



DIGITIZATION OF BANKING WITH REFERENCE TO PUBLIC SECTOR BANKS IN PALLAKAD

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Abstract:

E-Banking is an electronic payment system that enables customers of a bank or other financial institution to conduct a range of financial transactions through the financial institution's website. The online banking system will typically connect to or be part of the core banking system operated by a bank and is in contrast to branch banking which was the traditional way customers accessed banking services. The main objective is to study level of usage of various E-banking facilities and to analyse the satisfaction towards specific E-banking facilities. For this a sample of 750 was collected from the respondents and percentage analysis, chi square, Anova and regression were used as tools to analyse the data and the conclusion is that Bankers have to abandon old and familiar practices and to form new relationships. The public sector banks are required to have constructive attitude which involves, commitment to change, a business culture and environment that welcomes change. They should also have an experimental approach, encouraging the new ideas and a practice which enables them keep abreast of new developments and likely changes in the industry. While welcoming the change and innovation, bankers has to remember that there is no point in making changes for change's sake. The change has to be for a reason, go in the right direction and introduce changes properly. The bankers make everyone aware that changes are needed, describing the reasons, alternatives and likely effects. They also have to examine the current practices and operations, using benchmarking and other comparisons to identify the areas that are needed improvement. They have to remain committed to the new methods, updating them as necessary. Employees are required to think in the positive direction that the new methods are only temporary and continually look for further improvements. It is in the interest of the bankers that they have to make changes for a valid reason, and then introduce them properly.

Key Words: E-Banking, Financial transactions and Digitalisation

Introduction to the Study:

Banking sector is considered to be the backbone of the economy. The economical life cycle can function smoothly without any problems if the banking sector has updation towards their technology. The technology used with banking sector is getting updated each and every day meanwhile the technology is updated even with nationalized banks in India. The technology plays a key role towards reducing time of the customers and also it reduces the errors related the activities with modern banking.

After the development of technology the no of customer base has increased with every banks. The advancement of new technology implemented by the banks has resulted with accuracy in their operations. Towards each bank technology is been playing a vital role in increasing their efficiency, increasing their profitability and accuracy towards productivity. The following technology is been followed by the banks,

- Electronic Fund transfer (EFT)
- Automatic Teller Machines (ATM)
- Debit cards
- Credit cards
- Smart cards
- Immediate Payment Services (IMPS)
- National Electronic Fund Transfer (NEFT)
- Mobile banking
- Net Banking
- Unified Payment Interface (UPI)

Thus the study is framed to know about the effectiveness of technology used with public sector banks in Bangalore city.

Statement of the Problem:

Banks are contributing a major part in GDP of the country in recent years and the development of banks are purely dependent on technology used with the banking. The study deals with technology used with nationalised banks in Bangalore city. The problem taken for the study is that,

- Whether the customers are using the technology implemented by the banks?
- Either the customers are satisfied or dissatisfied towards the service provided by the banks based on E-banking?

Objectives of the Study:

- To study the demographic profile of the customers using E-banking technology.
- To analyse the satisfaction of the customers towards various e-banking facilities provided by the nationalised banks.
- To evaluate the perception of customers towards various E-banking services

Need for the Study:

- The main need of the chapter is to analyse the e-banking satisfaction towards e-banking.
- It will help the banks to know about the perception of customers towards the service provided by the bank.
- Helps in finding out the important factors influencing e-banking.

Scope of the Study:

The present study highlights the extent of utilization of the e-banking services offered by the banks by the sample respondents. It also limelight's the customer's perception towards CRM practices and satisfaction level of e-banking offered by banks. The study helps in identifying the lacuna in implementing e-Banking Perspective and to suggest various measures in making 100% technology based banks. In this Global environment the customer is more knowledgeable, their expectations are very high and they need more convenience in any services they avail. The major services offered by the public sector Banks are taken into consideration in order to study the customers relationship practices offered by the public sector banks. As such, there is a scope to examine whether the services provided by the Banks cater to the needs of various classes of customers. The present study not only brings to light the relationship strategies adopted, but also satisfaction towards instilled technological support by the banks.

