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**A STUDY ON CUSTOMER PREFERENCE TOWARDS INTERNET BANKING WITH REFERENCE TO COIMBATORE**



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**Short Profile**

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**ABSTRACT:**

Marketing is the practice of understanding what customers need and then communicating how the company can achieve those needs. While advertising, social networking and product packaging design are all part of marketing, so is the analysis of sales and response data to figure out what customers like and want so that the outgoing messages can be adjusted. This study deals with the customer preference and satisfaction towards internet banking.

**KEYWORDS**

*Customer Preference , Internet Banking ,Marketing ,communicating.*

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## INTRODUCTION :

A customer is a purchaser of a product or service. A customer is a person or organization that purchases or obtains goods or services from other organizations such as manufacturers, retailers, wholesalers, or service providers. A customer is not necessarily the same person as the consumer, as a product or service can be paid for by one party, the customer, and used by another, the consumer. Customer preferences are defined as the subjective (individual) tastes, as measured by utility, of various bundles of goods. Here this study constitutes as how the customer giving importance to the internet banking, why they preference net banking. Preferences refer to certain characteristics any consumer wants to have in a good or service

## OBJECTIVES OF THE STUDY

- ▲ To know about the customer preferences towards internet banking.
- ▲ To understand the customer perception on internet service quality, the various dimension associated with satisfaction.
- ▲ To identify the working and living conditions of the customers who accessing the net banking.

## SCOPE OF THE STUDY

- ✦ The study encompasses banking services quality internet banking.
- ✦ The study covers respondent who are the customers of the banks.
- ✦ These customers belong to various professions, places, of both genders, with

Varied income groups and varied age groups.

## Research Methodology

### Research design

The research design is descriptive studies. Descriptive studies are well structured they tend to be rigid and its approach cannot be changed every now.

### Sources of data

The research should keep in mind two types of data while collecting data via primary data and secondary data.

### Primary data

Primary data may be described as those data that have been observed and recorded . Questionnaire was prepared and with the help of which the primary data has been collected.

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## Secondary data

Secondary data is the current data which was collected from internet and journals.

## Sampling plan

Sampling plan is a definite plan for obtaining a sample from a given population. It refers to the various techniques for selecting items for the sample. This plan calls for three decisions.

### •Population unit

Population unit is infinite.

### •Sample size

110 respondents were taken for the study.

## Tools Used For the Study

The data collected from the primary source were analyzed with the help of various statistical measures such as percentage analysis and chi-square.

## Percentage Analysis

This method is used for comparing certain feature. The collected data represented in the form of table and graphs in order to give effective visualization of comparison mode.

$$\text{Percentage} = \frac{\text{No. of respondents} / \text{No. of samples} \times 100}{\text{Limitations of the Study}}$$

- ✦ The study is limited to the study of expectations of and perceptions of customers having an account in banks.
- ✦ The perception of customers is limited to the time period of the study.
- ✦ Primary data has its own limitations.
- ✦ The findings and conclusions are based on knowledge and experience of those particular respondents.

## REVIEW OF LITERATURE

Safeena et al (2010) determines the customer's perception on internet banking adoption. The study shows that perceived usefulness, perceived ease of use, consumer awareness & Perceives risk is the important determinants of online banking adoption and have strong and Positive effect on customer to accept online banking system.

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## Analysis and Interpretation

Table Showing That Area of Residence of Respondents

Area of Residence	Frequency	Percentage
Urban	77	70.0
Semi urban	19	17.3
Rural	14	12.7
<b>Total</b>	<b>110</b>	<b>100.0</b>

### Interpretation

Above table 4.1 illustrates, respondents based on Area of Residence. Out of 110 respondents, Seventy seven (70.0%) respondents reside in urban area; nineteen (17.3%) respondents reside in semi urban area and fourteen (12.7%) respondents reside in rural area. Thus, it is inferred that majority of the respondents reside in urban area.

Table Showing That Gender of the Respondents

Gender	Frequency	Percentage
Male	30	27.3
Female	80	72.7
<b>Total</b>	<b>110</b>	<b>100.0</b>

### Interpretation

Above table 4.2 illustrates, respondents based on Gender. Out of 110 respondents, thirty (27.3%) respondents reside in Male and eighty (72.7%) respondents reside in female. Thus, it is inferred that majority of the respondents reside in female.

Table Showing That Age Of The Respondents

Age	Frequency	Percentage
18-30	92	83.6
30-45	13	11.8
45-60	2	1.8
60 & Above	3	2.7
<b>Total</b>	<b>110</b>	<b>100.0</b>

### Interpretation

Above table 4.3 illustrates, respondents based on the Age. Out of 110 respondents, Ninety two (83.6%) respondents reside in 18-30; thirteen (11.8%) respondents reside in 30-45 and two (1.8%) Respondents reside in 45-60; three (2.7%) respondents reside in 60 & above. Thus, it is inferred that Majority of the respondents reside in 18-30.

