CHAPTER – VI

A SUMMARY OF FINDINGS, SUGGESTIONS AND CONCLUSION

6.1. INTRODUCTION

Banking system plays a very significant role in the economic development of a country. When this system in a country is effective, efficient and disciplined, it brings about a rapid growth in various sectors of the economy. The Banking sector is the center of commercial activity and reflects the economic health of a country. The role of banks becomes more important in a planned or developing economy like India. Most of the credit-related schemes of the Government to uplift the poorer and the under-privileged sections are implemented through the banking sector. It has a positive role to play in the economic development of the country as repositories of people’s savings and purveyors of credit, especially as the success of economic development depends on the mobilization of the resources and their investment in an appropriate manner. Recently banking system has been improved after liberalization and major changes such as introduction of online banking, electronic payment systems, mobile banking etc. have been done to measure the systematic importance of banks in Indian economy.

E-banking is a generic term for delivery of banking services and products through electronic channels, such as the telephone, the internet, the cell phone, etc. It facilitates an effective payment and accounting system thereby enhancing the speed of delivery of banking services considerably. While e-banking has improved efficiency and convenience, it has also posed several challenges to the regulators and supervisors. Several initiatives taken by the Government of India, as well as the Reserve Bank of India (RBI), have facilitated the development of e-banking in India. The Government of India enacted the Information Technology (IT) Act, 2000 which provides legal recognition to electronic transactions and other means of electronic commerce. The existing regulatory framework over banks has also
been extended to e-banking. It covers various issues that fall within the framework of technology, security standards and legal & regulatory issues.

Technology is a crucial factor affecting the banks performance and making them capable to earn more. It is obvious that with more and better use of technology along with the efficient employees, the efficiency of the banks will improve and profitability will increase. Despite all the efforts in developing better and easier e-banking system, this still remains largely unnoticed by the customers and certainly underused inspite of their availability. It cannot be denied that the main draw back in the banking scenario in India has been lack of awareness about e-banking and lack of willingness to accept and adapt the changes by the customers.

In this background, the present study has been undertaken with a view to ascertain the profitability of Indian banks in the electronic era and the awareness of customers about the available e-banking products and services.

The present chapter attempts to summarise the entire findings that have emerged out of the study, provide suitable suggestions to improve the profitability of the banks and awareness level of the customers on e-banking and draw up an appropriate conclusion.

6.2 OBJECTIVES OF THE STUDY

The following are the main objectives of the study:

- To evaluate the performance of commercial banks in India in the electronic era.

- To highlight the various important e-banking products and services offered by Indian banks.

- To assess the awareness level of e-banking users regarding the products and services offered by Indian banks.
• To identify the factors contributing the growth of E-banking in India and the factors influence the customers to choose e-banking services.

• To analyse the problems faced by the bankers and customers while using e-banking.

• To offer valuable suggestions for providing better e-banking products and services to the customers and improving the profitability of banks.

6.3 HYPOTHESES

Several hypotheses have been formulated by considering the objectives of the study, the researcher’s theoretical knowledge, discussions and deliberations with experts and from other research studies. These hypotheses are subjected to appropriate statistical tests.

6.4 METHODOLOGY

Data Collection

The study is based on both primary and secondary data. The required primary data were collected from the respondents by using well-structured questionnaires. The validity of any research is based on the systematic method of data collection and analysis. The required primary data were collected from 600 sample respondents. The Reserve Bank of India brings out number of issues relating to banking business. The required secondary data were collected from the RBI website, RBI Bulletin and RBI annual Reports. Besides, leading journals and magazines relating to banking industry were also referred for this study.

