

INTRODUCTION

Chapter 1

INTRODUCTION

1.1 About the study

The study is to know the Customer preference Towards internet banking in Punjab national bank Coimbatore. The study uses primary data collected from the customers of the Punjab National bank in Coimbatore. And the data's are collected through the questionnaire.

Industry Profile

The Indian Banking industry, which is governed by the Banking Regulation Act of India, 1949 can be broadly classified into two major categories, non-scheduled banks and scheduled banks. Scheduled banks comprise commercial banks and the co-operative banks. In terms of ownership, commercial banks can be further grouped into nationalized banks, the State Bank of India and its group banks, regional rural banks and private sector banks (the old/ new domestic and foreign). These banks have over 67,000 branches spread across the country. The first phase of financial reforms resulted in the nationalization of 14 major banks in 1969 and resulted in a shift from Class banking to Mass banking. This in turn resulted in a significant growth in the geographical coverage of banks. Every bank had to earmark a minimum percentage of their loan portfolio to sectors identified as priority sectors. The manufacturing sector also grew during the 1970s in protected environs and the banking sector was a critical source. The next wave of reforms saw the nationalization of 6 more commercial banks in 1980. Since then the number of scheduled commercial banks increased four-fold and the number eight-fold.

The industry is currently in a transition phase. On the one hand, the PSBs, which are the mainstay of the Indian Banking system are in the process of shedding their flab in terms of excessive manpower, excessive non Performing Assets (Npa) and excessive governmental equity, while on the other hand the private sector banks are consolidating

themselves through mergers and acquisitions. PSBs, which currently account for more than 78 percent of total banking industry assets are saddled with NPAs (a mind-boggling Rs 830 billion in 2000), falling revenues from traditional sources, lack of modern technology and a massive workforce while the new private sector banks are forging ahead and rewriting the traditional banking business model by way of their sheer innovation and service. The PSBs are of course currently working out challenging strategies even as 20 percent of their massive employee strength has dwindled in the wake of the successful Voluntary Retirement Schemes (VRS) schemes Banks are likely to opt for the universal banking approach with a stronger retail approach. Technology and superior customer service will continue to be the imperatives for success in this industry. Public Sector banks that imbibe new concepts in banking, turn tech savvy, leaner and meaner post VRS and obtain more autonomy by keeping governmental stake to the minimum can succeed in effectively taking on the private sector banks by virtue of their sheer size. Weaker PSU banks are unlikely to survive in the long run. Consequently, they are likely to be either acquired by stronger players or will be forced to look out for other strategies to infuse greater capital and optimize their operations. Foreign banks are likely to succeed in their niche markets and be the innovators in terms of technology introduction in the domestic scenario. The outlook for the private sector banks indeed looks to be more promising vis-à-vis other banks. While their focused operations, lower but more productive employee force etc will stand them good, possible acquisitions of PSU banks will definitely give them the much needed scale of operations and access to lower cost of funds. These banks will continue to be the early technology adopters in the industry, thus increasing their efficiencies. Also, they have been amongst the first movers in the lucrative insurance segment. Already, banks such as Icici Bank and Hdfc Bank have forged alliances with Prudential Life and Standard Life respectively. This is one segment that is likely to witness a greater deal of action in the future. In the near term, the low interest rate scenario is likely to affect the spreads of majors. This is likely to result in a greater focus on better asset-liability management procedures. Consequently, only banks that strive hard to increase their share of fee-based revenues are likely to do better in the future.

Company Profile:

VISION

"To be a Leading Global Bank with Pan India footprints and become a household brand in the Indo-Gangetic Plains providing entire range of financial products and services under one roof"

MISSION

"Banking for the unbanked"

1.2 About the organization

Punjab National Bank is a state-owned commercial bank located in New Delhi. The Bank is one of the Big Four Banks of India. They offer banking products, and also operate credit card and debit card business, bullion business, life and non-life insurance business, and gold coins and asset management business. They are recognized as the Bank offering highest levels of customer satisfaction in Delhi and Chennai. The Bank has the largest domestic network of 4997 offices, including 46 extension counters among Nationalized Banks. All their branches offer Core/ Centralized Banking Solution (CBS) along with a variety of financial products catering to different market segments. They have international presence in 9 countries, with a branch at Kabul, 2 branches in Hong Kong, representative offices at Almaty, Dubai, Shanghai and Oslo, a wholly owned subsidiary in UK (with 5 branches), and a joint venture with Everest Bank Ltd, Nepal. Punjab National Bank was incorporated in the year 1895 at Lahore, undivided India.

The Bank has the distinction of being the first Indian bank to have been started solely with Indian capital. In the year 1940, the Bank absorbed Bhagwan Dass Bank, a scheduled bank located in Delhi circle. In the year 1951, they acquired the 39 branches of Bharat Bank and in the year 1961, they acquired Universal Bank of India. Punjab National Bank was nationalised in July 1969 along with 13 other banks. In the year 1986, they acquired Hindustan Commercial, which added Hindustan's 142 branches to the Bank's network. In the year 1993, they acquired New Bank of India which the GOI.

