



An Evaluation of E-Banking Services in Selected Nationalised Banks in Mysore City

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ABSTRACT

Banking is a highly information intensive activity in India and other developing countries. The appearance of electronic banking services has changed the nature of financial management all over the world. Electronic banking has become the most effective and profitable distribution channel of the banks because it enables the banks to save costs. It is equally convenient for the banks to conduct their banking transactions according to their convenience at any time anywhere in the world. E-banking is as much part of the banking industry today as a ship's engine is part of the ship. Thus like a ship's engine, e-banking drives the whole thing forward. The customers can access their banks without having to be physically present at the bank branch. Against this backdrop, the present paper evaluated the perception of customers on the extent of usage and applicability of e-banking services.

KEYWORDS

Banking, E-banking, Convenient, profitable.

Introduction

E-banking contributes to a significant lowering of the transaction costs and also to a reduction of the information asymmetries. The extent of usage of e-banking services in the banking sector has brought about a process of standardization which has facilitated the source friendly and users friendly economic transactions. In the world of banking, the development of e-banking services has an enormous effect on development of flexible payment methods and user friendly banking services. E-banking assures immense flexibility and makes the financial services independent of time and place. E-banking would free both bankers and customers of the need for proprietary software to carry on with their online banking transactions. Customer behaviour is been changing rapidly at present. In today's world, the financial service is comprised by individuality, independence of time and place and flexibility. This represents huge challenges for the financial service providers. So now the internet is considered to be a strategic weapon for them to satisfy the ever changing customers demand and innovative business needs. Suitable legal framework and maximum security are two essentials for e-banking.

Review of Literature

There is only scattered empirical evidence about the accessibility, applicability, utility and role of E-banking in banks. Few notable works done in the field of e-banking throughout the world is presented below:

Pennathur (2001) assessed the need and importance of e-banking in general and impact of e-banking on society in particular. The researcher suggested that specialised regulations and laws for e-banking were crucial in order to safeguard institutional interest and customer interest.

Anguelov et al. (2004) analysed the customers' response to the adoption of e-banking. They reported that customers' acceptance of e-banking varied by technology, socio-economic and demographic characteristics, perceptions of specific technologies and personal preferences were associated in acceptance.

Southard et al. (2004) studied e-banking services which have enabled the customers to gain all round and all time access in modern society. The study suggested that banks should offer a wide range of e-banking services in order to satisfy the needs of the customers and enhance the economic status of the banks.

Hilgert et al. (2004) evaluated the impact of e-banking on household financial management. The authors reported that e-banking services provided customer friendly services in the modern society. The study has highlighted the need for development of appropriate security centered mechanisms which would safeguard the interest of banks and customers.

RESEARCH METHODOLOGY

The following methodology is applied for the study:

- Sample Size: 173 respondents working in nationalised banks
- Sample Area: Mysore city
- Data Collection method: Structured questionnaire
- Sampling technique: Convenient sampling
- Sampling Methodology: Percentage analysis

OBJECTIVES OF THE STUDY

The objectives of the present study are as follows

- To understand the employees response and behaviour towards the utility of e-banking facilities.
- To identify the factors affecting on the level of acceptability of e-banking technology by bank.
- To suggest appropriate strategies for the improvement of application of e-banking facilities.

DATA ANALYSIS AND INTERPRETATION

Table1: Respondents and their gender

Independent variables	Respondents	Percentage
Male	100	57.80%
Female	73	42.20%
Total	173	100%

Source: Survey data

The total number of respondents was 173, out of which 100 (57.80%) were male and 73 (42.20%) were female respondents. The female respondents were less in number because they were not actively involved in the banking sector either as employees or as depositors due to the existing socio-economic circumstances.

Table 2: Respondents and their monthly income

Independent variables	Respondents	Percentage
Below 20,000	35	20.23%
20,000-30,000	41	23.70%

30,000-40,000	30	17.34%
40,000-50,000	49	28.32%
Above 50,000	18	10.40%
Total	173	100%

Source: Survey data

From the above table it can be seen that, there were 49 (28.32%) respondents with a monthly income of Rs.40,000 to Rs.50,000, 35(20.23%) of the respondents with a monthly income of below Rs.20,000, 41 (23.70%) of the respondents with a monthly income of Rs.20,000 to Rs.30,000, 30(17.34%) of the respondents with a monthly income of Rs.30,000 to Rs.40,000, 18(10.40%) of the respondents with a monthly income above Rs.50,000.

Table 3: Respondents and their education

Independent variables	Respondents	Percentage
Pre-University	20	11.56%
Diploma	24	13.87%
Bachelor	66	38.15%
Post Graduation	63	36.42%
Total	173	100%

Source: Survey data

Table 3 shows that there were 66(38.15%) respondents representing bachelors' category, 63(36.42%) respondents representing post graduates, 24(13.87%) respondents representing diploma category, 20(11.56%) respondents representing pre-university category. A majority of the respondents 129(74.57%) belonged to the educationally creamy layer since they have obtained bachelors and masters.