Sampling Design

The ATM card holders of both the public sector and private sector banks of all the five taluks in Erode District were considered as population of the study. There are 40 banks in Erode district namely 3 SBI groups, 17 nationalised banks and 20 private sector banks (old and new) with a total of 152 branches. Also there are 207 ATM centres in Erode district.
Initially, it was decided to collect data from 800 respondents. The list of customers of each branch of the public sector banks and private sector banks could not be obtained from the branch managers as they did not want to disclose the names of the customers due to their obligation to maintain the confidentiality of customer’s account. So, it was decided to adopt convenience sampling method for selecting the sample respondents. The required data have been collected from the sample respondents in front of the ATM centres (which is considered as an opt place) with the help of well-structured questionnaires. On an average, 15-20 minutes were required to fill up questionnaire. The doubts and queries raised by the respondents were properly clarified at the time of filling up of data. Out of 800 questionnaires distributed, only 692 questionnaires have been collected from the respondents. After deleting 92 questionnaires owing to incomplete and inconsistent answers, the remaining 600 questionnaires were used for analysis and this constitutes the sample size of the study.

Pilot Study

In order to prepare a well-structured questionnaire, a pilot study was conducted with a sample of 50 customers. In this pilot study, the questionnaire was pre-tested and then refined for use in the final study. Many additions and deletions of questions were made in the final questionnaire based on the response given in the pilot study.

Data Analysis

The collected data were edited and tabulated. For the analysis of the data, statistical tools such as Chi-square test, Z test, F test, Average, Standard Deviation, Co-efficient of variation, Correlation co-efficient matrix and $R^2$ were used. The statistical package SPSS 16.0 was used to analyse the data.
6.5 FINDINGS OF THE STUDY

Profitability Performance of Commercial Banks

The various factors affecting the profitability are selected and these are evaluated to know what extent these factors affect the profitability. The comparative trends in profitability of five major bank groups in the electronic era have been analysed. For this purpose, the universe for the study is Indian Banking industry. The banks are grouped into five categories for the present study as classified by the RBI. The profitability is measured at the group level and industry level.

G-I Nationalised Banks
G-II State Bank of India and its Associates
G-III Old Private Sector Banks
G-IV New Private Sector Banks
G-V Foreign Banks

The Regional Rural Banks are excluded as only commercial banks are taken for the study. The profitability of the bank groups is evaluated in the electronic era i.e. 2001-02 to 2008-09. The factors affecting the profitability in either direction have been selected for the study.

Averages, Standard deviation and Co-efficient of variations have been calculated for each variable, bank group and industry also. For evaluating empirical estimates, correlation co-efficient matrix has been calculated and similarly, \( R^2 \) has been calculated, which tells us the effect of each variable on group profitability

Net profit as percentage of working funds

It is found that profitability in terms of an average is the highest in Foreign Banks (1.60 per cent) and new Private Sector Banks (0.97 per cent). On the other hand, it is comparatively low in case of Old Private Sector Banks (0.86 per cent). Overall, it is found that the Foreign Banks and New Private Sector Banks have high profitability ratios than other groups of banks.
**Interest Earned as Percentage of Working Funds**

It is found that new private sector banks have upward trend in interest earned ratio than other groups of banks.

**Interest Expended as Percentage of Total Assets**

It is found that the foreign banks have the lowest average ratio (3.04) of interest expended.

**Spread as Percentage of Total Assets**

It is found that foreign banks have maximum average spread ratio whereas new private sector banks have minimum average ratio as percentage of total assets.

**Non-Interest Income as Percentage of Total Assets**

It is found that the average non-interest income ratio is the highest in foreign banks and it has minimum variation.

**Non-interest Expenditure as Percentage of Total Assets**

It is found that the average ratio is lowest in the Nationalised Banks but, at the same time, these banks have maximum variance.

**Burden as Percentage of Total Assets**

It is found that the new private sector banks have minimum average burden ratio.

**Net NPA as Percentage of Net Advances**

It is found that there is a decreasing trend in the NPAs during the study period.

**Operating Expenses as Percentage of Total Assets**

It is found that the foreign banks have the highest average operating ratio.
**Fixed Deposits as Percentage of Total Deposits**

It is found that the impact of fixed deposits on the profitability of the banks is high in the case of private sector banks.

**Demand Deposits as Percentage of Total Deposits**

It is found that foreign banks show the highest share of current deposits in the total deposits.

**Saving Deposits as Percentage of Total Deposits**

It is found that the average ratio of saving deposits as percentage of total deposits is the highest in the Nationalized Banks and SBI and its associate Banks.

