

**Technologies in Indian Banks And Customers' Perception:
An Empirical Study in Maharashtra**

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Abstarct:

The traditional function of banking is limited to acceptance of Deposits and providing the credit in the market. Today's banking is known as Innovative banking. The coming together of information technology, communication and entertainment (ICE) has given rise to new innovations in the product design and their delivery in the banking and finance industry. Driven by new technologies, changing customer preferences, and increased competition, banks have taken to heavy investments in new distribution channels like advance automated teller machines, telephone systems, and on-line banking, one of the reasons for internet applications not to have picked up as expected so far have been the concerns about the security and lack of the legal framework related to such transactions. This hurdle has been reduced to a large extent in the recent past with framing of laws enabling financial transactions through electronic media. The most of the private and nationalized Indian banks have entered in the technology age and providing various types of electronic products and services to their customer. The objective of this paper is to analysis the implementation of technology in Indian banks and understanding the customers' perception. This study is based on the survey and the data which is collected through the issue of questionnaire to the bank's customer. The results show that customers are satisfied with technology oriented banks products and services. The empirical findings not only determine the different parameters also provide guidelines to bankers to focus on the parameters on which they need to improve and spread the awareness of electronic banking products and services to each and every section of the society.

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Introduction:

The Indian Banking system has been operating successfully over the last two centuries. Several major banks in India are either offering e-banking services or planning to do so in the near future. With the growing Internet awareness among customers, increase in role of banks in e-business and growing reach of the internet, e-banking would become an important part of the Indian banking sector in the years to come. The use of most modern and advance methods of equipments in banking industries is called 'E-BANKING'. E-banking has given an opportunity for banks to find solutions to management problems like saving time, money and energy, reducing/minimizing paper works, abolition of waiting in queues, lack of communication, and lack of efficiency. The E-Banking is changing the banking industry and is having the major effects on banking relationships. E-banking involves the use of electronic devices for delivery of banking products and services. In other words a successful e-banking solution offers the following e-banking products and services: ATM (Automated Teller Machine), Cards- Credit card/Debit cards/Smart card, Mobile banking, Phone banking, Internet/online banking, Electronic fund system (EFT), Electronic clearing services (ECS), Electronic data interchange (EDI), D-mat account, Digital signature, Society for world wide interbank financial tele communication (SWIFT), Corporate Banking Terminals, Core banking solutions (CBS) etc. E-Banking as a medium of delivery of banking services and as a strategic tool for business development, has gained wide acceptance international and is fast catching up in India with more and more banking entering the day.

Technology-Oriented Services in Indian Banks:

1. ATM (Automated Teller Machine)
2. Plastic Money
3. Electronic Payment System
4. EDI (Electronic Data Interchange)
5. Mobile Banking
6. Tele Banking
7. Internet Banking
8. Online shopping and electronic payment

Research Methodology

This study is based on the primary survey of data, which is collected through the issue of questionnaire to the banks' customers. Personal interaction and discussion with the customers have helped to understand their perception and attitudes about E-banking products and services. There are totally 45 banks and its number of branches all over India. These banks and its branches are spread over in the Maharashtra also. Of these, 16 Nationalized Banks, 17 Private Banks, 05 Foreign Banks and 07 Kerala Based Banks are in selected for study. 22% of the banks are selected from both public and private sector for the study purpose. These banks are:

Present Study Respondent's Representation

Name of the Banks	Total Number of Respondents	Percentage
1. ICICI Bank	277	19.1
2. HDFC Bank	178	12.3
3. YES Bank	33	2.3
4. DCB	23	1.6
5. AXIS Bank	84	5.8
6. State Bank of India	283	19.5
7. State Bank of Hyderabad	233	16.1
8. Bank of Maharashtra	216	14.9
9. Bank of Baroda	77	5.3
10. IDBI	46	3.2
TOTAL	1450	100

(Source: Primary Data)

The Area of study in Maharashtra State and The Sample respondents were selected on the basis of convenient Random Sampling Techniques. For understanding the perception and attitude of Bank's customers toward e-banking, there are 27 questions related to various aspects of e-banking. Maharashtra is a financially advanced state in the country and banking is the largest financial sector. The state comprises many big cities: Mumbai, Pune, Nagpur, Aurangabad etc. There are number of banks spread all over the state. There are nationalized banks, Private commercial banks, and cooperative banks and due to globalization many foreign banks are operating in the state. Today, all the nationalized banks and Private commercial banks are providing banking (e-banking) services to their customer.

