



A STUDY ON ATTITUDE AND PREFERENCE OF CUSTOMERS TOWARDS PAPERLESS BANKING IN TIRUNELVELI CITY

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ABSTRACT

The main aim of the study is to analyze the attitude of the customers using paperless banking and know the preference of the customers towards paperless banking. The research is based on the customer attitude and preference towards paperless banking in Tirunelveli City. The research discusses the attitude of the customers using paperless banking and the preference towards paperless banking. The researcher has taken different type of paperless transaction mode namely balance enquiry, withdrawal, bill payment, shopping, ticket booking, fund transfer and share trading. This study was descriptive and analytical in nature. The study mainly depends upon the primary data. However, some secondary sources of data were consulted for the purpose of gathering background information supporting the study. Relevant primary data were collected using the combination quantitative (sample survey). Primary data were collected through questionnaire method. A Questionnaire was administered to 150 customers in the study area. Appropriate and relevant statistical tools and techniques were used such as Descriptive statistics (Mean), Analysis of Variance (ANOVA), 't' test. It is concluded that majority of the customers are highly satisfied by using paperless banking as long as there is convenience and easier transaction. Most of the customers preferred Mobile banking as a mode of paperless banking than internet banking, Digital Payment apps and Debit/Credit cards.

KEY WORDS: Paperless banking, Attitude, Preference and Mobile banking

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INTRODUCTION

The technology has spread internet banking system or core banking solutions, mobile banking, prepaid instruments, credit and debit cards etc. concurrent, electronic payments system is fast growing. All these measures indicate that India is moving towards the RBI's goal of less cash economy- steady but slowly. It's time to go paperless transactions system. The purpose of demonetization is not only to remove or avoid black money in transaction but also to encourage paperless payment method. Instead of breaking heads by standing in Automated Teller Machine (ATM) queue customers should adopt a paperless method for the transaction. A paperless method is more transparent as each and every transaction can be traced easily as it leaves its footprints. Many people have adopted new paperless payment options.

STATEMENT OF THE PROBLEM

People living in the remote villages and areas of the country are still not educated enough and are not able to operate the banking services effectively. Illiterate people with bank accounts in the

country are not even good enough to fill in the bank forms to deposit and withdrawal money. They have to take help of the people in the banks to fill in the forms and get their work done. It has become the prime responsibility of the government to start a campaign in the form of mission to enable the people to discharge their duty by themselves. Lack of education and the poor syllabus done in the schools are the main reasons that they are not able to operate their bank accounts. Furthermore, illiterate and the people with less exposure to such facilities are not able to operate the cards. The people are not aware of the security measures of the PIN number etc. people should be made aware enough so that they can use the basic banking facilities. Technology is the backbone to this banking revolution. Technology must be available in all the areas of the country; it means all the banks at the branch level even in the remote area should have the access to the technology. The technology must have all the aspects that can help the individuals to do the things better and effectively. The second major aspect of the



technology is that it should be easily handled and used by the people. It is one of the major aspect of the banking that the consumer must aware of the technology and should be able to use it effectively for the purpose. The people are not aware of the technology and are not so involved in the use of it. In this context a study to analyze the schemes offered by banks with regard to paperless banking, the attitude of the customers using paperless banking and the preference of the customers towards paperless banking has been proposed.

OBJECTIVES OF THE STUDY

- 1) To analyze the attitude of the customers using paperless banking.
- 2) To know the preference of the customers towards paperless banking.

SCOPE OF THE STUDY

The research is based on the customer attitude and preference towards paperless banking in Tirunelveli City. The research discusses the attitude of the customers using paperless banking and the preference towards paperless banking. The researcher has taken different type of paperless transaction mode namely balance

enquiry, withdrawal, bill payment, shopping, ticket booking, fund transfer and share trading.

HYPOTHESES

The following hypotheses were framed for the study.

H₀₁: There is no significant difference in attitude towards paperless transactions among different socio economic profile of customers.

H₀₂: There is no significant association between preference on the paperless banking transactions and socio economic profile of customers

METHODOLOGY

This study was descriptive and analytical in nature. The study mainly depends upon the primary data. However, some secondary sources of data were consulted for the purpose of gathering background information supporting the study. Relevant primary data were collected using the combination quantitative (sample survey). Primary data were collected through questionnaire method. A Questionnaire was administered to 150 customers in the study area. Appropriate



and relevant statistical tools and techniques were used such as Descriptive statistics (Mean), Analysis of Variance (ANOVA), ‘t’ test.

ANALYSIS AND INTERPRETATION

Attitude towards paperless banking among different gender group of sample customers

In order to reveal the significant difference among the different gender

group of sample customers attitude towards paperless banking on the fifteen statements, data were collected and the ‘t’ test has been administered. The mean score on each statement obtained was calculated separately. The resulted mean score on the attitude towards paperless banking among different gender group of sample customers and the respective “t” statistics are presented in Table 1.