Review of Literature:

Authors	Objectives	Methodology	Outcome
Dr. K. Alagarsamy; S. Wilson (2013)	Analyzed the effectiveness of recent technology and the quality of service provided by the banks	Sample size:100 Primary data collected: Questionnaire Tools used for the study: Percentage analysis	The customers should be educated about the latest technology each and every six months
Ms. Shilpa D and Dr. Veena K.P. (2018)	Evaluated the usage of mobile banking by the customers in Mysuru city	Sample size: 100 respondents Primary data collected: Questionnaire Tools used for the study: Percentage analysis, Kruskal Wallis test and Whitney U-Test	The SBI bank should provide training and has to create awareness to their customers with reference to the technical aspects and it is also concluded that more number of customers are adapting the mobile banking services with SBI in Mysuru City
Mohammad Majedul Islam (2014)	Analyzed the factor which influenced mobile banking using the dimensions (Perceived risk, Infrastructural facility, Social Influence, Ease of Use and Customer Service	Sample size: 292 customers Primary data collected: Questionnaire Tools used for the study: Percentage analysis and Factor analysis	He concluded that Mobile banking services is very new to Bangladeshi consumers and it is still at early stages in Bangladesh

Research Methodology:

Research Design: An investigation design may be the specification of strategies and process of obtaining the info required. Research style classified below three wide categories -- explanatory, informal and detailed. However the specialist was worried primarily with descriptive study style. The study was conducted in order to find out the service provided by Online banking

Sampling Design: A sample design may be a definite plan for obtaining a routine from a given population. This refers the technique are the procedure adopted in choosing items meant for the routine. The main composition of the sample style is as below,

Sampling Unit: A sample framework i.e. developed from the target population that will be sampled i.e. who is to be surveyed customers, working people, employed and housewives i.e. males and females irrespective of their education level.

Sample Size: It is the substantial portion of the target population that is sampled to achieve reliable results. The sample size for the study includes 300 respondents.

Sample Technique: The researcher has used a structured questionnaire as a research instrument tool which consists of multiple choice questions in order to get data. Thus questionnaire is the data collection instrument used in the study.

Nature of Research: Detailed Analysis design can be used designed for research. It is used to spell it out characteristics of the population or perhaps phenomenon. That seeks to look for the answers to who, what, where and how issue. It is predicated on some earlier knowledge of the problem. Descriptive Study Style can be used to study since it will ensure the minimization of bias and maximization of dependability of data collection.

Data Collection: Information collection could be the process to gather information regarding the kind of subject matter of study, which includes been carried out by the specialist. The aim of info collection is generally to acquire info to keep record, to produce decisions regarding important complications, to info to others. The work of data collection begins following having a study issue continues to be explained and evaluation design/strategy is normally chalked away. While deciding regarding the methods of data collection to be used for the evaluation, the specialist ought to remember two types of data viz., primary and secondary. The main data will certainly become those, that are collected anew as well as for the first time and they are actually preliminary in character. While extra data are actually those that have recently been collected by simply someone else and which have been recently exceeded through statistical process. Here, primary supply of information is generally to become collected through forms.

Tools for the Analysis: Simple percentage analysis method, Chi-square Analysis, Correlation- Anova, Descriptive statistics.

Limitations of the Study:

- The study is limited to Nationalised banks.
- Since the collection of data is made manually, the chance of testing usage rate of technology may not be ensured with each respondent.
- The sample size of the study is limited to 750 respondents.

Analysis and Interpretation:

Demographic Variables of the Respondents:

Demographic Variables	Particulars	Frequency	Percent
Gender	Male	536	71.5
	Female	214	28.5
	Total	750	100
Age	Below 18	22	2.9
	18-25	275	36.7
	26-35	222	29.6
	Above 35	231	30.8
	Total	750	100
Educational qualification	SSLC	22	2.9
	Higher secondary	22	2.9
	UG	433	57.7
	PG	273	36.4
	Total	750	100
Place of education	Rural	55	7.3
	Urban	236	31.5
	Semi urban	459	61.2
	Total	750	100
Occupational income	Below Rs.1,50,000	46	6.1
	Rs.1,50,001- Rs.3,00,000	374	49.9
	Rs.3,00,001- Rs.4,50,000	209	27.9
	Rs.4, 50,001- Rs.6,00,000	81	10.8
	Above Rs.6,00,001	40	5.3
	Total	750	100
Sector holding the bank account by the respondents	Public sector bank	479	63.9
	Private sector bank	173	23.1
	Foreign bank	98	13.1
	Total	750	100

