CHAPTER V

SUMMARY OF FINDINGS, SUGGESTIONS AND CONCLUSION

Findings:

The study was aimed at measuring the factors influencing respondents towards the Growth, Challenges and Trends in e-banking system. An attempt was made to find out the awareness, usage and problems encountered by the respondents. The study was conducted in the south Karnataka’s five districts by selecting 400 customers and 300 employees. Field survey method and personal interview technique were employed to collect information. The data thus collected were subdued into suitable tabular forms for drawing inferences. Quantitative techniques like average, percentage, range, two-way tables, chi-square tests and average score analysis of Student t test & one way Analysis of variance were applied as and when found necessary. The level of satisfaction was identified by means of a scoring scheme. In this chapter, an attempt has been made to recapitulate the key findings and conclusion. Based on these findings a few suggestions are also made.

Findings relating to the customers

6.1 Findings relating to the demographic variables of customers

According to the age, it shows that majority of respondents were in the age group of 26 - 30 yrs, majority level of education among the respondents are professionals with self employed. Further the majority of the respondent’s marital status is single and from nuclear family with size of family of 3 – 4 and number of earning member is one with annual Income (in Rs.) of 3,00,000-5,00,000. Equal percentage of the respondents maintaining accounts in public and private sector banks and Majority of respondents were taken from Bangalore Urban.
6.2 Findings relating to the Transactions currently used & Frequency of transactions

It is found from the analysis that in Bangalore urban, in Bangalore rural, in Chitradurga, in Davanagere majority & in Tumkur majority of the respondent’s type of account was savings a/c and on the whole Majority of the respondent’s type of account was Savings a/c and there is significant association was found between the Transactions currently used and the profile of the Demographic variable of gender, Occupation, Annual income and location of bank.

Findings of frequency of transactions by the respondents based on districts shows that in Bangalore urban majority do transactions 2 To 3 times in week, in Bangalore Rural do transactions 2 To 3 times in week, in Chitradurga majority do transactions 2 To 3 times in week, in Davanagere majority do transactions 2 To 3 times in week and in Tumkur majority of the respondents do transactions 2 To 3 times in week and significant association was found between the Frequency of transactions and the profile of the district and Taluk.

6.3 Findings relating to the factors influencing the Level of Satisfaction towards the Quickness of transactions

It is found from the analysis that majority of the respondents stated as excellent regarding the factor “Time of e- with drawl of cash, For operating D-Mat account transactions, Issue of Demand Draft and Pay orders with help of computers, Entry of passbook with the help of computers, Electronic Clearing Services (ECS) services while clearing the cash, Electronic Fund Transfer (EFT) services while transferring funds from one, Real Time Gross Settlement (RTGS) services while transferring funds for, NEFT services while transferring funds for Inter bank transactions, Paid utilities bill through e-banking, For getting transacted account e- statements, For operating D-Mat account transactions”.
It could be also noted from the analysis that among the eleven factors “Quickness of the transactions at the time of e-transfer of money” was ranked first. It is followed by the “Electronic Fund Transfer (EFT) services while transferring funds from one to other accounts”. “Opinion about D-Mat account transactions services” was ranked third.

6.4 Findings relating to the Level of satisfaction towards Quickness of transactions

Study on Level of satisfaction about Quickness of transactions among the respondents according to the demographic variables shows significant difference was observed over the demographic variables of district, Taluk, banking sector, age and maximum Level of satisfaction about Quickness of transactions was among Bangalore Urban, among Tiptur, among private sector, among the age group of above 40

With a view to find the degree of association between Level of satisfaction about Quickness of transactions among the respondents according to their demographic variables the chi square test shows that highly significant association between the districts, Taluk, sector, age and the Level of satisfaction about Quickness of transactions.

6.5 Findings relating to Duration using the e-banking services

In this section the usage of E banking relating to Duration using the e-banking services, Reason for not using E banking, Most important reason to choose particular bank for e-banking services, Believe e-banking services will replace traditional banking services, Type of advantages on-line banking can provide, Aware of different e-banking services, Services use on e-online banking, Comfortable in using the e-banking services, Variety of
services offered by banks, Technical problems faced, complaint when face any problem with online or e-banking, Type of Fringe benefits needed to e-banking services, Ready to pay bank charges for utilizing e-banking services & Type of electronic technology used in branch were presented.