Analysis of Data:

For the purpose of analysis, the findings of the survey are classified into two groups:-

- i) Finding on the basis of general parameters
- ii) Cross section Analysis.

i) General Parameter Analysis:

The first part of the questionnaire consists of the following parameters:

Occupation, Gender, Marital Status, Age, Qualification, Annual Income, Accounts types wise analysis, Analysis on the basis of age of accounts.

Consolidate General Profile of the Banks Customers

Factors	Classification	No.of Respondents	Percentage	Factors	Classification	No.of Respondents	Percentage
Occupation	Services	655	45.2	Qualification	HSC	234	16.1
	Business	216	14.9		Graduate	671	46.3
	Professional	99	6.8		Post-Graduate	545	37.6
	Students	445	30.7	Annual Income	1,00,000 & Above	703	48.5
	Housewives	35	2.4		Below 1,00,000	267	18.4
Female	396	27.3	No earning (students & house wives)		480	33.1	
Gender	Male	1054	72.7	Accounts Types	Saving	1315	90.7
	Marital Status	Married	682		47.0	Currents	129
Single	768	53.0	Recurring		3	0.2	
Age	18 to 20 yrs	230	15.9		Term deposits	3	0.2
	21 to 30 yrs	747	51.5	Tenure of Accounts (in Years)	1 to 4	1023	70.6
	31 to 40 yrs	285	19.7		5 to 10	342	23.6
	41 to 50 yrs	144	9.9		11 to 15	62	4.6
	51 to 60 yrs	34	2.3		16 to 20	12	0.8
	61 & above	10	0.7		21 & above	11	0.8

a) Occupation-wise analysis:

Of the total respondents, it is found that approximately 45% are from service category. Business category occupies only 15%. Professionals are 7% of the total and students are 30% of the total. Housewife category forms the negligible part of the total. From the above it is observed that business class, which is expected to use the e-banking services to a large extent, is not doing so. Moreover, more and more number of housewives should be encouraged to use the e-banking services. This may help in diverting the idle cash to the productive uses.

b) Gender-wise analysis:

On the basis of gender category, it is found that the male respondents are 72% and very few respondents are from female category i.e. 27%. From the above it can be analysed that existence of a large number of male respondents is as per the expectations, because female respondents also include the housewives who are more interested in investing in non-productive investment.

c) Marital Status wise analysis:

It is revealed that there are 53% of single respondents and 47% of respondents are married. From the above it is analyzed that both married and single respondents are approximately similar banking sense.

d) Age-wise Analysis:

Of the total respondents, age group 18-20 are 15.9%, 21-30 group 51.5%, 31-40 group 19.7%. 41-50 group 9.9%, 51-60 group 2.3% and 61 & above there are only 0.7% respondents. The age group 21-30 and 31-40 contains service people, businessman and professionals. Therefore it is expected that maximum number of students, who are not having their savings. But in the age group 41-50 and 51-60 which also occupies service, business and professionals, the banking habits are at the decline. In the 61 & above very few respondents are because of their old age and unable to perform the banking transactions.

e) Qualification wise analysis:

As an analysis it is found that HSC qualified respondents are 16.1%, Graduates are approximately 46% and Post Graduates are approximately 38%. Qualification wise analysis of the data reveals that graduate & postgraduates constitute an approximately 84% of the total. Other categories account for just 16% of total. This indicates the lack of interest and awareness on the part of less educated and uneducated masses towards the usage of banking services.