TABLE SHOWING THAT MONTHLY INCOME OF RESPONDENTS

Monthly Income	Frequency	Percentage
Below 10000	9	8.18
10000-20000	29	26.36
20000-30000	28	25.45
30000-40000	32	29.09
Above 40000	12	10.90
<b>Total</b>	<b>110</b>	<b>100.0</b>

### Interpretation

Above table 4.8 illustrates, respondents based on monthly income. Out of 110 respondents, nine (8.18%) respondents reside in below 10000; twenty nine (26.36%) respondents reside in 10000-20000; twenty eight (25.45%) respondents reside in 20000-30000; thirty two (29.09%) respondents reside in 30000-40000 and twelve (10.90%) respondents reside in above 40000. Thus, it is inferred that majority of the respondents reside in 30000-40000.

Table Showing That Type Of Bank Of Respondents

Bank Type	Frequency	Percentage
Public	40	36.4
Private	70	63.6
<b>Total</b>	<b>110</b>	<b>100.0</b>

### Interpretation

Above table 4.10 illustrates, respondents based on Bank type. Out of 110 respondents, forty (36.4%) respondents reside in Public and seventy (63.6%) respondents reside in Private. Thus, it is inferred

that majority of the respondents reside in Private.

Table Showing That Type of Account Of Respondents

Type of Account	Frequency	Percentage
Savings	33	30.0
Current	41	37.3
Salary	36	32.7
<b>Total</b>	<b>110</b>	<b>100.0</b>

### Interpretation

Above table 4.11 illustrates, respondents based on Type of account. Out of 110 respondents, Thirty three (30.0%) respondents reside in Savings; Forty one (37.3%) respondents reside in Current and Thirty six (32.7%) respondents reside in Salary. Thus, it is inferred that majority of the respondents reside in Current.

Table Showing That Internet Banking Facility Of The Respondents

Using Internet Banking	Frequency	Percentage
Less than one year	30	27.3
More than one year	80	72.7
<b>Total</b>	<b>110</b>	<b>100.0</b>

### Interpretation

Above table 4.13 illustrates, respondents based on using internet banking. Out of 110 respondents, thirty (27.3%) respondents reside in less than one year and eighty (72.7%) respondents reside in more than one year. Thus, it is inferred that majority of the respondents reside in more than one year.

Table Showing That How They Know About Net Banking Facility

Net Banking Facility	Frequency	Percentage
Internet	92	83.6
Radio	13	11.8
Newspaper	2	1.8
TV	3	2.7
<b>Total</b>	<b>110</b>	<b>100.0</b>

### Interpretation

Above table 4.13 illustrates, respondents based on net banking facility. Out of 110 respondents, ninety two (83.6%) respondents reside in internet; thirteen (11.8%) respondents reside in radio and two (1.8%) respondents reside in newspaper and three (2.7) respondents reside in TV. Thus, it is inferred that majority of the respondents reside in internet.

### Preference towards internet banking

Table showing neft of the respondents

Brand Name	Numbers	Percentage
Strongly Agree	77	70.0
Agree	3	2.7
Neither Agree nor Disagree	5	4.5
Disagree	19	17.3
Strongly Disagree	6	5.5
<b>Total</b>	<b>110</b>	<b>100.0</b>

### Interpretation

Above table 4.14 illustrates the customer preference towards Internet Banking on the basis of NEFT. Out of 110 respondents Seventy seven (70.0%) respondents have strongly agreed that NEFT is the reason for preferring Internet Banking. Three (2.7%) respondents have agreed that NEFT is the reason for preferring Internet Banking. Five (4.5%) respondent has neither agreed nor disagree that NEFT is the reason for preferring Internet Banking. Nineteen (17.3%) respondent disagree that NEFT is the reason for preferring Internet Banking. Six (5.5%) respondent has strongly disagree that NEFT is the reason for preferring Internet Banking Thus, it is inferred that majority of the respondents prefer Internet Banking due to NEFT.

