CHAPTER 7
FINDINGS, SUGGESTIONS AND CONCLUSION

7.1 Introduction

This chapter summarizes the findings emerged from analysis of the results pertaining to various aspects of e-banking / Internet banking, few suggestions have been recommended for the efficient functioning and effective management of the e-banking and internet banking.

7.2 Findings

The present findings from the interpretation of the results regarding factors considered for adopting e-banking / internet banking services by bank customers, functional / psychological barriers, and usefulness and benefits of e-banking services are enumerated here.

(1) Internet centre in the study area is the place for using internet for around 50 per cent of the respondents.

(2) Though majority of the bank customers perceive the ATM usage as important, the importance of ATM usage is significantly related to location, education and occupation of the bank customers based on the present study.

(3) The perceived importance of Tele-banking is independent of the location and income but depends upon sex, age, education and occupation of the bank customers.
(4) The internet banking is important for bank customers and at the same time the importance of internet banking is significantly related to their age, education, occupation and income.

(5) The extent of services like Online Enquiry, Online Payment, Credit Card and Telephone Banking has been at “Fair” level whereas the extent of services such as ATM Card, Debit Card, Internet Banking, Depository Service, and Investment Advisory Service, e-Transfer of Funds, Core Banking and Anywhere Banking has been “good” by the banks.

(6) There is significant difference in the extent of services as provided by both public and private sector banks.

(7) The preference to manual banking is little more than that of e-banking and preference towards manual banking and e-banking is largely associated with location, age, education and occupation of the bank customers.

(8) There is significant relationship between adoption of e-banking and location, age, education and income of the bank customers.

(9) The adoption of e-banking is significantly associated with the number of banking transactions per month among bank customers.

(10) The bank customers consider “Like to use new technologies”, “IB has made banking easy” and “Use IB for better rate offers and charges only” as the primary reasons for adoption of e-banking.

(11) It is found that some bank customers have not adopted e-banking services as they do not trust the internet as a channel for banking and it is complicated to use as well as they cannot afford the Internet fee.
(12) The “Variety of services offered by the bank” is very important criteria and other criteria such as “Size of the bank”, “Reputation of the bank”, “Ownership of the bank-Overseas”, and “Ownership of the bank-Local” are the important criteria while “Familiarity with the bank” is neither unimportant nor important for the bank customers to consider for adopting e-banking / internet banking.

(13) It is found that “Withdrawals using ATM” is the service performed in the banks very much to the expectation of the bank customers. Besides this, User friendliness of e-Banking, Debit Card Facilities and Security of Transactions are the other three services performed very well by the banks to the bank customers’ expectation in that order.

(14) The services such as “Deposits using ATM” and “Telephone Banking” performed by the banks are just “good” in turn indicating that these services are somewhat up to the expectation of bank customers.

(15) There is no notable difference between the performed services such as “Deposits using ATM”, “Credit card facilities”, “Telephone banking”, “Reasonableness in cost”, “Security of transactions”, “Adequacy of knowledge provided by bank” and “Promptness in attending grievances”.

(16) The services such as “Withdrawals using ATM”, “Debit Card Facilities”, “Internet Banking”, “e-Transfer of Funds”, “User friendliness of e-Banking” provided in the private sector banks are significantly much better than those in public sector banks.

(17) It is elicited that “Debit Card Facilities” followed by “Withdrawals using ATM”, “Internet Banking” and “e-Transfer of Funds” are the first four
quality services provided by the banks via e-banking / internet banking to bank customers.

(18) Significant differences are observed in the services provided adequately via e-banking / internet banking between private and public sector banks.

(19) It is identified that “convenient and easy to use”, “Complications and Difficulties in using IB initially”, “good option next to traditional banking” and “risk of getting wrong information” are the major factors for functional / psychological aspects of internet banking.

(20) The respondents from rural, semi-urban and urban areas have viewed the e-banking / internet banking as convenient & easy to use and as good option next to traditional banking but they have perceived that the use of new technology like IB initially is complicated and difficult as well as it may lead to giving wrong information.

(21) It is also found that “IB is complicated, difficult initially” and “giving wrong information” are the barriers for both public and private sector bank customers.

(22) Though the IB is a good option to traditional banking but complications and difficulties have been experienced in using new technology like IB initially as well as risk of getting wrong information through IB for bank customers of all age groups.

(23) There is a significant similarity between functional / psychological barriers in the adoption of e-banking / internet banking and age of the bank customers.
The bank customers irrespective of their educational status have agreed that IB is convenient and easy to use but using it initially is difficult and complicated.

