# A STUDY ON FACTOR INFLUENCING ONLINE BANKING SERVICE WITH SPECIAL REFERENCE TO CUSTOMER OF CENTRAL BANK OF INDIA, KARUR

**Prithviha V . Vanitha P**

II MBA, Department of Management Studies, M. Kumarasamy College of Engineering, Karur, Tamilnadu

Associate Professor, Department of Management Studies, M.Kumarasamy College ofEngineering, Karur, Tamilnadu

**Abstract:** This descriptive research study mainly focuses on a study about "A study on Factor Influencing Online Banking Service with special reference to Customer of Central Bank of India, Karur."  It is investigating the major factors that influence online customers' satisfaction with the overall service quality of their banks. This study also helps in assessing the power of these factors in the context of Online(Internet) banking and would, therefore, help the bank management not only in improving the level of satisfaction but also strengthening the bond between the banks and their customers, thereby helping them to retain and/or expand their overall customer base.

**Keywords:** Online Banking, Customer Satisfaction.

## I.  INTRODUCTION

Nowadays, Online Banking Service is increasing day –to – day in Karur. It is a service provided by banks they allow bank transaction via the internet, that banking methods are known as Online Banking. Online Banking which do not have physical location but only online service. The Online Banking will be more useful to everyone from anywhere at any location. Sometimes in online banking they may face some problem like network error,

Banking is the business of protecting money for others. Banks lend this money, generating interest that creates profits for the bank and its customers. A bank is financial institution licensed to accept deposits and make loans. But they may also perform other financial services.

## OBJECTIVES OF THE STUDY

1.  To investigate the factor that influence the level of satisfaction of online banking services provided by the central bank of India

2.   To understand the Perception of Customers towards online banking services provided by the bank.

3. To know the Satisfaction level of the Customers towards Online Banking Services

4. To find out the Problems faced by the Customers towards Online Banking Services

5. To provide suggestions to the bank to improve their Online Banking Services

## SCOPE OF THE STUDY

The scope of the study is to understand the factor influencing Online Banking service with special reference to Customers of Central Bank of India, Karur.

## NEED FOR THE STUDY

This study focus on customer satisfaction, perception and influencing the factor of Online Banking in Central Bank of India, Karur.

## LIMITATIONS

1. The study is only about the online banking customers

2. The study is done based on the opinion of the sample taken at random, the size of the sample is 120

3. The study only assumes that the information is taken from online banking customers

## II. REVIEW OF LITERATURE

1. **Nikita Bharucha (2023)** journal of International Research Journal of Modernization in Engineering Technology and Science and in the topic "A Study On Customer Satisfaction Towards Online Banking" the increasing prevalence of online banking, customer satisfaction with online services has become an important consideration for banks. Online banking has the potential to provide convenience, accessibility, and efficiency to customers, but it also presents unique challenges such as security concerns, technical issues, and customer support.

2. **Hatice Jenkins (2022)** in the journal of tech science press and in the topic of "Factors Affecting Internet Banking Adoption: An Application Of Adaptive LASSO" the adoption of new technology in the banking industry using adaptive LASSO and a standard logit model. The research integrated the adoption of the innovation framework and the technology acceptance theory to develop a conceptual framework for the analysis. Primary data was collected from 400 bank customers in North Cyprus. Risk perception and other customer-specific factors such as perceived risk index and negative attitude toward new technologies index were formulated for the proposed conceptual model.

3. **P. Dhileeban ( 2021)** in the topic of A Study On Customer Satisfaction Towards Inernet Banking Services With Special Reference To Chennai, have been that researcher should use the analysis of literature to gain a clearer understanding of the methods used, the shortcomings of variable estimation techniques and databases, and a clear explanation and reconciliation of the contradictory results. Aside from that, the study of observational studies looks at the possibilities for future and current research activities in the field. In the event of a contradictory and unjust situation, A analysis of these studies is essential in order to establish a methodology that can be

applied to the analysis of selected public and private sector banks. As a result, the current chapter examines the different approaches to customer service research.

4. **Dr. T. Hareesh Kumar (2020)** journal name of natural voltiles and essential oils and in the topic of "Factors Influencing Customers To Use Digital Banking Services In Twin Cities" A technology-driven banking system is created by transforming conventional banking through digitalization. As a result, customers enjoy significant savings and convenience. Accessibility, comfort, punctuality, and cost-savings are just a few of the factors that contribute to consumer satisfaction. Traditional banking methods had not been displaced by these new goods and services, but they had been affected and improved.

5. **N.P.Sangeetha ( 2019)** in the article of "A Study On E-Banking Services By Commercial Banks In Madurai District" have stated that the internet accessibility awareness, cost, trust in bank, security concerns reluctance of customer, ease of use and convenience are the major factors influencing the electronic banking services in Malaysia. The advantages of e-banking are modest when compared to other online channels. It is one of the fastest rising services and is a powerful tool for improving customer satisfaction as well as increasing cross-selling opportunities. Therefore, banks should keep track of the ever-changing banking industry and the latest updates of internet technology to envisage future competition. Despite all the frenzy about e-banking, the banks should not neglect their branch networks as face-to-face communication is still vital.

