Chapter 8

SUMMARY OF FINDINGS, SUGGESTIONS AND CONCLUSIONS

8.1 Findings:

- The demographic profile of the respondents which contains gender, age, education, occupation, preferred bank, account holding type, and purpose of using electronic banking. The analysis of the demographic characteristics of the respondents’ age wise analysis shows that 45 per cent of the respondents’ belong to the age 26 to 35, and 27 per cent of the respondents’ are in the age group of 36 to 45. 76 per cent of the respondents are male and 24 per cent of the respondents are female. In the education level 46 per cent have completed higher secondary, 23 per cent of the respondents have completed their degree. Occupation analysis shows that 38 per cent of the respondents are in service (i.e. either private or public sector undertaking), 25 per cent of the respondents belong to the agriculture, 22 per cent of the respondents are doing business. 35 per cent of the respondents have income below Rs. 20,000; 38 per cent of the respondents have income between Rs.20001 – Rs.30,000 and 27 per cent of the respondents have income above Rs.30,000. 59 per cent of the respondent prefer Public Sector Bank than Private sector banks, further there is no foreign banks operation in Tamil Nadu state. Most of the respondents have savings bank account; 46 per cent of the respondents use electronic banking for funds withdrawal purpose.( Table –5.1)

- Mostly in rural areas we have public banks, 48 % of our respondent have account in public banks. Private Banks are in urban area and mostly Indian have more faith in the public banks.( Table 5.2)
96 percent of the respondents have opened saving accounts while only 2 percent respondents opened current and Demat accounts in their banks. The number of the persons having loan account was nil. (Table 5.3)

Banks provide many services but most of our people are aware of only three internet services i.e. to check the balance online (29.2%), transfer of money (24.3%) and online bill payment (19.5%). The people who have good knowledge of computer they try to have more knowledge of internet services. (Table 5.4)

The most important reason for availing the internet service is convenience (32%). This facility is provided 24 hrs of the day. A respondent does not have to use transport to go to bank at the working time. They can use this facility sitting at the home so time and money both are saved. (Table 5.5)

According to our survey, the common internet banking services which our respondents use are inter account transfer (24%), the check balance online (22%) and apply for consumer loan and credit cards online. (19%) They find it more convenient as for few activities like to transfer account or just to check balance, they need not visit the banks and their routine work is not interrupted. (Table 5.6)

Our survey most of our respondents i.e.40% are using internet banking since last 1 year. During this period only banking staff have started asking customers to use this facility and they are promoting it. Internet facilities are also increased in the villages as computers and laptops have become affordable. (Table 5.7)
46% of respondents is satisfied with internet banking services provided by their banks. They find it more convenient to use it. Their time are not wasted and they are saved from transport problems also. This time they can use, in some productive activities. (Table 5.8)

Most of the respondents have the suggestion to improve the customer’s acceptance of internet banking by advertisement on TV, organizing seminar for them or conducting workshops. There services are safe but people have some myths about the safety as they do not have the full knowledge. Customers should be explained about the safety and security and proper method to use their services so that these customers will develop trust. (Table 5.9)

One among the important dimensions of e-banking service quality is queue management Joseph et al. The attitude towards the above said customer perception on service quality factors is measured at a five point scale highly satisfied, satisfied, moderate, dissatisfied, highly dissatisfied which carries 5, 4, 3, 2, and 1 mark respectively. The mean score in the attitude towards various customer perceptions on service quality factors are measured by the customers separately is shown in the following table (Table 5.11).

The customers are asked to rate each SQFs five point scale according to their order of satisfaction. The mean score of each SQFs and F-Statistic is given in table. According to the table customer perception on service quality factors was found high in the variables namely reliability, anytime and anywhere banking facility and convenience way of operating banking transactions. The mean score values of these variables are 3.1432, 3.2185 and 3.6141 respectively. The significant differences among the different customers are noticed in the case of service quality
factors namely reliability, anytime and anywhere banking facility and convenience way of operating banking transactions since the respective 'F' values are significant at 5 per cent level (Table 5.12).