Table 4: Respondents and their duration of service

Independent variables	Respondents	Percentage
Less than 5 years	17	9.83%
6-10 Years	49	28.32%
11-15 years	62	35.84%
16-20 Years	26	15.03%
Above 20 Years	19	10.98%
Total	173	100%

Source: Survey data

There were 62 (35.84%) respondents representing the group of personnel with 11-15 years of service, 49(28.32%) respondents representing the group of 6-10 years of service, 26 (15.03%) respondents representing the group of 16-20 years of service, 19 (10.98%) respondents representing the above 20 years of service and 17 (9.83%) of the respondents representing less than 5 years of service.

Table 5: Application of E-banking facilities by employees

Sl. No.	Particulars	Male	Female	Total
1	Co-operative Internal Payment system	63 (60%)	42 (40%)	105 (100%)
2	Internet banking	18 (85.71%)	03 (14.29%)	21 (100%)
3	Electronic Funds transfer	75 (55.56%)	60 (44.44%)	135 (100%)
4	Application of ATM	93 (57.06%)	70 (42.94%)	163 (100%)
5	Telephone banking	92 (57.14%)	69 (42.86%)	161 (100%)
6	Tele-fax banking	98 (57.99%)	71 (42.01%)	169 (100%)
7	Application of SMS	83 (61.48%)	52 (38.52%)	135 (100%)
8	E-bill payment	90 (56.96%)	68 (43.04%)	158 (100%)

Source: Survey data

The above data reveals that majority of the respondents (169) have used tele-fax banking facility followed by usage of ATM (163). Among the total respondents, 161 of them have used telephone banking services. Other services used by respondents are E-bill payment (158), Application of SMS (135), Co-operative Internal payment System (105) and Internet banking (21 respondents).

Table 6: Factors Affecting the Acceptance of E-banking in Banks

Sl. No.	Particulars	Yes	No	Total
1	ICT skill of staff members	112 (64.74%)	61 (35.26%)	173 (100%)
2	Availability of ICT Support services to the staff member	97 (56.07%)	76 (43.93%)	173 (100%)
3	Legal awareness of e-banking among the staff members	103 (59.54%)	70 (40.46%)	173 (100%)
4	Secured transaction technology in banking	133 (76.88%)	40 (23.12%)	173 (100%)
5	E-banking related professional excellence of the staff members	93 (53.76%)	80 (46.24%)	173 (100%)
6	Hardware and software infrastructure development in banks	107 (61.85%)	66 (38.15%)	173 (100%)

Source: Survey data

From the above table, it can be said that maximum respondents have agreed that secured transaction technology in banking affects the level of acceptability (76.88%). Further ICT skills of staff members (64.74%) followed by hardware and software infrastructural development in banks (61.85%) affects the level of acceptability. The other reasons are legal awareness of e-banking among the staff members (59.54%), availability of ICT support services to the staff members (56.07%) and ICT related professional excellence of the staff members.

Findings

1. The total number of respondents were 173, out of which 100 (57.80%) were male and 73 (42.20%) were female respondents. The female respondents were less in number because they were not actively involved in the banking sector either as employees or as depositors due to the existing socio economic circumstances.
2. There were 49 (28.32%) respondents with a monthly income of Rs.40,000 to Rs.50,000. 41(23.70%) of the respondents with a monthly income of Rs.20,000 to Rs.30,000. 35(20.23%) respondents with a monthly income below Rs.20,000. 30(17.34%) respondents with a monthly income of Rs.30,000 to Rs.40,000 and 18(10.40%) of the respondents with the monthly income above Rs.50,000.
3. There were 66(38.15%) respondents representing bachelor category, 63(36.42%) respondents representing post graduate, 24(13.87%) respondents representing diploma category, 20(11.56%) respondents representing pre university category.
4. There were 62 (35.84%) respondents representing the group of personnel with 11-15 years of service, 49(28.32%) of the respondents representing the group of 6-10 years of service, 26(15.03%) of the respondents representing the group of 16-20 years of service, 19(10.98%) of the respondents representing more than 5 years of service and 17 (9.83%) of the respondents representing less than 5 years of service.
5. Out of the total 173 respondents, 158 respondents have stated that e-bill payment was widely used as tool of ICT in their banks.
6. In a total of 173 respondents, 133 respondents have stated that secured transaction technology in banking affects the level of acceptability.

Suggestions

1. The banks have to rise against the time and achieve commendable progress by proper application of e-banking or ICTs in day to day operations management in general.
2. Meaningful strategies have to be developed towards the application of e-banking in banks in order to improve productivity and competitiveness in banks.
3. E-banking literacy must be increased among its populace, especially for the historically disadvantaged, such as women and weaker sections.
4. The new media of communication should be actively utilized for the purpose of disseminating information, education, training and guidance to various stakeholders on all aspects of banking operations.

Conclusion

E-banking resources and services are largely designed to meet the needs of the developed sections of the society in the present times. It has become a new way of life in business world. Modern banking institutional operations are reformed in a remarkable way by the application of information and communication technology which have facilitated customer friendly banking services. Research initiatives should address specifically the requirements of marginalised sections of the society. They should not be left just to market forces which are bent upon commercialization of E-banking services.

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