There is significant difference in the perceived status of functional / psychological barriers like “Complications and Difficulties in using IB initially” and benefits like “Convenient & Easy to Use” and “Good option next to traditional banking” across respondent categories by occupation.

The functional and psychological benefits of IB like “convenient and easy to use”, “good option next to traditional banking” and barriers such as “risk of getting wrong information” is significantly less among low income group of bank customers than that of those in the groups with medium and high income.

There is no remarkable difference in the functional and psychological barrier, “complications and difficulties in using IB initially” among bank customer groups with low, medium and high income level.

The perceived status of the bank customers who consider the ATM usage as “unimportant” is significantly less in respect of functional benefits such as “Convenient & Easy to Use” and “Good option next to traditional banking” whereas it is significantly higher with regard to functional barrier, “Complications and Difficulties in using IB initially”.

It is found that perceived “Risk of getting wrong information” from IB has been similar for both respondent groups with ATM usage as “important” and “unimportant”.
(30) The extent of “Convenient & Easy to Use”, “Complications and Difficulties in using IB initially”, “Good option next to traditional banking” and “Risk of getting wrong information” is the same and independent of the status of importance of Tele-banking among bank customers.

(31) There is significant relationship between functional / psychological barriers / benefits and importance of Internet banking among bank customers.

(32) The perceived status of functional / psychological barrier is high and benefit is less among manual banking customers compared to that of those with e-banking.

(33) There is significant difference in the perceived status of all functional / psychological barriers and benefits except “Complications and Difficulties in using IB initially” between bank customer groups with and without “adoption of e-banking”.

(34) The functional / psychological barriers and benefits in internet banking are significantly related to period of using e-banking among bank customers.

(35) The functional / psychological barriers and benefits are significantly associated with number of times visiting the bank / month among bank customers.

(36) The functional / psychological barriers and benefits in adoption of internet banking is significantly determined by the number of internet banking transactions in a week among bank customers.
(37) It is found that “Complications and Difficulties in using IB initially” and perceiving the adoption of IB as “Good option next to traditional banking” is significantly influenced by the number of banking transactions per month while other two dimensions of functional barriers like “Risk of getting wrong information” and benefits “Convenient & Easy to Use” is independent of the number of monthly banking transaction among bank customers.

(38) The perceived status of “convenient and easy to use” of IB as expressed by customers tend to be higher among high income with low occupational female customers from non-rural areas who have not adopted e-banking facilities and make less number of bank visits monthly.

(39) The “complications and difficulties in using IB initially” is perceived to be higher among less educated elder customers who consider the ATM usage as unimportant and Internet banking as important, prefer manual banking, un-availed e-banking facilities and who make more number of visits to the bank but carry out less number of transactions per month.

(40) Perceiving adoption of internet banking as “good option next to traditional banking” tend to be more positive if bank customers are female with less educational status and likely to be housewives with high monthly income who prefer e-banking but not adopted e-banking, make less number of monthly bank visits, less number of internet banking transaction in a week but tend to do more number of bank transaction in a month.

(41) Perceiving that the “risk of getting wrong information” from adoption of Internet banking tend to be more among female customers from non-rural
areas with lesser education and likely to be housewives with high monthly income who prefer manual banking, not adopted e-banking and make less number of bank visits in a month.

(42) The benefits from e-banking / internet banking are “Save time & Cost less”, “Provide accurate, relevant and up-to date information”, “Flexible and easily accessible with convenience” and “Assists to share the experience with bank and other customers more efficiently”.

(43) The “flexibility and easy accessibility with convenience” is the top most benefit followed by “Providing accurate, relevant and up-to date information” and “Saving time & Cost Less”.

(44) An adoption of e-banking / internet banking provided by the private sector banks is more beneficial in terms of “time and cost”, “providing accurate, relevant and up-to date information” and “accessibility with convenience” compared to public sector banks.

(45) The perceived benefits of e-banking / internet banking are significantly influenced by availing of e-banking / IB services among bank customers.

(46) The perceived level of benefits from e-banking / IB adoption differ significantly based on location of the bank customers.

(47) The difference in opinion between two gender groups may perhaps be due to chance but not significant at required hypothetical level.

(48) The perceived level of benefits of e-banking / IB is independent of gender of the bank customers.

(49) The perceived benefits of e-banking / IB is independent of the age of the bank customers.
(50) The perceived level of benefits from adoption of e-banking / internet banking is related to educational status of the bank customers.

(51) The perceived benefits from e-banking / IB such as “save time & cost less” as well as “Flexible and easily accessible with convenience” is independent of the occupational status whereas the perception regarding the other two benefits is affected by the occupational status of the bank customers.