Table 1
‘t’ test for Significant difference among gender group of sample customers with respect to attitude towards paperless banking

Attitude towards paperless banking	Gender (Mean Score)		t Statistics
	Male	Female	
Using paperless banking is prestigious	4.3939	4.4173	0.354
Adds value to lifestyle	4.0251	4.0873	0.779
Purchase complex products (e.g. international purchase)	4.1816	4.2008	0.277
Use more while purchasing high price products	4.3101	4.3898	1.120
Purchasing products in a bulk amount or when the product size is huge	4.3507	4.4289	0.398
Technology of using paperless banking is available everywhere	3.9860	4.0669	1.047
Interest rate of the credit card is reasonable	4.0503	4.0276	0.264
Billing through paperless banking is more convenient	4.3184	4.3386	0.319
Users get extensive benefits for selective	4.3045	4.3465	0.576



purchases			
Payment through paperless banking reduces the time pressure	4.3380	4.2934	0.625
Paperless banking is a more secure way of transaction	3.9078	3.8153	1.066
Non availability of cash in ATM booths	4.0000	3.8703	1.550
Non availability of Technology of payment through paperless banking at purchase point	3.6492	4.0819	3.399*
Fake notes from ATM booths	3.8821	3.5929	3.013*
Technological complications	3.7905	3.8307	0.458

Source: Primary data

*-Significant at five per cent level

Table 1 clearly shows that the important attitude towards paperless banking among the male sample customers were using paperless banking is prestigious and purchasing products in a bulk amount or when the product size is huge since the respective high mean scores were 4.3939 and 4.3507 respectively. Among the "Female sample customers" important attitude towards paperless banking were purchasing products in a bulk amount or when the product size is huge and using paperless banking is prestigious since the respective mean scores were 4.4289 and 4.4173 respectively. A significant difference among the gender group of sample

customers were identified regarding the attitude towards paperless banking on its various aspects especially non availability of Technology of payment through paperless banking at purchase point and fake notes from ATM booths since the respective "t" statistics were significant at 5 per cent level. However the aspects like "Using paperless banking is prestigious, adds value to lifestyle, purchase complex products (e.g. international purchase), use more while purchasing high price products, purchasing products in a bulk amount or when the product size is huge, technology of using paperless banking is available everywhere, interest rate of the credit card is



reasonable, billing through paperless banking is more convenient, users get extensive benefits for selective purchases, payment through paperless banking reduces the time pressure, paperless banking is a more secure way of transaction, non availability of cash in ATM booths and technological complications” was found to be not significant.

Attitude towards paperless banking among different age group of sample customers

In order to reveal the significant difference in attitude towards paperless banking among the different age group of sample customers, data were collected and the ‘ANOVA’ test has been administered. The mean score on each statement obtained was calculated separately. The resulted mean score on the attitude towards paperless banking among different age group of sample customers and the respective “F” statistics are presented in Table 2.

Table 2
‘ANOVA’ test for Significant difference among age group of sample customers with respect to attitude towards paperless banking

Attitude towards paperless banking	Age Group (Mean Score)				F Statistics
	Below 20 years	21-30 years	31-40 years	Above 40 years	
Using paperless banking is prestigious	4.3481	4.4196	4.4420	4.4211	0.427
Adds value to lifestyle	4.0276	4.0514	4.0514	4.0652	0.804
Purchase complex products (e.g. international purchase)	4.2431	4.2039	4.1159	4.1053	0.738
Use more while purchasing high price products	4.3978	4.3098	4.3333	4.3421	0.370
Purchasing products in a bulk amount or when the product size is	4.1050	4.3412	4.7391	4.0526	2.980*



huge					
Technology of using paperless banking is available everywhere	4.0100	4.0510	3.9710	4.0789	0.292
Interest rate of the credit card is reasonable	3.9834	4.0431	4.0507	4.2632	0.756
Billing through paperless banking is more convenient	4.3204	4.2863	4.4203	4.2895	0.946
Users get extensive benefits for selective purchases	4.3812	4.2510	4.4058	4.2105	2.825*
Payment through paperless banking reduces the time pressure	4.3636	4.2353	4.4275	4.2632	1.581
Paperless banking is a more secure way of transaction	3.9724	3.8235	3.8333	3.8158	0.810
Non availability of cash in ATM booths	3.9227	3.9922	3.8623	4.0526	0.649
Non availability of Technology of payment through paperless banking at purchase point	3.8232	3.8941	3.7899	4.1053	2.739*
Fake notes from ATM booths	3.6906	3.7882	3.7536	3.6842	0.335
Technological complications	3.6961	3.8510	3.8766	3.7895	0.991

