CHAPTER-I

INTRODUCTION AND DESIGN OF THE STUDY
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DESIGN OF THE STUDY

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1.1 INTRODUCTION

Internet banking is one of the best alternative channels available to customers for quick, correct and efficient service at anytime and anywhere. Internet banking is the latest in the series of technological wonders of the recent past. ATMs, Tele-Banking, Internet Banking, Credit Cards and Debit Cards have emerged as effective delivery channels for traditional banking products. Internet or Electronic or Online banking is the newest delivery channel offered by retail banks and there is a wide agreement that this channel will have a significant impact on the market. Banks know that the Internet opens up new horizons for them and moves them from local to global frontiers (Mavri and Ioannou, 2006)1. Internet banking refers to the system that enables bank customers to get access to their accounts and general information on banking products and services through the use of bank’s website, without the intervention or inconvenience of sending letters, faxes, original signatures and telephone confirmations.

Internet banking means that any user with a personal computer and a browser can get connected to his bank’s website to perform any of the virtual banking functions. In internet banking system, the bank has a centralized database that is web-enabled. All the services that the bank has permitted on the internet are displayed in menu. Once the branch offices of the bank are interconnected through terrestrial or satellite links, there would be no physical identity for any branch. It would be a borderless entity permitting anytime, anywhere and anyhow banking. Today, an enormous variety of things can be

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done online depending on the user’s goal, from access to information, entertainment and shopping to financial transactions that formerly required a visit to the bank².

Online banking (or Internet banking or E-banking) allows customers of a financial institution to conduct financial transactions on a secured website operated by the institution, which can be a retail bank, virtual bank, credit union or building society³.

The banks now-a-days focus on attracting the customer by enhancing their services and diversifying their activities. Apart from the traditional banking services, the agency services otherwise termed as non-banking and general utility services, are getting its momentum. After the introduction of globalization policy, services sector has been given much importance and the same is attracted much by the foreign customers. It is a splendored truth to accept the change of a country from the developing status to developed status, is possible not only by the industrial growth but also by the growth of services sector which ensures the growth of the sectors to be more predominant. Among the various services, the banking services prove to be more vital for the development of an economy as well as the living standards of the general public.

From the perspective of banking products and services being offered through internet, internet banking is nothing more than traditional banking services delivered through an electronic communication backbone, via internet. Thus internet banking with its wide wings has penetrated through the lives of all people. At this juncture, it is worth knowing how this new delivery channel has created an impact on the users⁴.

Internet banking enables a consumer to do banking transactions through the banks website on the Internet. It is a system of accessing accounts and general information on bank products and services through a computer while sitting in its office or home. This is also called virtual banking. It is more or less bringing the bank to computer. In traditional banking one has to approach the branch in person, to withdraw cash or deposit a cheque or request a statement of accounts etc. But Internet banking has changed the way of banking. No one can operate all these types of transaction on his computer through the website of the bank. All such transactions are encrypted, using sophisticated multi-layered security architecture, including firewalls and filters. One can be rest assured that one’s transactions are secure and confidential.

One of the greatest benefits that Internet banking offers its consumers is that of convenience. Consumers have the choice to do Internet banking from home or at their offices at any time during the day or night. The annoyance of standing in long queues at bank branches to speak to financial consultants has been removed. Internet banking is more lucrative to consumers. Internet banking also reduces the time taken to perform banking transactions. Not only is the absence of standing in queues, but electronic banking is normally streamlined through simple and efficient processes.

The marvelous kinds of innovation in technology and hard line blend of it with information technology made a paradigm shift in the banking industry. Advent of Internet banking happened in early 1990. This beginning of Internet Banking created a phenomenal system, Internet banking is a kind of system that enables financial institution customers, individuals or businesses, to access accounts, transact business, or obtain information on financial products and services through the Internet. The Government of

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India has enacted the IT Act, 2000 (Information Technology Act)\(^6\). This act came into effect from 17\(^{th}\) October 2000. The purpose of this act, in the context of banking, was to provide legal recognition to electronic transactions and other means of Electronic Commerce. The working group set by Reserve bank of India, has been working as a watchdog on the different aspect of the Internet banking. ICICI bank was the pioneer bank to use Internet banking for some of its services in India. ICICI bank and a lot of other Indian banks use the Internet banking system to provide online banking solution.

