



A STUDY ON RURAL CUSTOMER PERCEPTION TOWARDS CONVENTION AND AWARENESS OF E-BANKING SERVICES IN THE KOVILPATTI REGION

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ABSTRACT

Banking sectors in India are being driven to offer new forms of services to their consumers in both urban and rural areas due to the country's rapid development of information technology. As a result of banks offering their clients innovative e-banking services like ATMs for cash withdrawal and deposits, Internet banking, mobile banking, POS (Point of Sale), pocket money, Payments Bank, NEFT, IMPS, RTGS, etc., business transactions are increasingly becoming cashless. This study looks at how rural customers use and are aware of e-banking services. It also addresses why certain customers prefer certain services and what amount of awareness they have of them. The findings indicate that customers' differing perspectives on using e-banking rely on how much they understand issues like accessibility, security, risk, and transaction privacy. as a result, this research demonstrates how bankers in the Kovilpatti region can make decisions to raise user knowledge of e-banking services.

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INTRODUCTION

An emerging trend in banking services is e-banking. All banking services now follow the idea of electronic banking due to the global growth of technology. Electronic fund transfers, or "e-banking," allow customers to deposit and transfer money without physically going to a bank. As a result of banks offering a variety of E-Banking services in the new digital era, including ATMs, Internet banking, mobile banking, payment banks, and POS systems, both banks and their clients will save time and money. In e-banking, customers can make information requests and complete banking tasks including

checking their account balances, transferring money, paying bills, recharging their phones, requesting chequebooks, etc. over a telecommunications network without going to the bank.

Hongkong and Shanghai Banking Corporation was the first bank to adopt the ATM concept, launching e-banking in India in 1987. In India, numerous public and private sector banks currently operate more than 2 lakh ATMs.

In the beginning, SMS was used for all transactions in mobile banking, which began in 2002. Right now, a computer, laptop, or smartphone is used for every



transaction. ICICI Bank was the first bank to introduce mobile banking in India in 2008.

Factors influencing in use of E-Banking.

E-banking is influenced by several factors, but a few stand out:

1. A lack of secrecy and security - Even after logging off, clients worry about the confidentiality and security of their accounts. In their minds, the threat of hacking rules.
2. Inadequate connectivity and infrastructure — Only consumers with low-income levels have access to the modern technology-based infrastructure and electronic devices required for internet banking. Another problem with clients is determining the optimal degree of connectivity speed and its consistency.
3. Limited e-skills - Not many users have trouble understanding the guidelines for internet banking.

Technology Imperatives of E-Banking and Security Concerns:

- (a) 24*7 Continuous accessibility
- (b) Scalability
- (c) Security

Banks must make the following system infrastructure improvements:

1. Streamline the system for credit card and other types of electronic transactions.
2. Expand the services for transaction reporting.
3. Enhance the payment method.
4. Upgrade the network for communications.

Objectives of the Study:

1. To identify the rural clients' demographics
2. To identify the justifications for rural areas' use of e-banking services.
3. To find the primary justifications for not using e-banking services.
4. To determine the extent to which rural communities are aware of e-banking services.

Statement of the problem:

The need to investigate rural markets is highlighted by the fact that they have a high untapped potential.

ANALYSIS AND INTERPRETATION:

Marketers have tried to comprehend and access the rural markets during the past few decades using creative ways. The tendency of exposure, habits, lifestyle, and pattern of consumption of goods and services has decreased among rural people. The study's goal is to determine why e-banking services aren't available in rural areas, the level of customer awareness in these places, and the factors that influence them. Due to the rapid development of technology and the arrival of private and foreign banks, banks now offer a variety of E-banking services including mobile banking, Internet banking, ATM services, and others. E-banking has generated the most demand among the major initiatives from clients. A new frontier of opportunities and difficulties is opened up with the introduction of E-banking services provided by a banking corporation. Despite these possibilities, many elements affect consumer problems with E-banking, such as trust, suitability, reliability, confidentiality, and the like, which are contributing to the rise of e-banking. This study was done on the E-banking services provided by the banks in the Kovilpatti region's rural districts.

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METHODOLOGY:

An empirical study was conducted on the usage and level of knowledge of e-banking services among rural customers in the Kovilpatti region. The use of both primary and secondary data is made. A specially created questionnaire was used to acquire primary data directly from the respondents. Following the completion of the questionnaire, the data were processed using the right tools for analysis and interpretation. A variety of books, journals, publications, and websites are used to gather the secondary data. For this study, the researcher chose 200 respondents from among the Kovilpatti area's various bank clients. The best sampling strategy was selected. To quickly grasp the data, techniques like mean score analysis and Chi-Square were applied.

TABLE 1: Demographic Profile

PARTICULARS	NO. OF RESPONDENTS	PERCENTAGE %
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GENDER		
Male	160	72%
Female	60	28%
Age		
Below 25years	30	13
25-35 years	80	36
35-45 years	60	27
Above 45 years	50	24
Educational Qualification		
Up to HSC level	40	18
UG	72	33
PG	82	37
Others	26	12
INCOME LEVEL		
Less than 2 lakhs	42	14
2 – 3 lakhs	84	38
3 – 4 lakhs	73	33
4 – 5 lakhs	31	14
OCCUPATION		
Salaried	48	22
Professionals	16	7
Self Employed	94	43
Others	62	28

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Source: Primary data

Table 1 reveals that male respondents make up 72% of the sample, while female respondents make up 28%. The age range of respondents with the highest percentage is 25 to 35 years old (36%) while respondents with the lowest age range are under 25 years old (13%). The bulk of respondents (37%) have a post-graduate degree, whereas only 12% of

respondents have another type of education. The vast majority of respondents' incomes (38%) range from Rs. 2 to 3 lakhs, while just a small percentage (14% of respondents) have incomes below Rs. 2 lakhs. The self-employed make up the majority of respondents (43%) whereas professionals make up the least number of respondents (7%).

