

A studies on e-banking service and its usage in Kolar District – Karnataka

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Abstract: Kolar is the district headquarters and Kolar district located in southern Karnataka, it is the state's easternmost district. In the 2011 censuses the district had a population of 1,536,401 roughly equal to that of Gabon or Hawaii. It ranked 324th of India's 640 districts. The district has a population density of 384 inhabitants per square kilometer (990/sq. miles). A house wife or a college student, a business owner or a business house, a retired professional or Indian living abroad, not having a bank account is unimaginable, at the same time, period of time consumption, transparency, 24*7 service support, notification service, recoding of each and every transactions and safety issues are important. Hence, today apart from their traditional business oriented functions e-banking or virtual banking, is an electronic payment system {ATM, mobile banking, phone banking, electronic clearance services and electronic fund transfer(EFT)} is preferring by customers in the district. This papers aims to discuss e- banking products and services, problems in using e-banking service in the study area, potential level of usage of e-banking service in Kolar district and suitable suggestions on the basis of findings of the objectives. It is suggested that proper protective security should be provided by the bankers to protect the net banking access from third party intervention or internet hackers. The government should support the bankers to reduce the transaction cost. The banker should frequently and properly monitor the ATM machines and make ready of out of order ATMs as early as possible. The researcher suggests that, the customers may be allowed to transfer the funds without the intervention of the branch with minimum service charge. The banker should come forward with more advertisements through the flex: it may help the customers to know how to use and operate the e-banking services at the counter of all banks.

Key words: Kolar district, account holders, transactions, e-banking, electronic service.

Introduction:

In present banking scenario electronic services is considered as one of the advanced, speedy and most satisfied method of service compare to previous traditional method of banking service (Asem Tahtamouni,2022). Performance expectation, effort expectation, and perceived usefulness on the usage of electronic banking services; these characteristics have a major influence on electronic banking services. The association between performance expectation and use of electronic banking services is the strongest, followed by effort expectation and use of electronic banking services, and the poorest between perceived usefulness and use of electronic banking services (Omar Mohammad et al.,2023).

Banking is playing a very important role in the economic development of the nations of the world. In fact, banking is the life blood of modern commerce. Apart from their traditional business oriented functions, they have now come out to fulfil national responsibilities. Bank is catering to the needs of agriculturists., traders and to all other sections of the society. In the world of banking the development of information technology has an enormous effect on development of more flexible payments methods and more user friendly banking services. Electronic banking involves, customers using the internet to access their bank account and to undertake banking transactions, At the basic level, electronic banking means the setting up of a web page by a bank to give information about its products and services. At an advanced level, it involves provision of facilities such as accessing into the accounts, transferring funds, and buying financial products or services through online.

E- banking product and services:

- **ATM:** It is a computerized telecommunication device that provides of a financial institution with access to financial transaction in public space without the need for a cashier, human clerk or bank teller. On ATM's customer is identified by inserting a plastic ATM card with a magnetic strip that contains a unique card number and identity information.
- **Internet banking:** Internet Banking is a convenient way to do banking from the comfort of your home or office. Avoid the queue or delays and try our simple and secure internet banking facility for an unmatched online banking experience. Just today using your User ID and password to experience ICICI Bank Internet banking.
- **Mobile Banking:** Mobile banking is a service provided by a bank or other financial institution that allows its customers to conduct financial transactions remotely using a mobile device such as a Smartphone or tablet.
- **Phone banking:** Telephone banking is a service provided by a bank or other financial institution that enables customers to perform a range of financial transactions over the telephone, without the need to visit a bank branch or authorized teller machine.
- **Electronic Clearance Services (ECS):** ECS is an electronic mode of funds transfer from one bank account to another. It can be used by institutions for making payments such as distribution of dividend interest, salary and pension among others.
- **Door step banking:** Door step banking is one system that would go well with banks sharing a long standing rapport with their customers, as they could cash in on relationship by cross selling other products and services.
- **Electronic Fund Transfer (EFT):** EFT is the electronic transfer of money from one bank account to another, either within a single financial institution or across multiple institutions via computer based system, without the direct intervention of bank staff.
- **24 X 7 Services:** In commerce and industry, 24X7 service is available any time and, usually, every day.

- **Convenience banking:** The customer journey changes dramatically when convenience is defined by the simplicity of design and the ability to open and manage accounts online or with a mobile device. Banking can now be local to digitally engaged consumers worldwide.

Objectives of the study:

- To know about the E- banking products and services.
- To analyse the problems in using E- Banking service in the study area.
- To find out the usage of E-banking service in Kolar taluk.
- To give the suitable suggestions on the basis of findings of the study.

RESEARCH METHODOLOGY:

The study is based on both primary and secondary data. The primary data were collected with the help of interview schedule. The secondary data were collected from journals, books and websites. Fifty respondents were selected by using convenience sampling method in Kolar taluk. Relevant tools such as percentage analysis, weighted average method and sign test were used for the analysis of the data.

