

A STUDY ON CONSUMER'S PERCEPTION TOWARDS E-BANKING SERVICES OF CO-OPERATIVE BANKS IN RURAL AREAS WITH SPECIAL REFERENCE TO VIJAPUR TALUKA

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Abstract

This research paper aims to investigate and analyze the perceptions of consumers residing in rural co-operative areas towards electronic banking (e-banking) services. As technology-driven financial services continue to expand, understanding how consumers in rural co-operative areas perceive and engage with e-banking is crucial for promoting financial inclusion and sustainable development, their preferences, and the challenges they encounter in adopting e-banking services. The research given to a depth understanding of rural consumers' needs and inform strategies for enhancing e-banking adoption in co-operative banking environments.

Introduction

Rural co-operative banks play a crucial role in providing financial services to rural areas, contributing to the economic growth and financial empowerment of rural communities. With the rise of information technology and the growth of digital platforms, these banks have embraced e-banking as a means to enhance their services, improve accessibility, and cater to the evolving banking preferences of their customers. The objective of this research is to provide insights into the adoption and impact of e-banking services in rural co-operative banks operating in the North Gujarat region.

The ongoing financial reforms focusing on transparency, efficiency and stability have created a competitive environment for Indian banks through emergence of new private sector companies in India and opening of new branches by foreign banks. It is believed that the Indian banking sector is in a better shape than it was a decade ago due to the continuous efforts of the Reserve Bank of India. The important question for all banks now is to meet the customer needs by reducing the operating costs and maintaining the competition. After much effort and thought, they found electricity in the bank.

Customer Relations on Banks

Good service: Banks provide the same service to their customers. They do not discriminate based on race, religion, economic and social status, or gender. However, differences resulting from analysis of the target market, business model, and product, or differences for high-risk customers, should not be considered as evidence of bias or customer distribution.

They Manage Customer Complaints: They investigate the reasons behind customer complaints and take appropriate steps to prevent recurrence. In addition, employees are informed about errors in the application and reminders are made to correct these errors and prevent them from happening again.

Security: As its services evolve in line with technological advancement, e-Banking will use appropriate and legal procedures to ensure the security of service information and procedures for all transactions in different services in order to protect its customers from abuse. Banks will not interfere with "security", although the protection and security of data centers such as products own

ed by customers (deposits, stocks, contracts, prices, documents and information considered customer secrets,) or credit facilities. Directions, areas of interest, etc.

Review of Literature

The literature review focuses on the evolution of e-banking, its significance in rural areas, adoption theories, challenges faced by rural co-operative banks, and the potential impact of e-banking services on rural customers.

Customer satisfaction is one of the most important factors for the profitability of retail banks in India. It is more economical to retain longterm customers than to attract new customers (Reichheld and Kenny, 1990). The banking sector is in the limelight as a customer service business and customer service should become a trend. The challenge for banks is to reduce costs and increase efficiency while improving service quality and customer satisfaction. Attention is now turning to improving service quality when customers enter a bank and meet bank employees face to face (Chakravarty, 1996).

The banking sector, like other financial services sectors, faces a rapidly changing marketplace. The introduction of new technologies, fear of economic uncertainty, increased competition, rising consumer demand and climate change have again created unprecedented challenges (Lovelock, 2001).

Statement of Problem

In the face of changing environment, banks have developed various electronic services like telephone banking, mobile banking, call center, ATM, RTGS, NEFT and IMP. Due to rapid changes in technology and the influence of private and foreign banks, many new products and lines are emerging. While there are numerous studies on e-banking in private and public banks, there are fewer studies in rural banks consumer's perception towards electronic banking services of co-operative banks in rural areas with special reference to Vijapur Taluka.

Objectives of the study

The following the objectives are carried for study

To analyse the awareness of consumers towards the e- banking facilities and services of co-operative banks in rural areas.

1. To analyse the level of satisfaction about e- banking services of co-operative banks in rural areas.
2. To identify the factors that influences the consumers e- banking services of co-operative banks in rural areas.
3. To offer suggestions to improve the quality of e- banking services of co-operative banks in rural areas.

Methodology

Definition of representative sample:

The definition of representative with special reference to Vijapur taluka.

