

E-Banking Practices in Commercial Banks: An Empirical Study

Dr. Kamal Kanwar Rathore*

Introduction

Electronic banking is also known as e-banking, online banking, Internet banking. Under this the banking services and products are delivered directly to the customers through electronic channels. With the e-banking practices the customers can access their account and can perform business transactions, they can get the information regarding the financial services and product though internet, public network and private network. Customers access e- banking services by using devices such as computer, automated teller machine (ATM). E-banking is beneficial for its customers. From the customers perspective it can be said that by adopting e-banking practices customers can perform various banking transactions, like they can perform banking transactions anytime and from anywhere. In addition to this customers can operate their account anytime without depending on the bank hours and it is very easy to access the banking information. The purpose of this paper is to gain an understanding of the acceptance of e-banking practices in (Beawar city of Ajmer District). This paper presents the findings of an empirical study done regarding banking customers' perceptions and their experiences when they adopted the e-banking practices. E-banking practices.

Objective of the Study

The main objective of this paper was to find the various customers perceptions with the adoption of E-banking practices in Beawar city of Ajmer district.

* Assistant Professor, Department of EAFM, Government Commerce College, Sikar, Rajasthan, India.
~ The chapter is based on the paper presented in "National Conference on Emerging Trends and Scope in Digital Banking, Cashless Economy & Innovations in Commerce and Modern Management & International Seminar on Global Economy: Opportunities and Challenges" Organized by Inspira Research Association (IRA), Jaipur & Shri Bhawani Niketan Girls P.G. College, Jaipur, Rajasthan, India. 29-30 September, 2018.

Research Methodology

This study is based mainly on primary sources of data. Data were collected from 70 bank customers belonging to 7 commercial banks (State bank of Bikaner and Jaipur, Bank of Baroda, Oriental Bank of Commerce, State Bank of India, Punjab National Bank, Axis Bank, ICICI Bank in the city of Beawar (Ajmer District). The Beawar city in Ajmer district has been selected to conduct this study for the reason that both public and private sector banks are providing their services in the region. Beawar is a hub of small scale industry (generating revenue in crores).

The method used in the selection of the sample respondents was Purposive sampling. In this study structured questionnaire was used. The questionnaire was of the dimensions which measured that up to what extent e-banking practices were used by the customers of Beawar city. The questionnaire has been divided into three sections. In each question, various parameters have been developed. Respondents were asked to give rating of their choice. Responses of customers were collected and tables were prepared on the basis of data collected. Detail of the data is as under. Total 70 respondents from 7 banks (public/private) were chosen. Thus the sample size is total 70.

Results and Analysis

Evaluation of various customers' perceptions regarding the adoption of E-banking practices has been done on variables selected for study in the following manner:

- **Section I** of the questionnaire shows the personal information of the respondents of 7 commercial banks. This information has been tabulated and discussed.
- **Section II** of the questionnaire contains various questions on E-banking practices, questions given to the respondents were on five variables and they were asked to give their answers on five point scale. To study this various parameters were developed; their responses were collected and analyzed by formulating tables'.
- **Section III** of the questionnaire gives the suggestions to improve the e-banking services offered by the different banks.

Section I

Findings and Conclusion

Table 1: Demographic Factors Distribution of Respondents

Demographic Variables	Categories	No. of Respondents
Gender	Male	60(85.7%)
	Female	10(14.3%)
Age(in years)	Less than 20	00
	20-30	05(7%)
	30-40	55(78.6%)
	40-50	08(11.4%)
	Above 50	02(3%)

Qualification	Up to 12th	00
	Graduates	40(57.1%)
	Post graduates	15(21.4 %)
	Professionals	15(21.4 %)
Income(per month)	Below 10,000	00
	10,000-30,000	45(64.3%)
	30,000-60,000	10(14.3%)
	30,000-60,000	13(18.6%)
	Above 60,000	02(2.8%)

Source: Field Survey

Result

Table 1 presents the Demographic Factors Distribution of Respondents of the 70 respondents. About 85.7percent of the respondents are males and 14.3 percent respondents are females. This difference in answering the questionnaires by male and female was because the number of female in the bank during the survey was less in number than men and also they were unwilling to give their response to the questionnaire. It also shows that all respondents are adults. 7 percent of the respondents were in between 20-30 years, 78.6 percent between 30-40 years, 11.4 percent were in between 40-50, 3 percent above 50 years. The category which was using online banking services is highest between 30-40 years age group. Graduates using E-banking services were in majority (57.1Percent) and were earning a monthly salary between Rs.10000 to Rs.30000.

