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Commerce

A STUDY ON CUSTOMERS AWARENESS ABOUT MODERN BANKING SERVICES

JASNA P

ASSISTANT PROFESSOR, S E S COLLEGE, SREEKANDAPURAM, KANNUR (DIST), KERALA, INDIA.

ABSTRACT
In today's digital world, banking all over the world is experiencing a fast and far-reaching renovation. Traditional banking is replaced by modern banking. Technology made the bank virtual and now banks reached to customers home and offices through internet accessed mobile phones and personal computers. Through demonetisation of high value notes, central government also tries to implement a cashless system in India by promoting digital transactions. But in India majority of our rural populace are less educated and also the most of them are not aware about the new facilities available to them. So it is relevant examine the adoption rate of the modern banking technologies by the customers.

INTRODUCTION

Times are changing; banks are now reengineering the way in which their services can be reached to their customers by bringing in flexibility in their distribution channels. Modern banking covers all the aspects as like mobile banking, online banking, ATMs. In all over the world banks are using internet technology in banking sector to manage it successfully. The introduction of electronic banking banks are moving their focus of payments from the physical presence of money to the use of electronic money payments can be made in India in the form of cash, cheque, demand drafts, credit cards debit cards and also by means of giving electronic instructions to the banker who will make such a payment on behalf of his customers.

Modern banking facility has an increasingly important influence in modern society because of the importance of finance in our life. Banking sectors are developing day by day. Lot of innovations is happening in this sector. Globalization made a great impact in the life style of urban as well as rural area. In India major part of rural people is, they are less educated and also the most of them are not aware about the new facilities available to them. In case of banking sector also this is happening. Thus a study about the use and awareness of modern banking facility has social value.

STATEMENT OF THE PROBLEM

Technologies are growing day by day in banking sector also there are a lot of technological innovations are implemented some of them are innovation of smart cards, internet banking, mobile banking etc. This innovation leads development of banking sector traditional system to modern system. Sometimes these developments are not reaching at uneducated rural people. The present study attempts to find out use and awareness of the response of rural people as well as urban people about it. The study is therefore entitled as "A study on customer's awareness about modern banking services"

SCOPE OF THE STUDY

The study is based on a particular segment of population and is very high. It is not possible to study each and every item in a infinite population. Therefore samples are selected from the population.

Samples of 100 people are selected among Kannur district are selected for the study and information are collected from them. Since it is a sample study. The scope of the study is limited.

OBJECTIVES OF THE STUDY

The important objective of the study can be summarized as follows;
1. To study about the awareness of modern banking technology.
2. To study the reasons restraining them from using modern banking facilities.
3. To study the customers attitude towards modern banking technology.
4. To identify the customers level of satisfaction towards new banking technology.

HYPOTHESIS

1) H_0: There is no significant relationship between educational status and using of   ATM.

H_1: There is significant relationship between educational status and using of ATM.

2) H_0: There is no significant relationship between educational status and using of Debit card.

H_1: There is significant relationship between educational status and using of Debit card.

3) H_0: There is no significant relationship between educational status and using of Credit card.

H_1: There is significant relationship between educational status and using of Credit card.

4) H_0: There is no significant relationship between educational status and using of Internet banking.

H_1: There is significant relationship between educational status and using of Internet banking.

5) H_0: There is no significant relationship between educational status and using of Mobile banking.

H_1: There is significant relationship between educational status and using of Mobile banking.

6) H_0: There is no significant relationship between educational status and using of Telephone banking.

H_1: There is significant relationship between educational status and using of Telephone banking.

7) H_0: There is no significant relationship between educational status and using of NEFT.

H_1: There is significant relationship between educational status and using of NEFT.

REVIEW OF LITERATURE

Daniel (1999), described e-banking as the newest delivery channel offered by the retail banks in many developing countries. Restriction and limitation within organization to operate the services and its market share or strength were viewed as important to decide and operate the e-banking services.

Suresh (2008) highlighted that recently developed e-banking technology had created unpredicted opportunities for the banks to organize their financial products, profits, service deliver, and marketing for the better future of Indian economy.

Malhotra and Singh (2010) in their research study on Indian banking shows that the private and foreign banks are performing relatively better in offering a diversified range of products and services including e-banking facilities as compared to public sector banks. The experience, size, financing pattern and ownership of the bank were found out to be major factors influencing the extent of e-banking services for urban customers.

Durkin and Howcroft (2003) evaluated that the banker-customer relationship was improved through mobile, phone and internet banking. Further, the combination of traditional and new delivery channels, if followed, can help to improve their productivity and profitability.