f) Income wise analysis:

Of the total respondents, it is found that the respondents belonging to 1,00,000 and above income are 48.5%, Below 1,00,000 income respondents are approximately 18.4% and no earning respondents (i.e. students & house wives) are approximately 33.1%. From the above study it is observed that only the persons having more than one lakh rupees annual income are using the banking services. The people with the lower income perhaps have no savings. Hence they don't need any banking services.

g) Accounts types wise analysis:

On the basis of account type analysis, it is found that the saving account holding respondents are 90.2%, current account holders are 8.9% and very few respondents are from recurring and term deposit i.e. 0.2%. From the above it can be analysed that saving account holders are more as compare to current account holders.

h) Analysis on the basis of age of accounts:

Of the total respondents, 1 yr to 4 yrs old customers of the bank are 70.6%, 5 yrs to 10 yrs are 23.6%, 11 yrs to 15 yrs are 4.6%, 16 yrs to 20 yrs & 21 yrs and above are very few i.e. 0.8% only. From the above it can be analysed that recent account holders i.e. 1 yr to 4 yrs old more preferred to use electronic banking as compared to others.

ii) Cross Section Analysis:

Customer' Perception/Attitude and Opinion on E-banking

Sr.no	Queries	Yes	%	No	%
1.	Acknowledge the awareness of e-banking	1450	100	00	00
2.	Customers' bank provide e-banking services	1391	95.9	59	4.1
3.	E-banking is more convenient & suitable as compare to traditional banking	1335	92.1	115	7.89
4.	Indian customer feel shy and hesitated to use e-banking	754	52.0	696	48.0
5.	Customers' bank provide ATM cum Debit card services	1385	95.5	65	4.5
6.	Usage of ATM cum Debit card	1267	87.4	183	12.6
7.	Usage of ATM is easier, authenticated and safe	1315	90.7	135	9.3
8.	Satisfaction with bank charging amount on ATM access	1061	73.2	389	26.8
9.	Use of ATM cum Debit card for bills payments	652	45.0	798	55.0
10.	Use of ATM cum Debit for purchasing in markets	850	58.6	600	41.4
11.	ATM cum Debit card is safer as compare to carry the cash	1296	89.4	154	10.6
12.	Satisfaction with ATM machines and its services	1187	81.9	263	18.1
13.	Customers bank provide Credit card services	1258	86.8	192	13.2
14.	Usage of Credit card	564	38.9	886	61.1
15.	Credit card charges are heavier	990	68.3	460	31.7
16.	Debit card is better than credit card	1107	76.3	343	23.7
17.	Credit transaction is very safe and secure	1178	81.2	272	18.8
18.	Encounter the processing error while transaction with card	680	46.9	770	53.1
19.	Customers' bank provide internet banking services	1277	88.1	173	11.9
20.	Customers' bank provide online transactions	1232	85.0	218	15.0
21.	Online banking can save the time of customer	1314	90.6	136	9.4
22.	Online banking transitions are financially secured	1073	74.0	377	26.0
23.	Learning to use a net banking is very easier for customer/user	1176	81.1	274	18.9
24.	Customers' bank provide mobile banking services	1053	72.6	397	27.4
25.	Mobile banking services are more useful	1116	77.0	334	23.0
26.	Customer's bank provided EFT services	1165	80.3	285	19.7
27.	EFT services is more secure and Time saving	1173	80.9	277	19.1

Findings:

On analysis it is revealed that all the respondents have acknowledged their awareness of the e-banking concepts (i.e. 100%). But the response to the query whether their banks are providing it, we observed that 95.9% respondents have given positive response and 4.1% have given the negative response. Almost 92.1% of the respondents agree that the electronic services are more convenient and suitable in present life. On the other hand 7.9% respondents disagreed. It is also observed that 52% of respondents do agree to the fact that Indian customer feels shy, hesitant and

keep away from using electronic banking transactions and 48% of the respondents disagreed with this statement and they think that Indian people are much comfortable in accessing the e-banking. It is also found that 95.5% respondents banks are providing ATM cum Debit card services, in which 87.4% respondents accessing these services. But 4.5% respondents are disagreed that their bank provides this services. It is revealed that 90.7% of the respondents think that using an ATM is easier, authenticated and safe for conducting banking transaction and 9.3% of the respondents deny this statement. It is also found that 73.2% of the respondents are satisfied with the banking charges of ATM services and 26.8% feel that ATM using charges are high and they are not satisfied. A further analysis shows that 45% respondents used their debit cards for bills payments and 55% respondents are not using it for bill payment purpose. It is analysed that maximum number of respondents i.e. 58.6% prefer to use their ATM cum Debit card for purchasing in market but 41.4% Debit card is safer as compared to carry the cash at the time of shopping and traveling and 10.6% respondents think otherwise. It is found that 81.9% of the respondents are satisfied with ATM machines and its services but 18.1% respondents accessing ATM are not satisfied. As per the observation 86.8% respondent's banks are providing credit cards in which 38.9% respondents are using it. On the other hand, 13.2% of respondent stated that their banks are not providing credit cards and 61.1% respondents are those who are not using it. It is analysed that 68.3% feel that credit card charges are heavier and 31.7% deny this. As per respondents' feedback, it is found that 76.3% respondent think that use of Debit card is better than Credit card and 23.7% negated this statement. It is also found that 81.2% think that card transaction is safe and secure and 18.8% respondents faced problems while transacting with card and 53.1% has shown positive attitude. It is also found that 88.1% respondent's banks provides Internet banking and 85% respondent's banks provides on line banking and 11.9% stated that their banks do not provide internet and 15% respondents also stated that their bank is not online e-banking services. On the basis of analysis of respondents feed back, it is found that 90.6% respondents feel that online banking system save time and 74% say that it is financially secured. It is found that 81.1% respondent think that learning to use a net banking/online banking is easier but 18.9% disagree with this statement. As per the feedback of respondents that 72.6% are aware that their bank provides mobile banking services and 27.4 respondents said no. It is further observed that 77% respondents' think that mobile banking services are more

useful but 23% do not agree. It is found that 80.3% respondent's bank provides EFT and 80.9% respondents feel that it is more secure and time saving but 19.7% respondents deny that their banks provides EFT services and 19.1% said that it is not safe and secure.

On the basis of the above analysis, the following conclusion are down.

Conclusion:

E-banking has provided ease and flexibility in banking operations. Today, in India, almost every private as well as nationalized banks are providing IT based products and services to their customers and co-operative banks have recently entered in the same. The Financial Reforms that were initiated in the early 90s and the globalization and liberalization measures brought in a completely new operating environment to the Banks that were till then operating in highly protected milieu. Services and Products like "Anywhere Banking", "Tele-Banking", "Internet Banking", "Web Banking", "E-Banking", "e-commerce", "e-business", etc. have become the buzzwords of the day and the Bank are trying to cope with the competition by offering innovative and attractive packaged technology-based services to their customers. On the basis of the analysis, it can be concluded that usage of banking services is still not wide open. In a country like India, where majority of population is less educated an uneducated, the utility of banking services is not properly realized. It is found that only educated, well to do persons, and male forms the majority of the users. Housewives, small businessmen and persons from unorganized sector still feel shy and keep themselves away from the banking services. Even though a majority of Indian and Foreign banks have introduced the advance e-banking facilities, but it is observed that a large numbers of bank users do not proper to use these services. This may be due to the ignorance of the system of e-banking or because of the distrust in the computer system.

From the above, this can be concluded that there is an urgent need of spreading the awareness among the common people. The small business men, the farmers, the housewives, the person's working in unorganized sector be convinced to use banking and e-banking services. They should feel that their money is more safe and secure with the banks. However the present study also points towards the lack of faith on the part of a sizable population.

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