Out of 750 respondents, 71.5% are male and 28.5% are female. 2.9% are from the age group of below 18, 36.7% are from the age group of 18-25, 29.6% are from the age group of 26-35 and 30.8% are from the age group of above 35. 2.9% are have completed their SSLC, 2.9% have completed their higher secondary, 57.7% have completed their UG and 36.4% have completed their PG. 7.3% are from rural area, 31.5% are from urban area and 61.2% are from semi urban area. 6.1% are earning below Rs.1,50,000, 49.9% are earning from

Rs.3,00,001- Rs.4,50,000, 27.9% are earning from Rs.3,00,001- Rs.4,50,000, 10.8% are earning from Rs.4,50,001- Rs.6,00,000 and 5.3% are earning above Rs.6,00,001. 63.9% are holding their account in public sector bank, 23.1% are holding in private sector bank and 13.1% are holding in foreign bank.

Usage and Extent of Using Tele Banking Facility:

Factors	Particulars	Frequency	Percent
Usage of Tele Banking Facility	Yes	419	55.9
	No	331	44.1
	Total	750	100.0
Extent of Tele Banking Facility	Highly	37	8.8
	Moderately	130	31.0
	Low	252	60.1
	Total	419	100.0

55.9% are using Telebanking facility and 44.1% are not using Tele banking facility. In that out of 419 respondents 8.8% are highly using, 31% are moderately using and 60.1% are using low.

Usage and extent of Using Internet Banking Facility:

Factors	Particulars	Frequency	Percent
Usage of internet banking facility	Yes	369	49.2
	No	381	50.8
	Total	750	100.0
Extent of internet banking facility	Highly	0	0
	Moderately	204	55.3
	Low	165	44.7
	Total	369	100.0

49.2% are using internet banking facility and 50.8% are not using internet banking facility. In that out of 369 respondents 55.3% are moderately using and 44.7% are using low.

Satisfaction towards Tele Banking:

Descriptive Statistics			
	N	Mean	SD
TB1	750	2.95	1.078
TB2	750	2.59	.805
TB3	750	2.98	1.063
TB4	750	2.90	1.012
TB5	750	2.63	1.134
TB6	750	3.03	.962
Valid N (List Wise)	750		

The respondents are satisfied towards call answering time (2.95), flawless/ correct Operation (2.59), understanding and reply in queries correctly (2.98), communication skills/positive approach (2.90) and general assessment about the service (2.63). The respondents are dissatisfied towards security (3.03) related to Tele banking.

Satisfaction towards Internet Banking:

Descriptive Statistics			
	N	Mean	SD
IB1	750	2.68	.926
IB2	750	3.55	1.218
IB3	750	3.56	1.005
IB4	750	3.30	1.170
IB5	750	2.74	.862
IB6	750	3.00	.966
Valid N (List Wise)	750		

The respondents are satisfied towards menu flow and page setup of the public sector banks in Bangalore (2.68) and security with internet Banking (2.74). The respondents are dissatisfied towards general assessment about the service of the public sector banks (3.55), speed of page loading of the bank website (3.56) and the respondents are neutral towards speed of page loading of the website (3.0) related to internet banking.

Satisfaction towards ATM Banking:

Descriptive Statistics			
	N	Mean	SD
ATMB1	750	3.00	1.228
ATMB2	750	3.21	1.203
ATMB3	750	3.34	.964
ATMB4	750	3.44	1.226
ATMB5	750	3.33	.951
Valid N (List Wise)	750		

The respondents are neutral with satisfaction towards ATM network distribution (3.0). The customers of the bank are dissatisfied towards continuous service provided by the bank (3.21) and variety of transactions with ATM's of the bank (3.34), easy of screen use with ATM machines of the bank (3.44) and general assessment about the service (3.33) related to ATM banking.