- The table reveals that the opinion of customers on future expectations. Out of the total respondents, Majority (i.e.) 58.89% of the sample respondents have mentioned that they would like operate their banking transactions in a core banking environment which is free from neither technical intervention such as computer connecting nor 23.33% of the samples respondents expect the bank will provide security. 17.78% of the sample respondents have stated reasonable charges have to be imposed on their banking transaction (Table 5.13).

- The main difficulty for using the E-banking facility is less knowledge about the operations of banking facility (50%). Respondents also feel the services of E-banking too complex to use (30%) and respondents also believe the E-banking to be risky (12.22%).

- There is no significant difference between gender and purpose of using e-banking, age and purpose of using e-banking, education and purpose of using e-banking, occupation and purpose of using e-banking. Alternative Hypothesis: There is significant difference between gender and purpose of using e-banking, age and purpose of using e-banking, education and purpose of using e-banking, occupation and purpose of using e-banking. All the F-test value is greater than the table value at 1% level of significance. Since the calculated F-test value is greater than the table value, it inferred that there is significant difference among the respondents of overall opinion about Purpose of using E-Banking with respect to various factors namely Age, Education, Gender and Occupation. Hence the null hypothesis is rejected and alternative
hypothesis is accepted. There is significant difference between personal profile and purpose of using e-banking.

- There is a strong relationship between convenience as a reason for opening internet account and view about ease of use in bank website. It clearly shows that changes in convenience are correlated with changes in view about ease of use in bank website. It concludes that these variables were strongly correlated. 42% of respondents preferred ATM and Online banking for their day-to-day activities. 23% of them were preferred using ATM as their next preference in various e-banking channels. 17% of the respondents were preferred mobile banking because new applications are introduced day by day by the information technology world. so it is highly useful to them to transact fraction of second using new mobile banking applications. Sms banking preferred by 4% of the respondents. (Table 5.17)

- 80% of the respondents under 20-25 age group category were prefer ATM and Online banking for their financial transactions.26-35 age group were prefer ATM and Mobile banking. 30% of the respondent under 36-45 were prefer ATM. Remaining 46-60 age group and Above 60 age group category prefer ATM, Sms banking, Telephone banking, other etc.. (Table 5.18)

- Outcome of satisfaction level of customer using bank website. It clearly resulted that significant value = 0.000, so null hypothesis(H0) is accepted, there is a significant relationship between view about internet banking website and customer satisfaction. (Table 5.19)
Outcome of relationship between various factors like convenience, accessibility, ease of use, security, etc are important reason for opening an internet bank account. Based on this analysis find that there is a significant relationship between reason of opening bank account and security of transaction, ease of use, accessibility, bank service online shopping, and customer relations significant relationship between them. (Table 5.20).

Out of 96 respondents, 53 respondents are holding savings account. (Table 6.1)

Mostly 45.16 percent of the customers stated that fear to use internet is the main reason for not using online banking. (Table 6.2)

From the above results it is found that the significant value of .850 is more than the acceptance level 0.05 (p=0.654). Hence the null hypothesis is accepted and it is concluded that there is no significant association between male and Problem Faced by the Customers while Using E-Banking Services Offered by Selected Banks in Tamil Nadu state female with regard to the problem faced by them while using E-Banking services. (Table 6.3)

Table reveals the problems faced by the customers while using the Value-added services through E-channels. “Unauthorized access within the network and loss or damage of data by hackers” was ranked first by the selected sample respondents with the weighted average score of 3.97. “Lack of infrastructure and unsuitable location of ATMs” was ranked second with the score of 3.57. “Lack of ATM service, Crowd in peak hours and Restriction in withdrawal” and “Inability to manage information properly and to deliver products or services” occupied third and fourth position with the score of 3.56 and 3.52 respectively. “Smart card sometime creates technical hurdles to make payments” was ranked
fifth with the score of 3.51. “E-bank service charges are high” occupied sixth position with the total score of 3.48. “More formalities are required and “Data privacy and confidentiality” occupied seventh and eighth position with the total score of 3.43 and 3.40 respectively. “E-channels are creating relationship among the bank customers and bank employees” was ranked ninth with the score of 3.36. “Inadequate information to customers about product use and problem solution procedures.” was ranked tenth with the score of 3.31. “Inaccurate processing of transactions and transactions has not been uploaded” was ranked eleventh with the score of 3.24. “Lack of knowledge regarding use of E-channels” was ranked twelfth with the score of 3.23. “E-channels are creating more confusion for customers” occupied thirteenth with the score of 2.96. “Significant problem with network connection” occupied the last position with the total score of 2.78. It is evident that most of the respondents gave the opinion that, unauthorized access within the network and loss or damage of data by hackers was the main problem faced by the customers while using the Value-added services through E-channels with the weighted average score of 3.97. (Table 6.4).