K.T. Geetha & V.Malarvizhi (2010), in their study on "Acceptance of E-Banking among customers", observed the factors which are affecting the acceptance of e-banking services among the customers and also indicates level of concern regarding security and privacy issues in Indian context .The finding depicts many factors like security and privacy and awareness level increased the acceptance of ebanking services among Indian customers and it shows that if banks provide them necessary guidance and ensure safety of their accounts, customers are willing to adopt e-banking.

Alhaji Abubakar Aliyu, Sayf M.D Younus, Rosmaini Bin HJ Tasmin (2012),in their study on "An Exploratory Study on Adoption of Electronic Banking-Underlying Consumer Behaviour and Critical Success Factors", observed the relationship between Electronic banking adoption and the determining factors for critical success of Electronic Banking. The factors like awareness ease of use, security, cost, reluctance to change and accessibility determines the adoption of Electronic banking.

Dr. Nasim Z. Hosein (2011), in his study on "Internet banking: Understanding consumer adoption rates among community banks", observed that the success of internet banking is determined not only by banks or government support, but also by customers' acceptance of it. The business benefit of the internet banking is to generate additional revenue, improve customer service, extend marketing, and increase cost saving. The results from the survey indicated that customers who have some level of Internet usage and some degree of Internet experience have led to an increase in the adoption of internet banking

Kenneth B. Y., David H. W., Claire L., Randall B, (2010) "Offline and online banking - where to draw the line when building trust in e-banking?" found that Traditional service quality builds customer trust in the e-banking service. The size and reputation of the bank were found to provide structural assurance to the customer but not in the absence of traditional service quality. Web site features that give customers confidence are significant situation normality cues.

ANALYSIS AND INTERPRETATION

TABLE 1 EDUCATIONAL QUALIFICATION OF RESPONDENTS

Category	No. of respondents	Percentage
Below SSLC	0	0
SSLC	38	38
Plus Two	26	26
Degree	14	14
Diploma	2	2
PG	20	20
Others	0	0
Total	100	100

Table shows 38% of respondents are SSLC qualified, 26% of respondents are Plus Two qualified, 14% of respondents are Graduates, 2% of respondents are Diploma holders and 20% of respondents are Post graduates.

TABLE 2 - TYPE OF ACCOUNT HOLDING BANK

Category	No. of respondents	Percentage
Public banks	46	46
Private banks	24	24
Co operative banks	30	30
Total	100	100

Table shows 46% of respondents have accounts in Public sector Banks and 24% of respondents have accounts in Private sector Banks and 30% of the respondents have account in Co operative Banks.

TABLE 3 - REASON FOR OPENING BANK ACCOUNT

Category	Most of the time	Some of the time	Never	Total
Deposit	100	0	0	100
Loan	43	57	0	100
Online shopping	23	65	12	100
Fund transfer	18	7	75	100

Table shows 100% of the respondents most of the time opens account for Deposit. In most of the time43% of the respondents open account for Loan and 57% for some of the time. In case of Online shopping, 23% are for online Shopping in most of the time, 65% for some of the time and 12% never open bank account for online shopping. In case of Fund transfer 18% most of the time, 7% some of the time and 75%never opens account for Fund transfer.

TABLE 4- USAGE OF ANY MODERN BANKING TECHNOLOGY

Category	No. of respondents	Percentage
Yes	100	100
No	0	0
Total	100	100

Table shows all the respondents are using any kind of modern banking technology

TABLE 5 -USAGE OF MODERN BANKING TECHNOLOGIES

Factor	Least imp	Un imp	Neutral	Import ant	Most imp	Total
ATM	0	0	0	12	88	100
Debit card	0	0	7	12	81	100
Credit card	0	0	12	3	85	100
Internet banking	0	0	15	50	35	100
Mobile banking	0	53	15	16	16	100
Telephone banking	0	4	96	0	0	100
NEFT	0	0	70	18	12	100

Table shows majority of the respondents provide more importance to ATM, Debit card, Credit card and Internet banking. And other modern banking technologies like Mobile banking, Telephone banking and NEFT have less importance compared to ATM, Debit card, Credit card and Internet banking.

TABLE 6 - REASON FOR USING MODERN BANKING TECHNOLOGY

Factor	Strongly agree	Agree	Neither agree nor disagree	Disa gree	Strongly disagree	Total
Ease to use	82	8	10	0	0	100
Speed	82	18	0	0	0	100
Less time consuming	13	87	0	0	0	100
Less cost	0	41	12	22	25	100

Table shows respondents mostly highlighted factors are ease to use, speed and less time consuming. These are the most important factors which mainly considered by the respondents while using modern banking technology. But some respondents not agree the factor less cost.