In the current scenario, Indian customers are moving towards Internet banking, slowly but steadily. Most of the large Indian banks like State Bank of India, BOB, and BOI etc. have started providing Internet banking services. There is a clear need to develop a better understanding of how consumers evaluate these services and develop e-loyalty. Service quality is one of the main factors determining the success or failure of electronic commerce. Automated service quality has tended to lag behind because practitioners have focused mainly on issues of usability and measurement of use. Therefore, customer perceptions towards internet banking have a significant impact on bank’s success. The main aim of this research is to find out the acceptance of internet banking among the consumers and how it is perceived by them. As consumers get more and more educated, getting insight about modern banking, via Internet has evolved as primary area of concern for all leading and upcoming banks in India. This study provides an in-depth knowledge about customers’ perception towards internet banking in the Tirunelveli District. Thus, this study would assist the bank administration to figure out the issues associated with internet banking so as to improvise the quality of internet banking.

1.2 STATEMENT OF THE PROBLEM

The evolution of the internet has led to the initiation of various innovative products and services such as internet banking. Internet banking has transformed the traditional banking landscape substantially. Internet banking is defined as the automated delivery of new and traditional banking products and services directly to customers through electronic, interactive communication channels. Internet banking includes the systems that enable individuals or businesses to access accounts, transact business, or obtain information on financial products and services through the Internet.

Internet banking offers a number of desired features such as fund transfer, online purchase, balance enquiry, statement of account and so on. However, there are some threats associated with internet banking such as security issues, network issues, high cost, and lack of personal relationship, uneasiness and poor customer service. As internet banking is emerging as a great promotional measure, addressing all these issues would strengthen the promotional tool.

Security issues denote while making online payments or transferring money from one account to another, the customers are always concerned about the hackers and anti-social elements. It is indispensable to change the login and transaction passwords on a regular basis to ensure the safety of online banking. The traditional bank provides the opportunity to develop a personal relationship between the banker and the customer. However, internet banking lacks such bond resulting in unfamiliarity of banker and new schemes. There are many complex transactions which cannot be sorted out unless there is a face to face conversation with the manager. Solving specific issues and complaints requires physical visit to the bank and cannot be achieved through the internet. Network plays a key role in online banking. Sometimes there is chance of congestion in the network or server down, thus the customers have to wait for some time to get the
transaction done. Inadequate network may also lead to failure of the transaction. Consumers have cited various types of costs which inhibit the use of internet banking. However, some of the customers find it difficult to use internet banking as it requires technical knowledge. As there is no personal contact, availability of better customer service is also questionable.

Despite the fact that internet banking offers various advantages, the cited issues keeps the customers uncomfortable with the internet banking. Hence, addressing all these issues would bolster internet banking service so as to retain the existing customers and also to encourage new customers towards internet banking.

1.3 SIGNIFICANCE OF THIS STUDY

Currently all banks in India are in the process of building world-class Information Technology infrastructure. When banks invest heavily on technology, they must ensure that the facilities they provide match with the needs of the clients. Without understanding the preferences of the customers, whatever investment banks make on technology will result in the loss of both money and customer base. So, the present study will provide many implications to bankers in understanding the customer satisfaction. Therefore, research effort, especially an empirical study on the development of internet banking service is apparently in need. Further, there have been many studies published in many foreign countries on internet banking based on customers’ perception, but the number of studies on this area in Indian context is meager. Therefore, this study is of significance to bridge this gap.
1.4 OBJECTIVES OF THE STUDY

This research has been carried out with the following objectives.