The Duration using the e-banking services shows majority of the respondents using the e-banking services Less than four years and there is highly significant association is found between the Education level & Income Level (per Annam) and the Duration using the e-banking services and significant association is found between the Gender & Location of bank and the Duration using the e-banking services.

The most important reason to choose particular bank for e-banking services by the respondents is for choose the e-banking services traditional account with old bank and highly significant association is found between the Districts, Income Level (per Annam), Location of bank and the most important reason to choose particular bank for e-banking services & significant association is found between the Education level, Occupation and the most important reason to choose particular bank for e-banking services.

Majority of the respondents reason for not using the e-banking services due to lack of beliveness and highly significant association is found between the Occupation & Location of bank and the Reason for not using E banking and significant association is found between the Districts, Education level & Income Level (per Annam) and the Reason for not using E banking.

Believe e-banking services will replace traditional banking services by majority of the respondents and highly significant association is found between the Districts, Age, Income Level (per
Annam), Location of bank and the Believe e-banking services will replace traditional banking services & significant association is found between the Occupation and they Believe e-banking services will replace traditional banking services.

Majority of the respondents stated convenient home banking is the advantage of on line banking and highly significant association is found between the Districts, Income Level (per Annam), Location of bank and the Type of advantages on-line banking can provide.

Majority of the respondents not aware of different e-banking services and use only ATM and comfortable in using the e-banking services. Among the Varieties of services offered by banks majority use safe locker facility with passwords. Further highly significant association is found between the Gender, Location of bank and significant association is found between the Education level, Income Level per Annam and the Variety of services offered by banks.

Among the Technical problems majority of the respondents faced technical problem of hanging of computers and highly significant association is found between the Districts, Age, Education level, Occupation, Location of bank and the Technical problems faced. Majority of the respondents' complaint to related branch if face any problem with online or e-banking and significant association is found between the Education level, Income Level (per Annam and the Complaint when face any problem with online or e-banking.

Findings relating to the Type of Fringe benefits needed to e-banking services by the respondents Majority of the respondents needed excellent layout in e-banking services. Majority of the respondent ready to pay bank charges for utilizing-banking service.
6.6 Factors considered on Challenges faced at the time of operating e-banking

The consumer’s opinion about the factors considered on Challenges faced at the time of operating e-banking are Security Problems, Lack of Awareness, Need Technical Expertise and Lack of Transparency. The analysis shows that the regarding the factor “Security Problems” majority of the respondents assigned rank one, assigned rank two for the factor “Lack of Awareness & Technical Expertise”. Towards “Lack of Transparency” majority of the respondents assigned rank three.

It could be noted from the study that among the four factors “Security Problems” was ranked first. It is followed by the “Need Technical Expertise”. “Lack of Awareness” was ranked third.

Findings relating to Discriminant Analysis

To find whether factors like Quickness of transactions, Time of e-transfer of money, Issue of Demand Draft and Pay orders with help of computers, Entry of passbook with the help of computers, Electronic Clearing Services (ECS) services while clearing the cash, Electronic Fund Transfer (EFT) services while transferring funds from one to other accounts, Real Time Gross Settlement (RTGS) services while transferring funds for Interbank transactions, NEFT services while transferring funds for Interbank transactions, Paid utilities bill through e-banking, Getting transacted account e-statements, Operating D-Mat account transactions differ among these two groups? In general, what are all the variables which significantly discriminate the respondents of one group (Public sector bank) from other group (Private sector bank). Discriminant Function Analysis found that nearly 32.9 % of the variation in the Discriminant Function is due to Electronic Fund Transfer (EFT) services while transferring funds from one to other accounts, which contributes maximally, in discriminating between Public sector bank and Private sector bank. Next comes,
Time of e–transfer of money, which contributes about 31.4 % in discriminating between the two banking sector followed by Issue of Demand Draft and Pay orders with help of computers in discriminating between Public sector bank and Private sector bank.