- Among 300 respondents 30% of the respondents came to know about e-banking services through bank officials, as they wish to reduce the waiting of the customers in the bank, 22% of the respondents got the awareness about online banking through online advertisement, 20% of the respondents are aware of e-banking services through advertisements in print media, 18% of them came to know on their own accord and remaining 10% of them got the awareness through friends and relatives. (Table 7.1).
34% of the respondents are availing e-banking services for the past 3 years, 24% of the respondents have been enjoying the e-banking services around 2-3 years, 22% of the respondents have been using online banking around 1-2 years, 12% of the respondents availing e-banking services more than 5 years and the least of 8% of the respondents benefited by e-banking services for the past one year. (Table 7.2).

Out of 300 respondents most of them preferred Cash deposit machine through which the cash can be deposited quickly without waiting in the bank and it is more useful for working people to deposit the money without time delay, followed by the weighted score of 984 and 978 is given to customer care machine (where the doubts of the customers will be cleared) and ATM, but credit card and kiosk machine (where monthly statement and balance statement can be received) are least preferred by the respondents. (Table 7.3).

Majority of the respondents prefer internet banking because it is easy to access. The second rank goes to mobile banking as it is convenient to access anytime and anywhere. The least rank is given to Tele-banking as the customers can only make enquiries through this, but cannot operate the funds. (Table 7.4)

The hidden charges levied for e-banking services. The majority of 96% of the respondents said that the hidden charges levied for e-banking services is low, 2% of the respondents said that the charges levied is moderate and nobody said that it is high. (Table 7.5)
The usage of e-banking services. The first rank is given to E-ticketing, second rank is scored by E-shopping as the customers need not take the risk of carrying money, followed by Recharging and On-line bill payment are awarded third and fourth rank respectively. E-tax is ranked the least because the respondent is paying the tax yearly once. (Table 7.6)

The preference of the respondents regarding the fund transfer facility. 38% of the respondents prefer the National electronic fund transfer in which the funds can be transferred from one bank account to another bank account through online banking, the maximum amount of Rs.200000 can be transacted through NEFT. 30% of the respondents transacting the funds from one account to another account through fund transfer in the same bank. 22% of the respondents transfer the funds through Inter mobile payment service in mobile banking and the remaining 10% of the respondents transferring funds through Real time gross settlement which is mainly useful for business men who are transacting more than Rs.200000. (Table 7.7)

The problems faced by the respondents, while using e-channels. It shows that a limited number of Cash deposit machines and fear about the security are the dominant problems faced by the majority of the respondents, pseudo messages from the unauthorized person to the customers asking OTP(One time password) is also yet another problem faced by the respondents, unsuitable location of ATM and lack of thorough knowledge about the security are the problems faced by the respondents with the mean score of 1.76 and 1.6 respectively. (Table 7.8)
The motivational factors encouraging the customers to prefer a selected channel. The strongest factor is providing efficient and innovative services with the mean score of 5.04 and the second is providing digital bank facility in which through pocket the customer can store the money. I-safe is an application enhances the security of the customers which is one of the motivational factors with the mean score of 4.26. Easy accessibility and time saving are the motivational factors which are attracted by the respondents with the mean score of 4.10 and 3.82 respectively. (Table 7.9).

