

Effect of E-Banking Services – An Empirical Study

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ABSTRACT

E-Banking is a product intended with the goal of web based facilities that empowers people to have simple and safe access to your ledger. It is essentially the utilization of electronic and telecommunications network which organize for conveying several banking products and services. It is an efficient way of banking where the customer can do transactions electronically through the web. Through e-banking, a customer can access his or her record and can lead frequent transactions using their computer or mobile phone. The term E-Banking has several names like electronic banking, online banking, internet banking and virtual banking.

1. Introduction

E-Banking

E-Banking is a completely programmed banking administration which plays a beneficial role in providing services like access to accounts, monetary transactions between one account to other account or making payments through e-channels. Time consumption can be attained by carrying out banking transactions at any place or at any time, all we need is internet access to our device that we use.

E-Banking operates on primary services by providing detailed e-statements of account holders bank account on debits and credits, reports of current record, overdrafts and deposits etc., national and international transfer of money through different monetary forms Managing the cash cards. Carrying out utility bill payments like water supply bill, electricity bills, telephone bills e-tax and incorporates numerous other additional services. Majority of the bank's information and data are reserved on servers. Banks offer many such enormous services to its customer in actual time and it has created a significant impact on its usage in the recent years. With the help of web based services banks can gain competitiveness to create the yield and to upfront the future prospects.

2. Statement of the problem

Electronic banking services in India are merely functioning only with the primary level. Banks could adopt technology focusing only on their basic services through a traditional flow of function. There are enormous benefits to the customers as well as to the banks. The present study focuses on to know the awareness level of electronic banking services among customers over selected public sector and private segment banks.

3. Objectives of the study

- To study the customer awareness on E-Banking services in banks.
- To ascertain the factors influencing E-Banking services on customer.
- To find the level of usage towards E-Banking

services.

- To suggest the feasible solution to overcome existing barriers in E-Banking services.

4. Scope of the study

This study helps to determine the factor which influences to adopt electronic banking services and the impact towards post usage of services. This study attempts to compare the determinant factor in public sector and private segment banks. It also serves to provide viable suggestions to improve the quality of services where the banks can focus on to implement technical advancements with privacy and safety in their services.

5. Limitations of the study

1. The area of research was restricted to Coimbatore city.
2. The sample size was limited to 221 only and it may not represent the whole population.
3. The study was conducted only to the users of online banking services of selected public sector and private segment banks.

6. Review of literature

Amutha D (2016), undergone a research to explore the awareness towards E-Banking services which manages to know the purchaser's discernment towards E-Banking framework and customer mindfulness towards E-Banking framework.

Wakil Ghori (2017), made a study to identify the impending security issues in online transaction of digital banking that enables spotlights on realizing that business banks have been confronting part of issues because of web based financial wrongdoings, for example, Malicious Software, Virus, Worm, Phishing, Unauthorized Access, Hacking, Password Guessing, Website Spoofing and so on.

Dayanithi (2018)², made a research focusing on digital banking services and its impact after demonetization was

analyzed to determine the advanced financial administrative measurements that has impact towards consumer loyalty.

✓ Statistical Tools used : Chi- square analysis, Weighted Average, Spearman's Rank

7. Research Methodology

- ✓ Research Design : Empirical
- ✓ Sampling Technique : Convenience sampling
- ✓ Sample Size :221 respondents.
- ✓ Primary Data : Structured questionnaire
- ✓ Secondary Data :Library records, online sources, manuals, portals and websites.

8. Chi-Square test

Family Size and Utilization of E-Banking Services

H₀: There is no significant relationship between family size and utilization of E-Banking Services.

H₁: There is a significant relationship between family size and utilization of E-Banking Services.

Table No: 1
Cross Tabulation - Between Family Size and Utilization of E-Banking Services.

