

A STUDY OF CUSTOMER PREFERENCE TOWARDS E-BANKING FACILITIES IN COIMBATORE

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Abstract: Technological development has brought major changes in the banking industry, especially through the introduction of electronic banking services. This study explores customer preference towards e-banking facilities in Coimbatore city. The research focuses on understanding the level of awareness, frequency of usage, customer satisfaction, and the challenges faced while using digital banking services such as mobile banking, internet banking, ATM services, and UPI payments. Primary data were collected from 150 bank customers using a structured questionnaire. Younger customers show higher usage compared to older age groups. Although the majority of respondents express satisfaction with e-banking services, concerns related to security and internet connectivity still influence customer confidence. The study suggests that banks should improve security measures and provide awareness programs to enhance customer trust and promote wider adoption of e-banking services.

Keywords: E-Banking, Customer Preference, Online Banking, Mobile Banking, Customer Satisfaction, Digital Transactions etc.,

I. INTRODUCTION

The present study entitled “A Study of Customer Preference towards E-Banking Facilities in Coimbatore” aims to examine the level of awareness, acceptance and satisfaction of customers towards e-banking services. The study also focuses on identifying the factors influencing customer preference, the difficulties faced by users and the reasons for resistance among non-users. The findings of this study will help banks improve their electronic service delivery and develop effective strategies to enhance customer satisfaction and usage of e-banking facilities. Additionally, the study will serve as a valuable reference for academicians and future researchers in the field of digital banking and customer behavior. Understanding customer preference towards e-banking facilities has become essential in today’s digital banking environment. The level of satisfaction and regular usage of these services depends on how convenient, secure and easy they are for customers to use. Individual factors such as age, education and familiarity with technology also play an important role in shaping customer behavior. When customers feel confident and comfortable using e-banking services, their acceptance increases naturally. Studying these aspects helps banks recognize customer needs more clearly.

II. STATEMENT OF THE PROBLEM

Whether at home or on the go, customers can use e-banking to check balances, transfer funds, pay bills, and utilize card services. Even while Coimbatore City banks provide a variety of digital banking options to serve a wide range of customers, not all users fully utilize these services. Because of things like a lack of technological expertise, a fear of online fraud, or concerns about security, some people are unable to regularly utilize e-banking. Numerous factors, including ease of use, transaction speed, security, and awareness of e-banking services, impact the decisions and usage of customers. Factors including age, income, occupation, and education also have an impact on the uptake of digital banking.

OBJECTIVES OF THE STUDY

- ❖ To examine customer satisfaction with the overall performance of e-banking services.
- ❖ To identify the reasons for customers preferring e-banking services.
- ❖ To find out the opinion of the respondents regarding the various problems in e banking

HYPOTHESIS OF THE STUDY

H₁: There is a significant association between the age of respondents and their rating of the speed of e-banking transactions.

H₂: There is a significant relationship between educational qualification and the main reason for using E-banking services of the respondents.

III. SCOPE OF THE STUDY

Understanding consumer preferences for Coimbatore City's e-banking services is the main goal of this study. It includes main digital banking services like debit and credit card transactions, ATMs, mobile banking, and internet banking. The study looks at how consumers utilize these services, what influences their preferences, and the difficulties they encounter when utilizing online banking. It also takes into account how demographic characteristics like age, gender, income, occupation, education, and occupation affect the uptake and use of e-banking services. Along with the function of technological support and awareness programs offered by banks, customer opinions of security, dependability, and usability are examined. It is anticipated that the results will offer information that will enhance the city's e-banking services' effectiveness, accessibility, and quality.

IV. RESEARCH METHODOLOGY

This descriptive study is to examine Coimbatore consumers' preferences for online banking services. Understanding consumer knowledge, usage patterns, and satisfaction levels is the main goal of the study. The study made use of both primary and secondary sources of information. A systematic questionnaire was used to gather primary data from chosen respondents. To choose 100 responders, a convenience sampling technique was used. We gathered secondary data from credible web sources, books, and journals. The gathered information was methodically categorized and tallied. Analysis was conducted using statistical tools such one-way ANOVA, correlation, chi-square test, and percentage analysis. The study was restricted to Coimbatore city and took place between November 2025 and March 2026. The study's scope is limited to the city of Coimbatore.