Comparative Analysis Between Age and Factors Related to Level of Satisfactions towards Various Factors:

H0: There is no significant relationship between age and factors related to level of satisfactions towards various factors

Level of satisfaction	Age	N	Mean	SD	F	Sig
Level of satisfaction towards Tele Banking	Below 18	22	2.83	.000	152.700	.000
	18-25	275	2.67	.322		
	26-35	222	3.35	.452		
	Above 35	231	2.56	.515		
	Total	750	2.84	.539		
Level of satisfaction towards internet Banking	Below 18	22	4.17	.000	67.114	.000
	18-25	275	2.95	.594		
	26-35	222	3.46	.595		
	Above 35	231	2.93	.551		
	Total	750	3.13	.644		
Level of satisfaction towards ATM Banking	Below 18	22	2.00	.000	31.215	.000
	18-25	275	3.20	.557		
	26-35	222	3.45	.513		
	Above 35	231	3.14	.993		
	Total	750	3.22	.746		
Level of satisfaction towards Plastic card	Below 18	22	3.40	.000	45.257	.000
	18-25	275	2.95	.787		
	26-35	222	3.25	.453		
	Above 35	231	2.54	.756		
	Total	750	2.93	.739		
Level of satisfaction towards Plastic card	Below 18	22	2.60	.000	31.656	.000
	18-25	275	3.20	.527		
	26-35	222	3.67	.704		
	Above 35	231	3.31	.766		
	Total	750	3.35	.695		
Opinion towards various e-banking services.	Below 18	22	2.00	.00000	76.718	.000
	18-25	275	3.29	.71479		

	26-35	222	3.67	.47050		
	Above 35	231	3.02	.62364		
	Total	750	3.28	.69736		

The mean value of level of satisfaction towards tele banking, ATM Banking, Plastic card and e-banking services is high with the age group 26-35. It depicts that the mean value of satisfaction towards internet Banking, of satisfaction towards Plastic card is high with the age group below 18. There is a relationship between age and level of satisfaction towards telebanking., satisfaction towards ATM Banking, satisfaction towards Plastic card, satisfaction towards Plastic card and opinion towards various e-banking services.

Findings:

- Most of the respondents are male in our survey.
- Maximum of the respondents are from the age group of 18-25.
- Most of the respondents have completed their UG in our survey.
- Maximum of the respondents are from semi urban area
- Most of the respondents are earning from Rs.1,50,001- Rs.3,00,000.
- Maximum of the respondents are holding their account in public sector bank.
- Majority using it for a higher extent are using tele banking facility.
- Majority of the respondents are moderately using internet banking facility.
- Majority of the respondents are moderately using ATM banking facility.
- Majority of the respondents are using low for plastic card banking facility.
- Majority of the respondents are using low for mobile banking facility.
- Most of the respondents are facing problems.
- Maximum of the respondents are facing problems based on technical difficulties.

Suggestions:

- The primary purpose of the present study is to give some realistic suggestions to the managements of the nationalized banks to provide quality services to their customers through induction of marketing management.
- Like a production business, the service businesses also need bureaucratic strategy inside the advertising of customer solutions.
- It is vital that marketplace analysis, marketplace segmentation and marketing blend are presented keeping because customers fulfillment. The present day bank cannot afford to hold back for business as his precursors i did so.
- As today's study relates to nationalized banking institutions this research tries to check out concerning if application of contemporary marketing methods are a good idea in facing this kind of problem. Within a customer-oriented market like bank, the marketing theory has its importance.
- The recent adjustments in technology and authorities regulations possess significantly transformed the affordable weather inside the Indian monetary market. Clients' requirements and requirements are also changing. Many services have been launched by the subsidiaries of the banking institutions that have competitive advantages more than the merchandise of other financial institutions.

Conclusion:

While welcoming the change and innovation, bankers has to remember that there is no point in making changes for change's sake. The change has to be for a reason, go in the right direction and introduce changes properly. The bankers make everyone aware that changes are needed, describing the reasons, alternatives and likely effects. They also have to examine the current practices and operations, using benchmarking and other comparisons to identify the areas that are needed improvement. They have to remain committed to the new methods, updating them as necessary. Employees are required to think in the positive direction that the new methods are only temporary and continually look for further improvements. It is in the interest of the bankers that they have to make changes for a valid reason, and then introduce them properly. The nationalized banks offer a facility for customers to set up text or email notifications to alert them to certain activities on their account and the level of satisfaction can be monitored with a effective measures.

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