Collection of the data is essential part of research. The nature of data which is collected and used for this research is primary and secondary in nature. The relevant and required data has been collected from questionnaires.

Sampling Unit:

The sample unit of this survey is the consumers in Vijapur taluka.

Sample Size:

The sample size was 200 consumers which is use of E-banking services, from various part of

the Vijapur taluka.

- **Sampling Technique:** Convenient sampling
- **Research Design:** Descriptive
- **Source of data:**
- **Primary Data:**
- **Primary data:**

Primary data refers to the first written data. Primary data was collected from an existing survey. The survey consisted of open-ended and closed-ended questions. Open-ended questions require the respondents to answer their questions. Closed questions are those where the respondent only has to check the appropriate answer from the list of available options. We have clarified all the questions of the interviewers to get excellent answers from the sellers. Open-ended questions provide more useful information, while closed-ended questions are easier to tabulate and analyze.

- **Secondary Data:**

- Secondary data refers to existing data, i.e. data collected and analyzed by an individual, saving the researcher money and time. Secondary sources can be provided in the form of company records, printed publications, libraries, etc.

- Secondary data sources are as follows:

- Company Reports
- Daily Newspaper
- Standard Textbook
- Various Websites

Table - I

Selection of Banks included in the Study

1.	The Vijapur Nagrik Sahakari bank ltd
2.	The Mehsana Urban co-operative bank ltd
3.	The Ahmedabad district co-operative bank ltd
4.	Shree Kukarwada Nagrik Sahakari bank ltd
5.	Ratneshvari co-operative credit society

Limitations of the study

1. Data will also be collected from various media. However, banks may refuse to provide certain confidential financial information that may limit the planned research.
2. Inability to obtain useful information in certain areas may limit the research.
3. Since the time allocated for the completion of the project is short, it is possible that some information is missing, but care is taken to include all necessary information.
4. Due to time constraints the sample size was relatively small and would definitely have been more representative if I had collected information from more respondents. It is difficult to know if all

the respondents gave accurate information. Some respondents tend to give misleading information.

Data Analysis and Interpretation

This study was conducted to understand the views of the respondents. Classify and systematically analyze the data collected from the customers. The following table provides detailed information about the various factors affecting online banking services and their current challenges and prospects Age and Level of Satisfaction

Age is an important factor in determining what affects a person's daily life. Age is also an indicator of a person's development. Age is a stage or phase in life measured in years.

Tab 1.1
Age & Level of Satisfaction

Sl.no	Age	Respondents	Percentage	Level of Satisfaction		
				Low	Medium	High
1	Below 25	52	26	14 (29.17)	22 (23.91)	16 (26.67)
2	26-35	104	52	22 (45.83)	50 (54.35)	32 (53.33)
3	36-45	32	16	10 (20.83)	14 (15.22)	8 (13.33)
4	Above 45 Years	12	6	2 (04.17)	6 (06.52)	3 (06.67)
Total		200	100	48	92	59

Source: Primary Data

It was determined that 52 percent of the survey participants were between the ages of 26 and 35, 26 percent were under the age of 25, 16 percent were between the ages of 36 and 45, and 6 percent were under the age of 45.

Level of Satisfaction

Gender refers to the characteristics that separate people into men and women according to certain characteristics. Men behave and look at things differently than women. Thinking behavior plays an important role in the use of online banking services.

Table 1.2
Gender and Level of Satisfaction

Sr.no	Gender		Percentage	Level of Satisfaction
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		Respondents		Low	Medium	High
1	Male	122	61	22 (45.83)	60 (65.22)	40 (66.67)
2	Female	78	39	26 (54.17)	32 (34.78)	20 (33.33)
Total		200	100	48	92	60

Source: Primary Data

The Mention Table shows that 61% of the respondents belong to the male category, and 39 % of the respondents belong to the female category.

Status and level of Satisfaction

An attempt to examine the marital status of the participants. For this purpose, the marriages are divided into two groups: married and single.