During the year 1996, they developed a packaged for corporate customers for fast remittance of funds from different up-country branches. In the year 2000, the Bank has introduced a scheme for providing finance against mortgage of immovable property. In September 2000, they commenced their gold business in the form of Gold Import Scheme. In November 2000, they launched an International Co-branded Credit Card of Punjab National Bank and Hong kong & Shanghai Banking Corporation (HSBC) in New Delhi. In March 2002, the Bank came out with their first Initial public offer (IPO) for 5,30,60,700 equity shares of Rs 10 each which resulted in the reduction of the government's shareholding in the Bank. During the year 2002, they started their branch in M.G. Road, Bangalore named as Mid-Corporate Branch (MCD) to provide their corporate clients with a credit limit of Rs 3.5 crore and above. They made joint venture with Infosys for the implementation of a Centralized Banking Solution for them. Also, they made a tie up with Cisco Systems for networking 3,870 branches as part of their Rs 150 crore plan. In the year 2003, the Bank took over Kozhikode-based Nedungadi Bank Ltd (NBL). The Bank entered into an alliance with New India Assurance for selling their general insurance products. Also, they opened a representative office in London. During the year, PNB Capital Service Ltd was amalgamated with the Bank. In June 2003, the Bank entered into an MoU with Principal Financial Services Inc (USA) and Vijaya Bank for joint venture partnership in Life Insurance, Pensions and Asset Management's (MF) business. Also, they formed a strategic alliance with Infrastructure Leasing and Financial Services Ltd (IL&FS) for setting up a private equity fund for investing in domestic companies. In the year 2004, the Bank acquired the assets of Hindustan Transmission Product Ltd. They signed a corporate agency agreement with Export Credit Guarantee Corporation of India Ltd (ECGC) for marketing ECGC's export credit insurance products through the network of the bank's branches. Also, an MoU was signed with Intel for the deployment of various IT-related solutions. During the year, the Bank signed an MoU with ICICI Bank for ATM network sharing. They awarded a project to Tata Consultancy Services (TCS) for implement human capital management and payroll solution. They established a branch office in Kabul, Afghanistan. Also, they opened a representative office in Shanghai. The bank established an alliance with Everest Bank in Nepal that permits migrants to transfer funds easily between India and

Everest Bank's 12 branches in Nepal. In the year 2005, the Bank unveiled ATM at Edappal. Also, they opened a representative office in Dubai. In the year 2006, the Bank made a tie up with MasterCard International to launch a signature-based debit card. Also, they made a tie up with Indian Airlines for online booking of air tickets. They opened a new branch in Uttarakhand. In October 2007, the Bank entered into MoU with India Infrastructure Finance Company with an aim to extend their cooperation and support to IIFC in areas of creating a deal flow of infrastructure projects. In January 2008, the Bank commenced commercial banking operations in Hong Kong. During the year 2008-09, the Bank opened 168 branches, out of which 90 are new branches and 78 branches was added through upgradation of Extension Counters. They made collaboration with LIC for selling insurance policies and also made a tie up with Oriental Insurance for selling non-life policies on a referral basis. In June 2008, they entered into an MoU with ILFS Cluster Development Initiative Ltd for providing finance for various industrial infrastructure projects in the country. In September 2008, they signed an MoU with SMC Global Securities Ltd and Networth Stock Broking Ltd for providing online trading facility to Company's customers. They offered a unique '3 in 1 account' comprising of Saving, Demat and Trading account. In February 2009, they commercially launched their credit cards with 2 types of consumer credit cards, namely Gold and Classic. Also, they entered into an agreement with Oriental Insurance Company to market insurance products, a practice also known as bancassurance. In March 2009, the Bank entered into an understanding with Tata Motors for financing entire range of passenger cars. Also, they executed an agreement with The Life Insurance Corporation of India for bancassurance, life insurance under the provisions of IRDA's Referral Arrangement.

During the year 2009-10, the Bank opened 524 domestic branches, out of which 347 are at new locations while 177 branches was added through upgradation of existing Extension Counters. They deployed 1400 ATMs taking the the total count of ATMs to more than 3500 Nos. They opened two overseas branches 1 in Hong Kong and another at DIFC Dubai and started a JV banking subsidiary 'DRUK PNB Bank Ltd' in Bhutan. Also, they opened a representative office in Oslo, Norway. During the year, the Bank sold 6.5% of their stake in UTI Assets Management Co Ltd and UTI Trustee Pvt Ltd,

thus bringing down their stake in both these companies to 18.5%. They launched Corporate Credit Card with Individual liability. Also they launched Merchant Acquiring Business through installation of Point of Sale (PoS) Terminals at Merchant Establishments and Internet Payment Gateway by integrating through Merchant Website, with Brand Name PNB Biz.

In May 2009, the Bank incorporated a subsidiary company namely PNB Investment Services Ltd. In November 2009, they entered into an agreement with FIM Bank (Malta), Banca IFIS, Italy and Blend Financial Services Ltd, Mumbai for setting up a joint venture company for providing factoring, forfeiting and trade finance related business. During the year 2010-11, the Bank introduced new set of products and services such as PNB Uphaar, PNB Suvidha and World Travel Card. In December 13, 2010, they acquired 63.64% stake in JSC Dana Bank of Kazakhstan. In January 12, 2011, the Bank's joint venture India factoring and Finance Solutions Pvt Ltd started its commercial operations from Delhi, Mumbai & Chennai. The total number of branches at the end of March 2011 rose to 5189. The branch network comprises 2047 Rural, 1154 Semi Urban, 1111 Urban and 877 Metropolitan branches.

During the review period 210 domestic branches were opened. With 5189 branches, including 28 Extension Counters, the Bank has the largest network amongst the nationalized banks. As part of customer segmentation, Bank has opened specialized Branches that include 6 Micro Finance branches, 59 SME branches, 11 International Banking Branches, 17 Asset Recovery Management Branches, 13 Mid Corporate Branches, 11 Large Corporate Branches, 73 Retail Asset Branches, 11 Agriculture Finance Branches, 3 high-tech agriculture branches, 1 Capital Market Services Branch and 1 International Service Branch. Besides, 41 Back Offices, 2 Special Foreign Exchange Offices, 17 Special MICR Centres, 41 Service (Regional Clearing Centre) centres, 4 Financial Inclusion Service Centres, 3 Centralised Draft Payable Centres, 1 Central Clearing Service Centre and 1 Depository Back Office are established to reduce delivery time and improve response time. The Bank received permission from RBI for setting up a representative office in Sydney, Australia. Also, they are in the process of entering into Canada.

1.3 Statement of the problem

The main problem identified is the falling customer preference towards internet banking and the problems they encounter while using the internet banking by knowing the usage level, age, qualification, and the major problems they face when they use the internet banking.

