that with lower costs, the pure internet banks can pay better rates on deposits. Therefore banking can, not only fetch higher rates but also save time. Awareness to receive and pay bill on online, trading stocks, loans or car loans are now on the increase.

Darkin Mark et al., (2011) are the authors who have given their thesis to their result in “**On E-Banking adoption: from banker perception to customer reality**”. It is well accepted that cost can be reduced and service reliability improved when the role of technology is increased. It is equally important to retain banking to adopt e-banking ,making customers understand. About 2,000 retail customers were issued questionnaires to examine and study customer communication preferences and satisfaction. Internet

banking users were identified and bank managers involved were asked to ascertain what they felt to be the key influences to customer registration for internet banking.

Tony Floyd's (2000) source of extract in his report on **"Creating a new customer service"** has informed that customers gain good time response and accessibility through web enabled call centre's, customer focused service centre's, interactive voice response e-mail etc. This highlights the advanced technology usage. But it is mandatory to record and analyze customer experience, in order to maintain the relationship with the customer which involves financial strain. Nevertheless customer service through modern technology has substantial cost reductions and increase in revenue profits.

Chandrasekhar. M and Rajendra Sonur.M (2009-10) have conducted a research paper titled on **"An analysis of the impact of information technology on the productivity Indian Banks"**. An analysis made from the government and private sector of 29 banks helped them to conclude that IT has a beneficial impact on bank productivity. Studies carried out at group levels and individuals provided further insights into the effect of IT

Manoj Kumar Dash and Mahapatra .D.M. (2006) have made a study at the models for **"Measuring customer satisfaction in the banking industry"**. They have also added suggestions for further findings. *Evaluating* a customer's trend is a mystery and a challenging task. Building satisfaction amongst the customers and customer loyalty is an integral part of any business. Customer satisfaction desires are to be monitored to make changes and create improvements. The key to banks' future success would be, increased demand for banking service, speed, service accuracy, service quality and customer satisfaction. Customer satisfaction needs to be measured, for it is quite a complex issue and confusing about what is required and how to go about it. We need parameters and measures to address the customer satisfaction. The four subscales for overall satisfaction measure are 'general satisfaction' 'trust' 'reliability' and 'professionalism'. Much study has been made to infer that maintaining loyal customers plays an integral part of any business.

Jham and Vimi (2008) have expressed their observation under the title **"Customer Satisfaction in the Indian Banking Sector"**. It is a study which draws attention on the growing interest to researchers and managers. Services provided by five Indian Banks were the target of the study. With the help of factor exploration relationship dimensions lead to identify customers' satisfaction. It also helps to study the customer satisfaction of private and public sector banks with respect to the services provided by their banks.

DATA ANALYSIS& INTERPRETATION

In the present scenario customer for e-banking services of banks differs from one person to other .So ,to understand the preference of different customer needs , the researcher has–assigned various dimensions in capturing the satisfaction levels of the customers. The attributes are usage of e-banking service, most preferred service, convenience, security, ease of access, satisfaction level of customer using internet banking.

TABLE 1 - ANALYSIS OF DEMOGRAPHIC VARIABLES

Variable	Category	Frequency	Percentage
Gender	Male	110	68.75
	Female	50	31.25
Age (in years)	Below 25	40	25.00
	25 -35	30	18.75
	35-45	25	15.63
	45-55	40	25.00
	55-60	15	9.37
	Above 60	10	6.25
Educational Qualification	Upto SSLC	35	21.88
	Hr.Sec	30	18.75
	Degree	55	34.38

Occupation	Professional	25	15.61
	Diploma	15	9.38
	Business	25	15.63
	Employee	60	37.50
	Student	35	21.87
Monthly Income	Professional	40	25.00
	Below Rs.20,000	80	50.00
	Rs.20,000 – Rs.30,000	28	17.50
	Rs.30,000 – Rs.40,000	10	6.25
	Rs.40,000 – Rs.50,000	30	18.75
Above Rs. 50,000	12	7.50	

Above Table 1- shows that most of the respondents were men (68.75%), they are using technology in the existing branches as compared to women in the Tambaram city. On a Percentage basis, 45-55 age groups fall on 25%. 34.38% of respondents' qualification is Degree level in the study area. Out of 160 respondents, 37.50% of them are employee and remaining fall under other category. Out of 160 customers 50 % of them earn monthly income of below Rs.20, 000 (i.e. employee and students).

TABLE – 2 CATEGORY OF BANK USING ADVANCED TECHNOLOGY

Category	Frequency	Percentage
Public sector bank	98	61.25
Private sector bank	62	38.75
Total	160	100

From the above Table 2examines that 61.25 percentage of customer say that public sector bank provides more technology then that of private sector banks.