Table 2: Do You Use E-Banking?

Do you use E-banking	No. of respondents	Percentage
Yes	188	85
No	32	15

Source: Primary data

Table 2 demonstrates that the majority of respondents (86%) use online banking, while only a small minority (14%) do not.

Table 3: Frequency of Use of E-Banking Services

Frequency of use	No. of respondents	Percentage
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Frequently use	82	44
Almost every time	42	22
Occasionally	46	24
Rarely	18	10

According to Table 3, the majority of respondents (44%) use online banking frequently, while only 9% report using it very infrequently.

Table 4: Awareness level of E-Banking Instruments

Instruments	Much Higher	Higher	Average	Lower	Much Lower	Mean score
ATM	88	22	32	26	20	3.70
Debit Card	120	50	12	6	-	4.51
Credit Card	20	30	26	48	64	2.44
Internet Banking	10	17	32	62	67	2.15
Mobile Banking	42	37	21	48	40	2.96
EFT	15	17	23	41	92	2.05
Tele Banking	22	27	41	49	49	2.60

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Table 4 displays the level of awareness for using e-banking services. The use of a debit card receives the highest mean score (4.51) out of 188 respondents. The majority of respondents have received information about debit cards from online banking. ATM comes in

second place behind the debit card service with a mean score of (3.70). In other words, more respondents are aware of using ATMs and online banking services.

Table 5: Difficulty in the usage of E-Banking Instruments

Instruments	Very Difficult	Difficult	Neutral	Easy	Very easy	Mean Score
ATM	13	8	39	35	93	2.00
Debit Card	15	12	43	47	71	2.22
Credit Card	96	34	22	12	24	3.88
Internet Banking	84	41	36	11	16	3.88
Mobile Banking	41	27	21	57	42	2.83
EFT	71	38	27	14	38	3.48
Tele Banking	82	41	18	17	30	3.68

Source: Primary data

The challenges of adopting e-banking services are illustrated in table 5. The statement "Credit card and online banking are having difficulty using E-Banking services" received the highest mean score (3.88) out of 188 respondents. Telebanking, which occupies

place after it, comes in second with a mean score of (3.68). i.e., a larger percentage of respondents reported difficulty using telebanking. The ATM is the service that respondents report having the fewest issues utilizing (2.00).

Table 6: Influencing Factors for using E-Banking services

S.No	Factors	SA	A	N	DA	SDA	Mean score
1.	Convenient	77	28	37	12	34	3.54
2.	Reliable	31	17	52	18	70	2.67
3.	24*7	16	15	25	60	72	2.16
4.	Time-saving	19	13	32	71	53	2.33
5.	Password	61	25	16	31	55	3.03



	protection						
6.	Confidentiality	18	21	18	41	90	2.13
7.	Easy to operate	60	22	41	27	38	3.21

Source: Primary Data

SA-Strongly Agree, A-Agree, N-Neutral, DA-Disagree, SDA- Strongly Disagree

The factors that affect whether or not a person uses e-banking services are listed in table 6. Convenient had a mean rating of 3.54 out of 188 responses. The convenience of e-banking services has an impact on the majority of survey respondents. Password

protection comes in at number two after the practical aspect and has a mean score of (3.03). Password Protection on the use of E-Banking services, in other words, attracts a greater number of responders. Confidential is the factor that has the least impact on using e-banking services (2.13)

.Table 7: Influencing Factors for Non-Preference of E-Banking services

S.No	Factors	SA	A	N	DA	SDA	Mean score
1.	Preferring face-to-face banking	16	5	4	3	4	3.81
2.	High risk	18	3	2	6	3	3.84
3.	drift of security	4	3	7	8	10	2.47
4.	Secrecy	11	5	4	6	6	3.28
5.	No instant help	18	3	5	4	2	3.96
6.	Difficult to operate	20	7	4	1	-	4.44

Source: Primary Data

SA-Strongly Agree, A-Agree, N-Neutral, DA-Disagree, SDA- Strongly Disagree

The influencing factors for not preferring e-banking services are displayed in table 7 below. The Difficult to operate factor received the highest mean score (4.04) out of 32 respondents. The majority of respondents do not use e-banking services because they are challenging to use. No instant support aspect comes in second with a mean score of (3.96), which is higher due to more responders. No prompt assistance. The drift of security is the least important reason why people don't prefer online banking services (2.47).

SUGGESTIONS:

1. The number of rural clients who are aware of e-banking services is low. As a result, the banker constantly advertises E-Banking services to rural customers.
2. Banks must inform their rural clients about the benefits of e-banking.
3. The banker must prioritize consumer inquiries and provide a prompt response.

Conclusion:

E-banking is significant in the current contemporary period. According to the findings of this study, the majority of people find it easy to access E-banking eISSN1303-5150

services, and they appreciate password protection and knowing how to use ATMs for financial transactions. Although these E-Banking services generally make our financial operations simple and offer total security to us, some rural residents still do not fully understand them.

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