**Total Credit as Percentage of Total Deposits**

It is found that the foreign banks have utilized the total deposits mainly for the purpose of loans.

**Provisions and contingencies as percentage of total assets**

It is found that provisions and contingencies as percentage of total assets is highest in the foreign banks.

**Empirical estimates of bank profitability**

The correlation co-efficient matrix of the selected determinants of the profitability with the dependent variable profits as percentage of working funds is analysed for all the bank groups and the whole banking industry. The underlying objective is to empirically test, which of the identified factors have significantly contributed towards the group profitability in either direction.

**Nationalized Banks - (G-I)**

It is found that the profitability of G-I banks are affected by Non-interest income and provisions and contingencies to some extent. Interest earned, interest expenses, burden, NPA and credit ratios have influenced the profit of this group of banks negatively.
State Bank of India and its Associates - (G-II)

It is found that the profitability of SBI group to a larger extent is determined by the non-interest expenditure and the profitability of this group is negatively affected by interest expenses, burden, NPA and Demand deposits.

Old Private Sector Banks - (G-III)

It is found that the profitability of this group of bank is positively affected by interest expenses and non-interest expenditure and negatively affected by burden and spread.

New Private Sector Banks - (G-IV)

It is found that the profitability of new private sector banks is affected by spread, Non-interest income, operating expenses and savings bank account. The profitability of this group is also negatively affected by Fixed deposits and total credits.

Foreign Banks - (G-V)

It is found that the profitability of foreign banks is significantly affected by spread, Interest expenses and burden but the operating expenses are affecting the profitability of this group of banks negatively.

Banking Industry

It is found that the profitability of the whole banking industry is determined by non-interest income and provisions and contingencies to some extent and it is negatively affected by NPA and burden.

Regression Analysis- R²

It is found that in case of G-I (Nationalised Banks) variable X6 (Non-interest expenditure) and X14 (Provisions and contingencies) are affecting the profitability of this group by 31% and 34% respectively. Incase of G-II (SBI and its Associates), the variable X6 is affecting the profitability by 59% positively. In this group of banks, non-interest expenditures are dominant to affect the profitability. The variables X4, X7 and X13 have the least effect on profitability of this group of banks.
On the other side, incase of G-III (Old Private Sector Banks), variables X6 and X7 have 60% and 67% variations on the profitability of banks respectively. Whereas, incase of G-IV (New Private Sector Banks), X4 and X9 are dominant and affecting the profitability by 81% and 88% respectively. G-V (Foreign Banks) shows that the profitability fluctuated as much as 75% by X4 and its average variations in spread are affecting the profitability of this group by 75%. At the industrial level, the profitability fluctuated as much as 31% by X6 and its average increase or decrease that will affect the profitability of banking industry.

**Awareness Level of Customers on E-Banking**

For the purpose of collecting the required information regarding the awareness, the questionnaire method was adopted. One hundred and twenty five statements were prepared initially from a search of literature and discussions with bank managers and experts. These statements were framed relating to ATM, internet banking, bank cards, payment systems and phone banking.

Rensis Likert-type scale was adopted by utilising the item analysis approach wherein a particular item or statement is evaluated on the basis of how well it discriminates between those whose total score is high and those whose score is low. Those statements that best meet this sort of discrimination test are included in the final instrument. With help of item analysis technique the total set of 125 statements has been reduced to 100 statements.

A three-point Likert-type scale was used to measure the level of awareness on e-banking. The score of 600 sample respondents was calculated by adopting the scoring procedure i.e. if a respondent is “aware” three points, “partially aware” two points and one point for “unaware” has been assigned. If the respondent is aware of all these 100 statements, his maximum score would be 300 and if he is unaware of all the statements his score would be 100. Therefore, the expected scores of the respondents would range from 100 to 300. The average score is 200.
**Overall Awareness Level on E-Banking Products and Services**

It is found that out of 600 respondents, 198 respondents (33.0%) are having high awareness on e-banking with average awareness score of 262.51, 271 respondents (45.17%) are having Medium awareness on e-banking with average awareness score of 220.89 and 131 respondents (21.83%) are having Low awareness on e-banking with average awareness score of 141.70. The awareness level of 402 of sample respondents (67%) is either medium/low. The average awareness score of respondents is 211.91.

