

# E-BANKING SERVICES-ANALYSIS OF MOST POPULAR SERVICES AMONG CUSTOMERS

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## ABSTRACT

The study focuses on e-banking services offered by banks for making banking transactions more easy, smooth and faster. It also aims to determine most popular services among customers based on gender, age and occupation. For this, 180 responses are collected through structure questionnaire from different customers. The study finds, demographic profile like- age, gender and occupation have significant impact on choice and selection of e-banking service. Customers with different age bar prefer different services, similarly, male and female also differ in their perception and people of different occupation also use different services.

***Keyword: E-banking Services, Digital Transactions, E-banking in India, Online Banking***

## 1 INTRODUCTION

Today's world is of digital world where technology has infiltrated in every sector. Talking about banking industry, online banking has changed the shape of banking and has completely replaced the traditional system. Its dimensions are increasing day by day and covering almost every aspect of banking (Nedumaran& Kaleeswaran, 2017). Technology inception in Indian banking industry is observed from 90s onwards when privatization was allowed by the government and many private banks were entered (Prasad &Ravinder (2011).Thereafter, the adoption of digital banking was started by the customers and massive transformation was experienced during the period of 2000-2015. Internet banking gradually become integral part of the banking system and almost every customer started using one of the services as per their convenient and need. Thakur (2015) depict that, in early days, it was a great challenge for banks to get customers ready for digital transactions as it is completely non person transaction like use of ATM machine for withdrawal and deposits, passbook printing machine etc.

Gradually, customers' trust on e-banking services increased and their level of usage also enhanced.

Digital banking is an integral part of scientific world where, digitalization is must in everywhere including banking which could provide e-commerce facilities to the corporates. Today, e-commerce is a lifeblood of any economy. Without e-commerce no economy can grow or prosper and e-banking is a crucial part of it. Digital banking facilitates soft transactions without any limit of time, place or amount. It has increased the ease of doing business with handy transactions. The adoption of e-banking gives new dimensions of growth and development (Jamaluddin, 2013).

## **2 REVIEW OF LITERATURE**

Hammoud, Bizri& Baba (2018), examined the role of e-banking service quality in shaping customer satisfaction. E-banking services has tremendously increased the customers' expectations from banks and added variety of functions and services with bank. Today, diverse functions of banks made it compulsory to adopt e-banking services for better offerings. Adding variety of services in retail banking it has created a wonderful experience of customers and makes customer banking more divergent.

Lustik (2004) examined various modes of using e-banking facilities by retail customers. The prominent e-channels were observed like mobile, computer, internet and telephone. Most of the customers using these modes and performing their banking transactions. The number of daily average transactions have been increased tremendously and customers are happy and satisfied. These channels have offered complete ease of doing retail banking right from anywhere a customers want to do it. The most usable channel was observed to mobile and computers.

Sohi&Saluja (2018) studied the customers' perception towards e-banking services. The authors found that, customers are positive in their behavior towards e-banking services and they believe it is a demand of today's scenario. New mode of banking channel has great significance in digital world and banking has got tremendous reforms through e-banking facilities. Transactions become more convenient and fast going beyond time limitations. The customers have ready to accept attitude for innovative services based on digital network.

Ahmed &Phin (2016) also examined the customers' perceived value of new banking system of digital world. Study found that, new generation banking is a real reform in Indian banking system which not only filled the gap but also co-

integrate the traditional banking with digital banking. Customers in today's banking world realize the real function of e-banking and related benefits to both customers and the bank. At last, customers are happy with new banking system based on digitalization.

### 3 RESEARCH PURPOSE AND METHOD

**3.1 Purpose:** The basic research purpose is to determine most favored e-banking services based on demographic profile of the customers. The objective behind this purpose is to identify specific type of services more favorable to customers of specific category. The study would also help to know that 'gender, age and occupation' have significant impact on choice of the customers. For better understanding the broad purpose is summarized into following specific objectives-

1. To determine the most favored e-banking services to customers.
2. Categorize the e-banking services based on 'age, gender and occupation'

**3.2 Method:** Descriptive research method is adopted to investigate the scenario of e-banking in India. With the help of structured questionnaire most prominent e-banking services are being determined and also analyze whether priority of these services differ due to customers' demographic profile. Total 180 respondents were contacted for data collection and Likert's scale was adopted.

### 4 ANALYSIS AND INTERPRETATION

**Table 1- Descriptive Statistics of Respondents**

Demographics	Categories	No. of Responses	KMO & Bartlett's Test	Alpha Test
Gender	Male	89	.78	.86
	Female	91	.82	.94
Age	20-30	70	.84	.91
	30-40	62	.69	.89
	40-50	48	.94	.93
Occupation	Job	95	.88	.83
	Business	85	.80	.84

KMO test is applied to check sampling adequacy of each section. The result shows excellent adequacy as the test values are above 80%. The sample is statistically eligible to perform required tests. Along with it, Chronbach's Alpha test is also applied to verify questionnaire's validity. Alpha test is applied on each

section of the questionnaire and found that questionnaire is valid. All the Alpha values are calculated above 83% which denote excellent validity.

