

## **A Study on impact of Modern Banking Services in Thoothukudi City**

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### **Abstract**

Modern banking is one of the today`s traits the various banking channels and banks are continuously seeking to replace their mobile banking carrier to in shape the ever converting wishes and priorities of customers. Modern banking has advanced because the most number one and realistic gear for a rustic to benefit digitalization in its economic transaction. All this throws mild upon the want and scope of complete studies withinside the region of modern banking. The contemporary observe attempts to analyze and look at diverse factors related to mobile banking almost about the human beings with inside the Thoothukudi City. The predominant factors referring to modern banking protected below the observe consist of the notice and information of use, effect of demographic variables, use of mobile banking over opportunity channels and importance of decided on capabilities of modern banking responsible for discriminating among consumer and non-customers of mobile banking withinside the city. The observe additionally a pattern respondent have supplied beneficial findings and interpretation to the observe. attempts to look at the span of use of web banking carrier with the aid of using the human beings and number one reassets chargeable for introducing this carrier to the human beings withinside the city. To reap the goals of the observe facts became accumulated through questionnaire from 120 pattern respondents together with each customer and non-customers of mobile banking withinside the city through convenience Sampling technique. Responses accumulated and analysed with the aid of using these pattern respondents have supplied beneficial findings and interpretation to the observe.

Keywords : Net banking, E banking, Mobile banking, Web banking

### **Introduction**

A modern banking service is a new method or civilized means by which banks render financial activities to customers. Modern banking services have contributed immensely to the

development of the banking industry throughout the World. Modern banking services are the services that facilitate and enhance business or financial transactions which make business transactions easier, faster, and reliable. It involves the use of e-banking that is computer-based services (internet services), including automated teller machine (ATM), money gram, credit card, EFT, NEFT, ECS, EDI, Core Banking, Single Window concept, e-corner, SMS banking, mobile banking and so on.

### **Modern Banking Services**

The advancement of technology with the internet and wireless communication networks are beginning to dominate so that many applications and features in Smartphone are available that certainly make things faster and more practical. One that utilizes this advancement is banking by offering Modern Banking, which allows customers to carry out banking transactions, from anywhere, without having to come to the bank. Modern banking is a service in the form of an application provided by the bank to facilitate its customers to conduct financial transactions. The benefits of using M-banking are (1) saving time, being able to make transactions, for example transferring funds, checking balances, and making deposits only through mobile phones, (2) practical, M-banking allows customers to pay bills quickly without disrupting other activities, (3) able to monitor transactions and account balances, and 24-hour real-time online financial transactions, (4) free, because usually the bank does not charge a monthly registration, activation, or administration fee, (5) and secure, M-banking features require a verification code, PIN, and a security system that has been standardized by the bank.

### **Pros and Cons of Modern Banking**

- Modern banking services can be availed anytime round the clock 24\*7
- Modern banking is easy and simple as it uses graphic user interface
- Modern banking save both the time and money of the users as they need not to visit the bank and waste time standing in long queues.
- Paying all utility bills on or before time, always update about transactions in bank account, managing cheque book and ATM conveniently, transferring funds is always in the palm of the users of mobile banking.

- Last but not least modern banking saves paper so saves trees. This benefits our environment to flourish. Thus modern banking contributes not only to economic growth but also the social growth.

### **Cons of Modern banking**

- The hackers and viruses are biggest threat to the security of new technology and same in case of mobile banking.
- Operating system of the mobile device is another problem like when your bank's mobile apps are not available on the windows phone, which you own, but the android phone or Apple or Blackberry. Now either the customer will not use mobile banking or need to buy a new phone for using mobile banking. Thus there is not any standard mobile app for all mobile platforms due to software limitation.

### **Review of Literature**

Any research to start with must explore the past studies conducted by other researchers in past on the related issues. This helps in finding the direction for study. Likewise the current study review the existing literature on all related keywords including financial inclusion, financial inclusion in India, adoption of new technology, modern banking acceptance, modern banking resistance etc.