1.4 Scope of the study

The focus of this study is mainly based on the preference towards internet banking and usage of internet banking in the bank, there is an increasing number of offering web based banking services it also triggers the market growth, using of net banking is been increasing day by day and it also becomes easier for peoples who are using net banking within three to four steps of security process we can able to view the balance of bank accounts and credit cards, transfer of money and pay bills and it will reduce the physical work for the visiting of banks.

REVIEW OF LITERATURE

2.Review of Literature:

Internet banking is new age banking system. Internet banking is defined as the automated delivery of new and traditional banking products and services directly to customers through electronic, interactive communication channels. Technology in Indian banking has evolved substantially from the days of back office automation to today's online, centralized and integrated solutions. Internet Banking is also called E-banking, on-line banking or PC banking. Customers prefer banking services especially through new and attractive channels which includes ATM, credit/debit cards, internet banking, IVRS phone banking, mobile banking, electronic fund transfer etc to conduct banking activities such as transferring of funds, paying bills, viewing and checking , savings account balances, paying mortgages , purchasing financial instruments and certificates of deposits. The services through e-channel are assumed to be cost effective and time saving as they do not necessitate waiting in long queues. Electronic banking is a result of explored possibility of using internet application in one of the various domains of commerce. It is difficult to infer whether the internet tool has been applied for convenience of bankers or the customers. But ultimately it contributes in increasing the efficiency of the banking operation besides providing more convenience to customers.

Informational - This is the basic level of Internet Banking. Typically, the bank has marketing information about the bank's products and services on a stand-alone server.

Communicative - This type of Internet Banking system allows some interaction between the bank's systems and the customer. The interaction may be limited to electronic mail, account inquiry, loan applications or static file updates (name and address changes)

Transactional - This level of Internet Banking allows customers to directly execute transactions with financial implications. The basic transactional site only allows a transfer of funds between the accounts of one customer and the bank. The advanced transactional site provides a means for generating payments directly to third parties outside of the bank. This can take the form of bill payments via a bank official check or electronic funds transfer/automated clearing house entries. Internet Banking has been regarded as the most important way to reduce cost and maintain or enhance services for consumers. By offering Internet Banking services, traditional financial institutions

seek to lower operational costs, improve consumer banking services, retain consumers and expand share of customer. Internet is the cheapest delivery channel for banking products as it allows the entity to reduce their branch networks and downsize the number of service staff. The navigability of the website is a very important part of Internet Banking because it can become one of the biggest competitive advantages of a financial entity. Internet Banking is a process of innovation whereby customers handle their own banking transactions without visiting bank tellers. Recent evidence suggests that an Internet-based consumer banking strategy may be effective, with reports of more profitable, loyal and committed consumers compared with traditional banking consumers. Thus, contemporary banks now regard the Internet channel as equally important to traditional channels of branches, automated teller machines (ATM), telephone banking and call centers. In the new banking environment, Internet Banking is increasingly managed as an operational activity and an important element of a multi-channel strategy.

3. Research Methodology:

3.1 Type of Research:

The population used is the bank customers who use Internet banking service. The sample is not restricted from how long they have used internet banking, because there are equal respondents between long-user internet banking and customers who have just used few months using internet banking and thus data variability can be obtained in order to describe customer's decision to still continue using internet banking in the future or not. The data were collected from 100 respondents of the Punjab national bank customers that have using Internet banking in Coimbatore District. To study the customer preference towards Internet banking services, a structured questionnaire was prepared. Questionnaire contains demographic profile of the customers and the factors which prefers customers towards Internet banking. The data collected was analyzed by use of Regression, Crosstabs, and frequency analysis.

3.2 Objective of the Study:

Primary Objective:

The main purpose of the study is to identify the customer Preference towards internet banking in Punjab national bank Coimbatore.

Secondary Objective:

- To study the customer preference towards Internet banking on the basis of age, nature of employment and Qualification.
- To study the preference and advantages of usage of internet banking.
- To study the choice of customers towards internet banking on the basis of factors such as convenience, frequency of usage, transaction time etc.

3.3 Data and sources of Data

The Data is been collected through questionnaire from the customers of Punjab national bank Coimbatore, and some of the data's are been collected from website of the bank.

3.4 Time period covered

The time period covered for conducting this research study is 2 months ie., from 31 January 2014 to 26 March 2014.

- Base paper collection work
- Identifying the areas to study.
- Data Collection.
- Analysis and Interpretation.

3.5 Population and sample size

The population for the study is the customer's of Punjab National Bank, and the sample size used for collection of data for the study is 100 questionnaires.

3.7 Statistical Tool used:

The Statistical tool used for the Research is.

- Crosstabs.
- Frequency.
- Anova.

3.8 Limitations of the study:

- Limited access to customers for data collection.
- Lack of time for proper analysis into the problem.

ANALYSIS AND INTERPRETATION

TABLE-4.1.1
MODE OF ACCESS TO NET BANKING

	MOBILE	LAPTOP	TOTAL
Below 20 years	14	9	23
21-30 years	6	8	14
31-40 years	17	13	30
41-50 years	6	8	14
Above 50 years	6	13	19
Total	49	51	100

Interpretation:

By comparing the age and the mode of access to net banking the above results are drawn. From the above table we can infer that, according to the age group the preferences of net banking differ. It is inferred from the above table that 31-40 years age group prefer mobile banking than compared to any other age groups and people of age 50 and above highly prefer laptop than mobile banking.

TABLE-4.1.2

Association_with_PNB * Activated_Internet_banking Crosstabulation

		Activated_Internet_banking		Total
		Yes	No	
Association_with_PNB	<2 Years	22	5	27
	2-5 Years	30	4	34
	6-7 Years	20	1	21
	More than 7 Years	12	6	18
Total		84	16	100

ASSOCIATION WITH PNB	Yes	No	Total
<2 Years	22	5	27
2-5 Years	30	4	34
6-7 Years	20	1	21
More than 7 Years	12	6	18
Total	84	16	100

Interpretation

From the above table it is inferred that 30 customers have activated their internet banking in 2-5 Years, customer association with PNB of <2 years, 22 of them activated internet banking and customers of 6-7 years who activated internet banking is 20 and customers more than 7 years who activated internet banking is 12.

