CHAPTER - V
SUMMARY OF FINDINGS, SUGGESTIONS AND CONCLUSION

5.1 INTRODUCTION

This last chapter, ‘Summary of Findings, Suggestions and Conclusion’, presents the important findings of the study generated through the interview schedule with the sample bank customers. The results, derived with a careful use of certain statistical tools, are also presented here. The interaction of the researcher with the bank customers and the bank officials about electronic banking with respect to services and features and with respect to different electronic channels of distribution enabled him to offer specific suggestions for the better servicing of the banks in the functioning of electronic banking services, which also find a place in this chapter. Thus the concluding chapter becomes a fully packed structure of findings, statistical results and suggestions.

5.2 SUMMARY OF FINDINGS

This section presents the important findings of the study.

The second chapter ‘Review of Literature’ has discussed 58 reviews relating to the distribution of electronic banking services, the status of electronic banking services and the electronic payment systems.

In the third chapter ‘Profile of Electronic Banking Products and Services in India’, there is a brief but informative history of the origin and growth of electronic banking in India.
The fourth chapter, Analysis of E-Banking Products and Services’, has been devoted to analyzing the opinions of the sample customers towards electronic banking products and services. In order to mobilize the opinion of the bank customers, 450 customers have been selected as mentioned in 1.10. The important findings are as follows:

- Out of 450 respondents, 256 (56.89%) fall under the age group 20-40, while 109 (24.22%) are above 40 years and 85 (18.89%) are below 20 years.

- Out of 450 respondents, 313 (69.56%) are males, while 137 (30.44%) are females.

- Out of 450 respondents, 272 (60.44%) are married, while 178 (39.56) are unmarried.

- Out of 450 respondents, 207 (46.00%) have got college education, 100 (22.22%) school education, followed by 78 (17.34%) who have professional education and 65 (14.44%) technical education.

- Out of 450 respondents, 177 (39.33%) are the businessmen, followed by the professionals who account for 125 (27.78%), 74 (16.44%) are the government employees and the housewives are 60 (13.33%). From this, it is concluded that the businessmen and the professionals are more inclined to avail the banking services.

- Out of 450 respondents, 248 (55.11%) are in monthly income group of below Rs.25,000, 145 (32.22%) are in between Rs.25,000 and Rs.50,000
and 57 (12.67%) above Rs.50,000. It can be concluded from the observation that more than 50% of the respondents have the income level below Rs.25,000.

- Out of 196 respondents, 99 (50.51%) have changed their accounts from private sector banks to private sector, 62 (31.63%) from public sector to public sector, 19 (9.69%) from public sector to private sector and 16 (8.17%) have changed from private sector to public sector banks. It shows 118 (60.20%) have moved to the private sector banks.

- On the basis of multiple response, it is found that 160 (35.56%) have changed because their salary account is with a new bank, while 125 (27.78%) are attracted by the features of e-banking services, 104 (23.11%) for IT based services in the new bank, 82 (18.22%) for ATM facility near their residence or place of work and 59 (13.11%) have changed the bank for different reasons. It is noted that the respondents in general change their banks due to salary account with new bank, attraction of the features of e-banking services and IT based services with the other banks.

- Out of 450 respondents, 414 (92%) have been availing themselves of ATM services while 36 (8%) have not. Out of 450 respondents, 193 (42.89%) have been availing credit card services but 257 (57.11%) have no credit card services. Out of 450 respondents, 237 (52.67%) avail debit card services and 213 (47.33%) do not.
Out of 450 respondents, 75 (16.67%) have been using online banking services, while 375 (83.33%) do not use online banking services. Out of 450 respondents, 63 (14%) have been availing EFT services and 387 (86%) do not avail EFT services. Out of 450 respondents, 61 (13.56%) have been availing RTGS services and 389 (86.44%) are not using the RTGS services.

Out of 450 respondents, 182 (40.44%) make deposits once or twice a month on an average, 149 (33.11%) three to four times, while 75 (16.66%) make five to six times, 25(5.56%) seven to eight times on an average per month. 12(2.66%) make more than eight times a month.