ANALYSIS OF THE STUDY:

Table 1. PROFILE OF THE RESPONDENTS

Particulars	Categories	No. of Respondents	Percentage
Age	Below 25 years	7	14
	25-25 years	24	48
	35-45 years	12	24
	Above 45 years	7	14
Gender	Male	32	64
	Female	18	36
Educational Qualification	Higher Secondary	12	24
	Under Graduate	15	30
	Post graduate	14	28
	Others	9	18
Marital Status	Married	20	40
	Unmarried	30	60
Occupation	Govt. Employees	9	18
	Private employees	20	40
	Self employed	11	22
	Others	10	20
Income	Below Rs. 10,000	18	36
	Rs. 10,000- 20,000	15	30
	Rs. 20,000- 30,000	11	22
	Above Rs.30,000	6	12

Source: Primary Data.

Usage of E-banking Services:

There is no significant difference in the usage of E-banking services

Table 2: Usage of E- Banking Services

Sl. No	Service	No. of + Signs	No. of - Signs	Z Value	Result
1	ATM	41	9	4.57	N.S
2	Internet Banking	45	5	5.71	N.S
3	Mobile Banking	37	13	3.42	N.S
4	Phone Banking	20	30	-1.42	Sig
5	Electronic Clearance Service	28	22	0.857	Sig
6	Smart card	29	21	1.14	Sig
7	Door step banking	31	19	1.71	Sig
8	Electronic Fund Transfer	33	17	2.28	N.S
9	24 X 7 Services	26	24	0.285	Sig
10	Convenience Banking	21	29	-1.14	Sig

Source: Primary Data.

In table 2, the paired sign test has been applied here to test in respect of usage of e-banking services. It is revealed from the test that the hypothesis are rejected as the calculated values of Z are more than the table value of Z as 1.96 at 5% level of significance. The test revealed that the customer are able to improve their usage of ATM services as it has more significant value which is followed by the internet banking, mobile banking and electronic fund transfer. The change is not apparent in case of phone banking, electronic clearing services, smart card, door step banking, 24X7 services and convenience banking. As such, it is concluded that there is a significance in the usage of different e-banking services by the respondents.

PROBLEMS IN USING E-BANKING SERVICES:**Table:3 PROBLEMS IN E-BANKING**

Sl. No	Rank	I	II	III	IV	V	Total Score	Weighted Average	Rank
	Weighted factor	5	4	3	2	1	-	-	-
1	Lack of guidance	34	7	4	2	3	217	14.47	III
2	Poor network	4	7	9	-	30	105	7	V
3	Technical problem	9	-	-	21	20	107	7.13	IV
4	Time consuming	2	5	-	-	43	73	4.87	VI
5	Service charge	43	3	1	-	3	233	15.53	I
6	Inadequate knowledge	29	17	2	-	2	221	14.73	II

Source: Primary Data.

Table 3 shows that, the problems faced by the customer in using E-banking services were ranked using weighted average ranking method. Among the various problems, service charge is ranked first and foremost with 15.53 weighted average score, inadequate knowledge with 14.73 weighted average score is ranked second. The problem likes lack of guidance, technical problem, poor network and time consuming are ranked third, fourth, fifth and sixth respectively.

FINDINGS OF THE STUDY:

- Most of the respondents fall under the age group of 25 to 35 years (48 percent).
- Majority of the respondents are male (64 percent) and most of the respondents are Under Graduates (30 percent).
- Majority (60 percent) of the respondents are married.
- Most of the respondents are private employees (40 percent) with income level of less than Rs. 10,000 per month.
- There is a significant difference in the usage of different e-banking services by the respondents.
- Service charge is the major problem faced by the customer.

SUGGESTIONS:

- Proper and Protective security can be provided by the bankers to protect the net banking access from third party intervention or internet hackers.
- The Government should support the bankers to reduce the transaction cost.
- The banker should frequently and properly monitor the ATM machines and make ready of out of order ATMs as early as possible.
- The researcher suggests that, the customers may be allowed to transfer the funds without the intervention of the branch with minimum service charge.
- The banker should come forward with more advertisements through the flex: it may help the customers to know how to use and operate the e-banking services at the counter of all banks.

CONCLUSION:

Most of the respondents are aware of E-banking services provided by the bankers either fully or partially. In the modern world where money plays an important role for survival, e-banking helps the people by rendering the services and when required by the customers and also during the emergencies. The banker may enlighten its regular customers by conducting demo-classes of the newly introduced e-devices at periodical intervals. Advertisement plays a major role in making people aware of e-banking technologies. E-banking service is one of the important services which are needed for this fast moving society and they are in need for our future generation too.

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