LIMITATIONS OF THE STUDY

- ❖ The findings may have been impacted by the limited time available for data gathering and analysis.
- ❖ The findings may become less applicable in the future due to changes in customer preferences and e-banking usage trends.

V. REVIEWS OF LITERATURE

Sah (2025) investigated how customer happiness in Nepal was affected by the quality of internet banking services. A well-crafted, organized questionnaire was used to collect the study's data. To ensure appropriate analysis and interpretation, statistical tools like SPSS and AMOS were used to process and examine the gathered data. The study discovered that user-friendliness and website design have a big impact on consumer satisfaction. However, it was discovered that privacy and security had no discernible impact. The study came to the conclusion that maintaining consumer happiness in developing nations requires enhancing interface design and usability. Sandhu and Arora (2022) looked at how consumers used e-banking services and how traditional and electronic banking channels interacted.

VI. DATA ANALYSIS AND INTREPRETATION

Table: 1.1
Demographic profile

Particulars		No of the Respondents	Percentage (%)
Age	Above 20 years	56	56
	20-30 years	36	36
	30-40 years	2	2
	41- 50 years	6	6
	Total	100	100
Gender	Male	67	67

	Female	33	33
	Total	100	100
Education qualification	Higher secondary	20	20
	UG	38	38
	PG	20	20
	Diploma	22	22
	Total	100	100
Occupation	Student	70	70
	Salaried employee	19	19
	Business	11	11
	Total	100	100
Monthly income	Below ₹10,000	57	57
	₹10,000 - ₹20,000	20	20
	₹20,000 - ₹30,000	4	4
	Above ₹30,000	19	19
	Total	100	100

Source: primary data

Interpretation

- ❖ 56 per cent of the respondents belong to the age group of above 20 years, 36 per cent fall under 20–30 years, 2 per cent are in the 30–40 years category, and 6 per cent belong to the 41–50 years age group.
- ❖ The gender distribution of the respondents indicates that 67 per cent are male, while 33 per cent are female.
- ❖ 38 per cent of the respondents are undergraduates, 22 per cent hold a diploma, and 20 per cent each have higher secondary and postgraduate qualifications.
- ❖ 70 per cent of the respondents are students, 19 per cent are salaried employees, and 11 per cent are engaged in business.
- ❖ 57 per cent of the respondents earn below ₹10,000 per month, 20 per cent earn between ₹10,000–₹20,000, 4 per cent earn between ₹20,000–₹30,000, and 19 per cent earn above ₹30,000.

TABLE 1.2

Table shows age of respondents and their rating of the speed of E-Banking transaction

HYPOTHESIS TESTING:

H₀: There is no significant relationship between the age of respondents and their rating of the speed of E-Banking transaction

H₁: There is a significant association between age of the respondents and their rating of the speed of E-Banking transaction

Cross tabulation						
Particulars		Rate the speed of e-banking transactions				Total
		very fast	fast	average	slow	
age	below 20	17	18	21	0	56
	21-30	16	6	13	1	36
	31-40	0	1	1	0	2
	41-50	0	5	1	0	6
Total		33	30	36	1	100

Chi-Square Tests			
	Value	df	Asymptotic Significance (2-sided)
Pearson Chi-Square	14.907 ^a	9	.094
Likelihood Ratio	16.312	9	.061
Linear-by-Linear Association	.026	1	.073
N of Valid Cases	100		

a. 10 cells (62.5%) have expected count less than 5. The minimum expected count is .02.

Source: Primary data

INTERPRETATION

The chi-square test was conducted to examine the relationship between age and the rating of the speed of e-banking transactions. The Pearson Chi-square value is 14.907 with 9 degrees of freedom and the significance value (p = 0.094) is greater than 0.05. This indicates that there is no statistically significant association between the age group of respondents and their rating of e-banking transaction speed. Hence, the alternative hypothesis is accepted at 10 % level.

TABLE 1.3
 Table shows age of the respondents and satisfaction with E-banking services

HYPOTHESIS TESTING:

H₀: There is no significant difference between the groups regarding satisfaction with e-banking services.
 H₁: There is a significant difference between the groups regarding satisfaction with e-banking services.