There is significant relationship between the Occupation and usage of electronic fund transfer. The calculated value of chi square at the degrees of freedom of 9 @ 5% level of significance is more than the table value. Hence the hypothesis is rejected. E-banking is becoming immensely popular in India. The declining internet and mobile charges, falling prices of PCs and mobile phones, broadband with access through cable and digital subscriber lines etc. would definitely encourage the boom in E-banking in India. On the basis of the analysis, it can be concluded that the emerging payment system in India for large value transactions is RTGS, ECS for bulk payments and NEFT for one to one fund transfer. Among the card based payment systems debit card is more popular than credit cards. The number of ATMs in India, particularly in rural areas, is on the rise and customers irrespective of their profile started accepting ATM as a channel for banking transactions, both internet and mobile banking is gaining popularity but considering the rapid penetration of mobile phones in India, the potential for delivering banking services through mobile phones is immense compared to internet as a delivery channel. However, it has been hounded by negative issues like identity theft and phishing attacks which are the reason why there are still some customers who are wary of using electronic channels for conducting banking transactions. Legal and cross
border risks can be avoided through proper customer identification devices, information screening techniques, periodic reviews on compliance with various laws and gaining knowledge of various national laws (applicable) and guide the customers through their cross-border dealings. Information technology has played a vital role in the advancement of banking system. The reach of Indian banking to every individual is possible because of the computerization process adopted by banking sector. Information technology has not only simplified the operation but it has also given a great comfort an individual who does not have a god knowledge of IT but need to access banking in an optimum manner. It can be concluded that more introduction of IT alone will not be sufficient to bring necessary performance improvement and get the competitive edge but intelligent people are required to use such intelligent tools. They even though IT management is a challenge flow in future banking scenario, marketing mix technology is going to be the challenge in India. The main point to focus in banking system in net banking/internet banking depend on Internet system. In rural area condition is very hard for providing the Internet services. Still rural area customers are facing the problems. Banking sectors are still failed to remove these problems. Before e-banking services generally database handling of customer, customer transaction handling and auditing the services. In core banking service all information is handled by main server. Local branches directly connected to database handling with main server.
8.2 SUGGESTIONS:

1. Awareness level about internet banking is very less among customers. So banks have to conduct customer meet regularly to educate the customers on internet banking. The bank can also distribute booklets containing information about the new schemes and it can be distributed directly to the customers.

2. Introduction of core banking should be speeded up because size of the bank is considered an important factor in choosing internet banking.

3. Organization structure has to be changed to accommodate IT experts to give training in computer to the employees.

4. The call centre concept has to be brought down to the STD booth level in these aspects an ordinary person may have to utilize the internet banking services.

5. Banks can also extend more loan facility to buy computers which in turn will increase the internet usage level among the bank customers.

6. An exclusive TV channel or programme for banks can be opened to educate customers in regarding internet services and their utilization.

7. The banker is expected to serve the customers without any delay for queries and it is advisable to follow time management principles consistently.

8. The banks may improve the satisfactory level in e-banking by introducing 24 hours customer services system. Through that system the customer can easily & immediately solve their problems.
9. The banking industry should improve the internet connectivity and ensure that there is regular internet connection with sustained power supply. This aspect is considered to be very essential for the success of internet banking services.

10. The bankers should concentrate not only on retaining their customers but also by providing service quality, brand perception and perceived value in alternative banking and also in other spheres of banking in order to increase in the level of customers’ satisfaction.

11. The marketing mantra “Customer is a King” is no more on paper, and how it has become a reality. Increased level of awareness among the customers leads to increased preferences. Today’s customers are not satisfied with care and courtesy alone, they expect concern and commitment. Therefore customer centric approach is the need of the hour. In this competitive environment not the oldest, not the strongest and not the first can survive, but only the “Best” can survive. Therefore usage of modern technology for better service is imperative. Educational level of respondents influence the use of internet banking facility and highly satisfied with secrecy maintenance, transaction updating, account transfer and security followed by easy access while using the internet banking services. The success of Internet banking not only depends on the technology but also on, to the large extent the attitude, commitment and involvement of the operating at all levels and how far the customers reap the benefits from Internet banking services.

12. This report describes in a nutshell the evolution of banking and defines banking technology as a Consortium of several disciplines, namely finance subsuming risk management, information and communication technology, computer science, and marketing science. It also highlights the quintessential role played by these disciplines in helping banks:
(i) run their day-to-day operations in offering efficient, reliable, and secure services to customers;
(ii) meet their business objectives of attracting more customers and thereby making huge profits.