1. To study the present scenario of Internet Banking in Indian context.

2. To identify the factors influencing the customers to opt for Internet Banking service in the study area.

3. To analyse the problems of internet banking customers and the remedies in connection with that.

4. To compare perception and expectation of customers on internet banking service offered by the public and private sector banks in the study area.

5. To offer suitable suggestions to promote the Internet banking service of the public and private sector banks.

1.5 HYPOTHESES OF THE STUDY

In this study the following null hypotheses have been framed to test the objectives.

- There is no association between the number of years of using internet banking service by the customers and the problem encountered by them related to internet banking service.

- There is no association between frequency of using internet banking service and encountering problem related to internet banking service.

- There is no significant difference among the locations of the bank with respect to the benefits of IBS.

- There is no significant difference among the places of residence of the customers with respect to the factors influencing them to opt for IBS.

- There is no significant difference among the number of years of using IBS by the customers with respect to the factors influencing them to opt for IBS.
There is no significant difference among the number of years of using IBS by the customers with respect to their satisfaction on IBS.

There is no significant difference among the number of years of using IBS by the customers with respect to their problems related to IBS.

There is no significant difference among the places of residence of the customers with respect to their problems in connection with IBS.

There is no significant difference among the locations of the bank with respect to the problems of internet banking customers.

1.6 OPERATIONAL DEFINITIONS OF CONCEPTS

1.6.1 Banking Industry

The banking industry is an enormous sector of business and finance that has existed in human civilization in some form for thousands of years. In the modern world, the banking industry plays a large part in financial dealings, as it is a major and popular means for investing, borrowing, and storing money. Banks exist all over the world, and are usually heavily regulated by world governments in order to prevent corruption and protect the money of the general public.

1.6.2 Public Sector Banks

Public Sector Banks (PSBs) are banks where a majority stake (i.e. more than 50%) is held by a government. The shares of these banks are listed on stock exchanges. There are a total of 27 PSBs in India [19 nationalized banks + 6 State bank group + 1 IDBI bank and Bhartiya Mahila Bank].
1.6.3 Private Sector Banks

The private-sector banks in India represent part of the Indian banking sector that is made up of both private and public sector banks. The "private sector banks" are banks where greater parts of stake or equity are held by the private shareholders and not by government.

1.6.4 Online Banking

The performance of banking activities is carried out via the Internet. Online banking is also known as "Internet banking" or "Web banking". A good online bank will offer customers just about every service traditionally available through a local branch, including accepting deposits (which is done online or through the mail), paying interest on savings and providing an online bill payment system.

1.6.5 One-Time Password (OTP)

A one-time password (OTP) is an automatically generated numeric or alphanumeric string of characters that authenticates the user for a single transaction or session.

1.6.6 Electronic Funds Transfer (EFT)

Electronic Funds Transfer (EFT) is a system of transferring money from one bank account directly to another without any paper money changing hands. One of the most widely-used EFT programs is Direct Deposit, in which payroll is deposited straight into an employee's bank account, although EFT refers to any transfer of funds initiated through an electronic terminal, including credit card, ATM, Fedwire and point-of-sale (POS) transactions. It is used for both credit transfers, such as payroll payments, and for debit transfers, such as mortgage payments.
1.6.7 Know Your Customer - KYC

A standard form in the investment industry that ensures investment advisors know detailed information about their customer risk tolerance, investment knowledge and financial position.

1.6.8 Automated Teller Machine - ATM

An electronic banking outlet, which allows customers to complete basic transactions without the aid of a branch representative or teller.

There are two primary types of automated teller machines, the basic units allow the customer only to withdraw cash and receive a report of the account's balance. The more complex machines will accept deposits, facilitate credit card payments and report account information. To access the advanced features of the complex units, you will usually need to be a member of the bank that operates the machine.

