

A STUDY OF AWARENESS AND USAGE LEVEL OF CUSTOMERS TOWARDS E-BANKING SERVICES IN SEMI-URBAN AREA OF MANSA DISTRICT

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ABSTRACT

In India, the-banking sector is playing a crucial role in socio-economic progress of the country. Since 1990, the-banking sector has undergone a major transformation due to liberalization, globalization and privatization (LPG) and information technology. The technology has transformed the shape of banking from brick and mortar branches (Branch banking) to anywhere anytime-banking (E-banking). Technology has been used as a strategy by banking sector to win global market and potential customers. This new technology has broken the paradigm of branch banking. The present paper examines the bank customers' awareness & usage level regarding E-Banking services and identifies various problems faced by customers while using E-banking services. It also determines those factors influencing them for using or not using E-Banking services and suggests the suitable measures for improving E-banking services in semi urban area.

Keywords: *Banking Sector, Branch banking, Customer's awareness & usage level, E-banking, Information technology.*

I. INTRODUCTION

Banking is a one of an important financial pillar of Indian economy. It is a financial institution that accepts deposits from public and advances loans to those who are in need. All commercial and Industrial activities are well knitted with the banks. Hence, banking sector is fundamental basis of economic, industrial, agricultural development of economy. The technology has transformed the shape of banking from brick and mortar branches (Branch banking) to anywhere anytime-banking (E-banking). The banks are now providing customer centric products as per convenience of customers. Many new e-delivery products and services like ATM, internet banking, telephone-banking, mobile-banking, debit/credit card facilities and electronic transfer fund (EFT) are widely in use in banking sector. Now the customers are no longer required to visit bank personally to do their banking transactions rather they avail these services sitting at home by using internet banking, mobile-banking etc. in anytime.

1.1 E-BANKING IN INDIA

ICICI was the first bank which introduced internet banking to its customers in 1996 after this other new private banks like HDFC, City Bank, IndusInd Bank also followed e-banking system in 1999. Initially nationalized banks consider online-banking as insecure but eventually SBI, Canara bank, Allahabad Bank, Punjab National Bank, Bank of Baroda and others introduced it. SBI launched E-banking services in 2001.

1.2 E-BANKING SYSTEM:

E-banking is a medium of delivery of banking services to a customer anywhere anytime by using electronic technology. E-banking comprise of internet banking, smart card, debit card, credit card, ATM, Mobile-banking, Tele-banking, EFT etc

Products and Services of E-Banking:

- Automatic Teller Machine (ATM)
- Internet/On Line banking
- Mobile banking
- Telephone banking
- Electronic Transfer Fund
- Credit Card

II. STATEMENT OF PROBLEM

Almost all the Bank customers in urban and metropolitan cities are fully aware about E-Banking services and their usage level of E-Banking services is also very high. On the Contrary in the rural area, awareness and usage level towards E-Banking services are very low. This present study makes effort to examine the awareness and usage level of bank customers towards in semi urban area of Mansa district.

III. REVIEW OF LITERATURE

Hua (2009) investigates customers' perception about online banking in China. The study finds that both perceived ease of use and privacy policy have a significant impact on users' adoption of online Banking. The study also investigates relative importance of perceived ease of use, privacy, and security. The study concluded that perceived ease of use is less important than privacy and security. Security is the important factor influencing users' adoption

Uppal (2010) Studies the extent of mobile Banking in Indian Banking Sector. The study concludes that mobile banking has not a strong position in public and old private sector banks but in new private sector and foreign Banks it has good position. Near about 50% of branches of such Banks are providing Mobile banking .The study also suggest some strategies to improve mobile Banking services in public sector banks and old private sector banks.

Khatri J. (2013) States that internet banking is one of channels of E-Banking it helps customers to perform their financial transaction electronically over the internet. Customers' education level, Customers awareness about internet banking and internet infrastructure are also major challenges for E-Banking

Ogunlowore A.J and Oladele Rotimi (2014) States that although E-Banking is full of Insecurities, it is mostly used by the people of Nigeria due to its convenience, Flexibility, speed, efficiency and accessibility of transaction

Chauhan vikas and Choudhry Vipin (2015) note that adoption of E-Banking by the customers is still at the early stage due to various challenges. The challenges such as security risk, privacy risk, trust factor and less awareness among customer about E-banking are acting as hurdle in adoption of E-Banking facility.