13. The banking industry has been a leader in the e-business world in recent years. The e-banking revolution has fundamentally changed the business of banking by scaling borders and bringing about new opportunities. In India also, it has strongly impacted the strategic business considerations for banks by significantly cutting down costs of delivery and transactions. It must be noted, however, that while e-banking provides many benefits to customers and banks, it also aggravates traditional banking risks. Compared to developed countries, developing countries face many impediments that affect the successful implementation of e-banking initiatives. One of the benefits that banks experience when using e-banking is increased customer satisfaction. This due to that customers may access their accounts whenever, from anywhere, and they get involved more, this creating relationships with banks. Banks should provide their customers with convenience, meaning offering service through several distribution channels (ATM, Internet, physical branches) and have more functions available online. Other benefits are expanded product offerings and extended geographic reach. With all these benefits banks can obtain success on the financial market. But e-banking is a difficult business and banks face a lot of challenges.
Every bank should take precautions to keep customers’ experience safe. It should take consistent efforts to safeguard online banking transactions.

- All internet banks should provide close interaction between bank service and web based e-commerce and even service through direct electronic payments.
- Banks should provide more convenient internet banking services.
- Banks should ensure more customer awareness and transparency in their internet banking dealings.
- Banks should come up with innovative ways of service at their door steps, this may be a costly affair but will surely give positive results in the long run.

8.3 RECOMMENDATIONS:

The researcher would here by like to put forth the following recommendations to the bank based on observation, analysis and interpretation of the collected data from the respondents.

- The bank has to conduct awareness programs / loan melas to educate the customers about loan products and services.
- The bank has to provide customer support services to make awareness about the EMI & Tax benefits they get out of loan they borrowed and prepayment penalty charges.
- The bank has to provide a check list method about documents required for processing the loan in order to identify financial strength and ability to repay the loan.

8.4 SCOPE FOR FUTURE RESEARCH

There is a wide scope to extend this study in the future. Future researchers may continue the same study or they can study by taking the private sector and public sector banks as a comparison. The study may be done as a worldwide study to bring the potential of the internet banking services of different countries.
8.5 CONCLUSION

The research report is based on primary data. According to the study, the researcher concludes that the most of the bank customers are aware about all the banking services in the study area. The banks further have to take necessary steps to educate the customers regarding the new technology and other services offered by the banks. Banks may extend customer meeting time with bank officials and also friendly approach is necessary. Definitely it will help to retain the existing customers and to attract new customers. It will automatically improve the banking service and development of banks in India and also in abroad. The research report is useful to know the consumer awareness of e-banking system and what types of risk involved in e-banking system.

Online banking is increasingly used by banks and other financial service providers to gain competitive advantages, operational efficiencies and direct marketing opportunities. It is important to reaffirm that Electronic banking is a new phenomenon. We have observed a major change from metal and paper money, to plastic cards, to smart cards, to online payments and fund transfers. The higher availability of a back action results in notably positive effects on usability. The rejected hypotheses could be subject to further research. By means of additional experiments, a modified test design could be assessed in order to confirm or reject the first experiment’s outcome. Every hypothesis has been tested with at least one task. Further research could also consist of a comparative study for the new platform generation.

In summary, it is quite clear that banking technology has emerged as a separate discipline in its own right. As regards future directions, the proliferating research in all fields of Technology and computer science can make steady inroads into banking technology because any new research idea in these disciplines can potentially have a great impact on banking technology.
Users of e-banking can perform common banking tasks such as writing checks, paying bills, transferring funds, printing statements & balance inquiry etc. Internet banking has evolved into ‘one stop service and information unit’ that promises great benefits to all i.e. banks, consumers, citizens, employees and government. E Banking is poised to become most promising partner in e-governance process.

Thus, this study has analyzed the overall perception of customers regarding the services of e-banking. Age and occupation are the important demographic factors in the banks which have used to measure the perception of the customers on e-banking services. E-Banking will be successful for banks only when they have Commitment to e-Banking along with a deeper understanding of customer needs. This can come only when the bank has a very big base of customers, best people, and a service attitude. Banks should concentrate on above lines in order to have effective e-banking practices.

The study concluded that different age group of customers have different perception toward the e-banking services and the usage level of these banks’ customer is different so bank should concentrate on all the age group of customers for betterment of e-banking banks. It has also seen that different occupation group of customers have different perception toward the e-banking services. There are good number of customer in every group like student, service class, business class and professionals, it shows that they all are keen interesting in using the e-banking services.