
IMPACT OF NET BANKING SYSTEM- AN OVERVIEW

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ABSTRACT: *The growth of the technology has changed the payment systems world over during the past two decades. More and more innovations are being introduced in both cash payment and non-cash payment systems. This study was made to know about the e-Banking system on customer perception and preference. Customers needs can be fulfilled based on their net banking system. In the present scenario the customers are giving more importance for saving money. Majority 20 percentage of the respondents are using the net banking for ticket booking and online shopping. The net banking system using multiple purpose, but most of the respondents are access for ticket booking and online shopping, Majority 48percentage of the respondents are using the net banking for any time usage, the system process by the online basis, so there is no time limit, Majority 47 percentage of the respondents are highly satisfied for the net banking system, the net banking system are convenience, safety, simplicity, therefore majority of the respondents are like to net banking system and Majority 45% of the respondents frequently using the ATM for near the residence and near market. Since internet banking will only be 'useful' for customers, if customers' privacy concerns are taken into account by banks. Regarding privacy most important factors which are extracted from the literature and analyzed with the help of survey should reflect 'ease of use and 'usefulness'. In this regard, banks need to take effective measures by taking into consideration customers' concerns regarding these factors.*

KEYWORDS: *Innovations, Customers, E –banking, online ,privacy*

IMPACT OF NET BANKING SYSTEM- AN OVERVIEW

The growth of the technology has changed the payment systems world over during the past two decades. More and more innovations are being introduced in both cash payment and non-cash payment systems. Cash in the form of notes and coin was the principal method of payment system before the introduction of “Banking” paper instruments such as “Cheque” and “Credit Transfer” now have become a part of the payment system with the popularity of banking. With the introduction and implementation of recent technology in banking.

FACILITIES IN E-BANKING SERVICE

ELECTRONIC PAYMENT SYSTEM

The major routine processing in day-to-day banking operations originated at the cash counter or teller counters in the banks.

E-BANKING:

E-Banking refers to electronic banking, wherein the customer through his computer system does the entire operations by using a code. It maintains secrecy of transactions. The customer will be instructing the banker through the computer will regard to transfer, investment and repayment of loans or appropriation of different payments.

PASS BOOK ENTRY:

As the passbook is the conclusive evidence of transaction between a banker and customer, it needs utmost perfection.

SIMULTANEOUS ENTRY OF TRANSACTION:

The foremost advantages of banks operation due to e-banking is evident from the following a single transaction of and customer is simultaneously reflected / undertaken at different points.

HOME BANKING:

For the benefit of aged people and for persons living in far-off distance from the branch, home banking is a big advantage.

MICR CHEQUES:

The modern banks use MICR cheques called magnetic ink character recognition. A white patch at the bottom in which you have various numbers given, representing name of the bank, branch and the cheque number.

ZERO SYSTEM:

Under this system, when all the banks and branches are connected by a network, the transaction will take place in a much more speedy manner. Instead of taking cheques for clearance, they may be cleared through the network itself and the customers given instantaneous credit for their other banks cheques.

TRANSFER OF FUNDS THROUGH ELECTRONIC CLEARANCE SYSTEMS (ECS):

Banks help customers by providing mail transfer and telegraphic transfer by way of remittance. These may lead to delay in receipt of funds at the receiving end.

ATMS:

Automatic Teller Machines, which were introduced in 1967 by Barclays bank in England, is due to the development of e-banking. ATM enables the customer to draw cash even during non-banking hours with the help of a plastic card provided by the bank.

OBJECTIVES OF THE STUDY:

- ❖ To analyse the customer perception and satisfaction towards the Net Banking system.
- ❖ To analyse the customer opinion about safety and security.
- ❖ To know the features influenced the customer to invest in deposit schemes.
- ❖ To measure the consumers' perception about e-banking in Mannargudi town.

SCOPE OF THE STUDY

This study was made to know about the e-Banking system on customer perception and preference. Customers needs can be fulfilled based on their net banking system. In the present scenario the customers are giving more importance for saving money.

COLLECTION OF DATA

PRIMARY DATA:

The data was collected from various customers of deposit holders in **KARUR VYSYA BANK, CITY UNION BANK, LAKSHMI VILAS BANK AND INDIAN BANK** customer, Mannargudi.