**Association between Age and Awareness Level**

It is found that the Middle age group sample respondents are having higher awareness (43.2%) than other age groups and the young age group respondents are having medium awareness of (59.1%).

The average awareness score of middle age group (216.91) is higher than that of young age group (207.56) and old age group (211.91).

**Gender and Awareness Level**

It is found that 86% of the male respondents are having high/medium awareness compare to female respondents. 38.1% female respondents and 13.9% male respondents are having low awareness on e-banking.

The average awareness score of the male sample respondents (219.1042) is more than that of female respondents (197.2030).

**Area of Residence and Awareness Level**

It is found that 54% of urban respondents are having high awareness whereas 22.4% of rural respondents and 27.3% of semi-urban respondents are having medium awareness on e-banking.

The average awareness score of the urban sample respondents (220.1304) is more than that of semi-urban respondents (209.8164) and rural respondents (207.6175).
Type of Family and Awareness Level

It is found that 43.8% of respondents belonging to nuclear family are having high awareness and 58.8% of respondents belonging to joint family are having medium awareness on e-banking.

The average awareness score of the sample respondents belonging to nuclear family (218.9089) is higher than the average awareness score of joint family (197.2732).

Educational Qualification and Awareness Level

It is found that about 40.3% of the customers belonging to college level category are highly aware on e-banking products and services compared to the higher secondary (29.5%) category and elementary category (17.5%).

The average awareness score of the sample respondents belonging to college level (221.88) is higher than the average awareness scores of higher secondary (206.13) and elementary categories (192.69).

Occupational Status and Awareness Level

It is found that 43.1% of respondents belonging to group C (professional) and 40.2% of respondents belonging to group D (Government) are having high awareness on E-banking.

The average awareness score of the sample respondents belonging to Group C (professional) (222.16) is higher than the average awareness scores of group A (214.85), group B (207.53), group D (217.61) and group E (200.00).

Marital Status and Awareness Level

It is found that 30.1% of respondents belonging to group A (Married) and 37.1% of respondents belonging to group B (unmarried) are having high awareness on e-banking.
The average awareness score of the sample respondents belonging to Group B (unmarried) (214.03) is higher than the average awareness scores of group A (Married) (210.38).

*Annual Income and Awareness Level*

It is found that 45.7% of respondents belonging to group C (above Rs.250000) are having high awareness on e-banking. 38.9% of respondents belonging to group A (Rs.up to 100,000), 52.6% of respondents belonging to group B (Rs.1,00,001 to 2,50,000).

The average awareness score of the sample respondents belonging to Group C (above Rs.250000) (220.88) is higher than the average awareness scores of group A (211.83) and group B (201.76).

*Type of Account and Awareness of Level*

It is found that 33.7% of respondents belonging to group B (current account) are having high awareness on E-banking. 53.2% of respondents belonging to group B, 38.7% of respondents belonging to group A (saving account) are having medium awareness.

The average awareness score of the sample respondents belonging to Group B (216.08) is higher than the average awareness scores of group A (208.57).

*Number of Years of Account Operation and Level of Awareness*

It is found that 43.7% of respondents belonging to group B (3 to 5 years) are having high awareness on E-banking, 52.3% of respondents belonging to group C (above 5 years) and 45.5% of respondents belonging to group B are having medium awareness.

The average awareness score of the sample respondents belonging to Group B (219.60) is higher than the average awareness scores of group A (below 3 years) (196.60) and average awareness score of group C (214.68).
**Income Tax Assessee and Awareness Level**

It is found that 38.3% of respondents belonging to group A (Income Tax Assessee) are having high awareness on e-banking. 46.6% of respondents belonging to group A and 43.0% of respondents belonging to group b (Non-Income Tax Assessee) are having medium awareness.