Source: Primary data

*-Significant at five per cent level

Table 2 shows that the important attitude towards paperless banking among the sample customers who are in the age group of less than 20 years were use more while purchasing high price products and users get extensive benefits for selective purchases since the respective high mean scores were 4.3978 and 4.3812

respectively. Among the "Sample customers who are in the age group between 21-30 years" important attitude towards paperless banking were using paperless banking is prestigious and purchasing products in a bulk amount or when the product size is huge since the respective mean scores were 4.4196 and 4.3412

respectively. Among the “Sample customers who are in the age group of 31-40 years”, important attitude towards paperless banking were purchasing products in a bulk amount or when the product size is huge and using paperless banking is prestigious since the respective means scores were 4.7391 and 4.4420. Among the “Sample customers who are in the age group of above 40 years” important attitude towards paperless banking were using paperless banking is prestigious and use more while purchasing high price products since the respective mean scores were 4.4211 and 4.3421 respectively.

A significant difference among the different age group of sample customers were identified regarding the attitude towards paperless banking on its various aspects especially ‘Purchasing products in a bulk amount or when the product size is huge, users get extensive benefits for selective purchases and non-availability of technology of payment through paperless banking at purchase point’ since the respective “F” statistics were significant at 5 per cent level. However the aspects like

“Using paperless banking is prestigious, adds value to lifestyle, purchase complex products (e.g. international purchase), use more while purchasing high price products, technology of using paperless banking is available everywhere, interest rate of the credit card is reasonable, billing through paperless banking is more convenient, payment through paperless banking reduces the time pressure, paperless banking is a more secure way of transaction, non-availability of cash in ATM booths, fake notes from ATM booths and technological complications” was found to be not significant.

Preference on the paperless banking transactions among different educational qualification of sample customers

The preference on the paperless banking transactions differ between sample customers on the basis of educational qualification. The sample customers categorized on the basis of educational qualification are compared with preference on the paperless banking transactions. The one-way ANOVA was applied to test the null hypothesis as,

H₀: There is no significant difference between preference on the paperless banking transactions and educational qualification of sample customers.

The comparative results of preference on the paperless banking transactions and educational qualification of sample customers are presented in Table 3.

Table 3
Significant difference among different educational qualification of sample customers with respect to the preference on the paperless banking transactions

Preference on the paperless banking transactions	Educational Qualification [Mean Score]				F Statistics
	Hr.Sec / diploma	U.G	P.G	Others	
Time consumption	3.5588	3.6735	3.5546	3.3481	3.003*
Safe and secured transactions	3.6471	3.9388	3.7311	3.4880	3.364*
Easiest bill payments options	3.8529	4.0204	3.8950	3.7629	1.381
Redemption of points	3.2941	3.7551	3.6134	3.6667	2.291
Monthly ECS payments	3.3824	4.4286	3.6261	3.5876	9.533*
24x7 Customer service	3.1471	3.9185	3.6345	3.4777	5.318*
Speedy ticket booking facility	4.0294	4.2653	3.8319	3.6426	7.298*
Convenient service	3.6776	3.8907	3.7395	3.7239	0.864
More number of transactions	3.3235	4.0204	3.8697	3.5223	7.216*
Cost effective facility	3.9118	4.1020	3.7143	3.6220	5.119*
More offers available	3.6475	3.6735	3.8790	3.6186	5.685*
National/ International card services	3.6765	3.4082	3.5588	3.5052	0.689
Availability of One Time Password (OTP)	3.2647	3.9592	3.7395	3.3918	8.747*

Source: Primary data

*-Significant at five per cent level



As seen in the above table, the important preference on the paperless banking transactions among sample customers who are Hr.Sec / diploma qualification are speedy ticket booking facility and cost effective facility and their respective mean scores are 4.0294 and 3.9118. It is noted from the above table that the important preference on the paperless banking transactions of sample customers who are UG qualification are monthly ECS payments and speedy ticket booking facility and their respective mean scores are 4.4286 and 4.2653. The study finds that the important preference on the paperless banking transactions of sample customers who are PG qualification are easiest bill payments options and more offers available and their respective mean scores are 3.8950 and 3.8790. It is estimated from the above table that the important preference on the paperless banking transactions of sample customers who are other educational qualification are easiest bill payments options and convenient service and their respective mean scores are 3.7629 and 3.7239. The result indicates that there is a

statistically significant difference between educational qualification of sample customers and preference on the paperless banking transactions namely time consumption, safe and secured transactions, monthly ECS payments, 24x7 customer service, speedy ticket booking facility, more number of transactions, cost effective facility, more offers available and availability of One Time Password (OTP). Therefore the different educational qualification of sample customers is considered as a discriminating factor contributing to preference on the paperless banking transactions namely time consumption, safe and secured transactions, monthly ECS payments, 24x7 customer service, speedy ticket booking facility, more number of transactions, cost effective facility, more offers available and availability of One Time Password (OTP).