1.6.9 DEMAT Account

In India's banking terminology, the term DEMAT Account refers to a deposit made at an Indian financial institution that can be used for investing in shares of stocks and other financial assets. Securities are held electronically in a DEMAT Account, thereby eliminating the need for physical paper certificates.

1.6.10 Money Transfer

The act of transferring money from one place to another place. This may occur electronically or physically. One company which facilitates money transfers is Western Union.
1.6.11 Currency Exchange

A business that allows customers to exchange one currency for another currency. A currency exchange may be a stand-alone business or may be part of the services offered by a bank or other financial institution. The currency exchange profits from its services either through adjusting the exchange rate or taking a commission.

1.6.12 E-Corners

Anytime banking is getting a boost in the district with some banks launching e-corners. These are expected to benefit especially the bank’s customers from other States and districts who are employed in the industries here.

Apart from internet and mobile banking services, banks are setting up e-corners that offer a host of services 24 hours a day, throughout the week. Customers can withdraw or deposit cash and update passbooks even after banking hours.

1.7 RESEARCH METHODOLOGY

The study is based on empirical nature which includes both primary and secondary data. According to Claire Sellitz, “Research Design is the arrangement of the conditions for collection and analysis of data in a manner that aims to combine relevance to the research purpose with economy in procedure. To identify the variables related to customers’ perception towards internet banking, the literature was reviewed extensively in different dominions such as signification of internet banking, problems and prospects of internet banking, customer banking relationship, expectation of internet banking customers and so forth. Research design is concerned with turning the research question into a testing project. In short, research design is nothing but a blueprint of research.

7 URL: Http://www.mondofacto.com/facts/dictionary/Research+Design, 8, August, 2010, 5.00 PM
1.8 METHODOLOGY OF THE STUDY

This section is devoted to a description of the methodology which includes choice of the study area, sampling procedure, period of the study, collection of data and tools of analysis. The researcher must prepare a detailed plan before research is undertaken. In this study, descriptive cum empirical research is employed. It includes surveys and fact finding enquires of different kinds.

1.8.1. NATURE OF RESEARCH

In this study descriptive and empirical research is employed.

Research Method

This study focuses on the perception of internet banking customers of public and private sector banks in Tirunelveli District of Tamil Nadu. Sample survey method has been adopted to collect data from the internet banking users.

Pilot Study

A pilot study has been done before going for final data collection. A pilot survey was conducted for testing the adequacy of the questions included in the schedule and also to check the irrelevance and duplication of entry. The finalized interview schedule was pretested by reliability testing analysis (cronbach Alpha) as to its contents and wordings through pilot study. The interview schedule was circulated among 30 users of internet banking to identify the inconsistency. After pilot study, necessary changes were made in the interview schedule.

Source of Data

Primary Data

The primary data was collected from the customers who are using Internet banking. Primary data was collected from the internet banking customers of public and
private sector banks through a well structured interview schedule constructed by the researcher in consultation with express in the field.

**Secondary Data**

The secondary data was collected from the books, reports, seminar proceedings on banking case studies carried out by the previous researcher and various Journals. It has also been collected from various websites namely RBI and the websites of public and private sector banks.

**Period of data collection**

The entire study has been conducted for a period of 5 years from January 2011 to December 2015. Nevertheless, the required primary data were collected for a period of one year from June 2014 to June 2015.

**Sample Size**

The respondents were selected on the basis of their experience on internet banking such as the customers who are using internet banking for over 3 years. The selected public sector banks are State Bank of India, Canara Bank, Indian Overseas Bank, and Indian Bank and the selected private sector banks are ICICI Bank, Karur Vysya Bank, Axis Bank and City Union Bank in Tirunelveli District of Tamil Nadu. Three internet banking experienced customers were identified from each bank and then interview schedule was circulated among them. As there are 138 public and private sector bank branches in the study area, totally 414 customers were contacted. Out of that, 360 respondents gave full fledged response. Hence, 360 customers have been covered in the study area.
Table 1.1
Sampling Size