The average awareness score of the sample respondents belonging to Group A (215.16) is higher than the average awareness scores of group B (206.93).

**Frequency of Visit and Level of Awareness**

It is found that 44.1% of respondents belonging to group A (Less than 10 times) are having high awareness on e-banking. 60.0% of respondents belonging to group B (Between 11 and 20 times) and 40.0% of respondents belonging to group C (Above 20 times) are having medium awareness.

The average awareness score of the sample respondents belonging to Group A (219.15) is higher than the average awareness scores of group B (207.74).

**Results of Chi-square Test**

The chi-square test reveals that there is a significant relationship exists between the variables such as age, gender, native place, type of family, educational level, occupation, annual income, type of account, number of years of having account with bank, frequency of visit to the bank and the awareness level on e-banking. The chi-square test also reveals that there is no association between the marital status of sample respondents and awareness level on e-banking.

**Results of F and Z Tests**

F-test reveals that there exists association between the variables such as such as age, native place, area of residence, educational level, occupation, annual income, number of years of having account with bank, frequency of visit to the bank and the level of awareness on e-banking.
Z-test reveals that there is an association between the variables such as gender, native place, type of family, type of account, Income tax assessment and the level of awareness on e-banking. Z-test also reveals that there is no association between the variable marital status and the level of awareness on e-banking.

**Awareness Level of Customers on E-Banking (Product-Wise)**

**ATM**

It is found that, out of 600 respondents, 289 sample respondents (48.17%) are having high level awareness with mean score of 55.87, 184 sample respondents (30.66%) are having medium level awareness with mean score of 49.67 and 127 sample respondents (21.17%) are having low level awareness with mean score of 28.72. The average awareness score of sample respondents is 48.22.

**Internet Banking**

It is found that, out of 600 respondents, 116 sample respondents (27.67%) are having high level awareness with mean score of 55.01, 193 sample respondents (32.17%) are having medium level awareness with mean score of 48.03 and 241 sample respondents (40.16%) are having low level awareness with mean score of 25.90. The average awareness score of sample respondents is 41.07. Only 27.67% of the sample respondents are having high level awareness

**Card Services**

It is found that, out of 600 respondents, 331 sample respondents (55.2%) are having high level awareness with mean score of 46.27, 192 sample respondents (32%) are having medium level awareness with mean score of 37.09 and 77 sample respondents (12.8%) are having low level awareness with mean score of 22.89. The average awareness score of sample respondents is 40.32. The sample respondents selected for this study at least should have ATM card. 331 sample respondents are having high awareness. The average awareness score is 40.32.
**Phone Banking**

It is found that, out of 600 respondents, 88 sample respondents (14.7%) are having high level awareness with mean score of 56.65, 103 sample respondents (17.2%) are having medium level awareness with mean score of 48.13 and 409 sample respondents (68.2%) are having low level awareness with mean score of 28.16. The average awareness score of sample respondents is 35.77.

**Payment Services**

It is found that, out of 600 respondents, 71 sample respondents (11.08%) are having high level awareness with mean score of 69.23, 155 sample respondents (25.08%) are having medium level awareness with means score of 50.73 and 374 sample respondents (62.03%) are having low level awareness with means score of 29.33. The average awareness score of sample respondents is 39.58.

**Factors Influencing the Customers to Choose E-Banking Services**

**Factors Influencing the customers to choose E-Banking Services - Scaling the Ranking Method**

It is found that convenience is the most important factor influencing the customers to choose e-banking services with the maximum mean score of 0.524. The second most important factor is time saving with the mean score of 0.409. The third important factor is easy to use. The factor awareness has secured the least score of -0.012.

**Factors Influencing to choose E-Banking Services - Garrett’s Ranking Method**

It is found that convenience has secured the maximum mean score of 60.91. Time saving has got second highest score of 59.77 and easy to use has secured third rank with the mean score of 58.65.
Factors Influencing to choose ATM Service - Garrett’s Ranking Method

It is found that easy to use has secured first rank with the maximum mean score of 62.75. Low cost has a score which is little behind easy to use with the score of i.e. 61.76. Time saving has secured third rank. Transparency has secured least score of 39.37.