Out of 450 respondents, 156 (34.67%) withdraw money from the bank once to twice a month on an average, 94 (20.89%) three to four times, while 98 (21.78%) make their withdrawals five to six times, 42 (9.33%) seven to eight times and 41 (9.11%) make more than eight withdrawals per month. The extent of utilization of the ATMs for the purpose of withdrawal accounts for 35% that is one to two withdrawals per month.

Analyzing the ATM services, on the basis of multiple responses, out of the 652 responses, 347 (53.22%) avail ATM services at the SBI, 156 (23.93%) at the Canara bank, 87(13.34%) at the ICICI bank and 62 (9.51%) at the TMB. It is concluded that 77.15% of the respondents prefer the public sector bank services while 149 (22.85%) opt for private sector banks.

Out of 450 respondents, 330 (73.33%) have stated that it is very true that the e-channels have replaced the branch banking, while 30 (6.67%) have
felt otherwise and 90 (20.00%) are neutral. It is concluded that according to 73% of the respondents, the e-channels occupy the place further to occupied by branch banking.

- On the basis of total opinion scores towards eight statements about the features of credit cards, out of the 1544 responses (193 x 8), 1114(72.15%) have been positive.

- Analyzing the credit card services, on the basis of multiple responses, out of the 219 responses, 93 (42.47%) avail credit card services at the SBI, 64 (29.22%) at the Canara bank, 38 (17.35%) at the ICICI bank and 24 (10.96%) at the TMB. It is concluded that 71.69% of the respondents use the services of the public sector banks while 28.31% use the private sector banks.

- In totality, on the basis of multiple scores, out of 948 responses (237 x 4), 714 (75.31%) are satisfied with the features of debit card.

- On the basis of multiple responses out of the 292 responses, 123 (42.12%) avail debit card services at the SBI, 79 (27.05%) at the Canara bank, 58 (19.86%) at the ICICI bank and 32 (10.96%) at the TMB. It is concluded that 69.18% of the respondents use the services of the public sector banks while 30.82% use the private sector banks.

- Analyzing the internet banking services, on the basis of multiple responses, out of the 272 responses, 119 (43.75%) avail internet banking services at the SBI, 72 (26.47%) at the Canara bank, 52 (19.12%) at the ICICI bank
and 29 (10.66%) at the TMB. It is concluded that 70.22% of the respondents use the services of the public sector banks while 29.78% use the private sector banks.

- While analyzing the total attitude of the respondents towards mobile banking services it is found, out of the 1827 responses (203 x 9), 1111 (60.81%) have expressed mobile banking services by the banks are satisfactory.

- On the basis of multiple responses out of the 247 responses, make it clear that 107 (43.32%) avail mobile banking services at the SBI, 67 (27.13%) at the Canara bank, 46 (18.62%) at the ICICI bank and 27 (10.93%) at the TMB. It is concluded that 70.45% of the respondents use the services of the public sector banks while 29.55% go in for the private sector banks.

- It is observed that in a total approach, out of the 2200 responses (220 x 10), 1647 (74.86%) are satisfied with the features of ECS; 192 (8.73%) have a negative opinion while, 361 (16.41%) have neither a positive opinion nor a negative opinion.

- Regarding the electronic clearing services, on the basis of multiple responses out of the 259 responses, it is learnt that 110 (42.47%) avail electronic clearing services at the SBI, 68 (26.25%) at the Canara bank, 50 (19.31%) at the ICICI bank and 31 (11.97%) at the TMB. It is concluded that 58.73% of the respondents prefer the services of the public sector banks while 31.28% opt for the private sector banks.
- About electronic funds transfer services, out of the 1990 responses (199 x 10), 1491 (74.92%) are satisfied with the EFT services and their features, while 165 (8.30%) are dissatisfied and 334 (16.78%) are neutral.