TABLE 7 - FEELING DRAWBACK IN MODERN BANKING TECHNOLOGY

Factor	Very satisfied	Satisfied	Neutral	Total
Service charge	0	12	88	100
On time facility	92	8	0	100
Special offers	0	0	100	100

Table shows that 12% of the respondents are satisfied with service charge charged by banks and remaining them are neutral. Majority

of the respondents satisfied with on time facility and any respondent not satisfied with special offers provided by the banks to customers.

TABLE 8 - FEELING OF COMFORTABLE IN MODERN BANKING TECHNOLOGY

CHI-SQUARE TESTS

	Value	df	Asymp. Sig. (2-sided)
Pearson Chi-Square	22.249a	4	.000
Likelihood Ratio	25.987	4	.000
Linear-by-Linear Association	11.813	1	.001
No. of Valid Cases	100		
6 cells (60.0%) have expected count less than 5. The minimum expected count is .24.			

Factor	Very good	Good	Neither good nor bad	Bad	Very bad	Total
Traditional banking facility	0	0	88	12	0	100
Modern banking facility	74	26	0	0	0	100

Table shows modern banking facility is more comfortable compared to traditional banking facility.

CHI-SQUARE ANALYSIS (χ2)\
TABLE 9 - EDUCATIONAL QUALIFICATION * ATM

CROSSTAB

Count

		ATM		Total
		IMPORTANT	MOST IMPORTANT	
EDUCATIONAL QUALIFICATION	SSLC	12	26	38
	PLUS TWO	0	26	26
	DEGREE	0	14	14
	DIPLOMA	0	2	2
	PG	0	20	20
Total		12	88	100

The significance value of likelihood ratio in table 4.16 is ".000", as it is less than 0.05.so reject the null hypothesis and accept he alternate hypothesis. So there is significant relationship between educational status and using of ATM.

TABLE 10 - EDUCATIONAL QUALIFICATION * DEBIT CARD

CROSSTAB

Count

		DEBIT CARD			Total
		NEUTRAL	IMPORTANT	MOST IMPORTANT	
EDUCATIONAL QUALIFICATION	SSLC	7	12	19	38
	PLUS TWO	0	0	26	26
	DEGREE	0	0	14	14
	DIPLOMA	0	0	2	2
	PG	0	0	20	20
Total		7	12	81	100

CHI-SQUARE TESTS

	Value	df	Asymp. Sig. (2-sided)
Pearson Chi-Square	38.272a	8	.000
Likelihood Ratio	44.565	8	.000
Linear-by-Linear Association	17.617	1	.000
No. of Valid Cases	100		
11 cells (73.3%) have expected count less than 5. The minimum expected count is .14.			

The significance value of likelihood ratio likelihood ratio in table 4.17 is ".000", as it is less than 0.05.so reject the null hypothesis and accept he alternate hypothesis. So there is significant relationship between educational status and using of debit card.

TABLE 11 -EDUCATIONAL QUALIFICATION * CREDIT CARD

CROSSTAB

Count

		CREDIT CARD			Total
		NEUTRAL	IMPORTANT	MOST IMPORTANT	
EDUCATIONAL QUALIFICATION	SSLC	12	3	23	38
	PLUS TWO	0	0	26	26
	DEGREE	0	0	14	14
	DIPLOMA	0	0	2	2
	PG	0	0	20	20
Total		12	3	85	100

TABLE 12 -EDUCATIONAL QUALIFICATION * INTERNETBANKING

CHI-SQUARE TESTS

	Value	df	Asymp. Sig. (2-sided)
Pearson Chi-Square	28.793a	8	.000
Likelihood Ratio	33.560	8	.000
Linear-by-Linear Association	14.447	1	.000
No. of Valid Cases	100		
11 cells (73.3%) have expected count less than 5. The minimum expected count is .06.			

CROSSTAB

Count

		INTERNET BANKING			Total
		NEUTRAL	IMPORTANT	MOST IMPORTANT	
EDUCATIONAL QUALIFICATION	SSLC	15	23	0	38
	PLUS TWO	0	26	0	26
	DEGREE	0	1	13	14
	DIPLOMA	0	0	2	2
	PG	0	0	20	20
Total		15	50	35	100

CHI-SQUARE TESTS

	Value	df	Asymp. Sig. (2-sided)
Pearson Chi-Square	116.806a	8	.000
Likelihood Ratio	141.529	8	.000
Linear-by-Linear Association	67.793	1	.000
No. of Valid Cases	100		
7 cells (46.7%) have expected count less than 5. The minimum expected count is .30.			

