



A STUDY ON AWARENESS OF E-BANKING SERVICES

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ABSTRACT:

The rapid advancement of technology has significantly transformed the banking sector, with e-banking services offering increased convenience, accessibility, and efficiency in conducting financial transactions. This study focuses on assessing the awareness and adoption of e-banking services among the residents of Madurai City, a major urban center in Tamil Nadu, India. Despite the growing popularity of digital banking platforms, the level of awareness and usage varies across different socio-economic groups, and several factors influence its adoption. The research investigates the relationship between demographic characteristics, digital literacy, socio-economic status, and the utilization of e-banking services. The study employs a combination of surveys and interviews to gather data from a diverse sample of Madurai's population, including students, professionals, and business owners. The findings reveal that while awareness of e-banking services is high, there are significant barriers to adoption, including concerns about security, lack of trust, and limited technological skills. Additionally, factors such as age, income level, and education significantly affect the degree of familiarity and usage of digital banking services. The study concludes by suggesting that financial institutions and government agencies must work together to address these challenges through awareness campaigns, digital literacy programs, and improved security features. These efforts will help foster greater acceptance of e-banking services and ensure their more widespread adoption, thereby contributing to financial inclusion and the growth of digital finance in Madurai City.

KEYWORDS:

E-BANKING, AWARENESS, DIGITAL LITERACY, SECURITY CONCERNS, ONLINE BANKING.

1.1 INTRODUCTION

With the rapid growth of technology, e-banking has emerged as a revolutionary force in the banking sector, offering users the convenience of conducting financial transactions from the comfort of their homes or offices. In India, the adoption of e-banking services has been steadily increasing, driven by factors such as internet penetration, mobile banking applications, and government initiatives promoting digital financial inclusion. However, despite its widespread availability, the level of awareness and understanding of these services varies across different regions and demographics. This study aims to examine the awareness, usage patterns, and perceptions of e-banking services among individuals in Madurai City. By assessing factors such as technological literacy, socio-economic background, and trust in online security, the study seeks to identify the key barriers and enablers for the effective utilization of e-banking services, ultimately providing insights to enhance digital banking adoption in the region.

1.2 STATEMENT OF THE PROBLEM

Despite the rapid growth of e-banking services in India, there remains a significant gap in awareness and

understanding among the general public, particularly in smaller urban centers like Madurai. While e-banking platforms offer convenience, speed, and accessibility, many individuals still face challenges in adopting these services due to factors such as limited digital literacy, concerns over security, and a lack of trust in online banking systems. This study aims to explore the level of awareness of e-banking services among the residents of Madurai City and identify the key barriers that hinder widespread adoption. By understanding the factors influencing awareness and usage, the research seeks to uncover the underlying issues affecting the effective utilization of digital banking services, ultimately contributing to the development of strategies that can improve the overall digital banking experience and enhance financial inclusion in the region.

1.3 OBJECTIVES OF THE STUDY

- ❖ To identify the awareness of e-banking services.
- ❖ To know the perception towards e-banking services.
- ❖ To study various services of e-banking.

❖ To understand various problems faced by consumers while using e-banking service

1.4 METHODOLOGY

1.4.1 RESEARCH DESIGN

This study adopts a descriptive research design to assess the awareness and usage of e-banking services among the residents of Madurai City. The research will utilize both qualitative and quantitative methods to gather comprehensive data. A structured questionnaire will be used to collect quantitative data, focusing on various factors such as demographic characteristics, digital literacy, frequency of e-banking usage, and perceived benefits and challenges. In addition, semi-structured interviews will be conducted with a smaller sample to gather qualitative insights into the factors influencing the adoption of e-banking services. The target population for the study will include individuals from diverse socio-economic backgrounds, including students, professionals, and business owners, ensuring a representative sample of the city's residents. The data will be analyzed using statistical methods to identify patterns and correlations, while qualitative responses will be analyzed thematically to capture deeper insights. This mixed-method approach will provide a well-rounded understanding of the awareness, perceptions, and barriers associated with e-banking services in Madurai City.

1.4.2 SAMPLING METHOD

For this study, a stratified random sampling technique will be employed to ensure a representative sample of the population in Madurai City. The city will be divided into different strata based on demographic factors such as age, gender, income level and education. This ensures that the sample includes a diverse group of individuals, reflecting the varied socio-economic backgrounds of the city's residents. From each stratum, a random sample will be selected to participate in the survey, ensuring that each subgroup is adequately represented. The sample size will be determined using a confidence level of 95% and a margin of error of 5%, aiming for a sample that provides reliable and statistically significant results. The target respondents will include a mix of students, professionals, business owners, and homemakers to capture a wide range of perspectives on e-banking awareness and usage. This sampling approach will help in obtaining a balanced and comprehensive view of the factors influencing e-banking adoption in Madurai.

1.4.3 PRIMARY AND SECONDARY DATA

Primary data will be collected directly from the residents of Madurai City through surveys and interviews. The survey will consist of structured questionnaires, which will gather quantitative data on participants' awareness, usage, and perceptions of e-banking services. This primary data will provide firsthand information about the level of awareness, adoption barriers, and user experiences. Secondary data will be gathered from existing sources such as reports, articles, and research papers related to

e-banking trends, financial inclusion, and digital banking services. findings against broader trends in the banking industry, both locally and globally. Together, the combination of primary and secondary data will provide a comprehensive understanding of the awareness and adoption of e-banking services in Madurai.