### **Objectives**

- ✚ To study the nature, growth, and extent of e-banking services.
- ✚ To determine the factors inducing the mobile banking users to adopt modern banking

### **Research Methods**

The main objective of study has been to find out most important factors resisting and influencing the adoption of mobile banking in order to promote modern banking to Increase financial inclusion in India. The primary data have been collected through the Interview schedule and also by personal observations and interviews taken from the respondents. The secondary data have been collected from the records of the banks, published and unpublished books, journals, reports and circulars issued by the Reserve Bank of India, encyclopedia and through websites.

### **Period of the study**

The required data for the study are collected from June 2021 to December 2021.

### **Methodology**

The online questionnaire has been designed using Google forms to collect data online to ignore the constraints of partial responses and actual implementation of flow or sequencing of the questionnaire. The offline questionnaire with special instructions also has been delivered using postal method of delivery and collection of data.

The present study evaluates the satisfaction of customers concerning modern banking services provided by Public and Private sectors banks in Thoothukudi City. The study is based on both primary and secondary data. The primary data have been collected through the Interview schedule and also by personal observations and interviews taken from the respondents. The secondary data have been collected from the records of the banks, published and unpublished books, journals, reports and circulars issued by the Reserve Bank of India, encyclopedia and through websites.

### **Sampling Design**

The number of responses collected after consistent follow up was 150. The remaining 27 customers failed to return their filled in interview schedules. Out of these 150, only 123 are found to be totally in order, suitable for data analysis work. Therefore, the sample size selected for the study is being restricted to 120 only.

### **Tools for Analysis**

The general information regarding the customers and general details of modern banking services in the Thoothukudi city are analyzed by using percentage analysis. For further analysis, some tools are applied and are given below: The primary data collected through questionnaire were analyzed using Microsoft excel. The statistical tools used for data analysis based on the data enumerated from the questionnaires are as follows:

Percentage analysis is used to establish the contribution of variables in both optional and multiple-choice questions raised in the questionnaire regarding demographic variables and different types of services offered by the public sector and private sector banks.

Two sample t-tests are used to elicit the opinion of customers on various aspects of service quality dimensions, expectations of the customers, satisfied and not satisfied with the banks.

One-way analysis of variance is applied to verify the influence of demographic background and banking habits of customers and their perception towards service quality in the banks.

### **Questionnaire design and scale development**

After completing the review of the literature related to the study, the researcher drafted the questionnaire. The questions were posed to bank customers on selected areas soliciting their responses on different scales.

Likert Scaling technique is one of the techniques used to find out which one has the most positive outlook. The weight age is given for each column ranging from five to one point to find out the intensity value. Intensity value: S.A.\*5+A\*4+N\*3+DA\*2+SDA\*1

S.A = Strongly Agree

A = Agree

N = Neutral

D.A = Disagree

S.D.A =Strongly Disagree

### **Hypotheses of the study**

In this study, the following hypotheses are framed:

H<sub>0</sub>1: There is no significant difference between satisfied and not satisfied statements regarding the opinion of the customers to view the Modern banking services.

H<sub>0</sub>2: There is no significant relationship between education and low service charge an Modernbanking account.

H<sub>0</sub>3: There is no significant relationship between education and easy to maintain of E-banking account.

### **Limitations of the study**

Based on the results of the study, future research is suggested to expand the sample of respondents, namely to the general public of other Modern Banking users such as professionals, academics, and government employees. For banks, it is better to socialize to students and other community members regarding the features and facilities that are available as well as convince students and the general public about the benefits of E Banking in order to attract them in using Modern Banking.

### Data Interpretation

TABLE NO .1.1

T-TEST: PAIRED TWO SAMPLE FOR MEANS

	Variable 1	Variable 2
Mean	299.25	250.75
Variance	6891.357	6891.357
Observations	8	8
Pearson Correlation	-1	
Hypothesized Mean Difference	0	
Degrees of freedom	7	
t Stat	0.826236	
P(T<=t) one-tail	0.217961	
t Critical one-tail	1.894579	

Source: Compiled data

Inference: Since the calculated value of one tailed 't' test (1.89) is greater than the table value at 5 per cent (0.05) level of significance, the null hypothesis is accepted. Therefore, it is concluded that there is no significant relationship between satisfied and not satisfied to views about the e-banking services of public and private sector banks.