Factors			Utilization of E-Banking services of the Respondents				Total
			Daily	Weekly	Monthly	One's Convenience	
Family size of the respondents	1 – 3	Count	16	11	4	28	59
		Expected Count	4.3	6.7	5.6	42.4	59.0
	4 – 6	Count	0	14	11	125	150
		Expected Count	10.9	17.0	14.3	107.9	150.0
	Above 6	Count	0	0	6	6	12
		Expected Count	.9	1.4	1.1	8.6	12.0
Total		Count	16	25	21	159	221
		Expected Count	16.0	25.0	21.0	159.0	221.0

Source: Primary Data

Inference:

It is found that 59 respondents belong to the family size of 1-3 in which 16 respondents use e-banking services daily, 11 respondents utilize E-Banking services.

Weighted Average

Table No: 2
Level of usage towards e-banking services

E-banking services	N	Weighted Mean	Std. Deviation	Rank
ATM/Debit card	221	1	0	1
Credit card	221	2.2217	1.14839	5
Point of Sale (POS)	221	1.2579	0.61901	3
Net banking	221	1.2851	0.629	4
Mobile banking	221	1.1765	0.62565	2
Electronic Fund Transfer (EFT)	221	3.543	0.96963	7
Electronic Clearing Service (ECS)	221	4.086	0.76683	8
Real Time Gross Settlement(RTGS)	221	4.1765	0.68794	9
National Electronic Fund Transfer(NEFT)	221	4.1991	0.59253	10
Dematerialization services	221	3.1946	1.13745	6
Valid N (list wise)	221			

Source: Primary Data

Inference:

From the table it shows that weighted average of respondents on level of usage towards E-Banking services. ATM/Debit card ranks first with a mean score of 1 where respondents are frequently using the service, mobile banking ranks second with a mean score of 1.17 where respondents

use the services frequently, Point of Sale (POS) ranks third with a mean score of 1.25 where respondents frequently use the services, Net banking ranks four with a mean score of 1.28 where respondents use the service frequently, Credit card ranks fifth with a mean score of 2.22 where respondents occasionally use this service.

SPEARMAN'S RANK TEST

Table No: 3
Purpose Of Usage Towards E-Banking Services

E-banking services	Mean	Rank
Managing the account	2.88	2
Managing the cash and withdrawal purpose	1.99	1
Payment of bills	2.91	3
Investment purpose	3.23	4
Request for loan and approvals	4.14	5
Brokerage services	5.81	6

Source: Primary Data

Inference:

From the table it is inferred that purpose of usage towards E-Banking services in order of preference, managing the cash and withdrawal purpose ranks first with a mean value of 1.99, managing the account ranks second with a mean value of 2.88, payment of bills ranks third with a mean value of 2.91, investment purpose ranks fourth with a mean value of 3.23, request for loans and approvals ranks fifth with a mean value of 4.14 and brokerage services ranks least with a mean value of 5.81.

9. Findings of the study**Chi-Square Test**

- ✓ There exists a significant relationship between family size and utilization of E- Banking services.

Weighted Average method

- ✓ Respondents preferred using ATM services and Debit cards frequently.

Spearman's Rank test

- ✓ Respondents preferred to use E-Banking services mainly for the purpose of managing the cash and withdrawal purpose.

10. Suggestions

- ✓ Banks must guarantee that electronic banking is protected and secured for monetary exchanges.
- ✓ Banks must highlight the treasured value and convenience of electronic banking in order to gain more customers in future.
- ✓ Banks should ensure to focus on implementing innovative elements in banking technology and must adapt to technical advancements.
- ✓ Charges on online monetary transfers and third party transactions can be reduced for efficient transferring of funds.

11. Conclusion

The study is conducted to the users of E-Banking services among the public sector and private sector banks. This study has summed up in analyzing the awareness level of customers towards identifying the factors influencing E-Banking services. There is a need to provide improved service facilities in order to retain the existing customers and to attract new ones. From the study it is understood that customers are hesitant to use online banking interfaces due to accessibility threat, security risk, privacy and other transactional charges. Therefore banks must consider in implementing effective measures to the current banking practices in terms of safety and security.

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