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A study on customer awareness towards digital banking in rural areas of Coimbatore district

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Abstract
The research is focused on examining the customer awareness towards digital banking in rural areas of Coimbatore district. The present study is mainly based on primary data which has been collected through issue of questionnaire to 200 respondents residing in rural areas Coimbatore district by adopting convenient sampling method. The statistical tools like simple percentage analysis, chi-square are applied to the analysis and interpreted the collected data. From the analysis, it is ascertaining that customer's usage of digital banking can be knows through friends, relatives or through bank employees. The finding helps us to know about the digital banking and the uses as it minimize the work of customer in doing person-person banking without any waste of time and energy from the place where you are. Also we are able to know the use of digital banking in different sector of our country likewise in industries, institute etc.

Keywords: Digital banking, customer, awareness

1. Introduction
Online shopping has become increasingly popular, due to convenience (and often lower prices). It is a form of electronic commerce which allows consumers to directly buy goods or services from a seller over the Internet using a web browser. Consumers find a product of interest by visiting the website of the retailer directly or by searching among alternative vendors using a shopping search engine, which displays the same product's availability and pricing at different e-retailers.

Online purchase in particular continues to rise, as adoption and penetration levels of Internet technology continuously increase. The Internet is an open worldwide communication network, linking countless number of computer networks throughout the world, through an intensive network of telephone lines. The increased availability of Internet is influencing the growth of Internet users around the world. Companies are investing heavily in promotion of their products services via internet based marketing. But its growth rate is relatively slower as compared to other emerging technologies.

The prominent reason of slower growth than expected may be due a large proportion of population in India as well as other developing & under developed countries that people are still not aware of computers & internet technology also security concern regarding personal information on websites. Studying buying behavior, motives and intention along with the attitude of the online buyers is within the theoretical constructs of the Theory of Reasoned Action. The behaviors include: when they click on banner ads (with which site and age group), response to e-mail advertisements, way in which product information is searched using search engines and within the site, use of comparison engines, attention and time to customer review and reaction toward them, product basket, online support services, use of e-mail service, feedback form, checkout.

However, both consumers and marketers continued exploring online options. Soon more substantial business models emerged; search advertising and e-commerce were the new possibilities. Enhancements in targeting advertising, and understanding how websites maintain visitors, thus became relevant for researching consumer's behavior and buying, its fact are: The Internet is no longer a medium of "new economy", and "E-business" as a term has rather been rendered obsolete. The Internet is used in any and all industries, as a branding and marketing tool, as an internal communication tool, and as the start of most business transactions.

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Today companies use the Internet as one of the most powerful tools in a big number of ways. The Internet has unlocked a large number of search options and new ways of highlighting the important aspects of any item. Thus marketing has been redefined via the Internet, and given even small businesses a chance to promote and brand their products on a larger scale.

2. Review of Literature

Review of literature is an important integral part of research. Review of literature helps to avoid the rediscovery of known facts and duplication of research efforts. Over and above, review of literature also helps in deciding upon the variables that may be taken for scrutiny in the new research projects. The articles, books journals, documents pertaining to the topic were reviewed by the researcher are listed below:

Divya Singhal and V. Padhmanabhan, (Dec 2008) [2] "A study on customer perception towards digital banking: Identifying major contributing factor", Digital banking is becoming is increasingly becoming popular because of convenience and flexibility. The present paper explores the major factors responsible for digital banking based on respondents' perception on various internet applications. The study employs primary data as well as secondary data. Secondary data was collected from different published source. Primary data was collected by structured survey. Thus, providing digital banking is increasingly becoming a "need to have" than a "nice to have" service.

Tamil Selvi. R, Research scholar, (July- Dec. 2012) [1] "In bank on customer satisfaction with reference to small enterprises", Bank and other financial service providers continuously claim to offer customer oriented services, yet they still focus on delivering products instead of providing solution to their customer" needs. The results show that customer care has the maximum impact on the satisfaction of the customer, followed by transactional quality and procedural quality. All factors are found to be positive and significant.

Umma S Alma Mir Abdullah Shahneaz (2013) Customer satisfaction: A Comparative analysis of public and private sector Banks in Bangladesh, this paper discuss about attempts to make a comparative analysis of level of Customer satisfaction towards services provided by public and private sector banks. The study has been conducted in 5 cities. But when we talk about public sector bank customers of public sector banks were more satisfied with reputation, reliability and the prices which public sector banks impose on services like cheque/cash deposit and cheque/cash withdraw (it has been shown that price charges are lower in public sector banks than in private sector.

Niveen EI saghier, demyana Nathan (April 2013) "Service quality dimension and customer satisfaction of banks in Egypt", in this paper he measured the quality of service from customer's perspective in the Egyptian banking. This study is based on the questionnaire survey conducted in Egypt based on an extensive review of literature, the paper uses empirical research to analyze the service quality of banking service provided, it is an analytical study based mainly on the primary data collected through a scientifically developed questionnaire.