TABLE-4.1.3

	Frequency	Percent	Valid Percent	Cumulative Percent
Male	68	68.0	68.0	68.0
Female	32	32.0	32.0	100.0
Total	100	100.0	100.0	

Intrepretation

From the above table it is inferred that 68 percent are male customers and 32 percentage are female customers of the Punjab national bank.

CHART-4.2.1

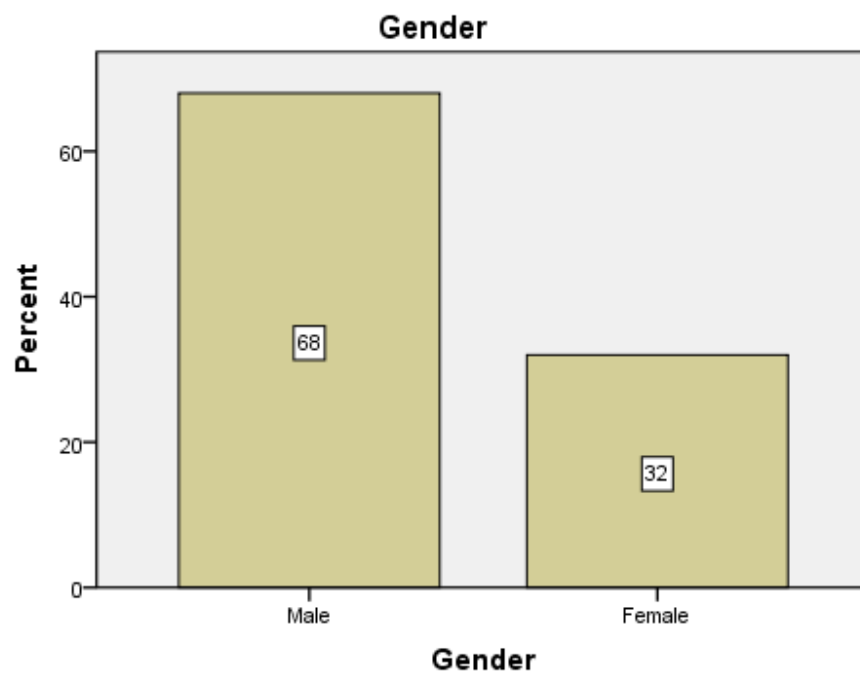


TABLE-4.1.4

	Frequency	Percent	Valid Percent	Cumulative Percent
Hsc	11	11.0	11.0	11.0
Graduate	33	33.0	33.0	44.0
Post Graduate	29	29.0	29.0	73.0
Professional	22	22.0	22.0	95.0
Medicine	5	5.0	5.0	100.0
Total	100	100.0	100.0	

Intrepretation

From the above table it is inferred that 33 percentage of customers are graduate,29 percent are post graduate,22 percentage of customers are professionals 11 percentage of customers are Hsc and 5 percent of customers are medicine are the qualification of Punjab national bank.

CHART-4.2.2

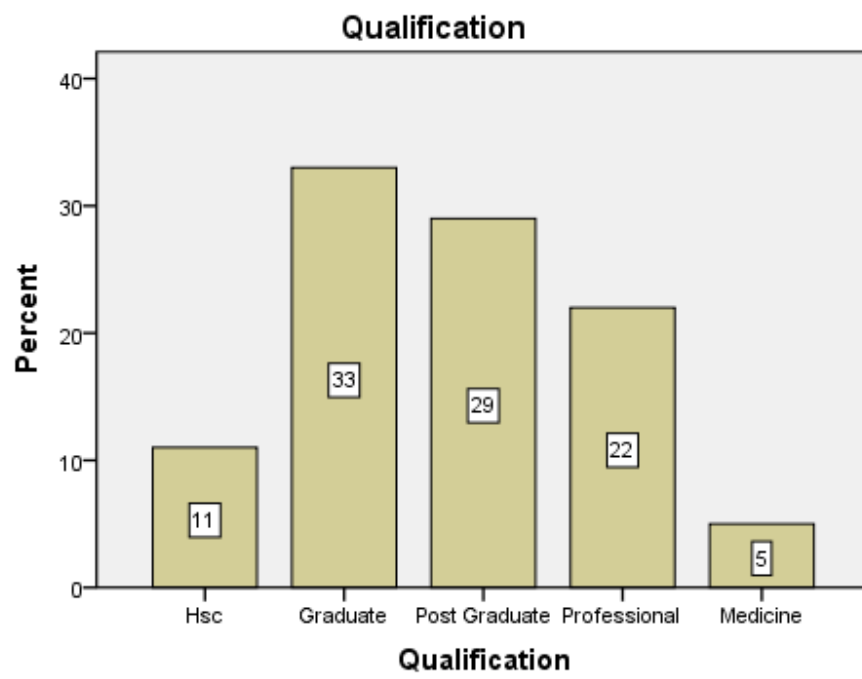


TABLE-4.1.5

	Frequency	Percent	Valid Percent	Cumulative Percent
< 1 Hour	24	24.0	24.0	24.0
< 1 Hour - 2 Hour	34	34.0	34.0	58.0
<2 Hours - 3Hours	8	8.0	8.0	66.0
3 Hours and above	34	34.0	34.0	100.0
Total	100	100.0	100.0	

Intrepretation

From the above table it is inferred that 34 Percent of customers use Internet banking from <1 Hour-2Hour and 3 hours and Above, and 24 percentage of the customers use internet banking <1 hour and 8 percentage of customers use internet banking <2 Hours-3 Hours.