<table>
<thead>
<tr>
<th>Public Sector Bank</th>
<th>No. of Branches</th>
<th>Private Sector Bank</th>
<th>No. of Branches</th>
</tr>
</thead>
<tbody>
<tr>
<td>State Bank of India</td>
<td>31</td>
<td>ICICI Bank</td>
<td>10</td>
</tr>
<tr>
<td>Canara Bank</td>
<td>24</td>
<td>Karur Vysya Bank</td>
<td>6</td>
</tr>
<tr>
<td>Indian Bank</td>
<td>16</td>
<td>Axis Bank</td>
<td>2</td>
</tr>
<tr>
<td>Indian Overseas Bank</td>
<td>47</td>
<td>City Union Bank Ltd</td>
<td>2</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>138</strong></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

Source: allbankingsolutions.com

SAMPLING TECHNIQUE

Judgment sampling technique was adopted to identify the customers who are using internet banking for over a period of 3 years. Judgment was done by the bankers as they have sufficient knowledge about the customers.

Frame Work of Analysis – Statistical Tools Used

Statistical analysis was carried out to test the relationship between selected variables and hypothesis postulated for the study. The collected data were processed with the help of appropriate statistical tools. The statistical tools were selected on the basis of the objectives of the study and also nature of the data included for the analysis. Appropriate statistical and mathematical tools were used for analyzing the data. Statistical tools such as Chi-Square Test, ANOVA, Factor Analysis and Spearman’s Rank Correlation have been used. Besides that percentage, average, and mean score have also been used to interpret the primary data.

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8 http://www.allbankingsolutions.com/bankreforms1.htm, 18 July, 2010. 1:00 PM
The details of statistical tools and its relevance of application are summarized below:

**Percentages**

Percentage refers to a special kind of ratio. Percentages are used in making comparisons between two or more series of data. Percentages are used to describe relationships. Percentages are largely used for analyzing primary data.

**Mean**

Mean is the sum of all items divided by the number of items. It is used to ascertain the benefits of internet banking, dimensions of internet banking benefits and opinion of customers regarding the various banking services.

**Weighted Average Method**

The term weight stands for relative importance of different items. Weights have been assigned to various ranks. The weighted score is calculated by multiplying the number of respondents in a cell with their relative weights and the whole number is summed up to give the weighted score for that factor. Weighted score is divided by the number of respondents to get weighted average score.

**ANOVA**

ANOVA test is used by the researcher to find the significant differences existing among the three or more sample groups in relation to a variable. The total variance in a set of data is divided into variation within groups and variation between groups.
The formula is

\[ SS_b = \sum [(x-x_1)^2 \times n] \]

Where,

\begin{align*}
X & = \text{any sample mean} \\
X_1 & = \text{the total mean} \\
n & = \text{the number of scores in any sample} \\
SS_b & = \text{the between groups sum of squares}
\end{align*}

**t - Test**

The t-test is used to study the significant differences among two groups of samples with respect to a variable. It is also used to test the significance of a correlation coefficient calculated among two variables. In the study for the latter purpose ‘t’ test is employed. Theoretical work on t-distribution was done by W.S. Gosset in the early 1900.

The “t-statistic” is defined as:

\[ t = \frac{(x-\mu) / S \times \sqrt{n}}{\sqrt{(\sum (x-x^2) / (n-1)}} \]

Where,

\begin{align*}
S & = \sqrt{(\sum (x-x^2) / (n-1)}} \\
C & = \text{a constant required to make the area under the curve equal to unity.} \\
v & = n-1, \text{the number of degrees of freedom.}
\end{align*}
To test the significance of the correlation coefficient the following formula is used:

\[ t = \frac{r}{\sqrt{1-r^2}} \times \sqrt{n-2} \]

Where, \( t \) is based on \((n-2)\) degrees of freedom.

If the calculated value of \( t \) exceeds \( t_{0.05} \) for \((n-2), \text{d.f.}\), the value of \( r \) is significant at 5% level. If \( t < t_{0.05} \), the data are consistent with the hypothesis of an uncorrelated population.

