CHAPTER II

REVIEW OF LITERATURE
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The literature review provides the meaningful context of the research area worldwide. The literature review sets the basis for further discussions or analysis or contemplation of implications or anticipation of further research. The significance of the literature review often mystifies inexperienced researcher's, who often approach this task for providing the essential component of research. A literature review is designed to identify related research, to set the current research project within a conceptual and theoretical context. And this review is collected from empirical evidence of research journals. Greater emphasis is put on this review because it contains research and research work done by experts and researchers. The review collected for this research work on the topic personal banking services. In this study the literature enhances, to catch a glimpse to the reference for knowing more about the importance of the study, its objectives and purpose of carrying out the analyses and determines the observations which are used for the process of conducting the reviews.

And this literary review contains empirical investigations, similar to the topic of personal banking services. The review contains theoretical and conceptual facts, which helps us to know about the preferences of customers and utilizations towards personal banking services. The literary review were collected on studies of research on ATM services, perception on debit and credit card usages, innovative services offered to customer's which helps us to analyze and identify views from different contents. Therefore in this study the literary review provides distinctive, information's conveyed in the research works enhancing qualitative and quantitative evaluations which is utilized for further process of research works.
Alperstein, Neil (1994) has studied the "Advertising and Gramsci's Hegemony Theory: Media and Anticipatory consumption patterns among college students about Credit Cards" with the aim to study why certain people in society may desire to consume specific commodities, to focus on college students and why they might desire commodities associated with the upper class citizens and how advertising plays a role in forming these desires, to study the performance of how television advertising effects college students future desires on consumption patterns. This study is a qualitative research project that uses sociologists Antonio Gramsci's Hegemony Theory to explain why people desire to consume certain commodities. Further, the study helps us to understand how advertising and Media are use as tools to encourage consumption of products. The sample consists of four focus groups all consisting of University new Hampshire students. The methodology to study may consists of research question. The null hypothesis for the study is on television advertisement viewed by focus groups would have no effect to the college student's future desires. The alternate hypothesis that students in focus groups would desire commodities seen in television ads. The tool for evaluating is correlation method between advertisement and students desires in future. The results indicate that 7 / 15 students said they want American Express in the future. The conclusions were females are most interested that advertisements itself as biggest and success5.

Gailly & A.J. Philippart (1997) has studied "Internet banking and SME" with the aim to study the impact of internet based technologies, SME's and financial services. The research methodology in this paper focuses on an observation of the online financial services. The research methodology in this paper focuses on an observation of the online financial services actually offered to SME's, through website surveys of a particular market (Belgium). These are the samples which were used by SME's of Belgium. In order to observe the online offer to SME of financial services institutions surveyed, diagnostic tool is applied combining four categories of financial services with the four sources of value creation from e-business. Finally the

suggestion for the study is some explaining factors, from a customer, supplier and environmental point of view.

Birch, D & Young, M.A (1997) has studied, “Mobile payment services development-managerial implications of consumer value perception” with the aim to study the payment solution which is used as the concept which incorporates payment methods, payment instrument, payment system, payment transaction parties and other attributes of payment transactions. The research has conducted mail surveys among almost 10,000 customers. The focus group methodology to collect data, the results imply that mobile payment solutions are perceived to be valuable for small everyday purchases and small purchases. This research indicates clearly that only technical driven development, may lack relevance for the potential users of mobile payment solutions.

Harras.R (1997) has studied, “Dynamics of innovation in E-banking” with the aim to study mass customization, deal driven marketing, niche marketing, and mass marketing. The limitation of the model is that, it is difficult to predict when a technological discontinuity will arrive to displace the old paradigm. The model does not provide any information on how a company can successfully make a transition from the old paradigm to the new one modification proposed. Our research framework applies Foster’s S curve in order to predict the arrival of a technological discontinuity, which has the potential to displace existing technology. The S curve depicts the diminishing returns from a technological limit of that technology are reached. It is these diminishing returns that indicate the arrival of a discontinuous technology. The S curve is mapped to the revised technology adoption life cycle. It has been argued that the successful transition from the old paradigm to the new one is a function of the type of firm and the innovation in question-whether radical or incremental. The technology has introduced new ways of delivering banking to the customer, such as ATM’s and internet banking. Hence, banks have found themselves at the forefront of technology adoption for the past three decades. Banks began to look at e-banking as a means to replace some of their traditional branch functions, e-

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banking products/services like ATM and electronic funds transfer were a source of differentiation for banks that utilize them. This research paper uses the revised technology adoption life cycle model to develop a framework evolution in e-banking. Certain limitation of the life cycle has also been highlighted, and modifications are proposed. These modifications are, in turn, used as the basis of our hypothesis on the next technological discontinuity. The study drew from existing research material in e-banking technology.