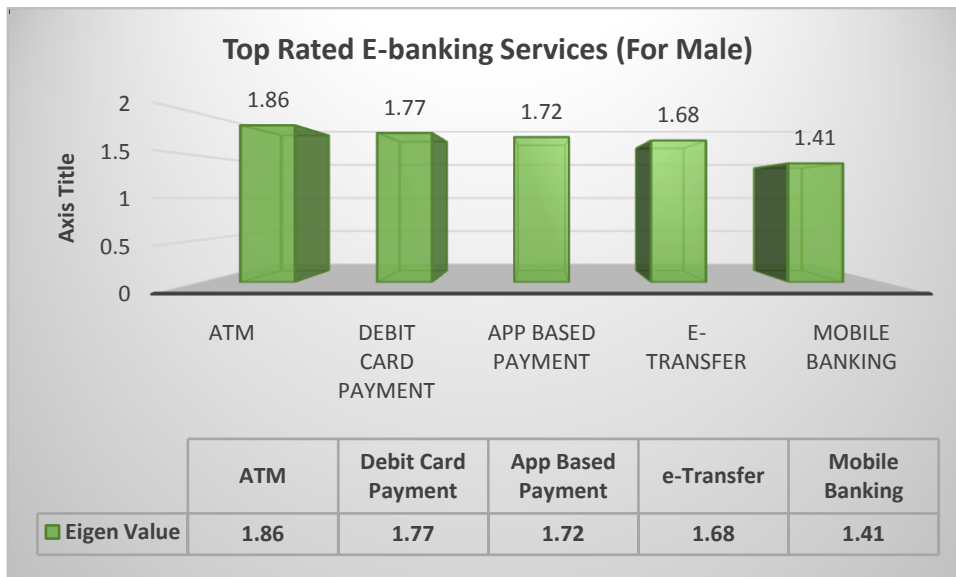
4.1 Analysis of Most Favored E-banking Services based on ‘Gender’

**Table 2- Gender Based Most Favored E-banking Services**

Male		Female	
Most Favored Service	Eigen Value	Most Favored Service	Eigen Value
ATM	1.86	ATM	1.76
Debit Card Payment	1.77	ATM Machine Deposit	1.63
App Based Payment	1.72	Scan and Pay Service	1.50
e-Transfer	1.68	App Based Payment	1.44
Mobile Banking	1.41	Internet Banking	1.37

Table 2 analyze and representing the calculation of most favored e-banking services of male and female. The result reveal that, male and female preferences differ from each other and different e-banking services are preferred. Based on ‘Eigen values’ preferences are ranked, for male- ATM (1.86) service is top most preferred service followed by ‘debit card payment (1.77), app based payment (1.72), e-transfer (1.68) and mobile banking (1.41)’. Whereas, female have quite different opinion, for them ATM (1.76) is the highest preferable service followed by ‘ATM machine deposit (1.63), scan and pay (1.50), app based payment (1.44) and internet banking (1.37)’.

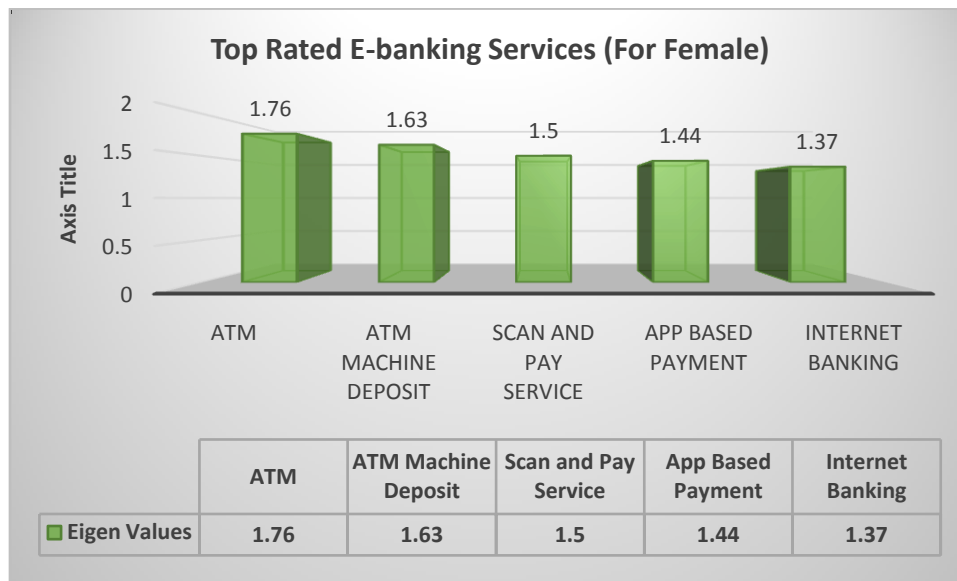
**Graph 3- Most Favored E-banking Services for Male**



The above graph 3 representing the top ranked e-banking services by male respondents. This shows, male preference towards e-banking services and facilities. The result reveal that, males are very much happy and open to use

digital services. They believe that, it has surprisingly changed the way traditional banking used to be done. These have brought positive transformation in banking sector and made retail banking more easy and fast.