**Garrett ranking technique**

As per this method, respondents were asked to assign the rank for all factors and the outcomes of such ranking were converted into score values with the help of the following formula:

\[ \text{Percent position} = \frac{100(Rij-0.5)}{Nj} \]

Where,

- \( Rij \) = Rank given for the \( i \)th variable by \( j \)th respondents
- \( Nj \) = Number of variables ranked by \( j \)th respondents

With the help of Garrett’s Table, the percent position estimated was converted into scores. Then for each factor, the scores of each individual were added and then total value of scores and mean values of score were calculated. The factors having highest mean value was considered to be the most important factor.

**Factor Analysis**

Factor analysis is a statistical tool employed to find out the factors influencing the customers to opt for internet banking service.
The factor analysis model in matrix notation is given by

\[ X = Af + e \]

Where,

\[ X = (x_1, x_2, x_3, \ldots, x_p) \]

\[ F = (f_1, f_2, f_3, \ldots, f_m) \]

\[ E = (e_1, e_2, e_3, \ldots, e_p) \]

\[ M = \text{Number of factors} \]

And the relevant matrix is

\[
A = \begin{pmatrix}
a_{11} & a_{12} & \ldots & \ldots & \ldots & a_{1m} \\
a_{21} & a_{22} & \ldots & \ldots & \ldots & a_{2m} \\
\vdots & \vdots & \ddots & \vdots & \vdots & \vdots \\
\vdots & \vdots & \ddots & \vdots & \vdots & \vdots \\
a_{p1} & a_{p2} & \ldots & \ldots & \ldots & a_{pm}
\end{pmatrix}
\]

Where \( a_{ij} \) is the factor loading which gives the net correlation between the variables \( x_i \) and factor \( f_j \) (where \( i = 1, 2, \ldots, p \) and \( j = 1, 2, 3, \ldots, m \)). It is assumed that the error variables \( (e) \) are distributed independently of \( f \) and \( p \) and \( e \) as a multi-variate normal distribution.

**Field Work**

The banks which were focused in the study are four public sector banks and four private sector banks.

**1.9 SCOPE OF THE STUDY**

The present study will try to find ways and means to the effective utilization of internet banking for all types of customers. This will develop the socio economic condition and awareness among the customers of the study area. This study has taken into account only the internet banking customers of public and private sector banks and also it is confined to the Tirunelveli District of Tamil Nadu.
1.10 LIMITATION OF THE STUDY

The major constraints and limits were recorded by the researcher especially while conducting the field survey.

❖ The results of the study may not be applicable to other parts of Tamil Nadu as it is focused only on Tirunelveli district of Tamil Nadu.

❖ The views expressed are those of the customers about internet banking and not the views of bank employees.

❖ This study has focused on the customers’ perception towards internet banking alone and ignores the perception of other stakeholders.

❖ The collection of primary data consumes more cost and time as the customers were reluctant to offer the data in the first attempt.

1.12 SOCIAL RELEVANCE OF THE STUDY

Now a day, Internet banking service has become one among the basic services offered by banks. However, the customers face some difficulties such as, security issues, failure of transaction, unauthorized access and so on, while using the internet banking services. Therefore, this study facilitates to sort out the issues of internet banking customers and consequently customer satisfaction would be enhanced. Internet banking being a promotional tool, strengthening it results in betterment of the promotional tool. As banks play a key role in service sector, this study would enhance the growth of service sector in particular and the national economy in general.
1.12. PROFILE OF TIRUNELVELI DISTRICT