- On the basis of multiple responses out of the 258 responses, 103 (39.92%) avail electronic funds transfer services at the SBI, 71 (27.52%) at the Canara bank, 54 (20.93%) at the ICICI bank and 30 (11.63%) at the TMB. It is concluded that 67.44% of the respondents use the services of the public sector banks but 32.56% use the services of the private sector banks.

- On the basis of total opinion scores towards eleven statements, it is revealed that out of the 2057 responses (187 x 11), 1616 (78.56%) have a positive opinion about the RTGS services and their features, while 116 (5.64%) express a negative opinion and 116 (15.80%) are neutral.

- On the basis of multiple responses out of the 226 responses, it is known that 94 (41.59%) avail real time gross settlement services at the SBI, 62 (27.43%) at the Canara bank, 41 (18.14%) at the ICICI bank and 29 (12.83%) at the TMB. It is concluded that 69.03% of the respondents of the public sector banks use the services than 30.97% of the private sector banks.

- The total opinion scores towards 16 statements, revealed that out of the 7200 responses (450 x 16), 5011 (69.60%) have a positive opinion about the e-channels and their features, while 573 (7.96%) have disagreed with the services, and 1616 (22.44%) are neutral.
The result of the total opinion scores towards ten statements, points out that the out of 4500 responses (450 x 10), 2432 (54.04%) have a positive opinion about the ATM related aspects while using the technology in banking system, and 2068 (45.96%) have stated that there are problems in the technology of the banking system.

In respect of the attitude of the respondents towards ATM services, the Z-Test value arrived at is 3.77, which is greater than the table value at the 5% level of significance. It indicates that there is a significant difference between the public sector banks and the private sector banks as regards the attitude of the respondents towards ATM services.

In respect of the attitude of the respondents towards internet banking services, the Z-Test value arrived at is 3.48, which is greater than the table value at the 5% level of significance. It indicates that there is a significant difference between the public sector banks and the private sector banks as regards the attitude of the respondents towards internet banking services.

In respect of the attitude of the respondents towards mobile banking services, the Z-Test value arrived at is 2.68, which is greater than the table value at the 5% level of significance. It indicates that there is a significant difference between the public sector banks and the private sector banks as regards the attitude of the respondents towards mobile banking services.

In respect of the attitude of the respondents towards electronic clearing services, the Z-Test value arrived at is 4.36, which is greater than the table value at the 5% level of significance. It indicates that there is a significant difference between the public sector banks and the private sector banks as regards the attitude of the respondents towards electronic clearing services.
value at the 5% level of significance. It indicates that there is a significant
difference between the public sector banks and the private sector banks as
regards the attitude of the respondents towards electronic clearing services.

- In respect of the attitude of the respondents towards real time gross
settlement services, the Z-Test value arrived at is 3.26, which is higher than
the table value at the 5% level of significance. It indicates that there is a
significant difference between the public sector banks and the private sector
banks as regards the attitude of the respondents towards real time gross
settlement services.

The fourth chapter “Analysis of E-banking Products and Services of
Perspective of the Sample Bank Customers”, also implies with the opinions of
the sample customers’ attitude towards electronic banking services, the level of
usage, the determinant factors towards electronic banking and the like with the
support of statistical tools. In this chapter, the opinions of the sample customers
have been measured from different angles based on the type of data using
different statistical techniques and tools. The formulated hypotheses have been
tested with the help of T-Test which has been used to test the electronic
services with one another. Regression analysis has been applied to find the
effect of certain performance factors on the overall opinion score of the sample
customers. To analyze the attitude of the sample customers and their usage
level of electronic services.
There is a significant difference in the opinion of the respondents between the credit card services and the debit card services.

There is a significant difference in the opinion of the respondents between the credit card services and the mobile banking services.

There is a significant difference in the opinion of the respondents between the credit card services and the internet banking services.

There is a significant difference in the opinion of the respondents between the credit card services and the electronic clearing services.

There is a significant difference in the opinion of the respondents between the internet banking services and the mobile banking services.

There is a significant difference in the opinion of the respondents between the internet banking services and the electronic clearing services.