IV. OBJECTIVE OF STUDY

- To study the awareness and usage level of bank customers towards E-Banking services.
- To identify the problems faced by customers while using E-Banking services.
- To determine the factors influencing the customers for using or not using E-Banking services.
- To suggest the suitable measures for improving E-Banking Services.

V. RESEARCH METHODOLOGY

The study is concerned with the awareness and usage level of customers towards E-Banking Services in semi urban area of Mansa district. Data is collected through well structured questionnaire from 110 respondents of Mansa district. Data is presented in form of tables. Percentage method, total weighted score method is used to analyze the data. Total weighed score are calculated from five point likert scale. Highest weight is given to first rank and lowest weight is given to lowest rank.

VI. DATA ANALYSIS AND INTERPRETATION

Table 1: - Socio-Economic profile of Customers

Group	Number	Percentage %
Gender wise		
1. Male	78	70.91
2. Female	32	29.09
Age wise(In Years)		
18-25	17	15.45
26-35	37	33.64
36-50	44	40.00
More than 50	12	10.91
Education level		
1. Primary	7	6.36
2. Higher (10)	28	25.45
3. Secondary (+2)	32	29.09

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4. Graduate/ post graduate	43	39.10
Occupation level		
1. Business man	49	44.55
2. Service man	27	24.54
3. Professional	18	16.36
4.Others	16	14.55
Income group		
1. Less than 1 lakh	18	16.36
2. 1lakh-3 lakh	29	26.36
3. 300001-5 lakh	38	34.55
4. more than 5 lakh	25	22.73
Total	110	100

Source Primary Data:

Table shows that out of 110 respondents, 70.91% of respondents are male and 29.09% are females. While studying the demographic profile, 40% of respondents belong to age group of 36-50 years and 34.55% of respondents earning income between 3 lakh-5 lakh show the maximum responses in comparison to others. 39.10% of respondents are Graduate/ post graduate and 44.55 % of respondents belong to businessman class.

Table 2: - Awareness level of customers towards E-banking services

Group	Yes	No	Total	% of Awareness
Gender wise				
1. Male	60	18	78	54.55
2. Female	22	10	32	20.00
Age wise(In Years)				
18-25	11	6	17	10.00
26-35	32	5	37	29.09
36-50	36	8	44	32.73
More than 50	3	9	12	2.73
Education level				
1. Primary	1	6	7	0.91
2. Higher (10)	19	9	28	17.27
3. Secondary (+2)	25	7	32	22.73
4. Graduate/Post graduate	37	6	43	33.64
Occupation level				
1. Business man	37	12	49	33.64
2. Service man	23	4	27	20.91
3. Professional	18	-	18	16.36
4.Others	4	12	16	3.64
Income group				
1. Less than 1 lakh	6	12	18	5.45
2. 1 lakh- 3 lakh	20	9	29	18.18
3. 300001-5 lakh	33	5	38	30.00
4. more than 5 lakh	23	2	25	20.91
Total	82	28	110	74.55

Source Primary Data:

Table 2 shows that 82% of total respondents are aware about E-banking services. Gender wise, 54.55% male, Age group wise 32.73% of Respondents of age group 36-50 years, Occupation wise 33.64% of respondents belong to business class are more aware about E-banking. Income wise 30% of respondents earning between 3 Lakh-5 Lakh and education wise 33.64% of respondent having graduate/Post graduate are more aware about E-Banking services in comparison to others.

Table 3: - Usage level of Customers towards E-Banking Services.

