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Research Paper

Customer's Perception About E-Finance

Commerce

KEYWORDS : E-Finance, Customer, perception, Online banking

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ABSTRACT

The report has been designed after doing detailed secondary research so as to understand the challenges that had been there at the time of implementation of E-Finance, to what extent they have been addressed and the challenges that are still prevailing as obstacles in the successful progress of E-Finance. In order to meet other objective of study i.e. study of customer opinion regarding changes in financial industry, pre-post implementation of E-Finance, Primary Research has been undertaken. To study the same, a sample of 100 customers has been surveyed. Questionnaires have been used as instruments for the survey. Customers believe that E-Finance has facilitated them and has definitely improved the financial sectors on various parameters. This paper helps to understand the challenges associated with E-Finance and customer's point of view regarding the services since the development of technology in the financial sector and what relevance they find of technology involvement in the financial industry that helps organizations to improve them on various parameters.

INTRODUCTION:

Competition and the constant changes in technology and lifestyles have changed the face of banking. Nowadays, banks are seeking alternative ways to provide and differentiate amongst their varied services. Customers, both corporate as well as retail, are no longer willing to queue in banks, or wait on the phone, for the basic banking services. They demand and expect a facility to undertake their banking activities where and when they wish to do.Internet Banking refers to a system allowing individual customers to perform banking activities at off-bank sites such as home, office and other locations via internet based secured networks. Internet or online banking through traditional banks enable customers to perform all routine transactions, such as account transfers, balance inquiries, bill payments and stop-payment requests, and some even offer online loan and credit card applications.

To access a commercial bank's online banking facility a customer having personal internet access must register with the institution for the service, and set up a confidential 'password' for customer verification. Commercial Banks in the present times allocate 'Customer Numbers', whether or not customers intend to access their online banking facility. Customer numbers are not the same as account numbers, because a number of accounts can be linked to one customer number. The customer will link to the customer number any of those accounts which the customer controls, which may be in the nature of checking, savings, provident fund, loan, credit card and other accounts.

Towards accessing internet banking, the customer would go to the commercial bank's website and login to the internet banking facility using the unique customer number and password issued to him. Some financial institutions have set up additional security steps for access, but there is no consistency to the approach adopted. The growing popularity of personal computers coupled with accessibility to internet has marked an increase in use of internet by banks as a channel for receiving instructions and also delivering the products and services to the customers.

Online banking, initiated in late of 19th century has made a significant improvement in the financial industry. But there are innovations which have been developed before the advent of internet in the banking sector which has revolutionized the face of banking sector way back in early 90s i.e. introduction of Automated Teller Machines. Usage of ATM cards, debit card or credit cards have grown dramatically, fueled by speedy interactions technologies that permit vendors to authenticate a person's credit worthiness in seconds.

Literature review:

Neeli Prameela and Dr. B. Abdul Azeem (2012) are studies present a pattern of relationships between the determinants of e-banking loyalty and e-banking loyalty which can be researched further more comprehensively for better understanding of the loyalty phenomenon in e-banking. Such understanding is helpful to practitioners and academicians which in turn catalyzes the growth of banking industry in Indian context.

Pallab Sikdar1, Munish Makkad (2013) are fund that Technological innovations are having significant importance in human, general and professional life. Several factors determine the customer's attitude towards online banking, such as person's demography, motivation and behavior towards different banking technologies and individual acceptance of new technology. Customers who use internet banking must use it on an ongoing basis and acquire a certain comfort level with the technology towards continuing using it.

Objectives of the Study:

1. To know the perception about the E –Finance.
2. To evaluate the customer opinion regarding the change in financial industry, implementation of E- finance in India.

RESEARCH METHODOLOGY:

Research Design: Descriptive Research

The research will involve both primary and secondary research.

Primary Research

Primary data have been collected the form of survey with the help of well-defined questionnaires designed to understand the customer's perspective towards E-Finance.

Secondary Research:

Secondary data have been collected from the websites, Journals and Books etc.

Sample Size

To understand the customer perspective, the sample size would be 100 customer of the age varying from 25-45 years. The sample has been selected on the basis of Judgmental sampling since respondents have been selected on the following criteria:

1. Education Level
2. Knowledge of electronic financial services
3. Have Used E-Financial services at least a few times.
4. Aware of availability of E-Finance services

Tools and Techniques

1. For Survey- Developed a questionnaire to measure
2. For Data Analysis

The overall reliability co-efficient of the modified instrument after the pilot survey yielded an r = 0.618 cronbach alpha showing that the questionnaire was reliable. \

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TESTING OF HYPOTHESES:
T-Test (Paired Sample):