Hamdan. O Alanazi, Ali K. Hmood (May 2010) "On the module of digital banking system" Because of the speed, flexibility, and efficiency that it offers, the internet has become the mean for conducting growing number of

transaction between suppliers and large international corporation. Banking system usually contains legacy systems along with very large database system. The processes, service, channels and available resources that are included in digital banking can be categorized in different layers.

3. Statement of the Problem

The use of technology forms the backbone for better result in banking industry. Today's banking situation demands continuous innovation in order to meet the earning and aspirations of the ever demanding customers. Hence banks need to roll out new products and services quickly and effectively using the latest technological equipment. The development of technology and the adoption of internet by all industries remove a time, distance and communication constraint that brings the world under a single roof. Banking industry, no doubt, with the use of latest technology and adoption of digital banking, they are rendering quick services to their customers. One of the main benefits that bank derives from electronic banking products and service is the delivery with improved efficiency and effectiveness of their operations, so that more transaction can be processed faster and more conveniently. The customer on the other hand enjoy the benefit of quick service delivery, reduced frequency of going to banks physically and reduced cash handling, which will give rise to higher volume of turnover. Though, customers are enjoying the benefits of digital banking in one aspect, they are also facing some problems during their interaction with the machines.

The expectation and idea of people differ from one another. Here the main problem of this survey is to know the various factors which are essential and important to know the need of digital banking which will make banking process easier. This project is about customer preference and satisfaction towards digital banking in Coimbatore city.

4. Objectives of the Study

To find out the answer for questions raised above, the following objectives were framed for the study,

- To study the socio-economic profile of the customer using the digital banking services.
- To find out the source of awareness on digital banking services.
- To know the factors influencing digital banking.
- To give some suggestions about digital banking for further improvements.

5. Method of Data Collection

The method used for data collection is sample survey. Researcher was able to study the whole population but only studied the samples drawn from the population. Based on the result, the study is generalized to conclude about the entire population.

6. Technique of Data Collection

Among the total customers who make use of digital banking due to time constraints we have taken only 200 respondents have been selected on convenient sampling method to evaluate the customer satisfaction in digital banking. This is done through preparing questionnaires which is collected from the customer directly by the researcher to find the percentage of satisfaction by customers in digital banking.

7. Sample Size
It refers to the number of customers selected from the universe to constitute a sample. The sample size is 200 consumers.

8. Sample Unit
Customers of public sector bank located in Coimbatore district are to be chosen for the present study.

9. Data Analysis
The primary data collected from the potential respondents (consumers) have been properly sorted, classified, edited, tabulated in proper format and analyzed by deploying appropriate statistical tools.

The following statistical tools were used for analyzing the data procured from the respondents from different locations selected for the study:
- Percentage analysis
- Chi square test

9.1 Percentage analysis: Percentage analysis has been used to analyze the frequency distribution of the sample respondents against the awareness of customers towards Digital banking in rural areas of Coimbatore city.

Table 1: Gender of the Respondents

S. No.	Gender of Respondents	No of Respondents	Percent
1	Male	126	63
2	Female	74	37
	Total	200	100

It is clear from the above table, Out of the total respondents 63% of respondents are male, and 37% of respondents are female.

10. Hence, Majority (63%) of the respondents are male

Table 2: Age Group of the Respondents

S. No.	Age of respondents	No of Respondents	Percent
1	Up to 25	72	36
2	26-30	58	29
3	31-50	59	29.5
4	More then 50	11	5.5
	Total	200	100

It is clear from the above table, Out of the total respondents taken for the study 36% of respondents belong to the age group of below 25 years, 30% of respondents belong to the age group of 31-50 years, 29% of respondents belong to the age group of 26-30 and 6% of respondents belong to the age group of above 50 years.

11. Hence, Most (39%) of respondents belong to the age group of below 25 years

Table 3: Educational Qualification of the Respondents

S. No	Education qualification	No of Respondents	Percent
1	H.S.C	23	11.5
2	Diploma	24	12
3	Under Graduate	73	36.5
4	post Graduate	48	24
5	Professional	32	16
	Total	200	100

It is clear from the above table, Out of the total respondents taken for the study, 36.5% of the respondents are under graduates, 24% of the respondents are post graduates, 16% of the respondents are professionals, 12% of respondents are Diploma holders, and 11.5% of respondents are having HSC qualifications.

12. Hence, Most (36.5%) of respondents are under graduates

Table 4: Occupational Status of the Respondents

S. No.	Occupational Status	No of Respondents	Percent
1	Agriculturist	7	3.5
2	Employee	104	52
3	Professional	26	13
4	Business	36	18
5	Others	27	13.5
	Total	200	100

It is clear from the above table, Out of the total respondents taken for the study, 52% of the respondents are employees, 18% of the respondents are doing their own business, 13.5% of the respondents are other occupations, 13% of respondents are Professionals, and 3.5% of respondents are agriculturalist.