Particulars	Sum of Squares	df	Mean Square	F	Sig.	
I am satisfied with e-banking services	Between Groups	33.459	3	11.153	8.241	.000
	Within Groups	129.931	96	1.353		
	Total	163.390	99			
Ebanking services is convenient and save time	Between Groups	3.234	3	1.078	.494	.087
	Within Groups	209.526	96	2.183		
	Total	212.760	99			
e-banking problems affect my usage	Between Groups	23.237	3	7.746	4.709	.004
	Within Groups	157.923	96	1.645		
	Total	181.160	99			
fear of online fraud make me avoid e-banking	Between Groups	6.909	3	2.303	1.239	.000
	Within Groups	178.401	96	1.858		
	Total	185.310	99			
e-banking needs better future improvements	Between Groups	22.750	3	7.583	4.727	.004
	Within Groups	154.000	96	1.604		
	Total	176.750	99			

Source: Primary data

INTERPRETATION:

The One-way ANOVA results reveal significant differences in some aspects of e-banking across different groups. Respondents’ satisfaction with e-banking services shows a significant difference ($F = 8.241, p = 0.000$), indicating varying satisfaction levels. Similarly, the impact of e-banking problems on usage ($F = 4.709, p = 0.004$) and the need for future improvements ($F = 4.727, p = 0.004$) differ significantly among groups. In contrast, perceptions of convenience and time-saving ($F = 0.494, p = 0.087$) and fear of online fraud ($F = 1.239, p = 0.000$) do not show significant differences. This suggests that while satisfaction, problems, and improvement needs vary, all groups share similar views on convenience and online fraud. Overall, certain factors influence e-banking experiences differently across respondents, while others are consistent. Hence H1 is accepted.

TABLE 1.4

Table shows the educational qualification and the main reason for using E-Banking services

HYPOTHESIS TESTING:

Hypothesis (H_0): There is no significant relationship between educational qualification and the main reason for using E-Banking services.

Hypothesis (H_1): There is a significant relationship between educational qualification and the main reason for using E-Banking services.

Particulars		educational qualification	the main reason for using e-banking services
educational qualification	Pearson Correlation	1	-.181
	Sig. (2-tailed)		.071
	N	100	100
the main reason for using e-banking services	Pearson Correlation	-.181	1
	Sig. (2-tailed)	.071	
	N	100	100

Source: primary data

INTERPRETATION

The Pearson correlation coefficient between educational qualification and the primary reason for using e-banking services is -0.181 , indicating a very weak negative relationship. This suggests that changes in educational qualification have only a minor effect on the reasons for using e-banking. The significance value of 0.071 exceeds the standard threshold of 0.05 , which means the relationship is not statistically significant. Therefore, it can be concluded that there is no meaningful correlation between educational qualification and the main reason for using e-banking services.

FINDINGS OF THE STUDY

- ❖ Majority (56%) of the respondents belong to the age group above 20 years.
- ❖ Most of the respondents (67%) are male, while 33% are female.
- ❖ A significant portion of the respondents (38%) are undergraduates, indicating a good level of educational background.
- ❖ The majority of the respondents (70%) are students, followed by salaried employees (19%) and business persons (11%).
- ❖ More than half of the respondents (57%) earn below ₹10,000 per month.
- ❖ There is a significant association between age of the respondents and their rating of the speed of E-Banking transaction
- ❖ There is a significant difference between the groups regarding satisfaction with e-banking services.
- ❖ There is no significant relationship between educational qualification and the main reason for using e-banking services.

SUGGESTIONS OF THE STUDY

- ❖ Banks should organize awareness initiatives to inform customers about the advantages and proper use of e-banking services.



- ❖ Security features should be strengthened to build greater trust and confidence among users.
- ❖ Banks may provide simple tutorials and guidance for first-time users, especially for customers with low technical knowledge.
- ❖ User-friendly mobile applications and websites should be developed to improve customer convenience.
- ❖ Special training or assistance can be provided to older customers to encourage digital adoption.
- ❖ Banks should regularly collect customer feedback to improve service quality and enhance customer satisfaction.

VII. CONCLUSION

The study reveals that electronic banking has gained considerable acceptance among respondents, especially among younger and student groups. Most customers prefer e-banking due to its convenience, time-saving nature, and easy access to financial services. While the overall response towards digital banking is positive, some users still face issues related to security concerns and limited technical knowledge. The findings also show that educational qualification does not significantly influence the main reason for using e-banking services. Therefore, banks should focus on improving service reliability, enhancing security systems, and increasing customer awareness to ensure higher satisfaction and wider usage of e-banking facilities.

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