Preference on the paperless banking transactions among different status of sample customers

The preference on the paperless banking transactions differ between sample customers on the basis of status. The

sample customers categorized on the basis of status are compared with preference on the paperless banking transactions. The one-way ANOVA was applied to test the null hypothesis as,

H₀: There is no significant difference between preference on the paperless

banking transactions and status of sample customers.

The comparative results of preference on the paperless banking transactions and status of sample customers are presented in Table 4.

Table 4
Significant difference among different status of sample customers with respect to the preference on the paperless banking transactions

Preference on the paperless banking transactions	Status [Mean Score]					F Statistics
	Govt. Employee	Pvt. Employee	Business Man	Professionals	Students	
Time consumption	3.4216	3.4588	3.1739	3.3846	3.8673	6.899*
Safe and secured transactions	3.7255	3.7412	3.3478	3.2458	4.0408	15.277*
Easiest bill payments options	3.7941	3.9255	3.6087	3.4154	4.1633	7.719*
Redemption of points	3.6471	3.6588	3.2609	3.7231	3.8367	6.117*
Monthly ECS payments	3.7948	3.6462	3.3304	4.0204	3.6585	10.578*
24x7 Customer service	3.6765	3.6353	3.0435	3.2154	3.9286	13.287*
Speedy ticket booking facility	3.7745	3.9020	3.3913	3.5385	4.0414	7.898*
Convenient service	3.2845	3.8902	3.3293	3.7288	4.0510	12.654*
More number of transactions	3.7353	3.9608	3.0588	3.3846	3.7245	14.049*
Cost effective facility	3.8529	3.8235	3.3478	3.7234	3.5918	6.691*
More offers available	3.7255	3.9647	3.6522	3.5231	3.3469	13.684*
National/	3.6569	3.5373	3.4348	3.5077	3.4694	0.812



International card services						
Availability of One Time Password (OTP)	3.5196	3.7176	3.0490	3.4462	3.7857	9.209*

Source: Primary data

*-Significant at five per cent level

As seen in the above table, the important preference on the paperless banking transactions among sample customers who are Government employees are cost effective facility and monthly ECS payments and their respective mean scores are 3.8529 and 3.7948. It is noted from the above table that the important preference on the paperless banking transactions of sample customers who are private employees are more offers available and more number of transactions and their respective mean scores are 3.9647 and 3.9608. The study finds that the important preference on the paperless banking transactions of sample customers who are businessmen are more offers available and easiest bill payments options and their respective mean scores are 3.6522 and 3.6087. It is estimated from the above table that the important preference on the

paperless banking transactions of sample customers who are professionals are monthly ECS payments and convenient service and their respective mean scores are 4.0204 and 3.7288. Table further indicates that the important preference on the paperless banking transactions of sample customers who are students are easiest bill payments options and convenient service and their respective mean scores are 4.1633 and 4.0510. The result indicates that there is a statistically significant difference between status of sample customers and preference on the paperless banking transactions namely time consumption, safe and secured transactions, easiest bill payments options, redemption of points, monthly ECS payments, 24x7 customer service, speedy ticket booking facility, convenient service, more number of transactions, cost effective



facility, more offers available and availability of One Time Password (OTP). Therefore the different status of sample customers is considered as a discriminating factor contributing to preference on the paperless banking transactions namely time consumption, safe and secured transactions, easiest bill payments options, redemption of points, monthly ECS payments, 24x7 customer service, speedy ticket booking facility, convenient service, more number of transactions, cost effective facility, more offers available and availability of One Time Password (OTP).

SUGGESTIONS

- ✓ PIN or password should not be stored, the PIN or passwords should be changed frequently and memorized before destroying.
- ✓ Google pay users are advised not to provide sensitive account-related information over unsecured e-mails or over the phone.
- ✓ The risk of technological changes has to be carefully analyzed. This is important to update technologies and remain cost effective and customer friendly

CONCLUSION

It is concluded that majority of the customers are highly satisfied by using paperless banking as long as there is convenience and easier transaction. Most of the customers preferred Mobile banking as a mode of paperless banking than internet banking, Digital Payment apps and Debit/Credit cards. The reason behind customer preferring Mobile Banking as a convenient mode is due to multiple reasons such as Mobile is a handy device where they can access 24/7/365 days. Banking sector should also focus on Security threats and provide personalized offerings to the customers to make them much more comfortable and confident in using digital banking in modernity. Customers also felt that these benefits are not only the major factor which influence the customers for using digital banking but also there are other factors which is demotivating the customers for using digital banking like technical issue, security, connectivity and transaction speed. Thus, Bank that provides competitive rates, offers unique services and products satisfies the customers.



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