The researcher analyse the data in the table format:

TABLE – 1: INCOME OF THE RESPONDENTS

S.No	Income (Rs.)	No. of Respondents	Percentage
1	Rs.5000 to 10000	74	74
2	Rs.10000 to 15000	17	17
3	Above Rs.15000	09	09
	Total	100	100

Source: Primary data

Inference:

The above table shows that the family income of the respondents surveyed 74% of the respondents are in the income in the range of Rs. 5000 to Rs. 10000, 17% of the respondents are in the income of Rs. 10000 to Rs.15000.

TABLE -2: CLASSIFICATION OF RESPONDENTS ON THE BASIS OF ACCOUNT HOLDER

S.No	Name of the Bank	No. of Respondents	Percentage
1	Karur Vysya Bank	40	40
2	Indian Bank	17	17
3	Lakshmi Vilas Bank	23	23
4	City Union Bank	20	20
	Total	100	100

Source: Primary data

Inference:

The above table shows that majority 40% of the respondents are Karur Vysya Bank account holder, 23% each of the respondents are ICICI bank account holder, 20% of the respondents are City Union Bank account holder and 17% of the respondents are Indian bank account holder.

**TABLE -3
PERIOD OF USING NET BANKING SYSTEM**

S.No	Period of using	No. of Respondents	Percentage
1	1 to 2 years	34	34
2	2 to 3 years	37	37
3	3 and above	29	29
	Total	100	100

Source: Primary data

Inference:

The above table indicate that majority 37% of the respondents using the NET Banking system for 2 to 3 years, 34% of the respondents using NET Banking system ATM for 1 to 2 years and 29% of the respondents are using 3 years and above.

**TABLE- 4.
CLASSIFICATION OF RESPONDENTS ON THE BASIS OF FEATURES AVAILING INTERNET BANK SYSTEM**

S.No	Features	No. of Respondents	Percentage
1	Fund transfer	24	24
2	Bill payment	16	16
3	Online shopping	22	22
4	Mobile recharge	14	14
5	Ticket booking	18	18
6	Share trading	06	06
	Total	100	100

Source: Primary data

Inference:

The above table shows that majority 24% of the respondents were used for fund transfer, 22% are online shopping, 18% used for ticket booking, 16% used for bill payment, 14% used for mobile recharge and only 6% of the respondents using the system for share trading.

TABLE- 5
SATISFACTION OF INTERNET BANKING SYSTEM

S.No	Opinion	No. of Respondents	Percentage
1	Highly satisfied	25	25
2	Satisfied	39	39
3	Neutral	20	20
4	Unsatisfied	13	13
5	Highly dissatisfied	03	03
	Total	100	100

Source: Primary data

Inference:

The above table shows that majority 39% of the respondents are satisfied the net banking system, 25% are highly satisfied, 20% are neutral, 13% are unsatisfied and 3% are highly dissatisfied.

TABLE NO. 6
CLASSIFICATION OF RESPONDENTS ON THE BASIS OF INTERESTED IN NET BANKING SYSTEM

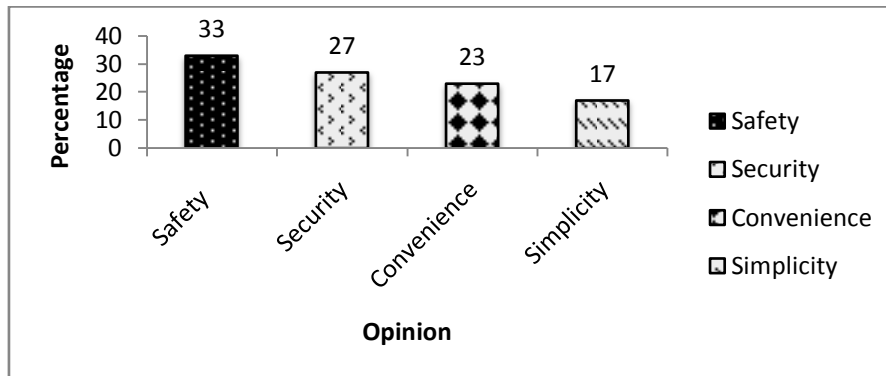
S.No	Opinion	No. of Respondents	Percentage
1	Safety	33	33
2	Security	27	27
3	Convenience	23	23
4	Simplicity	17	17
	Total	100	100

Source: Primary data

Inference:

The above table No. 3.16 shows that majority 33 percentage of the respondents are prefer to net banking system for safety, 27 percentage of the respondents are prefer to security, 23 percentage of the respondent are prefer to convenience and 17 percentage of the respondent are like simplicity.