Table 1.3

Marital Status and Level of Satisfaction

Sl.no	Age	No. of Respondents	Percentage	Level of Satisfaction		
				Low	Medium	High
1	Married	70	35	18 (37.50)	36 (39.13)	16 (26.67)
2	Unmarried	130	65	30 (62.50)	56 (60.87)	44 (73.33)
Total		200	100	48	92	60

Source: Primary Data

The above table shows that 65% of the respondents are in the single category and 35% of the respondents are married.

Education and Level of Satisfaction

Learning means gaining knowledge and earning by learning something. With the help of education, people have the knowledge to handle cash.

Table 1.4
Education and Level of Satisfaction

Sr.no	Educational		Percentage	Level of Satisfaction
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	Qualification	Respondents		Low	Medium	High
1	Higher Education	38	19	8 (16.67)	18 (19.57)	12 (20.00)
2	Graduation	64	32	20 (41.67)	24 (26.09)	20 (33.33)
3	Post Graduate	88	44	18 (37.50)	48 (52.17)	22 (36.67)
4	Others	10	5	2 (4.17)	2 (2.17)	6 (10.00)
Total		200	100	48	92	60

Source: Primary Data

The survey shows that 44 percent of the participants are at the postgraduate level, 32 percent are at the postgraduate level, 19 percent are at the high school level, and the remaining 9 percent are at other level.

Occupation and Level of Satisfaction

An attempt is made to analyse the occupation of the respondents. For this purpose, the respondents have been classified under four heads viz., business / profession, employed in Government, Employed in Private and others.

Table 1.5

Occupation and Level of Satisfaction

Sr.no	Occupation	Respondents	Percentage	Level of Satisfaction		
				Low	Medium	High
1	Business /Occupation	66	33	18 (37.50)	28 (30.43)	20 (33.33)
2	Employed in Govt.	28	14	6 (12.50)	14 (15.22)	8 (13.33)
3	Employed in Private.	74	37	12 (25.00)	32 (34.78)	30 (50.00)
4	Others	32	16	12 (25.00)	18 (19.57)	2 (3.33)
Total		200	100	48	92	60

Source: Primary Data

Inference

The results showed that 37% of respondents were in the private sector, 33% in the business/professional sector, 14% in the public sector and 16% from other sectors.

Annual Income and Level of Satisfaction

Try to calculate the annual income of the participant. For this purpose, the participants are divided into four groups under Rs. 300000 to Rs. 300001 Rs. 5,00,000 Rs. 5,00,001 to Rs. 10,00,000 and above Rs. 10,00,001

Table 1.6

Annual Income and Level of Satisfaction

Sr.no	Occupation	No. of Respondents	Percentage	Level of Satisfaction		
				Low	Medium	High
1	Less than Rs. 3,00,000	90	45	20 (41.67)	34 (36.96)	36 (60.00)
2	Rs. 3,00,001 to Rs. 5,00,000	56	28	8 (16.67)	34 (36.96)	14 (23.33)
3	Rs. 5,00,001 to Rs. 10,00,000	36	18	12 (25.00)	18 (19.57)	6 (10.00)
4	Above Rs. 10,00,001	18	9	8 (10)	6 (17)	4 (18)
Total		200	100	48	92	60

Source: Primary Data

From the table reveals that it is referred that 45% of the respondents have annual income ranging below Rs. 3,00,000 and followed by 28% of the respondents come under the category Rs. 3,00,001 to Rs. 5,00,000, 18% of the respondents have Rs. 5,00,001 to Rs. 10,00,000 and remaining 9% of the respondents have above Rs. 10,00,001.

Family Size and Level of Satisfaction

An attempt is made to analyse the size of family members and its usage of internet banking products utilized. For this purpose, the respondents' family members have been classified under three heads viz., less than 4, 4 to 8, and more than 8 members.

Table 1.7

Family Size and Level of Satisfaction

Sr.no	Family Members	Respondents	Percentage	Level of Satisfaction		
				Low	Medium	High
1	Less than 4	114	57	37 (77.08)	38 (41.30)	39 (66.10)

2	4 to 8	56	28	8 (16.67)	34 (36.96)	14 (23.33)
3	More than 8	30	15	3 (6.25)	20 (21.73)	7 (10.17)
Total		200	100	48	92	60

Source: Primary Data

Inference

From the above table show that it is referred that 57% of the respondents have used e banking services those size of the family members less than 4 members and followed by 28% of the respondents come under the category 5 to 8 and remaining 15% of the respondent’s family member more than eight.