Factors Influencing to choose Internet Banking Service - Garrett’s Ranking Method

It is found that time saving has been ranked first with mean score value of 58.90. Convenience has been given second rank with the mean score of 56.21 whereas easy to use the internet for their banking transactions has been given third rank with mean score of 55.82.

Factors Influencing to choose Phone Banking - Garrett’s Ranking Method

It is found that the factor multiple uses has been given first rank with mean score of 60.24 followed by the factor awareness with mean score of 57.43. Convenience has been ranked as third rank with mean score of 56.80.

Factors Influencing to choose Payment and Settlement Systems - Garrett’s Ranking Method

It is found that time saving has secured first rank with the mean score of 57.05 and easy to use has secured second rank with the mean score of 57.47. Multiple uses and low cost have secured third and fourth ranks with the mean scores of 53.89 and 51.66 respectively.

Factors Influencing to choose Bank Cards - Garrett’s Ranking Method

It is found that convenience has secured first rank with mean score of 58.73 and easy to use has secured second rank with mean score of 56.13. Low cost and multiple uses have secured third and fourth ranks with mean score of 55.18 and 53.30 respectively.
Problems faced by the Customers While Using E-Banking Services - Scaling the Ranking Method

It is found that lack of awareness about e-banking products and services is ranked first by the respondents with mean score of 0.697. Lack of technical knowledge is ranked as second important problem faced by the respondents with mean score of 0.552.

Problems faced by the Customers While Using E-Banking Services - Garrett’s Ranking Method

It is found that lack of awareness about e-banking products and services is ranked first by respondents with mean score of 64.26. Lack of technical knowledge is ranked as second important problem faced by the respondents with mean score of 62.32. Operational difficulties and network problem are ranked as third and fourth problems with mean scores of 61.21 and 57.57 respectively.

6.6 SUGGESTIONS

Based on the findings of the study, the following fruitful suggestions have been given.

1. It is found that the ratio of net profit to working fund of commercial banks in India in terms of an average is the highest in foreign banks (1.60 per cent) and followed by new private sector banks (0.97 per cent). On the other hand, it is comparatively low in case of old private sector Banks (0.86 per cent). It is also found from the analysis of the correlation co-efficient matrix that the profitability of public sector banks and old private sector banks are largely determined by non-interest expenditure, burden and provisions and contingencies (vide Table 2.1).

This shows that public sector banks and old private sector banks are lagging behind new private sector banks and foreign banks in terms of profitability as they are fully IT oriented, provide innovative products and services to the customers through latest technology, have huge capital base and moreover they employ
dynamic, efficient, fresh and creative mind employees with full knowledge of technology. Against this, public sector banks are having vast branch network in rural, poor and uneducated areas, lack in the basic infrastructure in many branches, compulsion to meet some legal obligations for the sake of public, poor in capital base, slow in introducing e-banking, poor in customer services and having conventionalist and inefficient (lack in technology) employees are the important causes for its poor profitability.

Therefore, it is suggested that the profitability of the public sector banks and old private sector banks should be increased by speeding up the adoption of latest technologies which is a need of the hour. This will help to reduce their burden of extra establishment expenses. Introduction of more innovative and globally accepted products and services in these banks will surely increase their non-interest income and also their profitability.

Besides, in order to meet the challenges of global competition and compete with private sector banks and foreign banks, the following measures are suggested.

a) The policies and strategies of the public sector banks should be focused on the customers of the banks because customers are the only profit center in today’s business.

b) Appointing young employees with fresh, service oriented and creative minds, expert in latest technology and provide on the job training to the inefficient (technology) staff to make them capable to understand and work with the latest technology.

2. It is found that 198 respondents (33.0%) are having high awareness, 271 respondents (45.17%) are having medium awareness and 131 respondents (21.83%) are having low awareness on e-banking. The awareness level of 67% of sample respondents (i.e 402) is either medium or low (vide Table 4.1). It is also
found that, while examining the problems faced by the respondents using e-banking services, Lack of awareness and Lack of technical knowledge are identified as important problems of the sample respondents (vide Table 5.9).