**Findings relating to the Employees**

It is clear from the study, in Bangalore urban districts majority of the employees belong to the age group of 26 - 30 years, in In Bangalore rural districts belong to the age group of above 40 years, In Chitradurga districts belong to the age group of up to 25 years, In Davanagere districts belong to the age group of 31 - 35 years, In Tumkur districts belong to the age group of 26 - 30 years and majority of the respondents are Male and working in public sector banks in the study areas.

It is concluded that the majority of the respondents in Bangalore urban districts are spent 4-8 min, in Bangalore rural districts are spent 2-4 min and 4-8 min, in Chitradurga districts are spent 8-20 min and in Tumkur districts are spent 4-8 min.

**Level of Satisfaction towards the Functioning of bank employees**

It is found from the analysis that the level of satisfaction of majority of the respondents are good with the factor of “Response to customers for queries posed by customers”, are excellent with the factor of “Response of Bank Staff for extension of services”, are good with the factor of “Kindful Behavior of bank staff” and good with the factor of “Quickness of Services (Where Accept cash and payment of cash)”.

Further in order to identify the factor which is more influencing the respondent towards attitude the Friedman’s test analysis shows that among the ten factors Response of Bank Staff for extension of service” was ranked first. It is followed by the “Response to customers for queries posed by customers” “Quickness of Services (Where Accept cash and payment of cash)” was ranked third.
Findings relating to the Level of satisfaction towards banking transactions with respect to employees

It is inferred from the above analysis that the maximum Level of satisfaction about banking transactions was among Davanagere and Tumkur.

It is also found from the analysis that the percentage of medium Level of satisfaction about Banking transactions of respondent’s was the highest among respondents of all districts. It is inferred from the above analysis that the maximum Level of satisfaction about banking transactions was among private sector. From the analysis it is concluded that there is significant association between the age of the respondents and the Level of satisfaction about banking transactions.

Factor analysis extracted four components which are “Precision, Hospitality, Commitment and Service factors. The Precision factor consisting of the variables “Accuracy of information of by employees, Presence in bank in banking hours, Professional Commitment of bank employees”.

The Factor “Hospitality” consisting of the variables Kindful Behavior of bank staff, Response to customers for queries posed by customers, Response of Bank Staff for extension of services and the Factor “Commitment” consisting of the variables Accuracy of information of by employees, Presence in bank in banking hours, Professional Commitment of bank employees.

The service factor consisting of the variables of Employee Knowledge of banking Facilities, Quickness of Services.
SUGGESTIONS

E-banking is nothing but e-business in banking industry. It may also be referred as internet banking. The internet has become a major platform for all financial, banking and commercial transactions. In the present scenario, to position oneself internet bank.

How does e-banking enhance rather than challenge the existing business? E-commerce should competent, not compete with underlying business. The question could be which customers (i.e. retail, corporate and commercial) would benefit the most from e-banking by services? Solution should tailored to specific need of key customers. Which services hold promise of deriving, the highest return on investment in an environment?

E–banking also makes it easier for customers to compare banks’ services and products, can increase competition among banks, and allows banks to penetrate new markets and thus expand their geographical reach.

The primary drivers of e-banking include improved cost which facilitates offering of wider services, increase the customer loyalty, attracting the new customers and reduce the customer activities. Customer satisfaction is an important factor for retaining the existing customers and to attract the new customers. Now customers expect more services from banks. They demand time routine of clock services. Hence the banks should be more dynamic and use more efficient and cost effective channels provide services to the customers. Technology plays a key role in enabling the people to fulfill their potential and to deliver grate results for business. Information technology is the achievement of man’s intelligence. As banks to replace legacy systems for reducing costs and free up employees to bring new products and services to market faster, they depend on new infrastructure based on it.