TABLE SHOWING RTGS OF THE RESPONDENTS

Brand Name	Numbers	Percentage
Strongly Agree	73	66.4
Agree	24	21.8
Neither Agree nor Disagree	5	4.5
Disagree	3	2.7
Strongly Disagree	5	4.5
<b>Total</b>	<b>110</b>	<b>100.0</b>

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### Interpretation

Above table 4.15 illustrates the customer preference towards Internet Banking on the basis of RTGS. Out of 110 respondents five (4.5%) respondents have strongly agreed that RTGS is the reason for preferring Internet Banking. Twenty four (21.8%) respondents have agreed that RTGS is the reason for preferring Internet Banking. Five (4.5%) respondent has neither agreed nor disagree that RTGS is the reason for preferring Internet Banking. Three (2.7%) respondent disagree that RTGS is the reason for preferring Internet Banking. Seventy three (66.4%) respondent has strongly disagree that RTGS is the reason for preferring Internet Banking Thus, it is inferred that majority of the respondents prefer Internet Banking due to RTGS.

Table Showing That Secure Transactions Of The Respondents

Brand Name	Numbers	Percentage
Strongly agree	75	68.18
Agree	18	16.36
Neither Agree nor Disagree	8	7.3
Disagree	2	1.8
Strongly Disagree	7	6.4
<b>Total</b>	110	100.0

### Interpretation

Above table 4.18 illustrates the customer preference towards Internet Banking on the basis of secure transaction. Out of 110 respondents seventy three (68.18%) respondents have strongly agreed that secure transaction is the reason for preferring Internet Banking. Twenty (16.63s%) respondents have agreed that secure transaction is the reason for preferring Internet Banking. Eight (7.3%) respondent has neither agreed nor disagree that secure transaction is the reason for preferring Internet Banking. Two (1.8%) respondents disagree that secure transaction is the reason for preferring Internet Banking. Two (1.8%) respondents disagree that secure transaction is the reason for preferring Internet Banking. Thus, it is inferred that majority of the respondents prefer Internet Banking due to secure transaction.

Table Showing That Online Purchase Of The Respondents

Brand Name	Numbers	Percentage
Strongly Agree	90	81.8
Agree	10	9.1
Neither Agree nor Disagree	4	3.6
Disagree	3	2.7
Strongly Disagree	3	2.7
<b>Total</b>	110	100.0

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## Interpretation

Above table 4.20 illustrates the customer preference towards Internet Banking on the basis of online purchase. Out of 110 respondents ninety (81.8%) respondents have strongly agreed that online purchase is the reason for preferring Internet Banking. Ten (9.1%) respondents have agreed that online purchase is the reason for preferring Internet Banking. Four (3.6%) respondent has neither agreed nor disagree that online purchase online purchase is the reason for preferring Internet Banking. Three (2.7%) respondent disagree that online purchase is the reason for preferring Internet Banking. Three (2.7%) respondent disagree that online purchase is the reason for preferring Internet Banking. Thus, it is inferred that majority of the respondents prefer Internet Banking due to online purchase.

## Findings of the study

### Percentage Analysis

- 70.0 percentage respondents reside in urban area
- 72.7 percentage respondents are female
- 83.6 percentage of the respondents are between 18-30 yrs
- 29.09 percentage of the respondents are receiving annual income from 30000-40000
- 63.6 percentage respondents are using Private bank
- 37.3 percentage respondents using in Current.
- 72.7 percentage respondents reside in more than one year.
- 83.6 percentage respondents aware about the internet banking through the internet.

### Customer Preference towards Internet Banking

- 70.0 percentage respondents have strongly agreed that NEFT is the reason for preferring Internet Banking
- 66.4 percentage respondent has strongly agree that RTGS is the reason for preferring Internet Banking
- 68.18 percentage respondents have strongly agreed that secure transaction is the reason for preferring Internet Banking.
- 81.8 percentage respondents have strongly agreed that online purchase is the reason for preferring Internet Banking.

## SUGGESTION

Nowadays the net banking is more convenient for the customer, even though the procedure for accessing the new customer will take some more days, the banks can improve the services to reduce this type of risk; Customers are expecting the bank prospect in order to know the bank procedure. The bank should provide good environment in order to face huge number of customer. If the bank introduced new bank scheme the notice board should display in front of the bank. Customer queries should be opened in order to avoid mistake

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## CONCLUSION

The banking industry has been a leader in the e-business world in recent years. The e-banking revolution has fundamentally changed the business of banking by scaling borders and bringing about new opportunities. In India also, it has strongly impacted the business considerations for banks by significantly cutting down costs of delivery and transactions. It must be noted, however, that while e-banking provides many benefits to customers and banks, it also aggravates traditional banking risks. Compared to developed countries, developing countries face many impediments that affect the successful implementation of e-banking initiatives. One of the benefits that banks experience when using e banking is increased customer satisfaction. This due to that customers may access their accounts whenever, from anywhere, and they get involved more, this creating relationships with banks. Banks should provide their customers with convenience, meaning offering service through several distribution channels (ATM, Internet, physical branches) and have more functions available online. Other benefits are expanded product offerings and extended geographic reach. With all these benefits banks can obtain success on the financial market.

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