CHART-4.2.3

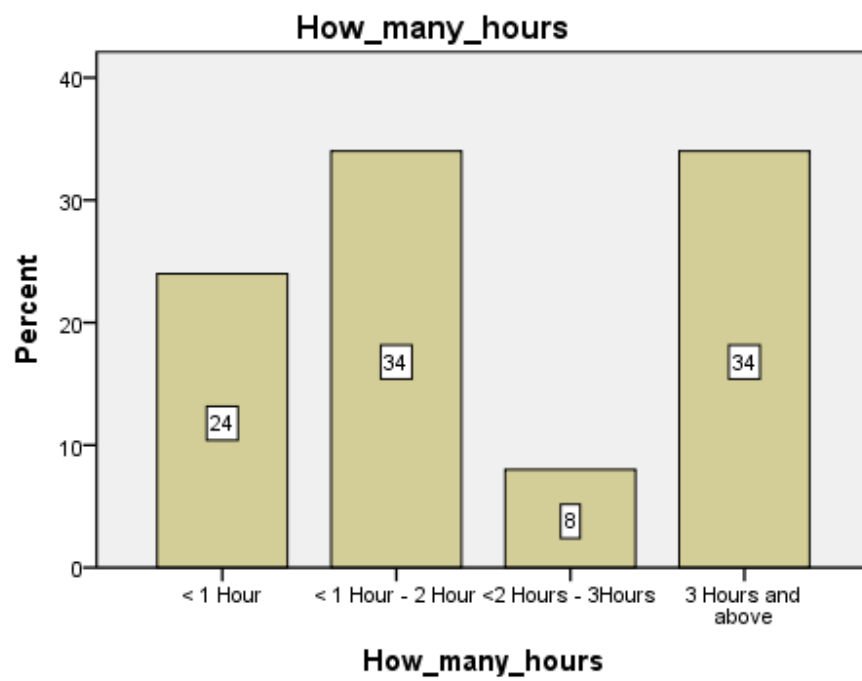


TABLE-4.1.6

	Frequency	Percent	Valid Percent	Cumulative Percent
Pay Bills	26	26.0	26.0	26.0
Make an account inquiry	40	40.0	40.0	66.0
Transfer funds between accounts	15	15.0	15.0	81.0
Payroll process	3	3.0	3.0	84.0
Order cheque books	16	16.0	16.0	100.0
Total	100	100.0	100.0	

Interpretation:

From the above table it is inferred that 40 percentage of customers make an account inquiry, 26 percentage of customers use the net banking feature to Pay Bills and 16 percentage of customers use the net banking features to order cheque books, 15 percentage of people use the feature for Transfer funds between accounts and 3 percentage of customer use the feature for process payroll.

CHART-4.2.4

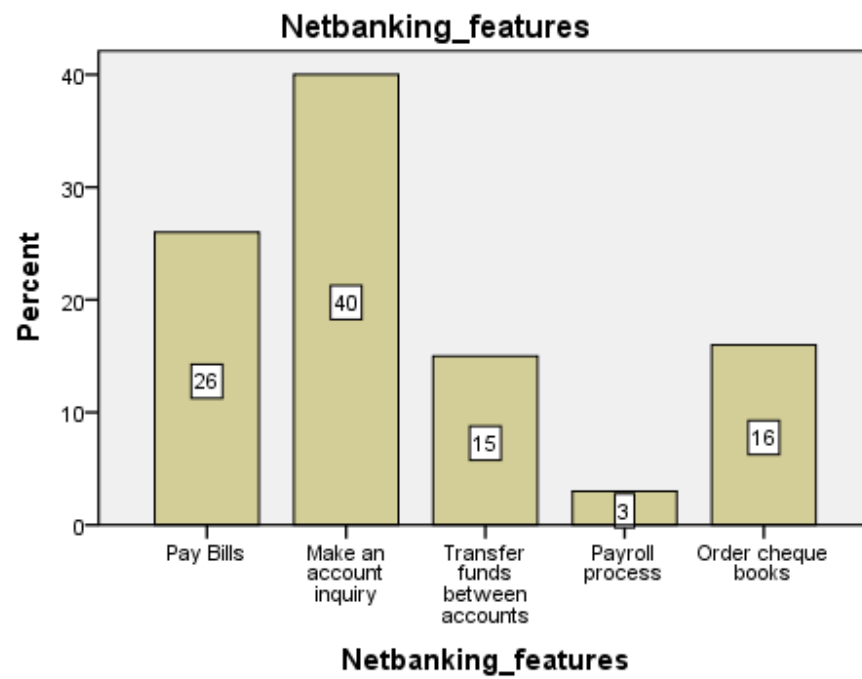


TABLE-4.1.7**USAGE OF MOBILE**

	Frequency	Percent	Valid Percent	Cumulative Percent
Yes	81	81.0	81.0	81.0
No	19	19.0	19.0	100.0
Total	100	100.0	100.0	

Interpretation:

From the above table it is inferred that 81 Percentage of customer's uses mobile phone for internet banking and 19 Percentage of customer do not use mobile phone for their banking.

CHART-4.2.5

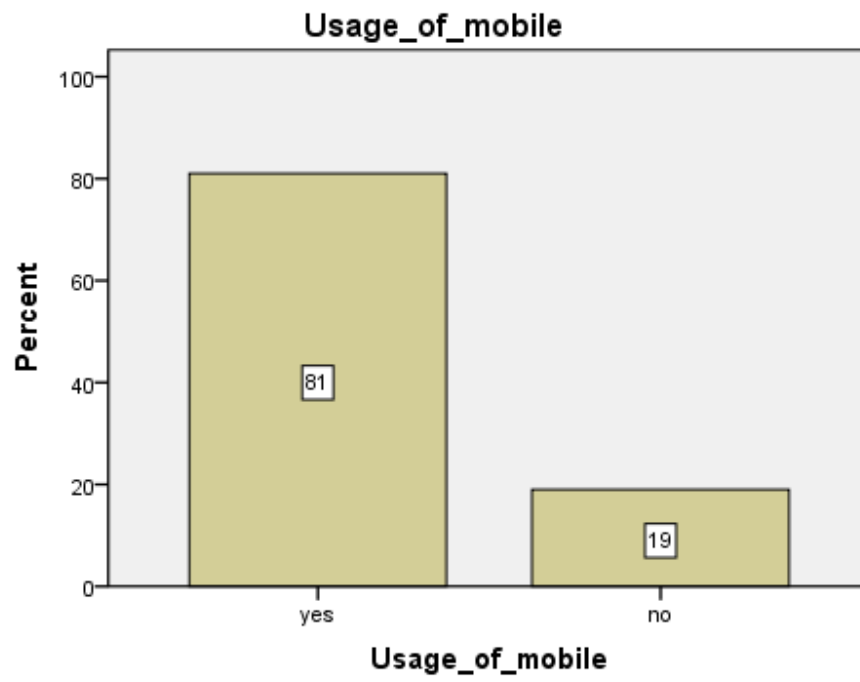


TABLE-4.1.8
VISITING BRANCHES

	Frequency	Percent	Valid Percent	Cumulative Percent
Yes	56	56.0	56.0	56.0
No	44	44.0	44.0	100.0
Total	100	100.0	100.0	