1.4.4 SAMPLE SIZE

A sample size of 50 respondents of e-banking service users in Madurai will be survey primary data: collected through structured questionnaires and direct indirections with customers

1.4.5 STUDY OF THE AREA

The study of focuses on Madurai city as the selected research area to analyze awareness of e-banking services.

1.5. DATA ANALYSIS

TABLE: 1.5.1

RESPONDENTS OF AGE WISE CLASSIFICATION

Age	No. of respondents	Percentage
Below 20 years	15	15%
20-30 years	56	56%
31-40 years	22	22%
41-50 years	7	7%
Total	100	100%

Source: Primary data

INFERENCE:

The data reveals that the majority of respondents (56%) are from the 20-30 years age group, indicating that young adults are the primary users and most aware of e-banking services in Madurai. This group is likely more tech-savvy, leading to higher engagement with digital banking. Awareness drops significantly among older age groups, with only 22% of respondents in the 31-40 years range and just 7% in the 41-50 years category. This suggests that while younger individuals are more comfortable with e-banking, older groups may face challenges such as limited digital literacy, highlighting the need for targeted efforts to enhance awareness and adoption among all age demographics

DIAGRAM 1.5.1

RESPONDENTS OF AGE WISE CLASSIFICATION

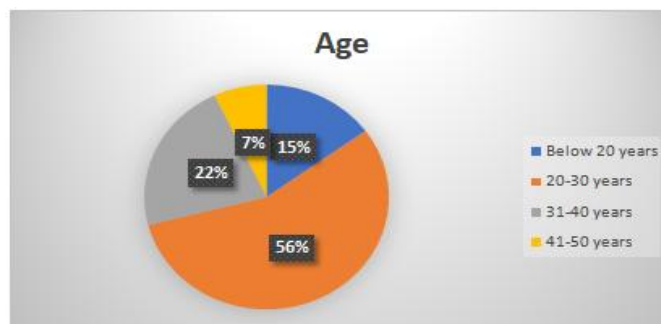


TABLE: 1.5.2

WHAT IS YOUR PRIMARY REASON FOR USING E-BANKING SERVICES?

Scale	No. of response	Percentage
Convenience	18	18%
Time-saving	41	41%
Security	25	25%
Accessibility from anywhere	10	10%
Other	6	6%
Total	100	100%

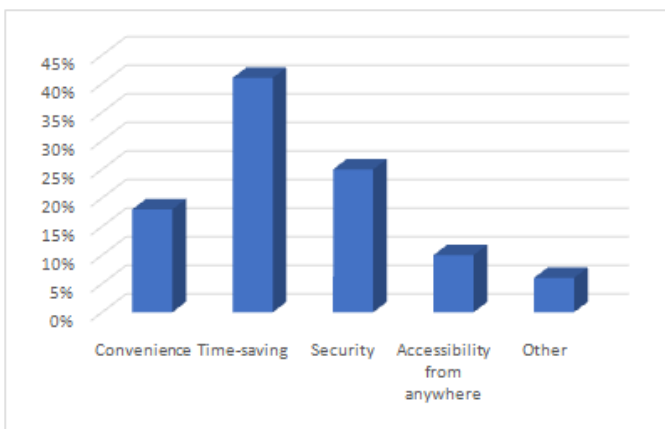
Source: Primary data

INFERENCE:

The data shows that the most valued benefit of e-banking services is time-saving, with 41% of respondents citing it as a key advantage. Security follows closely with 25%, indicating that users prioritize safe and secure transactions. Convenience is also a significant factor, with 18% of respondents appreciating the ease of use. Accessibility from anywhere is valued by 10%, while 6% mentioned other reasons. This suggests that the primary drivers for e-banking adoption are the time efficiency and security it offers, while convenience and accessibility are secondary factors.

DIAGRAM: 1.5.2

WHAT IS YOUR PRIMARY REASON FOR USING E-BANKING SERVICES?



1.6 FINDINGS AND SUGGESTIONS

1.6.1 FINDINGS:

- The study reveals that awareness of e-banking services is generally higher among younger age groups, particularly those between 20-30 years, with 56% of respondents falling into this

category. Older age groups, especially those aged 41-50 years, show significantly lower awareness and adoption levels.

- Time-saving and convenience are the primary benefits driving the use of e-banking services, with 41% of respondents emphasizing time-saving as a key factor. Security concerns are also important, with 25% of respondents highlighting the significance of secure transactions.

1.6.2 SUGGESTION

- Financial institutions and government bodies should initiate awareness programs targeted at older age groups and rural areas to improve digital literacy and increase trust in e-banking services.
- Banks should enhance their security protocols and clearly communicate these measures to users to address concerns and build trust in digital banking platforms.
- Offering digital literacy workshops, particularly for older adults, can empower users with the skills needed to comfortably use e-banking services, making them more likely to adopt these platforms.

1.7 CONCLUSION

In conclusion, the study highlights that while e-banking services are gaining popularity in Madurai, awareness and adoption remain disproportionately high among younger, more tech-savvy individuals, while older age groups face barriers such as limited digital literacy and concerns about security. Time-saving, convenience, and security are the key factors driving the adoption of e-banking, with security being a primary concern for many users. Despite the growing trend, there is a significant need for targeted initiatives to enhance digital literacy, build trust in online banking systems, and address the technological challenges faced by older demographics. By addressing these issues through awareness campaigns, education, and improved security measures, the adoption and utilization of e-banking services can be further accelerated, fostering greater financial inclusion in Madurai City.

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