1.12.1 Origin of the District

Tirunelveli, the penultimate southernmost district of Tamil Nadu, is described as a microcosm of the State, owing to its mosaic and diverse geographical and physical features such as lofty mountains and low plains, rivers and cascades, seacoast and thick inland forest, sandy soils and fertile alluvium, a variety of flora, fauna, and protected wild life. It is earlier known as the them pandiyanadu of the early Pandyas, Mudikonda Cholamandalam of the Imperial Cholas, Tirunelveli Seemai of the Nayaks. The Tirunelveli District was formed in 1790 by the East India Company, later came under the direct control of the British Crown Queen Victoria. On acquisition from the Nawab of Arcot in 1801, the British named it as Tinnevelly district though their headquarters was first located in Palayamkottai the adjacent town, where they had their military headquarters during their operations against the Palayakars. The name Tirunelveli has been composed from the three Tamil words is “Thiru-Nel-Veli” meaning “Sacred Paddy Hedge”.

1.12.2 Geographical Location

Tirunelveli district covers an area of 6,823 sq.kms. It is in the south eastern part of Tamil Nadu and is triangular in shape. This constitutes just 5.6 per cent of the area of the State. It lies between $08^\circ 08'$ and $09^\circ 23'$ of northern latitudes and $77^\circ 09'$ and $77^\circ 54'$ of eastern longitudes. This district is located in the southern part of Tamilnadu and surrounded by Virudhunagar district on the North, Tuticorin District on the East, Kanyakumari district on the South and Western Ghats on the West.
1.12.3 District Administration

The district administration is headed by the District Collector with his office at the district collectorate.

1.12.4 Revenue Divisions

In Tirunelveli district, there are three Revenue Divisions. They are namely, Tirunelveli, Cheranmahadevi and Tenkasi.  

1.12.5 Taluks

In Tirunelveli, there are 13 taluks namely Alangulam, Ambasamudram, Kadayanallur, Nanguneri, Palayamkottai, Radhapuram, Sankarankovil, Shenkottai, Sivagiri, Tirunelveli, Thiruvengadam, Tenkasi, and Veerakeralapudur, (Govt of tamilnadu announced new taluk of cheranmahadevi and manur dated 31.12.2015.)

1.12.6 Demographic

<table>
<thead>
<tr>
<th>Sl. NO</th>
<th>Description</th>
<th>2011</th>
<th>2001</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>Actual Population</td>
<td>3,077,233</td>
<td>2,723,988</td>
</tr>
<tr>
<td>2</td>
<td>Male</td>
<td>1,520,912</td>
<td>1,333,939</td>
</tr>
<tr>
<td>3</td>
<td>Female</td>
<td>1,556,321</td>
<td>1,390,049</td>
</tr>
<tr>
<td>4</td>
<td>Population Growth</td>
<td>12.97%</td>
<td>8.93%</td>
</tr>
<tr>
<td>5</td>
<td>Area Sq. Km</td>
<td>6,693</td>
<td>6,693</td>
</tr>
<tr>
<td>6</td>
<td>Density/km2</td>
<td>460</td>
<td>406</td>
</tr>
<tr>
<td>7</td>
<td>Proportion to Tamil Nadu Population</td>
<td>4.27%</td>
<td>4.36%</td>
</tr>
<tr>
<td>8</td>
<td>Sex Ratio (Per 1000)</td>
<td>1,023</td>
<td>1,042</td>
</tr>
<tr>
<td>9</td>
<td>Average Literacy</td>
<td>82.5</td>
<td>76.09</td>
</tr>
<tr>
<td>10</td>
<td>Literates</td>
<td>2,273,457</td>
<td>1,829,064</td>
</tr>
</tbody>
</table>

Source: Census of India 2011 (http://tirunelveli.nic.in/distadminstration.html)
The Table 3.2 shows that total population of Tirunelveli district according to census 2011 and 2001 was 3,077,233 and 2,73,988. The density of population per square km was 460 and 406 for as per the census 2011 and 2001. The literacy rate was 82.5% and 76.09% as per the census 2011 and 2001.10

FIGURE: 1.1 MAP OF TIRUNELVELI DISTRICT

10 http://www.census2011.co.in/census/district/50-tirunelveli.html
1.12.7 Financial Institutions in Tirunelveli District

The district has a well developed banking system with a network of 288 branches of various banks as detailed below.