Interpretation:

From the above table it is inferred that 56 Percentage of customers visit the branches for their transactions and 44 Percentage of customers do not visit the branches for any transactions in addition to online banking.

CHART-4.2.6

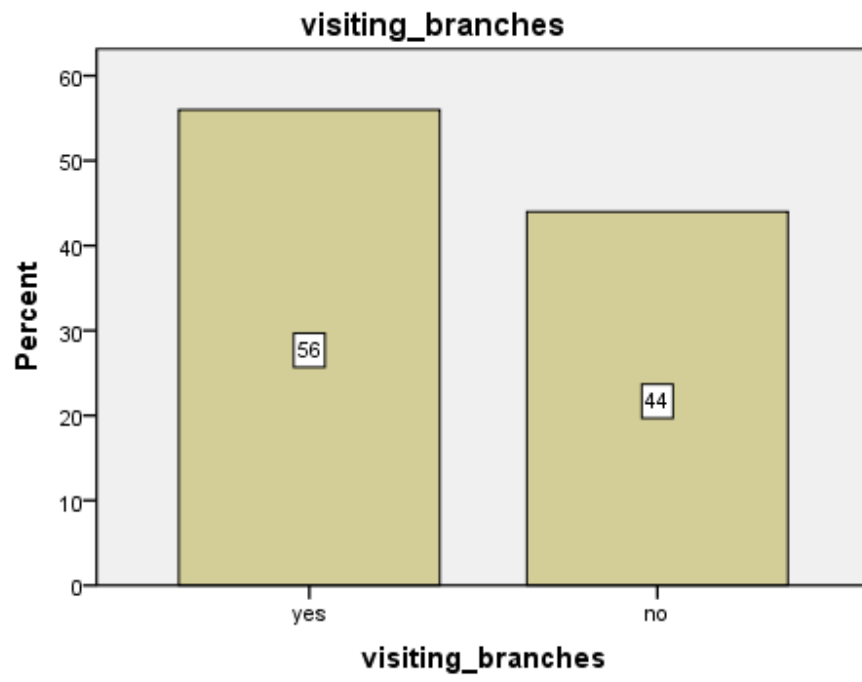


TABLE-4.1.9**PURPOSE OF VISIT**

	Frequency	Percent	Valid Percent	Cumulative Percent
Take a Demand Draft	26	26.0	26.0	26.0
Avail loan	24	24.0	24.0	50.0
Drop cheque	40	40.0	40.0	90.0
Others	10	10.0	10.0	100.0
Total	100	100.0	100.0	

Interpretation

From the above table it is inferred that 26 Percentage of customer visit the branch for the purpose to take demand draft,24 percentage of the customer visit the branch for the purpose to avail loan,40 percentage of customers for dropping a cheque,10 percentage of customer visit bank for other purpose

CHART-4.2.7

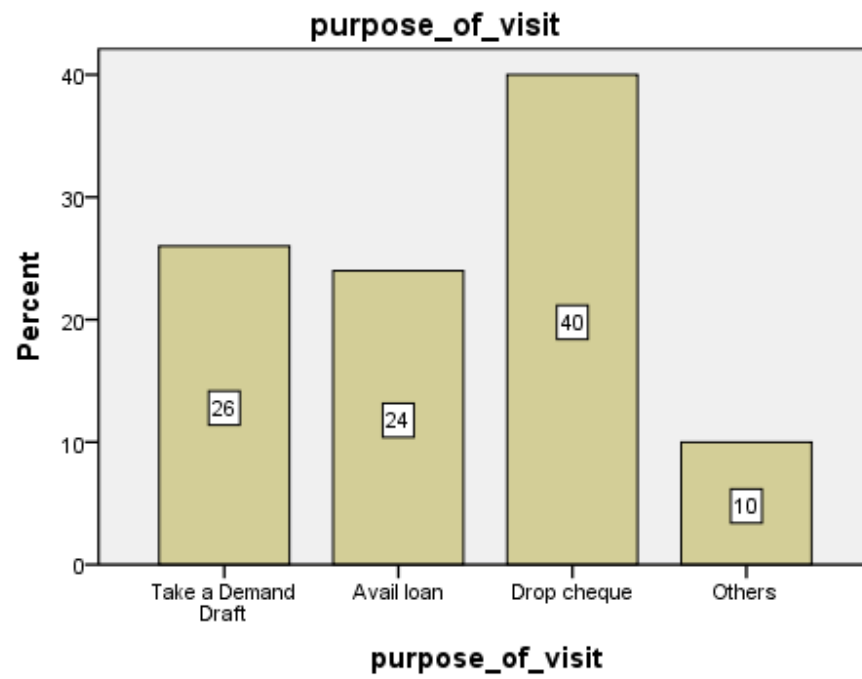


TABLE-4.1.10
OTHER ONLINE FACILITIES

	Frequency	Percent	Valid Percent	Cumulative Percent
Transaction feedback	51	51.0	51.0	51.0
Portfolio management	34	34.0	34.0	85.0
Leasing	12	12.0	12.0	97.0
Others	3	3.0	3.0	100.0
Total	100	100.0	100.0	

Interpretation:

From the above table it is inferred that 51 Percentage of customer prefer online facility for Transaction feed back,34 Percentage of customer prefer portfolio management,12 Percentage of customer prefer online facility for leasing and 3 Percentage of customer prefer other facilities for online facilities.