David Wenham and Panayiotis Zaphiris (1998) has studied the “User Interface Evaluation Methods for Internet Banking Web Sites: A Review and Evaluation” with the aim to study the make users feel secure, users easy navigation, visibility of system status, user control and freedom. In the study comparative analysis was used with each method except for the interviews, where the sample would not have allowed meaningful comparison for alternate solutions. This study used a small sample – 2 users of each web site. The tool for the study was based on comparative analysis and task analysis using Heuristic diagrams. Further to the methods applied in the study 15 methods were identified which could be usefully applied to internet banking web sites. These were focus groups, questioneers, competitive analysis, affinity diagrams, thinking aloud protocol, question asking protocol, thinking aloud protocol standard inspections. Further studies could be done with the aim of using and evaluating these methods on Internet Banking Web sites. This study evaluates the importants of users in order to gain competitive advantage.

Joseph Garcia Blanton (1998) has studied, “The choice form of representation in multinational banking services” with the aim to study the form of representation chosen by the bank for entering the foreign markets has been considered, to evaluate the importance of OLI advantages as the determinants of the forms of representations in foreign locations, a Multinomial logistic model to examine foreign entry through representative office and branches. Previously research has shown the importance of

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these advantages as the determinants of the bank's entry in foreign locations. However, with the only exception of Ursacki and Vertinsky (1992), these papers have not tackled the issue of the form of the entry. In this paper the bank's decision to be present in a foreign location is examined from a wider approach, by considering the form of the entry. In this paper the bank's decision to be present in a foreign location is examined from a wider approach, by considering the form of representation chosen by the bank in its multinational expansion. The election of the variable introduced in the model as the determinant of the form of representations in multinational banking. The analysis of the entry in Spain by foreign banks, relates the bank's advantages in 1998 with its form of representation in Spain in 1992. The gap of four years is considered necessary for the bank in order to evaluate the attractiveness of foreign locations, as well as, for obtaining the pertinent license from the host country banking authority. The sample used in the analysis is formed by the foreign banks included in "The banker's top 300" of each year since 1988 to 1992. This latest restriction has been incorporated in order to eliminate minor banks present in the sample because foreign exchange fluctuations. Papers investigate FDI in the banking sector that would justify to take into account the form of representation chosen by the banks in its multi-dimensional expansion. This could reflect a special kind of activities that cannot actively participate in the host country banking system. This last point is especially important since a general agreement about the effect in multi-dimensional expansion by services firm

A. Devamohan (1999) has studied, "E-banking: Problems and Prospects in Ethiopia" with the aim to study the literature of E-banking, to analyze the problems of e-banking, to recommend the possible e-banking system in Ethiopia, to identify the existing E-banking services in Ethiopia. Nowadays modern technology is being introduced in all the fields and it changes the world with full of innovations. The data collected is on interview schedule method, interviewing the respondents in Ethiopia. Five hundred samples are collected for the study. The tools applied for the study is chi- shi square analysis. The traditional banking activities are modernized by using the electronic-banking system. In this contest, the paper attempts to trace the present

status of e-banking in Ethiopia, visualize its prospects and look at the challenges and problems to be crossed. Information technology in this paper implies integration of information system with communication technology has altered the traditional ways of doing banking and allowed banks to wipe out the differences in time as well as distance. The wings of changes are started blowing in Ethiopia with a view to integrating the economy\textsuperscript{11}.

Rackham B. Krawitz (1999) has studied, "The role of service and sales skill in customer retention". His research examined whether specific service and sales skill could improve customer’s retention rates 1) whether customer retention rates could be improved by attempting to resell customers who wished to cancel their accounts or stop services 2) service quality factors that have been shown to contribute to customer retention 3) behavior and skills that have been linked to service quality and customer retention 4) the relationship of specific sales skill to these behaviors. The study focused on the interaction between the firm’s representatives and its customers, this a study found the gap between both service quality and specifications and service delivery and external influence to customers to be of particular relevance\textsuperscript{12}.