<table>
<thead>
<tr>
<th>Sl. No</th>
<th>Banking Sector</th>
<th>No. of Banks</th>
<th>No. of Branches</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>Public Sector</td>
<td>16</td>
<td>155</td>
</tr>
<tr>
<td>2</td>
<td>Private Sector</td>
<td>10</td>
<td>36</td>
</tr>
<tr>
<td>3</td>
<td>Pandiyan Grama Bank</td>
<td>01</td>
<td>50</td>
</tr>
<tr>
<td>4</td>
<td>TCCB Ltd.,</td>
<td>01</td>
<td>26</td>
</tr>
<tr>
<td>5</td>
<td>TNCSARD (L.D.Bank)</td>
<td>01</td>
<td>08</td>
</tr>
<tr>
<td>6</td>
<td>Urban Co-operative Bank</td>
<td>01</td>
<td>11</td>
</tr>
<tr>
<td>7</td>
<td>TIIC</td>
<td>01</td>
<td>01</td>
</tr>
<tr>
<td>8</td>
<td>TAICO</td>
<td>01</td>
<td>01</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td></td>
<td><strong>32</strong></td>
<td><strong>288</strong></td>
</tr>
</tbody>
</table>

Tirunelveli district Central Co-operative Bank has 26 branches with 162 Primary Agriculture Co-operative Societies affiliated to it. The average population per branch office in the district is less than 9500 branch which compares favourable with the national average of 13000 and state average of 12000/branch. After the introduction of the new concept of Service Area Approach since 1.4.89, all the villages in the 19 blocks have been allocated to 288 banks branches operating in rural and semi-urban areas in the District. Since many new bank branches have been opened since then, the villages have been re-allocated periodically taking into account the proximity to the village as well as easy access.
1.13 CHAPTER SCHEME

The present study has been organized into six chapters as follows:

CHAPTER I  Introduction and Design of the study

The introductory chapter is intended to provide a brief data of the subject matter of the thesis and the other related issues. This chapter consists of Introduction, statement of the problem, objectives of the study, hypotheses, methodology, scope, limitations, social relevance of the study and profile of study area.

CHAPTER II  Review of Literature

This chapter encompasses a brief summary of previous literature and the writings of recognized experts which provide evidence that the researcher is familiar with what already exist and what are still unknown and untested and also discusses the research gap. In order to know the previous studies, this chapter portrays the relevant literature with regard to internet banking services.

CHAPTER III  Growth and Development of Internet Banking

This chapter deals with the growth and development of Internet Banking. It covers the aspects such as introduction, history, Internet Banking worldwide, status of Internet Banking, advantages and disadvantages, growth of Internet Banking, its functions, and risks associated with internet banking and its future prospects.

CHAPTER IV  Analysis of Customers’ Opinion and Expectations on Internet Banking Service

This chapter deals with an analysis of customers profile such as age, gender, marital status, religion, education status and monthly income. This chapter covers the factors influencing the selection of internet banking, the benefits and problems of internet banking, dimensions of internet banking and the expectations of internet banking customers. These aspects have been analysed mainly from the point of view of the expectations of the customers.
CHAPTER V            Analysis of Customers’ Perception on Internet Banking

This chapter shows the results of statistical tools framed to test the formulated hypotheses and customers’ perception on internet banking including factors influencing the selection of internet banking, the benefits and problems of internet banking, dimensions of internet banking and the expectations of internet banking customers. These aspects have been analysed mainly from the point of view of the perception of the customers.

CHAPTER VI          Summary of Findings, Suggestions and Conclusion

This chapter presents the summary of the findings of the study and the suggestions based on the findings and conclusion. This chapter brings some suitable strategies to update internet banking facilities available to the customers and to suggest concrete measures to strengthen the Indian banking industry to move to Demat form.