Regarding the Level of Satisfaction towards the Quickness of transactions Respondents are not satisfied with Issue of Demand Draft and Pay
orders with help of computers and General utilities with help of computers most important reason to choose particular bank for e-banking services by the respondents is Traditional account with old bank and Bank locations but Value added services to be improved. But the main reason for not using E banking by the respondents is lack of beliveness, Difficult to understand even though have confidence on security. Only 50 % believe e-banking services will replace traditional banking. Necessary steps to be taken to create belief.

Type of advantages on-line banking satisfied by the respondents are 24/7 available working hours & convenient home banking. It has to be maintained. Not aware of different e-banking services by the respondents and Services use on e-online banking by the respondents are ATM and Debit/Credit cards but not ECS/EFT. Create awareness regarding ECS/EFT and other banking services.

Almost everyone is Comfortable in using the e-banking services. Acceptance of follow up transactions is very less which has to be improved. Technical problems faced by the respondents hanging of computers.

Complaint Related branch when face any problem with online or e-banking by the respondents not using Toll free number. Respondents Ready to pay bank charges for utilizing e-banking services hence No delay should be in services.

Type of electronic technology used in branch Counting Machines are very less and among the Challenges faced at the time of operating e-banking “Security Problems” was ranked first. It has to be improved.

In employees point of view “Response to customers for queries posed by customers”, are excellent and good with the factor of “Response of Bank Staff for extension of services”, “Kind full Behavior of bank staff” “Quickness of Services”. It has to be maintained and Professional Commitment of bank employees has to be improved.
e-banking can ensure of that

1. Introduce as many functions as possible to customers
2. Awareness and training should give to staff members
3. Keep Computers are in good at working condition
4. Toll free number helpline for redressel of complaints
5. Maintenance of e-banking services as much faster
6. Enhance publicity of e-banking compare to traditional banking
7. Paperless transaction to be made as mandatory
8. Educate the customers to avoid the frauds, funds misappropriation etc

CONCLUSION

Professional Commitment of bank employees, Providing Safety, creating awareness about banking services will attract all the customers to go for e-banking system willingly.
CONCLUSIONS

Before the advent of internet, electronic banking has existed for around two decades, but it was limited to direct dial services the increase in e-commerce has speed up this process in recent years. Due to rise in the use of internet. Most of the banks are now offering electronic banking services with increase competition from internet enabled off line, banks and other financial organizations.

Both computer and telephone banking covers the term electronic banking or e-banking. Using computer banking a customer computers’ either dials directly into his banks computer or gain access to the banks computer over the internet. Using the telephone banking, the customer can control his bank accounts by giving the banks transactions over the telephone. Both computer and telephone banking involves the use of passwords, which gave access to the customer’s accounts.

Banking transactions can be carried out 24 hours a day using these methods. For instance, a customer can view recent transactions get printout statements of account or transfer funds between accounts and make the payments or transfer funds using computer banking.

Technological developments have vastly altered the banking landscape in India with significant improvement in process and procedures leading to higher productivity, rapid product developments through alternative delivery channels, and reduction in the transaction costs. In particular, technology is being leveraged increasingly to expand the banking outreach, especially in rural areas. Information technology has role to play in ensuring a fair return to the share holders, by facilitating greater profits to the banking sector. IT has revolutionized the services and mode of services offered banks to their corporate clients. Compared to traditional banking, E-banking brings a nuclear charged experience to clients that provide scope for real time transactions as
well as a single integrated platform for all the banking relationships. Banks should now move from mass marketing to targeting specific customers to and respond with the right product at the right time through the right channels and deliver conveniently, efficiently and effectively. New bank’s operations are mostly confined to urban areas and cities.

Conclusions relating to e-banking usage

- Use of e-banking service in growth phase.
- Advantages of e-banking as perceived by respondents
- E-banking will replace traditional banking services
- Knowledge on the services available from e-banking
- To make use of branchless banking through e-banking
- Challenges faced by respondents with e-banking usage
- Customer complaints regarding usage of e-banking services
- Willingness to pay for e-banking services

Thus, all channels of banking will co-exist with the e-banking facilities. Right now with low PC base, lack of adequate infrastructure and internet penetration, it is going to take time and the traditional means of banking will co-exist but their importance in distribution will drastically come down as and when the market matures.