W.H.Cheong, T.C.Ling (2000) has studied, "Analysis on security association in high speed ATM networks" with the aim to study the performance analysis to determine the cell throughput and SME set up time for different sets of security association topologies. The ATM forum has released an ATM security specification that contains the requirements and specifications of security support services. The ATM security specification suggests placing all the security features in the user plane, control plane, management plane, ATM adaptation layer and ATM layer of ATM network architecture. Implementing security features in these planes and network layers will introduce extra overhead on data transmission. The key reason is that security options, algorithms, and key lengths have to be negotiated with the security message exchange before any security services can be provided. This paper aims to carry out performance analysis to determine the cell throughput and


\textsuperscript{12} Rackham B. Krawitz (1999) has studied, "The role of service and sales skill in customer retention", Learning resource centre, Learning resource, pp 10-13.
SME setup time for different sets of security association topologies. For this purpose, security support services are implemented and integrated with the NIST ATM/HFC network simulator. From this performance testing, the specific security association topology that provides the best performance could be selected. The analysis used in the study is Rijndael algorithm encryption time is used. The Rijndael algorithm’s has the best combination of security, performance, efficiency, ease of implementation and flexibility. The empirical results show that the cell throughput of each topology decrease if the SME setup time increase. Cell throughputs are similar for every topology, which has the same SME setup time. The performance testing and analysis on security association in ATM network topologies have been successfully carried out. With the completion of this testing and analysis, the security association topology that provides the best performance was determined.

Ogenyi omar and Emmanuel orak (2000) has studied, “Gender based choice of personal banking in Nigeria” with the aim to determine the relative strengths of factors used by Nigerian consumers in retail bank selection process, evaluate the corresponding behavioral and demographic characteristics of Nigerian consumers, gauge the knowledge of male and female customers regarding their perception of retail banks in Nigeria. The current study, conducted the sample was selected to be representative of the working proportion of Nigerian consumers. After several data collection methods were evaluated and difficulties were observed with the telephone and postal systems, questionnaires were hand-delivered to the consumers at the door mouth of three leading banks. Over the 2 month duration, 246 responses were obtained and of these, there were 200 usable questionnaires. The questionnaire was divided into three sections and the selection criteria from the questionnaire were grouped and reduced to categories based on gender. The final selection of the questionnaire was designed to generate data concerning the usefulness of services offered by the retail banks to their customers. University technique (t-test) was used to identify the overall perception of bank customers towards retail banks and usefulness of bank services in Nigeria. A t-test was used to test the statistical differences between the means for selection factors between male and female customers and significant

differences occurred for some of the factors. The findings of the study indicate that both male and female customers value their time highly and expect their banking transactions to be completely as quick as possible. The most significant fact revealed by this study is that there is no significant difference in selection criteria between male and female customers. The results provide the basis for a demographic and behavioral profile that is used to examine the emphasis of some criteria over others. The findings can assist Nigerian bankers in refining their marketing as a means of overcoming the intense competition that exists in the Nigerian banking system.

Dineley, D., (2000) has studied, “A comparison of customer service of online banking industry in the USA and China” with the aim to encourage repeat purchases and build customer loyalty, companies needed to shift the focus of e-business from e-commerce to e-services, quality service and products to customers is essential for success and survival in today’s competitive banking environment. Data for the study is collected from the coding sheets surveyed on the online banking websites. Then statistical package for the social sciences will be used to analyze the data. One-way analysis of variance (ANOVA) is used to examine statistically significant differences in components of customer services between the USA and China online bank websites. The results of one-way ANOVAs to examine differences in components of customer service between China and USA online banks. The analysis revealed a significant difference in proportion with privacy policy on the websites.

The literature reveal significant relationship between: Customer’s retention and quality of service as perceived by customers: the network technology will irreversibly alter the way business is generated in financial services. The evaluation of the study is designed to provide recommendations to improve websites into a more effective banking service medium. The paper has explored and compared the extent and quality of online customer services of the online banking industry in China and the USA. The results showed that both Chinese and the USA online banking websites are effectively acting as both the information portal and transaction platform for online banking users.