(52) The perceived benefits of e-banking / IB is related to status of family income of bank customers.

(53) It is found that “Generating the latest reports of banking transactions” is major usefulness followed by “Funds transfer”, “Pay bills using available cash in the accounts” and “Order to buy and sell shares” whereas e-banking / IB is not very much useful for “opening new accounts” and “loan transactions”.

(54) All services of e-banking / IB are useful according to both public and private sector bank customers, but usefulness of services like “Funds transfer”, “Order to buy and sell shares”, “Open new accounts” and “Generate the latest reports of banking transactions” in private sector banks are significantly better compared to these services in public sector banks through e-banking / internet banking.

(55) Almost all the services are perceived to be useful by both user and non-user of e-banking services, but the level of perception about usefulness of e-banking among non-user group is significantly less than that of user group.
(56) The level of usefulness of e-banking services is significantly less for rural bank customers when compared to their semi-urban and urban counterparts.

(57) There is no difference in the perceived status of usefulness of e-banking services between male and female customers.

(58) The usefulness of e-banking / internet banking services depends upon the age of the bank customers.

(59) The usefulness of e-banking / IB in respect of “Account details and balance statements” is significantly less among graduates when compared to secondary educated and post graduates.

(60) There is significant difference in the perceived status of usefulness of e-banking / internet banking services by educational status of the bank customers.

(61) The extent of usefulness of e-banking services – such as “Account details and balance statements”, “Funds transfer”, “Loan transaction” and “Order to buy and sell shares” is the same for all occupational groups whereas there is significant difference in the usefulness of e-banking services - “Pay bills using available cash in the accounts”, “open new accounts” and “generating the latest reports of banking transaction” by occupational status of bank customers.

(62) The perceived status of usefulness is associated with monthly income of the bank customers.

(63) Majority of the bank customers, whether presently use e-banking or not, have intention to continue to use e-banking / internet banking and
strongly recommend to others the use of this Internet banking site in the future.

(64) It is found that “time saving and less cost” tend to influence the bank customers’ “intention to continue using this Internet banking site in the future”.

(65) It is identified that benefit of e-banking in providing accurate, relevant and up-to-date information, flexibility and easy accessibility with convenience and assisting to share the experience with bank and other customers more efficiently tend to influence the bank customers to strongly recommend to others to use e-banking / internet banking in the future.

(66) The bank customers are intended to continue e-banking / internet banking in the future” as it is useful in getting account details and balance statements as well as for transferring funds. Further, bank customers tend to strongly recommend to others to use e-banking / internet banking as it is useful for loan transaction, paying bills using available cash in the accounts, making order to buy and sell shares and generating latest reports of banking transactions.

7.3. Suggestions

The following suggestions are recommended for enhancing e-banking / internet banking services of banks to the customers

1) Banks should take necessary steps to create awareness among rural people about the advantages of e-banking / internet banking services available in the banks.
2) The e-banking / internet banking system should be enhanced to make the online enquiry and online payment much more easier to the customers.

3) Public sector banks should improve their e-banking / internet banking services to compete with their private sector counterparts.

4) Most of the customers have not availed of the e-banking / internet banking services because they do not trust the internet channel presuming it as complicated. So banks may set up a team of personnel to train the customers to get acquainted with internet channel.

5) The bank customers have perceived the risk of getting wrong information from e-banking / internet banking services. These illusions should be removed from the minds of the customers by bank people as these factors are the barriers for most of the customers for not adopting these services.

6) Though e-banking / internet banking is convenient and easy to use, customers are afraid of adopting these services because they think that using these “services are difficult and complicated”. So, on-site training can be provided to the bank customers who intend to use e-banking / internet banking services.

7.4. General Suggestions:

The delivery of financial services at affordable costs to vast sections of people including disadvantaged and low income groups’ is relates to financial inclusion. Unrestrained access to public goods and services is the sine qua non of an open and efficient society.
It is argued that as banking services are in the nature of public good, it is essential that availability of banking and payment services to the entire population without discrimination is the prime objective of public policy.

To achieve this sound financial and banking service is essential and therefore Indian bankers should take resolutions to implement the policy of “e-inclusion” in all the branches, which enable its customers to enhance the knowledge of e-banking and avail all form of banking services.

It will include the maximum number of people under the shelter of financial inclusion for this purpose, it is the duty of the bankers to inculcate the feeling of that e-banking /internet banking is safe and secure. This can be possible only when a banker take steps to have a separate on-line centre in their premises with enough number of computers and uninterrupted internet facility.