TABLE – 3 PROMOTIONAL FACTORS FOR NEW TECHNIQUES IN BANKING

Promotional Factors	Rank						Cumulative rank
	I	II	III	IV	V	Total	
Reduced time of transactions	65	45	30	80	-	220	I
Cost effectiveness	25	35	20	-	28	108	V
Ease of use	20	25	15	45	27	132	IV
Technical service	30	30	40	35	30	165	III
Quick service	20	25	50	-	75	170	II
Total	160	160	160	160	160		

From the above Table 3 clearly exhibits that in various factors for promotion of new techniques in banking service most of the customer said that reduced time of transactions has scored 44 points .It occupies the first rank followed by quick service, technical service, ease of use and cost effectiveness occupied the second, third , fourth and fifth rank respectively.

TABLE – 4 LEVEL OF COMPUTER USAGE IN THE BRANCHES

Level of computer knowledge	Frequency	Percentage
No knowledge of computer	15	9.37
Beginner	20	12.50
Average knowledge	33	20.63
Advanced computer knowledge	46	28.75
Expert	46	28.75

Total	160	100
--------------	------------	------------

The above Table 4 clearly proves that 28.75% of the customers said that in their banking branches computer usage was rated as expert level

TABLE – 5 CONNECTIONS OF FINANCIAL TRANSACTIONS THROUGH INTERNET

Category	Frequency	Percentage
Uses of e-mail	10	6.25
ATM / Debit card service	56	35.00
Credit card service	18	11.25
Online banking service	24	15.00
E-payments	20	12.50
EFT / NEFT/ RTGs	32	20.00
Total	160	100

From the above Table 5 clearly states that out of 160 customers, 35% of the respondents say that their financial transaction through ATM cum debit card service is more fast; followed by EFT / NEFT / RTG service transferred through internet.

TABLE - 6 USAGE OF BANKING SERVICE

Banking services	No of time service used (Percentage)				
	Not used	1-3	3-8	8-12	Over 12times
Branch banking	52	26	45	38	-
ATM	30	80	25	15	10
Internet banking	08	15	32	40	65
Telephone banking	94	34	32	-	-
Mobile banking	06	10	-	18	126

From the above Table 6 clearly explains that out of 160 customers, 32.5% of the interviewees are not to visiting the branch 59% of the customers are not using the telephone banking because more facilities available through internet. 79 per cent of the bank customers are using mobile banking i.e. used at any place at any time for customer convenience.

Table – 7 Level of satisfaction by using technology oriented services

Satisfaction level	Frequency	Percentage
Highly satisfied	75	47
Satisfied	35	22
Moderate	24	15
Dissatisfied	16	10
Highly dissatisfied	10	6
Total	160	100

Table 7 shows the level of satisfaction of the users using the technology centered services. Out of 160 respondents, 75 are highly satisfied, accounting for 47%, 35 are satisfied, accounting for 22%, 24 are moderate, accounting for 15%, 16 are dissatisfied, accounting for 10% and 10 are highly dissatisfied, accounting for 6%. It is shown that a large number of respondents using technology oriented services are vastly satisfied in the study region.

HYPOTHESIS TESTING

In order to prove this fact, the researcher has framed the following null hypothesis that H_{01} "There is no association between the category of bank customer using advanced technology and level of

satisfaction for using technology oriented services” To validate this promulgation, the researcher has used the Chi-Square Technique.

TABLE – 8 Level of satisfaction and category of bank using advanced technology

Category of bank	Level of satisfaction					Total
	Highly satisfied	Satisfied	Moderate	Dissatisfied	Highly dissatisfied	
Public bank	30 (40%)	30 (86%)	18 (75%)	12 (75%)	8 (80%)	98 (61.25%)
Private bank	45 (60%)	5 (14%)	6 (25%)	4 (25%)	2 (20%)	62 (38.75%)
Total	75 (47%)	35 (22%)	24(15%)	16 (10%)	10 (6%)	160 (100%)

Source: Computed data

Calculated chi- square value is 28.37 – significant (at 4 degrees of freedom table value is 9.49 at 5% level of significance)

The computed Chi-Square value is 28.37 is more than the table value 9.49. So the null hypothesis is rejected.

Hence, it was concluded that, H_{01} “There is no association between the category of bank customer using advanced technology and level of satisfaction for using technology oriented services”.