There is a significant difference in the opinion of the respondents between the electronic clearing services and the real time gross settlement services.

There is a significant difference in the opinion of the respondents between the electronic funds transfer services and the real time gross settlement services.

Multiple Regression Analysis was used to find the effect of independent variables such as automatic teller machine services, credit card services, debit card services, internet banking services, mobile banking services, electronic
clearing services, electronic funds transfer services, real time gross settlement services and other e-banking services on the overall opinion score of the respondents. The results are as follows:

- In respect of the SBI, the correlation between the dependent variable and the set of independent variables is found to be 0.651. The dependent variable is influenced by the set of all independent variables to the extent of 42.4%. Individually, it can be stated that the automatic teller machine services, credit card services, internet banking services, mobile banking services, electronic clearing services and electronic fund transfer services have a positive effect on the overall score on e-banking services which lead to customer satisfaction. The other independent variables such as the debit card services, real time gross settlement services and other e-banking services have no effect on the overall opinion score of the respondents.

- In respect of the Canara Bank, the correlation between the dependent variable and the set of independent variables is found to be 0.601. The dependent variable is influenced by the set of all independent variables to the extent of 36.1%. Individually, it can be stated that the automatic teller machine services, credit card services, debit card services and electronic fund transfer services have a positive effect on the overall score on e-banking services which lead to customer satisfaction. The other independent variables such as the internet banking services, mobile banking services, electronic clearing services, real time gross
settlement services and other e-banking services have no effect on the overall opinion score of the respondents.

- In respect of the ICICI Bank, the correlation between the dependent variable and the set of independent variables is found to be 0.628. The dependent variable is influenced by the set of all independent variables to the extent of 39.5%. Individually, it can be stated that the automatic teller machine services, debit card services, internet banking services and electronic funds transfer services have a positive effect on the overall score on e-banking services which lead to customer satisfaction. The other independent variables such as the credit card services, mobile banking services, electronic clearing services, real time gross settlement services and other e-banking services have no effect on the overall opinion score of the respondents.

- In respect of the TMB, the correlation between the dependent variable and the set of independent variables is found to be 0.618. The dependent variable is influenced by the set of all independent variables to the extent of 38.2%. Individually, it can be stated that the automatic teller machine services, debit card services, electronic clearing services, electronic funds transfer services, real time gross settlement services and other e-banking services have a positive effect on the overall score on e-banking services which lead to customer satisfaction. The other independent variables such as the credit card services, internet banking
services and mobile banking services have no effect on the overall opinion score of the respondents.

- In respect of the SBI, CB, ICICI and TMB, the correlation between the dependent variable and the set of independent variables is found to be 0.600. The dependent variable is influenced by the set of all independent variables to the extent of 36%. Individually, it can be stated that the automatic teller machine services, debit card services, internet banking services, electronic clearing services and electronic funds transfer services have a positive effect on the overall score on e-banking services which lead to customer satisfaction. The other independent variables such as the credit card services, mobile banking services, real time gross settlement services and other e-banking services have no effect on the overall opinion score of the respondents.

The Factor Analysis used to analyze the attitude of the sample customers regarding their satisfaction with e-channels reveals that

i) The variables such as e-channels while ensuring privacy (0.762), e-channels ensure more transparency (0.691) and e-channels create more confusion for customers (0.588) with are significantly loaded.

ii) The variable ‘online banking helps to manage transformation in banks more efficiently’ (0.387) is moderately significant.

iii) The variables such as e-channels are necessary in the competitive global and new economy of India (0.694), e-channels have bright future in
global age (0.693) and e-channels improve the quality of customer services in banks (0.609) are significantly loaded.

iv) The variables namely, quick processing of transactions (0.734), minimum human intervention (0.732) and effecting business transaction in a flexible manner (0.510) are significantly loaded.

v) The variable ‘smart card some times creates technical hurdles to make payments’ (0.465) is moderately significant.

5.3 SUGGESTIONS

On the basis of the observations made by the researcher with the respondents and on the basis of the discussions held with the bank officials of the study area, the following suggestions are made to enhance the role of the commercial banks in better functioning of electronic services on one hand and the bank customers on the other hand in the study area.