Section II

In order to find the customers issues regarding their adoption of online banking practices questions given were on five variables and respondents were to give their answer on five point scale:(a) Strongly Disagree (b) Disagree(c) Neutral (d) Agree (e) Strongly Agree. To study this various parameters (A1, A2, A3, A4, A5 and A6) were developed, their responses were collected and are shown in the table given below:-

Parameters and There Coding

- Security and trust are very essential and that should be taken care by public sector banks as well as and private sector banks. **(A1)**.
- Creating Awareness about the online banking services among the banking customers should be a part of business strategy of the bank. **(A2)**
- There should be reduction in the transaction cost by use of online banking. **(A3)**
- Do you think Banks should organize seminars and conferences so that the customer can be educated regarding benefits of online banking and about the security and privacy of their accounts? **(A4)**
- Customers have very less understanding of e- banking. **(A5)**
- Customers are unwilling tojoin the new technologies/ methods which contain very low risk. **(A6)**

Table 2:

Code	SD	D	N	A	SA	Total
A1	-	-	5	5	60	70
	-	-	7	7	85.7	100
A2	-	1	5	6	58	70
	-	1.4	7	60	82.9	100
A3	5	7	10	15	33	70
	7	10	14.3	21.4	47.1	100
A4	2	2	8	13	45	70
	2.8	2.8	11.4	18.6	64.3	100
A5	-	2	3	5	60	70
	-	2.8	4.3	7	85.7	100
A6	1	2	4	5	58	70
	1.4	2.8	5.7	7	82.9	100

Note: Figure in color indicate percentage share of total.

Table 2 indicates that majority of respondents showed their acceptance regarding all the parameters indicating whether Security and trust are very essential and should be taken care of by all public sector banks and private sector banks, banks should organize seminars and conferences in order to give education to the customer, regarding creating awareness about the online banking, there should be reduction in the transaction cost by use of online banking, customers have very low understanding of e-banking, customers are more reluctant to join new technologies or methods that might contain little risk. There was no single respondent who strongly disagree with parameter A1, A2 and A5.

Analysis of Table 2

Parameters & Variable Name	Rank
Security and trust are very essential and that should be taken care by public sector banks as well as and private sector banks. (A1) .	1
Creating Awareness about the online banking services among the banking customers should be a part of business strategy of the bank. (A2)	2
There should be reduction in the transaction cost by use of online banking. (A3)	4
Do you think Banks should organize seminars and conferences so that the customer can be educated regarding benefits of online banking and about the security and privacy of their accounts? (A4)	3
Customers have very less understanding of e-banking. (A5)	1
Customers are unwilling to join the new technologies/ methods which contain very low risk. (A6)	2

Result

From the ranking of the parameters in Table 2 it was identified that First rank was given to the parameter that Security and trust are very essential and both public and private sector banks should take care of it and that customers have very little knowledge of online banking. Second rank was given to the parameter that creating awareness about the online banking services among the customers should be a part

of business strategy of the bank and customers are unwilling to join new technologies or methods that contains very low risk. And Third rank was given to the parameter banks should organize seminars and conferences to educate the customer regarding uses of online banking and fourth rank was given to the parameter that there should be reduction in the transaction cost by use of online banking.

Recommendations

As Beawar is a hub of small scale industry (generating revenue in crores) and where both public sector banks and private sector banks are providing their services there is need for providing better and customized services to the customers. Banks should take care of the attitudes of the customers regarding their e-banking acceptance. The importance of security in e -banking and privacy for the acceptance of internet banking has been noted and it was found that people have weak understanding of internet banking, although they are aware about risk. The present study shows that customers are more reluctant to join new technologies or methods that might contain little risk. Hence, banks should design the website to address security and trust issues. The recommendations to the banks are that they have to increase the level of trust between banks" website and customers, banks should organize seminars and conferences to educate the customer regarding uses of online banking as well as security and privacy of their accounts and there should be reduction in the transaction cost by use of online banking.

References

- ✘ Auta, E.M. (2010). 'E-Banking in developing economy: Empirical evidence from Nigeria', *Journal of Applied Quantitative Methods*, Vol. 5, No. 2, Summer, pp. 212-222
- ✘ Gupta, K.K. & Bansal, I., (2012). 'Development of an Instrument to Measure Internet Banking Service Quality in India', *Researchers World Journal of Arts, Science & Commerce*, E-ISSN 2229-4686, ISSN 2231-4172, Vol. 3, Issue: 2(2), April, pp. 11-25
- ✘ Hossein G. et al. (2013). 'Evaluation of Online Service Quality on Customer satisfaction in Public Banks of Guilan', *Singaporean Journal of Business Economics and Management Studies*, Vol. 1, No. 9, Pp. 9-14
- ✘ Mohammad A., et al. (2013). 'Investigating the Effect of Electronic Banking Systems on Customer Satisfaction in Tehran,' *Journal of Basic and Applied Scientific Research*, ISSN: 2090-4304, Vol. 3, No. 5, pp. 319-324
- ✘ Vasagadekar, P. (2012). 'A Study On The Psychology Of An Indian Customer Towards E-banking With Reference To Pune Region', *International Journal of Scientific and Engineering Research*, ISSN: 2229-5518, Vol. 3, Issue 11, November, pp. 184-210