Dr. Chaisomphol and Dr. Barry (2001) has studied, "Service quality improvement in Thai Personal Bank and implications" with the aim to study with service quality as key factor in consumer satisfaction with his or her bank. This article examines commitment to and emphasis within service quality. Despite the rapid growth in electronic banking it was found that in Thailand the emphasis has been on improving personal counter services. A model for investigating service in a retail banking environment is set out in this article. The Thai banking system has undergone dramatic changes in competition and higher customer expectations by providing new services, introducing low interest strategies and conducting promotional campaign.

Cocheo.S (2001) has studied, "Self-service banking value creation models and information exchange", with the aim to study self-service banking its value creation, information exchange, value shop, study service complexity and customer familiarity with a service complexity and customer familiarity with a service drive this need. This paper explores some implication of increased self-service banking. In particular it focuses on the relationship between value creation and information exchange. The paper is divided into four sections. First, the theoretical background includes a review of topics that are central to self-servicing banking. Second, a framework for self-service banking provides a framework for analysis of banking initiatives. Third, the section current business models applies the framework for analyzing the existing practice and trends. Finally, discussion and conclusion. Studies in the US (Funner et al., 2000) and Norway (Sanner & Kyvik, 2000) of state of the art self-service banking found that majority (77% in US, 999% in Norway) of banks offer basic services. Self-service function for cross selling and service bundling were beyond the scope of these studies, but the experience indicates that there are exceptional. One limitation of the paper course, is it that it did not succeed in evaluating current practices with the concept that match the proposed framework. The recommendation's for implementation are therefore based on theoretical reasoning.

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16 Dr. Chaisomphol and Dr. Barry (2001) has studied, "Service quality improvement in Thai Personal Bank and implications" Thai economic crisis, pp 20-22.
founded on the conceptual based on theoretical reasoning founded on conceptual framework.\footnote{Anckar, B. and D'Incau, D. (2002) has studied the "Impact of use situation and Mobility on the acceptance of Mobile ticketing services" with the aim to study customer's intention to use mobile ticketing service to study the usefulness of service, to study the compatibility of use. The research model was tested with data gathered through a self administer mail survey method with 360 subjects. Research methodology for study use of mobile payments in practice through a survey of the uses of mobile a ticketing service in the public transport of Helsinki. The questionnaire was next tested with the sample of 47 business school students and personnel. The finding suggest that usefulness and benefits of mobile ticketing services are perceived differently in different situations. \textit{Chi – square Method is used to large sample sizes. The results indicate that traditional adoption models should be augmented with the use intension and mobility to better understand and explain specific factors, which determine the use of mobile services.}}

Kari Pikkarrainen & Seppo Pahnila (2002) has studied, "Consumer acceptance of on line banking: an extension of Technology acceptance model". The objective of the study was to study consumer acceptance of online banking in Finland in the light of technology acceptance model ( TAM ) added with new variables derived from online banking acceptance literature on one hand and from a focus group interview with bank manager on the other. Data for this study was collected by the means of a survey conducted in Finland 2002. A total of 427 questionnaires forms were delivered to respondents of which 268 were returned giving response of 63%. The questionnaire consists of questions that were related to background, possible factors affecting acceptance of online banking services. The regression analysis was conducted to reveal how different factor affect the use of online banking. A multi-correlation problem was identified and minimized using statistical choice method. The goal of this article is to increase the current understanding of the factor that influence online banking acceptance in the light of technology acceptance model\footnote{Cary. D (2001) has studied, "Self-service banking value creation models and information exchange", Harvard business review, Vol 5, pp-1-3.}.\footnote{Anckar, B. and D'Incau, D. (2002) has studied the "Impact of use situation and Mobility on the acceptance of Mobile ticketing services" JITTA Journal, Vol 4, pp 18-20.}
(TAM). Investigate online acceptance in the light of traditional technology, which is leveraged into the online environment. On the basis of focus group interview with banking professionals. The findings of the study indicate that the perceived usefulness and information on online banking on the websites were the main factors influencing online banking acceptances. From the findings and suggestions it concludes that consumers use online banking services for the benefits it provides in comparison to other banking delivery channels.\(^9\)