The following are the problems identified in the electronic banking services:

5.3.1 Orientation through Demonstration

It is a fact that the e-banking services are offered through electronic devices. Though the bank customers avail themselves of these services they have limited knowledge of the various functional aspects of these services. The people generally know only the basic functional aspects of the services. This may be considered a hurdle in the financial inclusion process at various levels.
So it is suggested that the bank officials may demonstrate the various operational and functional aspects of different e-banking services by demonstrating the same at a common place or at the bank premises periodically. It may be intended to existing customers or prospective customers and enhance the awareness of the people / customers towards e-banking services effectively. This will be doubly beneficial. This will have two aspects; it will widen the scope of e-banking services and it will pave way for financial inclusion.

5.3.2 More Banking with fewer Infrastructures

It is reliably learnt from the bank branch manager that for carrying out e-banking transactions, huge investments on infrastructure and human resource necessary. With a heavy investment and with the employment of bank personnel, the e-banking services are provided for the comfort of the bank customers. This may be untailed so that the operational work may be reduced and profitability may be increased.

The banking premises may be maintained as corporate office in a banking style with fewer infrastructures. A common premise may be shared by different banks to offer e-banking services so that with less infrastructure and with less human resource the e-banking services can be offered effectively. This will reduce further operational cost, ultimately leading to increased profitability for suitable services, consortium concept may be adopted for effective delivery of e-banking services.
5.3.3 Plastic Money to Downsize Paper Money

Transactions through physical money increase the work load on the part of the bank personnel. The country has realized the importance of paperless transaction for all purposes. As the banking is the core agent for the movement of money, it may be made a place for paperless transactions to the maximum. This will reduce the visit of the bank customers to the bank premises.

It is noted that all the main transactions are now carried out through bank accounts. For example, payment of LIC premium, payment of electricity bills and the like are made automatically by the banks on behalf of the customers with a tie up with the respective institutions. The people may be educated to use plastic cards and paperless money for their transactions, which will enable them to carry out all the transactions at home without the necessity to go to the respective offices for making payments and the like. For this purpose, the people may be educated by a team of bank officials or a team of outsourced employees. This will encourage their business also. This may be undertaken through advertisement also.

5.3.4 Transparency of Transactions

It is reported by the bank customers that the bank charges more than what it is reasonable, that too, without transparency in respect of certain transactions. For example, for settlement of Rs.1,00,000 to Rs.2,00,000 through RTGS, the bank charges Rs.700 to Rs.800 in different names. The (hidden) charges without transparency or without the knowledge of the customers made
by the banks will make the banks lose its credential which would ultimately tell upon its name.

Transparency is an important aspect which symbolizes the image of the bank. Therefore, the bank should be transparent in all its transactions. If the customers feel that they are charged excessively or in an indirect way, their retention and loyalty will become questionable. To avoid this, the banks may inform their customers about the charges on different transactions without any concealment. They should be informed in advance so as to maintain transparency. This will increase the trust of the customers in bank and bank activities.

5.3.5 Transfer without the Intervention of Banks

For effecting transfer of funds from one customer to another EFT, RTGS and other facilities are available. The customer has to rely banks only as it is affected only through the bankers, which necessitates the customers to visit the banks and spend time.

It is suggested that the customers may be allowed to transfer the funds from his/her account to another account without the intervention of the branch but with minimum service charges. The customer may be given passwords to transfer funds.
5.3.6 Out of Order of ATM Often

It is reported that the ATMs, irrespective of the bank, are often found out of order, which invariably affects the continuous service to the customers. Now-a-days the people depend heavily on the ATMs for money withdrawals and other services. If they are out of order, they are not utilized for the banking transactions effectively and optionally.