TABLE NO .1.2

RESULTS OF REGRESSION MODEL: EDUCATION AND LOW SERVICE CHARGE

Multiple R	R Square	Adjusted R Square	Standard Error	Observations
0.371	0.137	-0.293	66.45	4

ANOVA								
	<i>df</i>	<i>SS</i>	<i>MS</i>	<i>F</i>	<i>Significance F</i>			
Regression	1	1407.622	1407.622	0.318786	0.629217			
Residual	2	8831.128	4415.564					
Total	3	10238.75						
	<i>Coefficient s</i>	<i>Standard Error</i>	<i>t Stat</i>	<i>P-value</i>	<i>Lower 95%</i>	<i>Upper 95%</i>	<i>Lower 95.0%</i>	<i>Upper 95.0%</i>
Intercept	95.1493	76.8098	1.2387	0.341	-235.33	425.635	-235.33	425.635
42	0.307879	0.54529	0.56461	0.6292	-2.038	2.654	-2.038	2.6540

Source: computed data

Inference: The above table reveals that,  $R = 0.371$ , significant  $= 0.629$ . The result of ANOVA which examines the fitness of model for regression analysis is presented in the following table. The above table shows the significance level of 0.629 for the F value of 0.318 is greater than the acceptance level of significance of 0.05. Hence the null hypothesis is accepted and it is concluded that there is a no significant influence of education and most important reasons for opened an e-banking account for e-banking services.

TABLE NO .1.3

RESULTS OF REGRESSION MODEL: EDUCATION AND EASY TO MAINTAIN

Multiple R	R Square	Adjusted R Square	Standard Error	Observations	
0.978	0.956	0.935	14.950	4	
ANOVA					
	<i>df</i>	<i>SS</i>	<i>MS</i>	<i>F</i>	<i>Significance F</i>
Regression	1	9791.722	9791.722	43.80808	0.022074

Residual	2	447.0282	223.5141					
Total	3	10238.75						
	<i>Coefficients</i>	<i>Standard Error</i>	<i>t Stat</i>	<i>P-value</i>	<i>Lower 95%</i>	<i>Upper 95%</i>	<i>Lower 95.0%</i>	<i>Upper 95.0%</i>
Intercept	81.8025	10.893	7.5092	0.07	34.91	128.677	34.93	128.673
300	0.83915	0.1267	6.6187	0.02	0.2936	1.384	0.293	1.38466

Source: computed data

Inference: The above table reveals that,  $R = 0.978$ , significant  $= 0.022$ . The result of ANOVA which examines the fitness of model for regression analysis is presented in the following table. The above table shows the significance level of 0.022 for the F value of 43.808 is less than the acceptance level of significance of 0.05. Hence the null hypothesis is not accepted and it is concluded that there is a significant influence of education and most important reasons for opened an e-banking account for e-banking services.

### Suggestions

- ❖ Banker should have more prevention measures against hacker's, as it is the primary concern for the customers.
- ❖ Government with the co-operation of banks must start a certificate program for college students on digital banking services.
- ❖ It is suggested that the bank should use effective methods such as conducting seminars, private banking meets cocktail party to make the private banking customer aware of all the privileges provided to them.
- ❖ Create awareness about Banking ombudsman Scheme via social media, symposium etc.
- ❖ Build customer care centre in zonal wise through reserve bank of India for easy to approach customers.

### Conclusion

The authorities of the country has been installing considerable efforts closer to attaining digitalization and e-literacy however the reasssets have now no longer been efficaciously channelized closer to teaching humans on mobile banking. People withinside the country are nonetheless tremendously reliable on conventional varieties of banking and feature



accordingly now no longer tried to strive a brand new channel like mobile banking. Demographical capabilities of the humans withinside the country like age, gender, training and career have proven to have considerable affiliation with the understanding on the usage of mobile banking. The look at indicated that majority of the customers of mobile banking have followed the carrier simplest withinside the current beyond i.e. to 3 years back. It become located that switch of understanding among associated organizations like buddies and spouse and children has significantly contributed in teaching the humans on mobile banking use as pronounced via way of means of them.

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