6. **Akila Sundara (2018)** in the journal name of International Journal of Scientific and Research Publications, and in the topic of "The Factors Influencing On the Customer Adoption of Internet Banking System Special Reference to the Sampath Bank in Colombo District" the review of literature of the study. Through the searching of literature, the researcher acquired an immense knowledge of the literature of the present study topic. In this chapter the researcher tries to put the literature for internet banking, adoption of internet banking, the importance of internet banking, Customer adoption of internet banking in Sri Lanka, factors affecting internet banking adoption.

7. **H.A.H Hettiarachchi (2017)** in the University Of Kelaniya and in topic Of **"**Factors Affecting To Customer Adoption Of Internet Banking" the findings of a study concerning the adoption of internet banking by investigating consumer adoption within the context of Sri Lankan banking services. The research framework was based on the extension to decomposed theory of planned behavior which mainly includes attitude (including innovation characteristics such as relative advantage, compatibility, complexity, trialability and risk), subjective norms, and perceived behavioral control to assess internet banking adoption behavior. Online questionnaire survey was conducted to gather the data and 108 complete responses were gathered from random banking customers who were internet users from Colombo and Gampaha district. Descriptive analysis was done to provide strength to the research study which showed that even though considerable people were aware about internet banking, most of them were resistance to adopt internet banking. Spearman's rank correlation was used to examine relationship of eleven hypotheses with actual internet banking usage.

8. **Rokshana Jahan (2016)** in the university journal and in the topic of "The Factor Influencing Customer Satisfication with e-banking" the banking industry growth is remarkable, moving from traditional banking to online services. This study discusses & identifies the Factors influencing customer's satisfaction with e-banking services, a study on Bank Muscat. It includes several factors such as (Service quality, Website features and Safety & securities). The major instrument to collect the data was a questionnaire which was includes a 5 point likert scale. We were use self-administrated questionnaire to collect primary data from sample of 198 respondents of bank Muscat. In generally, it was found that, there are significant relationship between service quality, Website features and Safety & securities with customer's satisfaction in internet banking. It is support the hypothesis in each factor. Finally, the internet banking services enhance the efficiency of the bank. Also, increase the loyalty on both employees and customers

9. **Yagnesh Dalvadi (2015)** journal name of Vidyasagar University Journal of Commerce and in the topic of "A Study On Factors Affecting Adoption Of Internet Banking In India" They found that perceived usefulness, trust and government support were Examined to determine if these factors are affecting online banking adoption. The results showed that perceived usefulness, trust and government support all positively associated with the intention to use online banking in Vietnam. Contrary to the technology acceptance model, perceived ease of use was found to be not significant in this study.

10. **Dr. Mohammad O. Al-Smadi (2012)** in the journal name of International Journal of Business and Social Science and in the topic of "Factors Affecting Adoption of Electronic Banking: An Analysis of the Perspectives of Banks' Customers" Banks have used electronic channels to do banking operations with both domestic and international customers. Currently, banks are mostly using electronic channels to receive instructions and deliver their products and services to their customers. Although the range of services provided by banks over the electronic channel vary widely in content, this form of banking is generally referred to as electronic banking.

## III. RESEARCH METHODOLOGY

Research methodology is a way to analytically solve the research problem

## 3.1 Method of data collection

In this research the data collected through questionnaire method.

## 3.2 Sample Size

Sample size refers to the number of customer to be selected from the universe to constitute a sample. Sample size for this study was determined to be 120 but given respondents given for data collection is 110.

## 3.3 Tools Used

The tools which we were used is chi – square test.

# IV. DATA ANALYSIS AND INTREPRETATION

For the data analysis and interpretation which we used is chi – square test.

## CHI- SQUARE TEST

It have been going to analyze about the chi- square test for the questionnaire which I collected already.

## Table No 4.1

## Monthly Income and Factor that influence the system availability such as core banking, ATM, POS, internet banking, mobile banking, SMS alerts, credit card, EFT, ECS, E-bill pay.

## HYPOTHESIS STATEMENT

**Null Hypothesis [Ho]:** There is significant Relationship between Monthly Income and Factor that influence the system availability such as core banking, ATM, POS, internet banking, mobile banking, SMS alerts, credit card, EFT, ECS, E-bill pay

**Alternate Hypothesis [H1]:** There is no significant Relationship between between Monthly Income and Factor that influence the system availability such as core banking, ATM, POS, internet banking, mobile banking, SMS alerts, credit card, EFT, ECS, E-bill pay

|  | Value | df | Asymptotic Sig (2 tailed) |
|---|---|---|---|
| Pearson Chi Square | 16.76 | 6 | .010 |
| Likelihood Ratio | 15.59 | 6 | .016 |
| Linear-by-Linear Association | 10.66 | 1 | .001 |
| **No. of Valid cases** | **110** |  |  |