13. Hence, Majority (52%) of respondents are employees from various organisations

Table 5: Nature of Bank Account

S. No.	Type of Account	No of Respondents	Percent
1	Savings A/C	112	56
2	Current A/C	55	27.5
3	No frill account	16	8
4	Term Deposit account	8	4
5	Others	9	4.5
	Total	200	100

It is clear from the above table, Out of the total respondents taken for the study, 56% of the respondents are having savings account, 27.5% of the respondents are other having current account, 8% of respondents are having other bank accounts, 4.5% of the respondents are having deposits account and 4% of respondents are having No frill account.

14. Hence, Majority (52%) of respondents are having savings account

Table 6: Awareness about Digital Banking

S. No	Aware about Digital banking	No of Respondents	Percent
1	Bank Employees	50	25
2	Existing users	41	20.5
3	Friends/relatives	84	42
4	Advertisement	25	12.5
	Total	200	100

It is clear from the above table, Out of the total respondents taken for the study, 42% of the respondents came to know about digital banking through friends and relatives, 25% of the respondents came to know about digital banking through bank employees, 20.5% of the respondents came to know about digital banking through existing users, 12.5% of the respondents came to know about digital banking through advertisements.

15. Hence, Most (42%) of respondents came to know about digital banking through friends and relatives

Table 7: Factors Influence to Use Digital Banking

S. No	Aware about Digital banking	No of Respondents	Percent
1	Convenient	16	8
2	Security	22	11
3	Time saving	124	62
4	Easy to access	38	19
	Total	200	100

It is clear from the above table, Out of the total respondents taken for the study, 62% of the respondents opinioned that, time saving is the factor that influence the usage of digital banking, 19%of the respondents opinioned that, easy to access is the factor that influence the usage of digital banking, 11% of the respondents opinioned that, security is the factor that influence the usage of digital banking and 8% of the respondents opinioned that, convenient is the factor that influence the usage of digital banking.

Hence, Majority (62%) of the respondents opinioned that, time saving is the factor that influence to usage of digital banking.

15.1 Chi square tests: were applied to test whether there is any association between demographic factors like age, educational qualification of consumers and opinion regarding Digital banking.

16. Hypothesis
The following hypothesis has been framed to find out relation between overall customer satisfaction and socio-economic profile of customer.

16.1 Hypothesis 1: There is no relationship between gender and nature of account

16.2 Hypothesis 2: There is no relationship between age and awareness level of digital banking among the respondents.

16.3 Hypothesis 3: There is no relationship between education qualification and awareness level of digital banking among the respondents.

16.4 Hypothesis 4: There is no relationship between occupation and nature of bank account.

16.5 Hypothesis 5: There is no relationship between Qualification and factors influence to use of digital banking.

16.6 Hypothesis 6: There is no relationship between Occupation and factor influence to use

16.7 Hypothesis 7: There is no relationship between Age and Factors influence to use.

Table 8: The Degree of freedom Variables Significance

S. No	Variables	Degree of freedom	Table value	Chi- Square value	Significance
1	gender and nature of account	3	7.81	5.23	Not significant
2	Age and awareness level of digital banking among the respondents.	9	16.92	11.63	Not significant
3	Education qualification and awareness level of digital banking.	12	21.03	31.67	Significant
4	Occupation and nature of bank account.	12	26.30	16.32	Not significant
5	Qualification and factors influence to use of digital banking.	12	21.03	29.46	Significant
6	Occupation and factor influence to use	12	21.03	11.3	Not Significant
7	Age and Factors influence to use.	9	16.92	20.3	significant

Note: Level of Significance = 5% or 0.05

17. Findings
The following are some of the important findings of this study
- Most of the customers are male
- Most of the customers were in the age Group of less than 25 years.
- Most of the customers were under graduates.
- Most of the customers were employees of various organisations.
- Majority of the customer hold savings account in a bank
- Most of the customers came to know about online banking through Friends and Relatives
- Majority of the respondents use digital banking for time saving purpose.
- There is no significant relationship between gender and nature of account.
- There is no significant relationship between age and awareness level of digital banking among the respondents.
- There is a significant relationship between educational qualification and awareness level of digital banking among the respondents.

- There is no significant relationship between occupational status and nature of bank account.
- There is a significant relationship between Qualification and factors influence to use of digital banking.
- There is no significant relationship between Occupational status and factor influence to use on digital banking.
- There is a relationship between Age group of the respondents and Factors influence to use on digital banking

18. Suggestions
- The bank must provide more advertisement in rural areas so that the common people also can make use of online banking.
- The bank employees should maintain good and cordial relationship with their customers.
- The banks must provide frequent updates of their online banking services to customers.
- The procedure for usage of online banking must be in a simple mode so that a common man can make easy use of it.

- The processing speed should be increased for fast use of all services.

19. Conclusion

Now days, due to increase in competition, customer satisfaction is considered to be the most important thing in banking industry. So the bankers are in the position to adapt to the information technology to change the way of service to attract customers and increase their satisfaction level. This study gives information about digital banking and their services methodology, design and validation of questionnaire and factor analysis were used to enhance the reliability of findings.

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