CHART-4.2.8

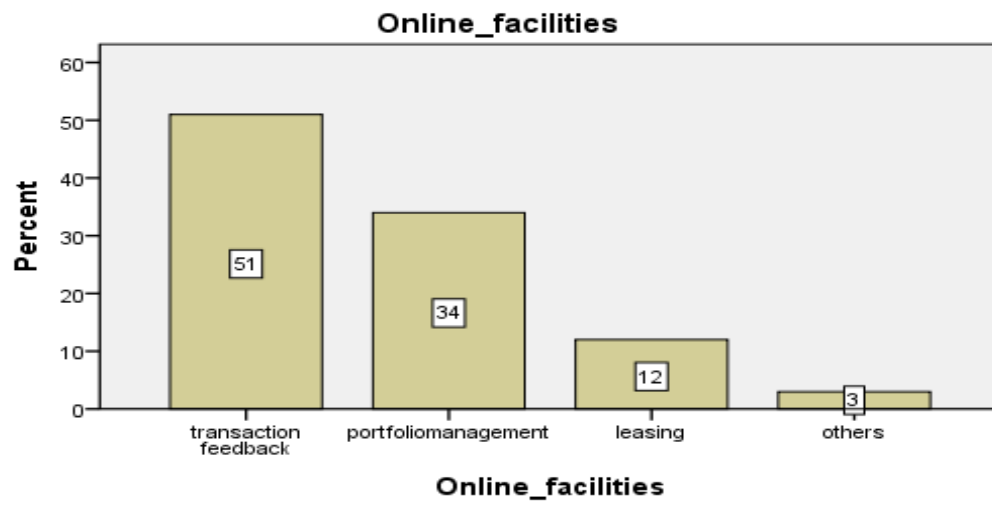


TABLE-4.1.11**PROTECT INTERNET BANKING**

	Frequency	Percent	Valid Percent	Cumulative Percent
Yes	69	69.0	69.0	69.0
No	31	31.0	31.0	100.0
Total	100	100.0	100.0	

Interpretation:

From the above table it is inferred that 69 Percentage of customer use additional authentication beside user name and password and 31 Percentage of customer says they do not use additional authentication services beside username and password.

CHART-4.2.9

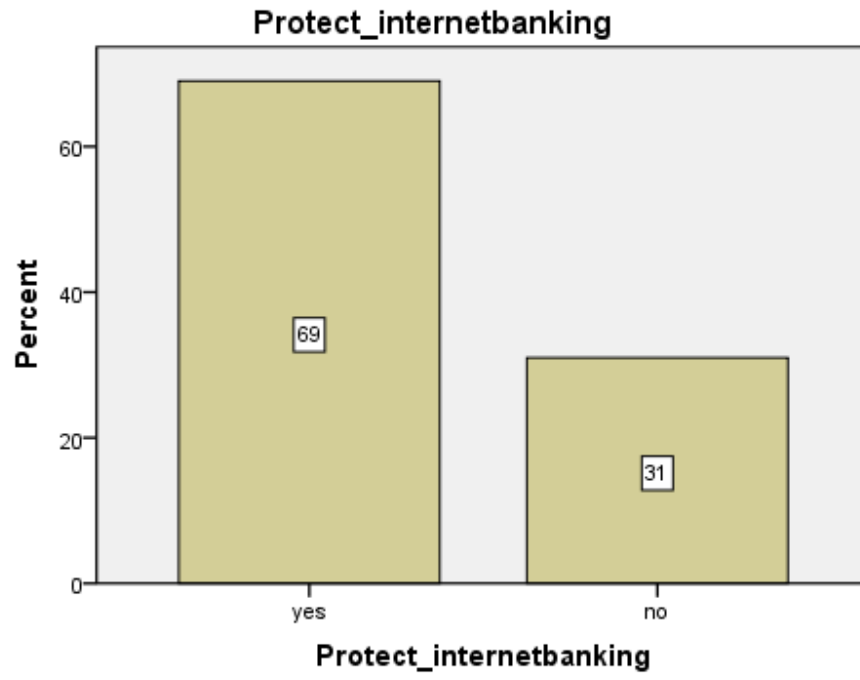


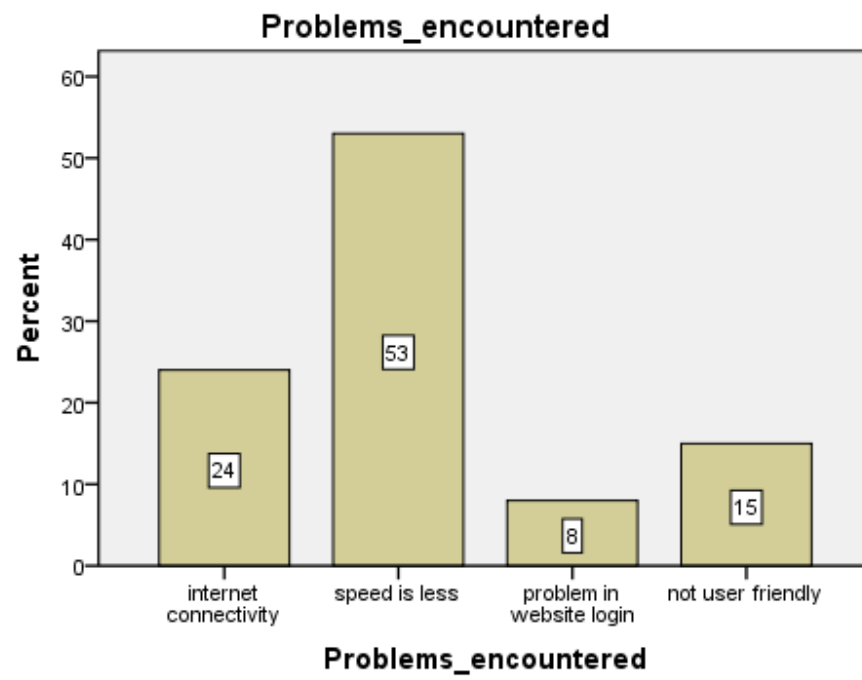
TABLE-4.1.12
PROBLEMS ENCOUNTERED

	Frequency	Percent	Valid Percent	Cumulative Percent
Internet connectivity	24	24.0	24.0	24.0
speed is less	53	53.0	53.0	77.0
problem in website login	8	8.0	8.0	85.0
not user friendly	15	15.0	15.0	100.0
Total	100	100.0	100.0	