*Source: Primary data*

**Inference**

From the above table 4.3.1, we infer that if the value is 16.76 means the degree of freedom (df) is 6 and the asymptotic significance ( 2 tailed) is 0.010 in the pearson chi – square, if the value is 15.59 means degree of freedom (df) is 6 and the asymptotic significance (2 tailed) is 0.016 in the likelihood ratio, if the value is 10.66 means the degree of freedom (df) is 1 and the asymptotic significance ( 2 tailed) is 0.001 in the linear-by-linear association. Hence, we conclude that Ho is accepted and H1 is rejected in difference between Monthly Income and Factor that influence the system availability such as core banking, ATM, POS, internet banking, mobile banking, SMS alerts, credit card, EFT, ECS, E-bill pay

## Table No 4.2

## Monthly Income and Factor that influence the responsiveness such as problem handling, recovery of the problem, prompt service, timeliness service, helping nature, employee curtsey recovery of PIN, password and money losses

## HYPOTHESIS STATEMENT

**Null Hypothesis [Ho]:** There is no significant Relationship Monthly Income and Factor that influence the responsiveness such as problem handling, recovery of the problem, prompt service, timeliness service, helping nature, employee curtsey recovery of PIN, password and money losses

**Alternate Hypothesis [H1]:** There is a significant Relationship between between Monthly Income and Factor that influence the responsiveness such as problem handling, recovery of the problem, prompt service, timeliness service, helping nature, employee curtsey recovery of PIN, password and money losses.

| | Value | df | Asymptotic Sig (2 tailed) |
|---|---|---|---|
| Pearson Chi Square | 7.43 | 8 | .049 |
| Likelihood Ratio | 8.12 | 8 | .042 |
| Linear-by-Linear Association | .33 | 1 | .056 |
| No. of Valid cases | 110 | | |

*Source: Primary data*

### Inference

From the above table 4.3.2, we infer that if the value is 7.43 means the degree of freedom (df) is 8 and the asymptotic significance ( 2 tailed) is 0.049 in the pearson chi – square, if the value is 8.12 means degree of freedom (df) is 8 and the asymptotic significance (2 tailed) is 0.042 in the likelihood ratio, if the value is 0.33 means the degree of freedom (df) is 1 and the asymptotic significance ( 2 tailed) is 0.56 in the linear-by-linear association. Hence, we conclude that Ho is rejected and H1 is accepted in difference between Monthly Income and Factor that influence the responsiveness such as problem handling, recovery of the problem, prompt service, timeliness service, helping nature, employee curtsey recovery of PIN, password and money losses.

## V. FINDINGS

1. There is significant Relationship between Monthly Income and Factor that influence the system availability such as core banking, ATM, POS, internet banking, mobile banking, SMS alerts, credit card, EFT, ECS, E-bill pay**.**

2. There is a significant Relationship between between Monthly Income and Factor that influence the responsiveness such as problem handling, recovery of the problem, prompt service, timeliness service, helping nature, employee curtsey recovery of PIN, password and money losses.

## VI. SUGGESTION

1. The customer perception should be increase
2. They should provide high satisfaction level to the customer in online banking
3. It should be more comfortable in online banking to customer while using it.
4. In online banking it should be more convenient to customers

## VII. CONCLUSION

The study is an earnest attempt to determine online banking service with reference to customer at central bank of india. It is indeed necessary for any bank to understand the need of their custtomerand fulfill them before they get left from the bank. If nothing is done by the bank then there are chances to lose they're customer from any bank. Hence, it is necessary to ensure the customer satisfaction at online banking.

## VIII. REFERENCE

1. **Nikita Bharucha (2023)** journal of International Research Journal of Modernization in Engineering Technology and Science and in the topic "A Study On Customer Satisfaction Towards Online Banking".

2. **Hatice Jenkins (2022)** in the journal of tech science press and in the topic of "Factors Affecting Internet Banking Adoption: An Application Of Adaptive LASSO"

3. **P. Dhileeban ( 2021)** in the topic of A Study On Customer Satisfaction Towards Inernet Banking Services With Special Reference To Chennai

4. **Dr. T. Hareesh Kumar (2020)** journal name of natural voltiles and essential oils and in the topic of "Factors Influencing Customers To Use Digital Banking Services In Twin Cities"

5. **N.P.Sangeetha ( 2019)** in the article of "A Study On E-Banking Services By Commercial Banks In Madurai District"

6. **Akila Sundara (2018)** in the journal name of International Journal of Scientific and Research Publications, and in the topic of "The Factors Influencing On the Customer Adoption of Internet Banking System Special Reference to the Sampath Bank in Colombo District"

7.  **H.A.H Hettiarachchi (2017)** in the University Of Kelaniya and in topic Of **"**Factors Affecting To Customer Adoption Of Internet Banking"

8.  **Rokshana Jahan (2016)** in the university journal and in the topic of "The Factor Influencing Customer Satisfication with e-banking"

9.  **Yagnesh Dalvadi (2015)** journal name of Vidyasagar University Journal of Commerce and in the topic of "A Study On Factors Affecting Adoption Of Internet Banking In India"

10. **Dr. Mohammad O. Al-Smadi (2012)** in the journal name of International Journal of Business and Social Science and in the topic of "Factors Affecting Adoption of Electronic Banking: An Analysis of the Perspectives of Banks' Customers"