Group	Yes	No	Total	% of Usages
Gender wise				
1. Male	49	11	60	44.55
2. Female	17	5	22	15.45
Age wise(In Years)				
18-25				
26-35	8	3	11	7.27
36-50	30	2	32	27.27
More than 50	27	9	36	24.55
	1	2	3	0.91
Education level				
1. Primary	-	1	1	0.00
2. Higher (10)	11	8	19	10.00
3. Secondary (+2)	21	4	25	19.09
4. Graduate/Post graduate	34	3	37	30.91
Occupation level				
1. Business man	27	10	37	24.55
2. Service man	20	3	23	18.18
3. Professional	18	-	18	16.36
4.Others	1	3	4	0.91
Income group				
1. Less than 1 lakh	2	4	6	1.82
2. 1lakh-3 lakh	16	4	20	14.55
3. 300001-5 lakh	28	5	33	25.45
4. more than 5 lakh	20	3	23	18.18
Total	66	16	82	60

Source Primary Data:

Table 3 shows that 66% of respondents are using E-Banking services Gender wise 44.55 % male, age wise 27.27% of respondents belong to age group 26-35, Education level wise 30.91% of respondents having

graduate/Post graduate degree, Occupation wise 24.55% of respondents belong to business man class, income level wise 25.45% of respondents earning income between 3 Lakh-5 Lakh are using E-Banking services in comparison to others.

Table 4: - Sources of Awareness about E-Banking Services

Source of Awareness	No of Responses	Percentage
Own accord	10	9.10
Advertisement in Print media	22	20.00
Online Advertisement	30	27.27
Friend & relatives	9	8.18
Bank Officer	11	10.00
Total	82	74.55

Source Primary Data:

Table 4 reveals the source of awareness about E-banking services. Most (27.27%) of Respondents come to know about E-banking services through online advertisement. 20% of respondents are aware about E-banking through advertisement in print media. Least of 8.18% of respondents get the awareness through friends and relatives. Near about 10% of the respondents get the awareness through bank officers.

Table 5: - Period (in years) of using E-Banking Services

Period	No of Responses	Percentage
Less than 1 year	7	6.36
1-2	10	9.09
2-3	19	17.27
3-5	24	21.83
More than 5	6	5.45
Total	66	60

Source Primary Data

Table 5 shows that only 60% of respondents are using E-banking services. 21.83% of total respondents are using E-banking services around 3-5 years. 17.27% of respondents are availing E-banking services around 2-3 years. Least (5.45%) of respondents are using E-banking service around more than 5 years.

Table 6: - Preference of customers regarding E-Banking Services

E-banking Services	R1	R2	R3	R4	R5	Total Score	Over all rank
ATM	20	15	18	9	4	236	2
Internet banking	24	17	10	10	5	243	1
Mobile banking	10	15	22	11	8	206	4
Telephone banking	0	3	4	12	47	95	5
Credit card	17	10	15	16	8	210	3

Source Primary Data:

Table 6 reveals that only most of the respondents give the first rank to internet banking because it is useful for customers to transfer the fund. Second rank goes to ATM as customers can deposit and withdraw the money without waiting in bank. Third rank goes to mobile banking as it is convenient to access anytime and anywhere. Fourth rank goes to credit card as most of people can easily use it for shopping purpose without carrying any cash. Fifth rank goes to telephone banking as the customers consider it unpractical device for conducting banking transactions and use it only for make enquiries.

Table 7: - Problems Faced by customers while using E-Banking Services

Problems of E-banking Services	Strongly Agree	Agree	Undecided	Disagree	Strongly disagree	Total Score	Over all rank
ATM							
1. Cards get blocked	2	9	0	40	15	141	5
2. Machine out of cash	25	17	3	14	7	237	1
3. No printing of statement	0	3	18	20	25	131	6
4. Machine out of order	20	16	8	15	7	225	2
5. Poor visibility of Statement slip	15	12	8	15	16	193	4
6. High service charges							
7. long waiting time in queue	22	10	9	17	8	219	3
	2	3	7	20	34	117	7
Internet banking							
1. lack of security/ unauthorized access	18	21	7	14	6	229	1
2. poor Internet connectivity	9	12	6	21	18	171	4
3. High service charges	12	9	7	22	16	177	3
4. lack of Data Privacy	19	20	2	15	10	221	2
5. High internet cost	9	10	8	22	17	170	5
Mobile banking							
1. Lack of Security	18	22	6	15	5	231	1
2. Complicated Process to use	14	15	10	17	10	204	2
3. poor Internet Connectivity	8	14	5	22	17	172	4
4. High charges for services	12	10	10	18	16	182	3