**CHART NO. 6
CLASSIFICATION OF RESPONDENTS ON THE BASIS OF INTERESTED IN NET BANKING SYSTEM**



**TABLE NO. 7
CLASSIFICATION OF RESPONDENTS ON THE BASIS OF ADVANTAGES OF NET BANKING SYSTEM**

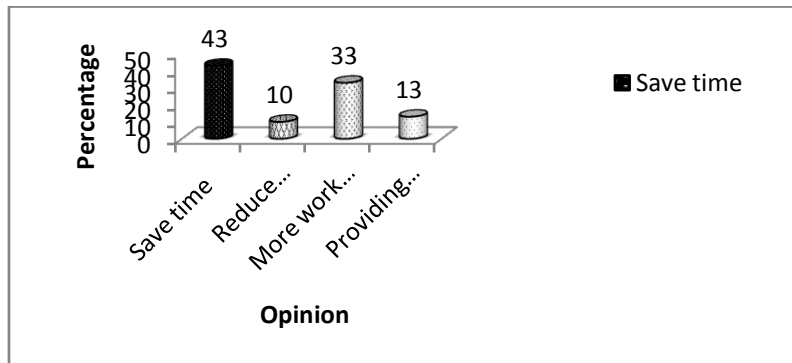
S.No	Opinion	No. of Respondents	Percentage
1	Save time	65	43
2	Reduce paper work	15	10
3	More work in small time	50	33
4	Providing more work to the customer	20	13
	Total	150	100

Source: Primary data

Inference:

The above table No. 3.17 shows that majority 43 percentage of the feel advantages for save time for net banking system, 33 percentage of the respondents are feel more work in small time, 13 percentage of the respondents are feel the advantages for providing more work to the customer and 10 percentage of the respondents are feel reduce paper work.

**CHART NO. 7
CLASSIFICATION OF RESPONDENTS ON THE BASIS OF ADVANTAGES OF NET BANKING SYSTEM**



FINDINGS

- ❖ 43% of the respondents of the educational status are under graduate
- ❖ 37% of the respondents are government employees.
- ❖ Majority 74% of the respondents are the income level is Rs. 5000 to Rs.10000.
- ❖ 49% of the respondents residing at rural areas
- ❖ 40% of the respondents are state bank of India account holder.
- ❖ Majority 40% of the respondents using ATM for withdrawal for money
- ❖ 48% of the respondents are motivated by low service charges
- ❖ 54% of the respondents are utilize the ATM machine for time saving.
- ❖ 89% of the respondents are opinion that the performance of good
- ❖ Majority 20 percentage of the respondents are using the net banking for ticket booking and online shopping. The net banking system using multiple purpose, but most of the respondents are access for ticket booking and online shopping
- ❖ Majority 48percentage of the respondents are using the net banking for any time usage, the system process by the online basis, so there is no time limit
- ❖ Majority 47 percentage of the respondents are highly satisfied for the net banking system, the net banking system are convenience, safety, simplicity, therefore majority of the respondents are like to net banking system.
- ❖ Majority 45% of the respondents frequently using the ATM for near the residence and near market

SUGGESTIONS

- ❖ Even though the services of BANKS are high satisfactory. The banks can extend the cash/cheque depositing services in the ATM Services.
- ❖ Supply of pins and distribution of cards should be quick.
- ❖ Help desk should be near to the ATM centres.
- ❖ At times, the machine response is slow, so proper maintains should be done.
- ❖ Failure of machine faults is to rectified
- ❖ Sometimes transaction error occurs which should be solved immediately.
- ❖ The ATM machine should be working if the break down of power.
- ❖ The banks create awareness about the net banking system and educate the customer about using the net banking system
- ❖ To give protection measures to the customer for using the net banking system
- ❖ To solve immediately for the problems of net banking system
- ❖ Supply of pins and distribution of cards should be quick.

CONCLUSION

The provision to withdraw and remit cash through automatic teller machine is one of the important service render by banks. Since internet banking can be used at any time from any location without any effort, so convenience in terms of time and place reflects 'ease of use' and plays a vital role in the adoption of internet banking, most of the people believe that customer oriented privacy policy is important in the adoption of internet banking. Since internet banking will only be 'useful' for customers, if customers' privacy concerns are taken into account by banks. Regarding privacy most important factors which are extracted from the literature and analyzed with the help of survey should reflect 'ease of use and 'usefulness'. In this regard, banks need to take effective measures by taking into consideration customers' concerns regarding these factors.

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