Therefore, it is suggested that in order to create awareness among customers on e-banking products and services the head office of every bank whether it is a public sector bank or private sector bank should earmark a special fund for some years for creating awareness and that amount should be wholly spent for that purpose till they get the desired result. Further, mobile vehicles may be designed in such a way that all the e-banking products and services can be demonstrated under one roof. Demonstrations and explanations should be done in front of the temples, railway stations, bus stands and schools where crowd is always there about the various types of e-banking products and services. In rural areas, demonstration may be done in the evening times most likely between 6 p.m and 9 p.m so as to enable the agriculturists, labourers and others to know about the e-banking products and services. If these suggestions are properly implemented, it is expected that the awareness level of the customers would increase.

3. It is found that only 18.3% of the sample respondents belonging to young age group are having high level of awareness on e-banking products and services (vide Table 4.2). It is always said that youngsters are the pillars of the nation and they are instrumental for the development of any nation.

Therefore, it is suggested that every bank should adopt one nearby educational institution and should conduct awareness programmes at regular intervals. The mode, nature, type and extent of awareness programmes should be so designed to catch the attention of the students to make them aware of complete information about e-banking products and services and its operations. Moreover, the awareness programmes should only be designed by the bank experts. This may be done through LCD (Liquid Crystal Display) presentations, explanations and demonstrations regarding the benefits of e-banking, different types of e-banking
products and services, various types of services provided by a particular product and the methods of operating the e-channels. It is also suggested that, as the youngsters are fond of Television, Internet and Mobile Phones, banks may use these channels to create awareness about e-banking products and services.

4. It is found that 68.2% of the sample respondents are having low level awareness on Phone Banking (vide Table 4.29) and 62.03% of the sample respondents are having low level awareness on Payment Services (vide Table 4.30).

Therefore, it is suggested that every bank should create a separate cell called ‘E-Banking Awareness Cell’ with e-banking experts. Its main functions should be to conduct demonstration and provide information at the counters regarding various types of payment services (such as NEFT, RTGS and ECS) that are available in the bank, their uses and the methods of operation. Mobile banking is to be popularised as almost 80 crores of people in India are using mobile phones. The e-banking experts who are working in the ‘E-banking Awareness Cell’ should properly educate and help the customers in this regard and they should also be so polite in doing these things in order to earn the goodwill among the customers.

5. It is found that 54% of urban respondents are having high awareness whereas only 22.4% of rural respondents and 27.3% of semi-urban respondents are having high level of awareness on e-banking (vide Table 4.6).

Therefore, it is suggested that to make e-banking more versatile, especially in rural and semi-urban areas e-banking products and services should be free in the initial stages. To make banking services more viable and popular in rural areas the need is to establish maximum branches in rural areas. Not only this, there should be necessary provisions in the branches, to provide full accommodation to the people freely and without any trouble. There should be a campaign regarding e-banking free services, even going from door to door, in initial stages. Bank employees should not only provide free services but also should educate the rural masses about banking.

This would help a lot to create awareness among the people about e-banking.
6.7 SUGGESTIONS FOR FURTHER RESEARCH

The following areas are suggested for the further research.

1. Bank group-wise awareness of customers on e-banking may be studied.

2. Satisfaction and expectation of customers regarding e-banking services (collectively and product-wise) may be studied.

3. Product-wise e-banking problems faced by the customers may be studied.

4. A comparative study may be conducted regarding the profitability performance of banks before and after the introduction of e-banking.

6.8 CONCLUSION

The present study is a modest attempt to analyse the profitability performance of Indian banks in the electronic era and to know the awareness of customers regarding e-banking products and services. The results show that public sector banks and old private sector banks have not performed up to the mark. The result also highlights the low or medium awareness level of the customers and their lack of technical knowledge to use the e-banking products and services. Keeping in view the above realities, some fruitful suggestions have been offered in this study. If these suggestions are properly considered and implemented by the respective authorities, it would definitely increase the awareness level of e-banking customers and the profitability of the commercial banks.