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Telephone banking							
1. High charges	2	4	42	10	8	180	3
2. Unpractical device for banking transactions	5	6	48	3	4	203	1
3. Lack of proper Guidelines	7	6	40	8	5	200	2
4. No Responses	2	3	40	10	11	173	4
Credit card							
1. high service charge	27	14	4	13	8	237	2
2. less security	12	19	6	18	11	201	3
3. High interest rate	30	16	5	7	8	251	1
4. Time Consuming Due to delay in settlement	8	7	22	18	11	181	4

Source Primary Data:

Table 7 Examine the problems faced by respondents while using various E-Banking services. While using ATM, Machine out of cash (R1) and machine out of order (R2) are the major problems faced by respondents. While using internet Banking lack of security and privacy are main problems faced by respondents .while using mobile Banking first rank goes to lack of security and second rank goes to complicated process to use. In telephone banking, Most of the people consider it unpractical device for banking transaction so first rank is given to such problem. while using credit card mostly people say that high services charges and high interest rates is charged by bank so first rank goes to high interest rate and second rank goes to high service charges

Table 8: Motivational factor influencing customer for using E-banking Services (for those customers who use e-Banking services)

Motivational factor	Yes	No	Percentage	Rank
Quick Transfer of Funds	56	10	50.91	1
Use of Anywhere any time	45	21	40.91	3
Easy to access/convenient	36	30	32.73	4
Status of Symbol	25	41	22.73	5
Up to date and accurate information	50	16	45.45	2

Source Primary Data:

Table 8 reveals that quick transfer of funds, up to date and accurate information are the strongest motivational factors influencing the customers for using E-Banking services. Status of symbol is the least motivational factor influencing the customers for using E-Banking services.

Table 9: Factors influencing the customers for not using E-banking services (for those customers who do not use E-banking services)

Factors	Yes	No	Percentage	Rank
1. Difficult and complicated	14	2	12.72%	3
2. lack of privacy and security	10	6	9.09%	5
3. High cost of using it	9	7	8.18%	6
4. lack of Knowledge how to use it	16	0	14.55%	1
5. Lack of Interest	15	1	13.64%	2
6. More trust in traditional	11	5	10%	4
7. lack of Source to provide Knowledge and information about E-banking Service	10	6	9.09%	5

Source Primary Data:

Table 9 shows that lack of Knowledge, lack of interest, are the major factors influencing the customers for not using E-Banking Services. 12.72% of respondent consider E-banking services more difficult and inconvenient

Table 10: Suggestions to improve E-banking services

Suggestions	R1	R2	R3	R4	R5	Total Weighted Score	Over all rank
E-Banking should be more secure	45	32	10	15	8	421	2
Service charges for E-banking services Should be reasonable.	28	42	15	16	15	400	3
Customers training camp , seminar and demo fares regarding E-Banking services organized by bank	48	30	12	12	8	428	1
Rules format and accessing E-banking services should be simplified	32	17	35	16	10	375	4

Source Primary Data:

Table 10: shows that most of the respondent suggested that customer training camp, seminar and demo fair regarding E- banking services should be organized by bank and bank should make efforts for providing E-banking services more safe and secure. Service charges should be reasonable.

VII. FINDING AND CONCLUSION

74.55% of bank customers are aware about E-Banking services. But only 60% People are using E-Banking Services. Gender wise male, age wise respondent of age group 26-35, occupation wise business man class, Education level wise graduate/post graduate and income wise respondent earning between 3 lakh to 5 lakh are

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more using E-banking Services in comparison to others as they find it more convenient of quick transfer of funds still 25.45% of respondent are not aware about E-Banking Services and 14.55% of respondents are not using it due to lack of knowledge it and lack of interest. While using various E-banking services ATM machine out of cash, Machine out of order, Lack of security & privacy, complicated process to use, High interest rate and service charge for using credit card are the major issues faced by respondents.

LIMITATION OF STUDY

Data is collected from limited geographical area. It only studies the awareness and usage level of semi-urban people. People of rural area and urban area are excluded from this study so the finding and conclusion of the present study can be varied if further research is to be carried on in near future.

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