Paired Samples Test									
		Paired Differences					t	df	sig. (2-tailed)
				95% Confidence Interval of the Difference					
		Mean	Std. Deviation	Std. Error Mean	Lower	Upper			
Pair 1	q11a-q12a	1.57000	.71428	.07143	1.42827	1.71173	21.980	99	0.000
Pair 2	q11b-q12b	1.88000	.68579	.06858	1.74383	2.01607	27.414	99	0.000
Pair 3	q11c-q12c	1.97000	.50161	.05016	1.87047	2.06953	39.273	99	0.000
Pair 4	q11d-q12d	1.84000	.58119	.05812	1.72468	1.95532	31.659	99	0.000
Pair 5	q11e-q12e	1.79000	.62434	.06243	1.66612	1.91388	28.670	99	0.000
Pair 6	q11f-q12f	1.67000	.60394	.06039	1.55016	1.78984	27.652	99	0.000
Pair 7	q11g-q12g	-2.55000	.50000	.05000	-2.64921	-2.45079	-51.000	99	0.000
Pair 8	q11h-q12h	-2.60000	.49237	.04924	-2.69770	-2.50230	-52.806	99	0.000

Infrastructure:
Insufficient net connectivity, lower broadband width, lack of sufficient power, hardware and other such infrastructural problems created hurdles in the execution of E-Finance in India.

The problem of infrastructure has been dealt to a great extent. At present, India is having a good infrastructure base for the successful progress of E-Finance.

Safety of Customer:
Hacking, Virus and other server related issues have put the security of customer's sensitive information regarding their finances on stake. Because of lack of security, customers had been resistant to E-Finance.

However, financial institutions have taken number of steps to deal with the security issues and have adopted various technologies to stop hacking and virus related issues, there are still many cases which pull down the faith of people to certain extent.

Lack of E-skills on part of Employees:
Sudden onset of technology in finance industry left the employees baffled. As a result, employees lacked knowledge and skills required to deal with the technology enabled services and industry faced huge labor resistance as well. Since the technology was all there, so there was no escape for people. A proper education has been adopted in every educational institution so as to make student technology enabled and also organizations impart training to employees so as to be well versed with the technology.

Lack of Knowledge on part of Customers:
Not only employees but customers were also not technology enabled and hence they had been hesitated to adopt the technology for long. Resistance from customers made it difficult for industry to popularize the E-Finance.Technology has become a part of life of people with the help of education and awareness among people but still there is a huge chunk of population which is not versed with the technology and has to be taken care of.

High Cost of infrastructure Development:
There was no infrastructure to support the online services. The basic requirement for online services i.e. telecommunication was not even fully developed at the time of E-Finance implementation. In such a scenario, it was heavy cost bearing for the organizations to implement E-Finance as implementing E-Finance meant to start from the scratch and deal with all basic infrastructural issues. Also, training to labor and awareness among customers were an additional cost on companies.

Since there has been a huge development in infrastructure in India in past decade, slowly, economies of scale have been achieved by the organizations and now it is not that pain for organizations to avail any change in technology.

Lack of Efficient Cyber Laws:
Safety of customers was a huge problem in front of finance industries. First, they could not handle cases of hacking and virus and secondly, there was lack of efficient cyber laws which was putting the faith of customers in online financial services on edge.

Cyber-crime is a much more grave issue than thought by Indian Judicial System. The judicial system of India has undertaken various laws to deal with the cyber-crimes and introduce implementations in the system regularly but still the system has not been able to stop the cyber-crimes completely and need stricter laws and regulations so as to deal with cyber-crimes.

FINDINGS:
1. There is significant improvement in financial industry with the introduction of technology. With the implementation of services have improved on various parameters.
2. The most popular E-Finance services are ATMs, Credit and Debit Cards and Online Banking.
3. Customers do believe that factors like quality, convenience, information access, delivery time have definitely improved but on the same time, advent of technology in financial services has inversely impacted the personal attention and interaction between customer and company.
4. Customers are quite positive about online services and are opting electronic services over traditional method.
5. As far as security is concerned, banking industry has improved on the same significantly and there is huge decline in complaints regarding the same.
6. Customers are quite satisfied with the online services

and are able to extract larger information with the help of respective banking websites.

7. Customers undertake most of the activities online and visit branches in special cases only like loan applications, consultancy and other such issues.

Suggestions:

1. There is a huge chunk of population which is not aware of E-Finance. Here lies a big potential markets for the financial companies to look over. So, finance industry should take initiatives to spread awareness among this set of consumers and reach out for the same.
2. Safety and security of sensitive information of financial information of customers have always been a real concern for the customers. However, finance industry has taken steps in this direction but still industry needs stricter methods so as to ensure the safety and earn the trust and faith of customers in E-Finance.
3. In India, infrastructure problems like power, low bandwidth connection, low connectivity is still a problem to an extent. In order to improvise the E-Finance, these issues are to be considered seriously.
4. Stricter Cyber laws are required so as to deal with the cyber crimes with more efficiency and reduce the uncertainty of customers for the adoption of E-Finance.

Conclusion:

The onset of technology in financial sector in India has been a commendable revolution. It has reduced the time requirement to minimum and has facilitated the customer to a great extent. E-finance has changed the structure of finance industry dramatically and has given new horizon to the finance industry. E-Finance has not only facilitated the customer and has added various benefits for them but also has provided financial industry with numerous opportunities. E-Finance has been revolutionized over a period of time and it is evolving continuously and consistently. The ability to keep with the technology can bring the greater innovations in the services and led to greater satisfaction on part of customer.

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