Interpretation:

From the above table it is inferred that 53 Percentage of customers encounter problems while using net banking is speed is less and 24 percentage of customers encounter problems like internet connectivity, 15 Percentage of customers encounter problems like not an user friendly, and 8 percentage of customer face problems in website login.

CHART- 4.2.10



ANOVA

	Sum of Squares	df	Mean Square	F	Sig.
Between Groups	24.667	4	6.167	4.403	.003
Within Groups	133.043	95	1.400		
Total	157.710	99			

Intpretation

H0 -There is a homogeneity across trials of various groups with reference to the banking features used.

Ha – There is no homogeneity across trials of various groups with reference to the banking features used.

As significance is less than 0.05 we will accept the alternate hypothesis.

5. Findings, Suggestions & Conclusion

5.1 Findings:

There is a significant relationship between type of account v/s qualification, occupation, age, gender. And the people above the age of 50 are preferring internet banking only through systems. The problems encounter is like connectivity, problems in login, etc preference of internet banking among the customers is more towards transaction of funds between accounts. By using the internet banking through online it reduces the visiting of branches and customer feel more security on the usage of internet banking.

There is a relationship between the usage of internet and the activation of internet banking facility among the customers. And most of the customers use Internet banking features for the purpose of pay bills, make an account inquiry, transfer of funds between accounts and order cheque books.

- From table-4.1.1 it is inferred that 31-40 years age group prefer mobile banking than compared to any other age groups.
- From table-4.1.2 it is inferred that 30 customers have activated their internet banking in 2-5 Years than any other years.
- From table-4.1.3 it is inferred that 33 percentage of customers are graduate
- From table-4.1.5 it is inferred that 34 Percent of customers use Internet banking from <1 Hour-2Hour and 3 hours and Above.
- From table-4.1.6 it is inferred that 40 percentage of customers make an account inquiry
- From table-4.1.7 it is inferred that 81 Percentage of customer's uses mobile phone for internet banking
- From table-4.1.8 it is inferred that 56 Percentage of customers visit the branches for their transactions.

- From table-4.1.9 it is inferred that 40 percentage of customers visit branch for the purpose to drop a cheque.
- From table-4.1.10 it is inferred that 51 Percentage of customer prefer online facility for Transaction feedback.
- From table-4.1.11 it is inferred that 69 Percentage of customer use additional authentication beside user name and password.
- From table-4.1.12 it is inferred that 53 Percentage of customers encounter problems while using net banking is speed is less.

5.2 Suggestions

From this Research we can able to understand that people are in the age of 20 years prefer Mobile phone and laptop for Internet banking for Transfer of funds from one account to another account and people above the age of 50 prefer net banking only through laptop and some do not use netbanking, so the bank can educate their customers towards benefits usage and how to use net banking so that it reduces the visiting of branches and saves the customer time.

5.3 Conclusion:

The purpose of this research is to determine the customer preference towards Internet banking by the bank customers. The results show that there is a significant relationship between type of account v/s qualification, occupation, age, gender. In order to increase the number of Internet users the banker should provide consumer education regarding the usage of Internet banking service to the customers. In addition banks should also suggest the customer to use Internet banking.

ANNEXURE

A STUDY ON CUSTOMER PREFERENCE TOWARDS INTERNET BANKING
(WITH SPECIAL REFERENCE TO PUNJAB NATIONAL BANK)

1.Name :

2. Age:

Below 20 years 21-30 years 31-40 Years 41-50 Years Above 50

3.Gender

Male Female

4. Qualification

Hsc Graduate Post Graduate Professional Medicine

5.Occupation

Business salaried Govt employee Student Others

6. Type of account you hold in Punjab national bank.

savings A/c current A/c Recurring Deposit

7. How long are you associated with Punjab National Bank.

< 2 years 2-5 Years 6-7 Years More than 7 Years

8.Do you know to use Internet ?

Yes No

9.If yes, what is the reason for internet usage ?

check emails check facebook accounts for getting information on topics net banking

10. How do you access Net banking - Through ?

Mobile laptop

11. Have you activated your Internet Banking facility of Punjab National Bank?

Yes No

12. If yes, How often do you use Internet Banking?

Daily Weekly Monthly Never.

13. How many hours do you use Internet banking in a day?

Less than 1 Hour <1hour to 2 Hour <2 hours to 3 Hours 3 Hours and above

14. Which net banking features do you use regularly?

Pay Bills make an account inquiry Transfer funds between accounts
process payroll order cheque books

15. would you use your mobile phone to do your Banking?

Yes No

16. Do you still visit the branches for transactions in addition to our online banking?

Yes No

17. If Yes, what is the purpose of your bank visit?

Take a Demand Draft Avail loan Drop a cheque -----

18. what are the other Online facilities would you prefer?

Transaction feedback Port folio management leasing d) Others (specify).....

19. In order to protect Internet banking account would you be willing to use additional authentication beside user name and pass word?

Yes No

20. What problems do you encounter with the Net Banking of Punjab National Bank ?

a) Internet connectivity b) speed is less c) problem in Website login d) not user friendly

21. will you recommend internet banking to your friend or relative?

- Definitely recommend
- Most probably recommend
- Probably recommend
- Rarely recommend
- Never recommend

22. Suggestions for improving Internet banking in Punjab National Bank_____

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