The significance value of likelihood ratio in table 4.19 is ".000", as it is less than 0.05.so reject the null hypothesis and accept he alternate hypothesis. So there is significant relationship between educational status and using of internet banking

TABLE 13 -EDUCATIONAL QUALIFICATION * MOBILE BANKING

CROSSTAB

Count

		MOBILE BANKING				Total
		UN IMPORTANT	NEUTRAL	IMPORTANT	MOST IMPORTANT	
EDUCATIONAL QUALIFICATION	SSLC	38	0	0	0	38
	PLUS TWO	15	11	0	0	26
	DEGREE	0	4	10	0	14
	DIPLOMA	0	0	2	0	2
	PG	0	0	4	16	20
Total		53	15	16	16	100

CHI-SQUARE TESTS

	Value	df	Asymp. Sig. (2-sided)
Pearson Chi-Square	168.814a	12	.000
Likelihood Ratio	169.302	12	.000
Linear-by-Linear Association	87.374	1	.000
No. of Valid Cases	100		
13 cells (65.0%) have expected count less than 5. The minimum expected count is .30.			

The significance value of likelihood ratio in table 4.20 is ".000", as it is less than 0.05.so reject the null hypothesis and accept he alternate hypothesis. So there is significant relationship between educational status and using of mobile banking.

TABLE 14 -EDUCATIONAL QUALIFICATION * TELEPHONE BANKING

CROSSTAB				
Count				
		TELEPHONE BANKING		Total
		UN IMPORTANT	NEUTRAL	
EDUCATIONAL QUALIFICATION	SSLC	4	34	38
	PLUS TWO	0	26	26
	DEGREE	0	14	14
	DIPLOMA	0	2	2
	PG	0	20	20
Total		4	96	100

CHI-SQUARE TESTS			
	Value	df	Asymp. Sig. (2-sided)
Pearson Chi-Square	6.798^a	4	.147
Likelihood Ratio	8.015	4	.091
Linear-by-Linear Association	3.609	1	.057
No. of Valid Cases	100		
6 cells (60.0%) have expected count less than 5. The minimum expected count is .08.			

The significance value of likelihood ratio in table 4.21 is "0.091", as it is less than 0.05.so reject the null hypothesis and accept t he alternate hypothesis. So there is significant relationship between educational status and using of telephone banking.

TABLE 15-EDUCATIONAL QUALIFICATION * NEFT

CROSSTAB					
Count					
			NEFT		Total
		NEUTRAL	IMPORTANT	MOST IMPORTANT	
EDUCATIONAL QUALIFICATION	SSLC	38	0	0	38
	PLUS TWO	26	0	0	26
	DEGREE	6	8	0	14
	DIPLOMA	0	2	0	2
	PG	0	8	12	20
Total		70	18	12	100

CHI-SQUARE TESTS			
	Value	df	Asymp. Sig. (2-sided)
Pearson Chi-Square	109.388^a	8	.000
Likelihood Ratio	116.512	8	.000
Linear-by-Linear Association	76.013	1	.000
No. of Valid Cases	100		
10 cells (66.7%) have expected count less than 5. The minimum expected count is .24.			

INFERENCE

The significance value of likelihood ratio in table 4.22 is ".000", as it is less than 0.05.so reject the null hypothesis and accept he alternate hypothesis. So there is significant relationship between educational status and using of electronic fund transfer.

FINDINGS

- Majority of the respondents have accounts in public sector banks.
- Majority of the respondents opened bank account for deposit purpose.
- All respondents are using any kind of modern banking technology.
- According to majority of respondents, ATM facility is the most important among modern banking technologies.

- Majority of the respondents agreed that modern banking technology is easy to use.
- Majority of the respondents are satisfied with the on time facility of modern banking.
- Majority of the respondents feel more comfortable on modern banking than traditional banking..
- There is a significant relationship between educational status of respondents and using of banking technologies

SUGGESTIONS

- Authorities should give awareness classes to the rural people about the modern banking facilities available to them.
- Decreasing the service charges helps to increase the use of modern banking facility.
- Give proper training about mobile banking, internet banking, telephone banking etc.
- Give knowledge about the card like debit card, credit card etc.
- Provide awareness about online banking services available to them.
- Give information about the advantages of using modern banking facility and people should be aware about malpractices in modern banking technology.

CONCLUSION

The financial development has an important role in overall development of every nation. The financial system exist in a country manage the financial development of that country. This function is done through financial institutions. So the developments in the banking sector leads to overall development of the country. But it should develop urban as well as rural people. In banking sector a lot of undeveloped infrastructural facilities, the advantages of these facilities are not reaching tot the rural people. This problem is still obstructing the rural to attain better development in financial sector. Along with implementing new ideas authorities should ensure whether getting its advantages to the people living in different area and different level. A modern banking facility helps banking sector to develop more. And also helps rural as well as urban people to attain better standard of living. Using modern banking facilities increase the speed of financial transaction in the country and also out of the country. This leads to improvement in other areas of the economy because finance is the base for all other sectors of the economy.

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