In order to avoid out of order situation, the bankers’ association may jointly maintain a common vehicle as maintenance patrol vehicle with required number of technicians to undertake repairs on default on receipt of any complaints ATMs on request. The vehicle should go around the city in a particular radius. Then they will be able to rush to the spot at the earliest. The expenses may be shared by the sharing banks. There can be periodical check repairs too. This will reduce out of order rate to ensure continuous service to the customers.

5.3.7 Effective Security System to Check Frauds

Frauds on ATM occur in different forms to disintegrate the trust of the customers with the ATMs and their functional aspects. It is understood that the security system is not so effective as to protect the customer transactions. It is only as long as the security system is effective, the e-banking services can be offered effectively.

E-banking is subject to fraud by the third parties by resorting to manipulation of accounts or misuse of ATM cards. The bio-metric system
should be implemented on a large scale to prevent such manipulation of accounts of the original customers. Along with bio-metric system, check and operate system may be introduced. The photograph of the customer may be stored in the ATM. When they come for any service the ATM should compare cached photography with that of stored one. If it is matched, it will allow the customer to transact further. This will check the fraud to some extent. To avoid theft at the ATM, the ATMs may be alarm system with nearest police station so that the ATM can be safe from the robbers.

5.3.8 Draft Vending Machine

For taking a demand draft, the customers have to wait hours together a non e-banking service. It is made an e-banking service, as may save his time, though he has to pay more.

In the total process of automation, certain services continue to be the services to be availed by the customers at the bank premises. In the case of demand draft, the customers have to submit the form at the cash counter and have to obtain the demand draft only after a long delay. Sometimes, the customers may be asked to come in the after noon to get the same. If this service is automated without the intervention of the bank personnel it can be carried out through internet banking. The form may be made available on the screen and the customer can get the demand draft after furnishing the necessary details. To introduce this service on internet banking, the EDI concept (Electronic Data Inter-change) may be utilized.
5.3.9 Carrot Measuring Machine

It is to be mentioned that in the case of jewel loan, the jewels of the customers are tested as to the measure of carrot by scratching jewels on the stone which slowly reduces the weight of the jewels. This is a loss to the customers. This approach is rather a traditional approach. Instead, the carrot measuring (electronic) machine may be introduced, at the bank as is available in the jewellary shops. As all the transactions are carried out through electronic devices, this service can also be undertaken using traditional approach. By introducing carrot measuring machine, the banker can ensure the accuracy of the transaction and correctness of the carrot. Though this service is out of the purview of the study, it is suggested to carry out the service through e-service.

5.4 SCOPE FOR FURTHER RESEARCH


ii) Mobile Banking Services – A Study on its Scope.

iii) Performance of Large Value Payment System in Electronic Banking.

iv) An Analysis of Multi-Channel Marketing of Electronic Banking in India.


vi) Complaints and Frauds regarding Electronic Banking Services.
vii) An Analysis of Settlement Services – A case of ECS and RTGS.

viii) Usage of Electronic Banking in Export Business.

ix) ATM - An Instrument for Financial Inclusion.

5.5 CONCLUSION

Electronic banking services increase the customer’s active involvement in the banking system. The banker must create more awareness about the different electronic banking services and the method of usage of services. The other services like the token issue machine, the token number and the counter number display machine, the challan form filling machine can add to the value to the banker’s electronic services. The banker may enlighten its regular customers by conducting demo-classes of the new e-devices at periodical intervals. As the technological changes can cause the banking sectors reforms the banker should be ready to update and extend the innovative services. Thus, Indian banking has changed the entire scenario with an assurance that customer satisfaction is the driving force for the innovations in electronic services. It is to be mentioned that a study on electronic banking with respect to different services and with respect to customer satisfaction is descriptive in the sense that it is mainly based on the opinion of the sample customers in Madurai District. This will enable us to understand the role of commercial banks in electronic banking era. The suggestions made will enable the bankers to formulate necessary policies on electronic banking in general and on different channels of electronic services in particular, to function and perform better.
If the present study helps the researchers in any way to undertake the studies of a similar nature in other areas, the researcher will feel happy that his study has helped the future researchers and he will have a sense of satisfaction that he has undertaken a useful study.