\(^9\) Isabelle Lefebvre and Galbraith T (2003) has studied, “New distribution channel of banking service firm”, with the aim to study how marketing and organizational impacts of the diversification of distribution channels, interface between distributor and consumer, on the service encounter between customers and service firm in retail banking sector. The study is on a face-to-face intervention between a buyer and seller in a service setting. Interactions between the branches, the outgoing call centre and incoming call center’s are scrutinized. The data comes from a broader research on innovation in service distribution channels were collected in a French Regional retail banking. The data for the study was collected on a case study basis that seemed to fit particularly well to the object of the study. New distribution channels used is linked to customer’s profile. The study results in four main highlights on consumers profile, lack of customers capacity. To limit potential opportunism process standardization, direct supervision. The research of this project indicates customer ability and customer willingness to participate in service banking firms.\(^20\)

\(^20\) Gillbert, D.lee and Barton M (2003) has studied, “Barriers to mobile internet banking services adoptions : A Empirical study in klang valley of Malaysia”, which aim to study the personal barriers to account holders, which effect the use of mobile internet banking services offered by the banking industry in klang valley Malaysia. To achieve the set objective, the study has employed a structured approach. This study identified three major areas of research these are banks telecommunications, Internet service providers. The research design is descriptive the

\(^{19}\) Karl Pikkarrainen & Seppo Pahnila (2002) has studied, “Consumer acceptance of online banking; an extension of Technology acceptance model”, MIS Quarterly, pp25-27.

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research was conducted using a purely quantitative method. It employed a survey method surveying the account holders in banks offering or planning to offer mobile internet banking services in klang valley. The instrument used in conducting the survey was questionnaire. The study included all major banks operating in Malaysia and their branches in 8 local municipals in klang valley. Therefore the sampling method employed, was in a cluster area sampling method. The questionnaire were distributes in 2 formats in soft and hard copy formats. In total, 400 copies of questionnaire were distributed to residence. The different type of analysis used in this research were descriptive statistical analysis and Verification of Data. (Cronbachs co-efficient alpha and factor analysis) The findings of this study are also indicating that there is a need for developing a cost effective, technically supportive and reliable mobile internet banking system. It is essential to ensure that the people will actually use them. Further, the finding also indicate bankers in diffusing mobile internet banking technology by developing the faith in usefulness, reliability, credibility of banking customers.

Sujith Chakravarthy (2003) has studied, "Theory of Credit card networks: A survey of the literature" with the aim to study the cost and benefits of credit to networks participants are discussed. Credit Cards provided benefits to consumers and merchants not provided by other payment instruments as evidenced. Firstly, this article discuss the cost and benefits of using credit card for consumers and merchants along with profit opportunity for issuers and acquires and the role of credit card networks. Secondly, Economic models that study the interrelated, bilateral relationship underlying credit card transactions are reviewed in the context of recent public policy concerns. Recently, credit card networks have come under Scrutiny from regulars and antitrust authorities around the world. Focusing on interrelated bilateral transactions, several theoretical models are the only research done to study the implications of these economic models along with future research topic – The results of the models are dependent on the assumptions. The results are critically affected by elasticity of consumer demand for goods & services and degree of competition in the market for goods and card services. Sujith Chakravarthy suggests

that credit cards were the most costly retail payment instrument. However, underlying incentives for individual participants may not result in the usage of the least costly instrument from a social cost estimate\textsuperscript{22}.

Blessing Mukabetta Maumbe (2005) has studied, "Digital financial service to poor communities in south Africa" A preliminary assessment with the aim to study key developments in the banking industry in South Africa which includes mergers & acquisition, enhancing access to banking services by previously neglected majority poor remains unknown. The rapid growth of Information communication technology (ICT) use. 1 banking has brought a major focus on how it can be used to extend financial services to previously excluded poor communities It is estimated that about 18 million S.Africa have no access to banking services and majority of the individuals reside in town ships and rural areas. Data collections for this preliminary study started in 2005. The study focuses on the 4 major banks in South Africa namely ABSA, Standard Bank, FNB and Ned Bank. The study sought available information on banking products focusing on Digital financing The study uses mainly secondary data sources in form of bank publication websites, insights gained from interacting with industrial experts, personal observation and experiences as a bank client. Understanding factors affecting access to digital banking services by poor communities who constitute the second economy is a critical aspect of this research\textsuperscript{23}.

The review an existing research has inspired the researcher to explore the reality in this region on personal banking services for the benefits of the customers, banks, authority and society as a whole.


\textsuperscript{23} Blessing Mukabetta Maumbe (2005) has studied, "Digital financial service to poor communities in south Africa" Development policy review, Vol 17, pp 14-16.