FINDINGS OF THE STUDY

- Most (68.3%) of the respondents were male because women cannot technology in the house because of lack of time.
- 25 % of the respondents come under the age group of below 25 years and 45 -55 years respectively. i.e. youngsters can use technology for entertainment , recreation and middle age group people can use it for their household needs. So that technology has been more used for the age groups.
- A large number of customers prefer E-banking and mobile banking in the study area.
- The entire customers use ATM cards in the study region.
- 34.38% of the bank customers are educated at degree level.
- 37.50% of the respondents are employee and those interviewees are earns below Rs. 20000.
- Greater part (61.25 per cent) of customer said that public sector bank provides more technology then that of private sector banks.
- Most of the customer said that reduced time of transactions is scored 44 points it occupies the first rank for using simple ranking technique.
- 28.75% of the customers say that in their banking branches level of computer usage is expert and advanced when it comes to computer knowledge in the banking field respectively.
- A large (60) number of customers are benefited because of any time withdrawal by using the ATM cum debit cards.
- Most of the customers don't want to visit the branch and are not using the telephone banking services provided by the bank.
- 79 per cent of the bank customers can use the mobile banking i.e. used at any place at any time for customer convenience.
- For the most part of the customers are highly satisfied for using the technology oriented services
- Majority of the customers are satisfied with the ATM facilities provided by the Bank.

SUGGESTIONS

- ✓ Opportunities and challenges offered by technology used banks can only be met fruitfully if bank continues to develop various delivery channels.

- ✓ The bank should open more ATM outlets in the study area.
- ✓ The bank has to attract more customers by improving the Core Banking and make the banking operation simple.
- ✓ The bank should try to adopt a friendly and homely atmosphere so that the customers are satisfied with the service provided.
- ✓ In order to make E-banking more popular bank must dispense the customers based on demographic precedence (i.e., age, gender, occupation, etc)
- ✓ To spread the awareness among the customers it is desirable that promotional measures through various media, such as print, internet, SMS, hoardings, ATM locations, Display screens at Branches, TV and Radio are to be further strengthened by the bank to promote technology oriented services.
- ✓ In order to reduce the complaint against the technology banking services there is a need for continuous up grading the technological infrastructure.
- ✓ As customers turn to online and mobile banking to manage their financial accounts at an ever increasing rate, it become more important for the bank to understand their customer's inimitable online needs and confer a secure and user-friendly experience for accessing financial information and conduct financial transactions.

CONCLUSION

Customer is a king in the present day banking. The banks are providing services according to customer's needs and wants. Traditionally we had bricks and mortar bank where all the banking transaction has to be carried on within the particular geographical area. Due to globalization and technological innovation many transformation has been taken place in all the sectors of the economy-banking sector is no exception. In order to provide better services to the changing needs of customers, the banks brought the transformation in the banking services. It has become the challenging job for the bankers to retain the existing customers and winning the new customers, otherwise sustaining in the banking business is a tough phenomenon. Bankers are in the people's business and it is the goal of the bankers to make the customers happy to achieve their targets. To achieve this challenging task of satisfying the customers, the banks are turning towards the technology for the help. Technology has been one of the most important factors for the development of mankind. Information and communication technology is the major advent in the field of technology which is used for access, process, storage and propagation of information electronically. Internet has played an abundance of opportunities for players in the banking sector. While the new entrants have the advantage of latest technology, the goodwill of the established banks gives them a special prospect to lead the online world. This growth has been strongly supported by the development of in the field of technology, without which this could not have been possible of course it will change our lifestyle in coming years.

BIBLIOGRAPHY

- ◆ Balaji (2011) "Impact of Technology upgradation on the functioning of banks"-Journal of Banking information technology and management- vol.91, p.58.
- ◆ Banking Conference Paper, 2012, page no. 24-35.
- ◆ Banking Theory, law and Practice, Clifford Gomez, Published by Asoke K. Ghose, PHI Learning Private Limited, New Delhi-110001, year - 2011.
- ◆ Golden, S., & Regi, S. B. (2017). Customers' satisfaction towards online banking—an analysis.
- ◆ Golden, S. A. R., Regi, S. B., & Franco, C. E. (2014). A study on Impact of Information Technology (IT) in Modern Banking Sector. *Golden Research Thoughts*, 3(11), 1.
- ◆ http://www.indianmba.com/faculty_column/fc328/fc328.html 30.3.2010.
- ◆ Husain (2010) "Impact of Technology upgradation on the functioning banks" –Journal of Banking information technology and management – vol.8 1, p.55.

-
- ◆ Johri and Jauhari (2010) “Impact of Technology upgradation on the functioning of banks” –Journal of Banking information technology and management –vol.8, p.56.
 - ◆ Rao (2010) “Impact of Technology upgradation on the functioning of banks” –Journal of Banking information technology and management – vol.8, no.8, p.58.
 - ◆ Regi, S. B. Electronic Banking: A Study On Pros & Cons. *Recent Research in Social Sciences & Humanities*, 24.
 - ◆ Regi, S. B., & Franco, C. E. INFORMATION TECHNOLOGY IN INDIAN BANKING SECTOR–CHALLENGES AND OPPORTUNITIES.
 - ◆ The Indian Financial Markets, Institutions and financial services, Gomez. C., PHI Learning, New Delhi, year-2008.
 - ◆ The Indian Financial System and Development, Desai V. Himalaya Publishing House, Mumbai, 2005.