**Graph 4- Most Favored E-banking Services for Female**



The above graph 4 representing the top ranked e-banking services by female respondents. With reference to the result, the study concludes that, female respondents have slightly different perception towards e-services of banks. Female's banking transactions have been also increased and their participation in retail banking enhanced. From the introduction of e-banking facilities banking for females become more convenient and handy. The percentage of female transaction for retail banking has tremendously increased.

#### 4.2 Analysis of Most Favored E-banking Services based on 'Age'

**Table 5-Age Based Most Favored E-banking Services**

Most Favored Service	Eigen Value		
	20-30 Yrs.	30-40 Yrs.	40-50 Yrs.
SMS Banking	-	-	1.23
Debit Card Payment	-	1.36	-
ATM	1.41	1.29	1.19
e-Transfer	1.39	-	-
Mobile Banking	1.27	-	-
App Payment	1.26	-	-
Account Detail Facilities	-	1.25	1.06
Online Transaction Facilities	1.13	1.04	-

20-30 Yrs.- For this category top rated e-banking services are figure out as ‘ATM, e-transfer, mobile banking, app payment and online transaction facilities’. Respondents from age group 20-30yrs. are found more of techno savvy and regular user of these services. They believe e-banking services are the new face of banking and are important for both banks as well as customers.

30-40 Yrs.-For this age category four services are identified like- ‘debit card payment, ATM, account detail fetching facilities and online transaction facilities’. Respondents of this group are found excited and happy with ATM and debit card payment facility which allow them to go cash less. Also, getting account details any time on mobile is the remarkable service.

40-50 Yrs.-For this age category only three e-banking services are identified as most preferable services like- SMS banking, ATM and account detail facilities. Respondents believe that, account detail facilities on SMS are awesome along with easy ATM withdrawal of money on demand.

#### 4.3 Analysis of Most Favored E-banking Services based on ‘Occupation’

**Table 6- Occupation Based Most Favored E-banking Services**

Job		Business	
Most Favored Service	Eigen Value	Most Favored Service	Eigen Value
App Based Payment	1.43	Online Payment	1.56
Credit Card Facilities	1.38	Scan and Pay Service	1.47
Internet Banking	1.27	Credit Card Facilities	1.31
ATM	1.11	App Based Payment	1.29
Mobile Banking	1.06	Internet Banking	1.18

*Job:* Employed respondents have quite different opinion towards e-banking service preference. App based payment is ranked highest followed by credit card, internet banking, ATM and mobile banking. Respondents have successfully using e-banking services and seems to be positive about it. The Indian retail banking scenario has been changed and e-banking services have reached each group of customers.

*Business:* Business men are also found encouraged by e-banking services but medium business men are found reluctant accepting online payment. According to them, online payment is the highest rated service followed by ‘scan and pay facilities, credit card facilities, app based payment and internet banking’. Businesses have transformed through digitalization and comfortable transactions

are established. E-banking services are proven to be a real growth engine of trade and development of economy.

## 5 FINDINGS

The study's findings shows that, e-banking services have given new dimensions to the current retail banking system and undoubtedly increased the average customer transactions. It has also enable people to shift on cashless transactions with multiple modes of e-banking. As the study focused on determining most preferred e-banking services based on three important criteria viz. 'Age, Gender and Occupation'. The study found that, significant difference has been observed among choice and preference of all three categories w.r.t. use and ease of e-banking services. The most rated and preferred e-banking services across all categories are found as- ATM, Mobile Banking, App based payment, Internet Banking and Debit & Credit card payment'. E-banking services are observed as the need of today's business world wherein banking transactions need to be highly innovative and techno savvy.

## 6 CONCLUSION

The study reached at the conclusion that, e-banking services are proven to be innovative banking style which makes retail banking more easy, fast and accurate for customers. Advent of technology in banking industry created tremendous opportunities for growth and introduction of value added services. Customers are found so fond of using digital services and appreciate the way it takes place. But, customers with different demographic profile differ in their choice and preference of e-banking services. According to their 'age, gender and occupation' the use and selection of e-banking services differ. Each service is subjected to users' profile, it requires specific domain for which service is useful. Different age groups of customers use different services, similarly 'gender' also influence the type of services being used and occupation has significant impact on its selection.

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