Chi-Square Analysis

Internet banking user satisfaction among the preferred sample respondents in this study area. The opinion collected threw customers are interpret with their personal factors and specific factors for the purpose of measure their effect over the level of satisfaction of the respondents.

$$\chi^2 = \frac{1}{\text{all cells}} \sum \frac{(O-E)^2}{\text{Expected}}$$

With Degree of Freedom
(C - 1) (R - 1)

Where, O = Observed frequency
E = Expected frequency
C = Number of colume

R= Number of Rows

Ho: There is no significant link between attributes of the respondents & their Satisfaction level.

Table 1.7
Summary of Chi-Square Analysis

Sl.No	Attributes	χ^2 Value	d.f.	Table Valueat 5% Level	Significant /Not Significant
1.	Age	10.088	6	5.348	No Significant
2.	Sex	5.991	2	7.842	Significant
3.	Status	8.256	2	7.842	No Significant
4.	Qualification	4.725	6	5.348	Significant

5.	Occupation	4.671	6	5.348	Significant
6.	Annual Income	5.054	6	5.348	Significant
7.	Size of the Family	12.526	4	9.487	No Significant

Source: Primary Data

The chisquare table shows that there is a significant relationship between gender, education, occupation and annual income, but an insignificant relationship between age, marital status, family size and internet services used.

Findings

1. The respondents belong to the 26 years to 35 years are 52% and they all are highly satisfied with e-services of co-operative banks.
2. The respondents 61% of belong to the male category are highly satisfied.
3. The respondents 65% of highly satisfied belong to the unmarried category.
4. The respondents 44% of belong to the post graduate and respondent are highly satisfied.
5. The respondents 37% of satisfied with the internet services belong to employed in private sector.
6. The respondents have 45% of annual income range below Rs.300,000 are highly satisfied the e-banking services.
7. The respondents, level is 40% of of satisfaction are highly satisfied on the available e- banking services of co-operative banks in rural area.
8. The respondents, 65% of level of satisfaction are satisfied on cost of operation while using the e-banking.
9. The respondents, 36% of level of satisfaction are moderate with the internet services provided by Co-operative bank banks.
10. The respondents, 37% of level of satisfaction are law with the available features of the product and its information.
11. The respondents, 43% of level of satisfaction are moderate on the whole Services and awareness of the e-banking system provided by the banks.
12. The chi-square table reveals that there is a significant association between the gender, education, occupation and annual income and also insignificant association between the age, marital status and size of family of these attributes and the e-banking services used.

Suggestions

1. Consumers have little knowledge of ecommerce. Therefore, banks should hold regular customer meetings to educate their customers about ebanking. Banks can also distribute brochures containing information about new procedures that can be distributed directly to customers. Bank size is an important factor in selecting ebanking companies, and the introduction of major banking companies should be accelerated. The organizational structure needs to change to accommodate IT professionals who provide computer training to employees. The call center concept has to be brought down to the STD booth level in this aspect an ordinary person may have to utilize the e-banking services.
2. Banks can also offer more credit facilities for purchasing computers, which will increase the level of i

Internet usage of our banking customers. Special radio programs or programs can be created for public finance companies to inform customers about online services and their use. Bankers should serve the customer's business promptly and they are always instructed to follow time management.

Conclusion

Today, customers' awareness and preference for ebanking is increasing. Today's customers not only appreciate care and attention, but also want care and loyalty. Therefore, customer perception is the need of the age. In a competitive environment, the oldest, the weakest, the first cannot survive; only the "best" can survive. Therefore, modern technology must be used to provide better service. The level of education of the respondents is related to the use of ebanking facilities and the satisfaction and ease of use of privacy, transaction updates, money transfer and security used while using e-banking services. The success of e-banking depends not only on technology but also on the attitude, commitment and cooperation of employees at all levels and where consumers benefit from ebanking services. After analyzing the findings and suggestions, I concluded that customers are satisfied with the ebanking services provided by their banks' rural cooperatives, but some customers are interested in ebanking services from public and private sectors. or dissatisfied behavior.

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