7.5. Conclusion

Based on this study, the opinion of the sample respondents among the bank customers the various aspects of e-banking / internet banking services provided by public and private sector banks are evaluated using appropriate statistical techniques such as Cross tabulation analysis with Kruskal-Wallis test, t-test in addition to descriptive statistics like mean and standard deviation.

It is concluded from the results of the study that the usage of ATM, Tele-banking and Internet banking are perceived as important and the use of these services is associated with socio-economic and demographic characteristics of the respondents. Though, most of the customers prefer manual banking over e-
banking, the customers tend to use e-banking / internet banking and adoption of e-banking and internet banking services among the bank customers is significantly influenced by the number of times visiting the banks as well as the number of banking transactions per month.

Most of the services through e-banking / internet banking performed by both public and private banks are beyond the expectation of the customers. Similarly the various services provided by both public and private sector banks are more than adequate for customers. It is concluded finally that there is significant difference between public and private sector banks in respect of both services provided and services performed via e-banking / internet banking.

From the results regarding functional / psychological barriers and benefits, it is noted that there are four underlying aspects (dimensions) of functional / psychological barriers (two aspects related to barriers such as “Complications and Difficulties in using IB initially” and “Risk of getting wrong information”) and benefits (two benefits namely, “Convenient & Easy to Use” and “Good option next to traditional banking”) are identified using factor analysis. It is also concluded that there is significant difference in the perceived status of functional / psychological barriers / benefits dimensions by socio-economic characteristics and the perceived status of functional / psychological barriers/benefits is related to importance of using ATM, internet banking, preferred type of banking, availing e-banking services, period of using e-banking, number of times visiting banks in a month, number of internet transaction in a week and number of banking transaction in a month.
From the evaluation of the customers’ opinion with regard to the benefits and usefulness of e-banking / internet banking in addition to “intention of using e-banking / internet banking in the future”, it is identified that there are four major benefits, namely “Save time & Cost Less”, “Provide accurate, relevant and up-to date information”, “Flexible and easily accessible with convenience” and “Assists to share the experience with bank and other customers more efficiently” from e-banking / internet banking. It is found that “flexibility and easy accessibility with convenience” is the most desirable benefit followed by “Providing accurate, relevant and up-to date information” and “Saving time & Cost Less” and the perceived status of the above benefits is associated with education and family income of the respondents. From this, it is apparent that there is significant difference in the perceived level of benefits of e-banking / IB between public and private sector banks as well as between non-users and users of e-banking / IB.

Regarding the usefulness of e-banking / internet banking, it may be concluded that “Generating the latest reports of banking transactions” is the major usefulness followed by “Funds transfer”, “Pay bills using available cash in the accounts” and “Order to buy and sell shares”. It is also concluded that the usefulness of e-banking / IB provided by private sector banks is remarkably higher than that of public sector banks. Further, the perceived status of usefulness among non-user group as well as among rural group is significantly less than that of their respective counterparts. It is found that the perceived status of usefulness of e-banking / IB is also related to education and family income of the respondents.
With regard to the “intention to use e-banking / internet banking in the future”, all respondents have expressed positive opinion that they have intention of using these services in the future. It is identified that “time saving and less cost” tend to influence the bank customers’ “intention to continue using this Internet banking site in the future” whereas “providing accurate, relevant and up-to date information”, “flexibility and easy accessibility with convenience” and “assisting to share the experience with bank and other customers more efficiently” tend to influence the bank customers to strongly recommend to others to use e-banking / internet banking in the future”. It is further concluded that the bank customers may also continue to use e-banking / internet banking in the future” as it is useful in getting account details and balance statements as well as for transferring funds. Moreover, bank customers tend to strongly recommend to others to use e-banking / internet banking as it is useful for loan transaction, paying bills using available cash in the accounts, making order to buy and sell shares and generating latest reports of banking transactions.

7.6. Topic for further Research

The following areas need further research in this field for the effective implementation of various e-banking/internet banking services in future for the benefit of all the people.

1. A Study on Importance of e-Banking /internet Banking in financial inclusion.

2. A study on need of e-Banking / Internet Banking for next generation.

4. A study on status of e-Banking in the development of co-operative Banks in Tamil Nadu.

5. A study on evaluation of e-Banking / Internet Banking websites in India.

6. A study on Banker’s attitude towards e-Banking service.

7. A comparative study on Indian and foreign customers perspective towards e-Banking services.

8. A study on uses of Information Technology in identifying financial Products.

9. A Study on Role of e-Banking /Internet Banking in cost reduction and Cost Control.

10. A study on impact of e-Banking services adopted by Indian customers.

11. A study on impact of information Technology Act in safeguarding the customers using e-Banking services.