

India has witnessed a complete revolutions marketing essay

[History](#), [Revolution](#)



India has witnessed a complete revolutions change in the way banking activity can be carried out. The traditional method of banking is being replaced by the new technology of e-banking. The banking industry has been investing a lot in this technology and now e-banking transactions are being made available through various modes of internet services. All the banking transaction that are being made available and are completed through internet application can be classified as E-banking. The various modes through which banks are providing E-banking facility are ATM, internet banking, credit/debit cards, mobiles and tablet. This technology adoption in banking can benefit both the banking organization in terms of cost saving and time saving in providing services to the customers and for the customers its convenient, easy accessibility anytime and anywhere and has reduced direct interactions with the service providers avoiding the traditional for of doing banking transactions. E-banking has opened a window for various business opportunities and has helped banks to widen the scope of reach by bridging the gap so that banking as a service can be made available to customers at their door step.

CONCEPTS

ATM (Automated Teller Machine): This is a device that is used to make certain banking transactions such as withdrawing cash and balance enquiry without the need for a bank employee or clerk. An ATM card is required to use this which has a magnetic strip which has a chip that contains information about the bank account. ATMs have become a very convenient option for bank users because they are available in and around all locations where a person may need cash such as malls, colleges, hotels, restaurants,

airports, stores etc. Using ATMs have become more popular as banks have allowed customers to use the ATM of any bank to withdraw cash from an account in another bank. Net banking: Net banking is an online service facility which banks provide to their customers to carry out their financial transactions through their official websites. The registered customers can access their bank account using their computers from anywhere using internet. It allows making financial transactions, obtain bank information, transfer funds, apply and obtain loans, make investments, apply for bank products and services, paying bills online, and buying products online through net banking option without actually visiting the bank. Telephone banking: This is a facility which banks provide to their customers so that they can carry out their basic banking transactions over the telephone without having to visit the branch. Also these services are available throughout the day unlike branches which have a fixed timing to operate. It becomes convenient for the customers as their basic queries and other work could be done just with a phone call. M-banking: This facility allows customers to carry out their transactions through their mobile devices. It can range from basic service like receiving SMS alerts about the transaction to making online payments of money transfer. M-banking facilities can be used optimally by customers who use smart phones as banks are now building applications for smart devices to make banking experience easier for their customers.

FEATURES OF DIGITAL BANKING

Balance enquiry
Cash withdrawal
Fund transfer
Pay bills
Set up recurring bill payments or transfers
Send and receive information regarding transactions
Order cheques

INTRODUCTION

Indian banking industry has witnessed a remarkable development in the Informational Technology (IT) in last few years. Banking transactions are become easier and customer friendly due to the technological improvements. To play a supportive and key role, banks are providing with lots of services which are the combination of electronics and information technology, like, Automatic Teller Machines (ATMs), plastic money i. e. credit card, debit card and smart cards, phone banking, e-banking which is called by net-banking, etc. ATMs have developed as the most preferred channel for using banking services by the customers in the world (Dhingra & Mittal, 2007). RBI has also implemented IT in endorsing the payment system's functionality and transformation on an continuing basis to improve the efficiency of banking sector. There is a noticeable improvement in the performance of financial institutions and the service sector by incorporating IT into their functionality. It shows an increasing share, enhanced competitiveness at the global surface because of adopting IT culture (Vittaladas Leeladhar). The advancements in information and telecommunication technologies (IT) since past 25 years clearly indicate a positive impact on banking and financial institutions (Rishi & Saxena, 2004).

REVIEW OF LITERATURE

The study carried out by Gotlieb, and Denny (1993), is a study which deal with the impact of investment in IT on output, input and productivity of banks. Automation is one of the factors which improve the effectiveness of the banking communications. They established that there is significant improvement in performance levels without corresponding increase in the number of employees. Also, it the Public Sector Banks and Old Private Banks have improved their effectiveness and productivity by using IT. Verma (2000) analyzed the impact of IT on private sector banks and public sector banks and observed that IT is a threat for public sector banks whereas strength of new private sector banks are fully computerized and providing services on internet. Especially ICICI and HDFC Bank are very active on this front and concentrating on internet and e-commerce to offer their customers a whole range of services at a single point. Banks like BOP, GTB, UTI and IDBI are also adopting the same and some of them are also taking steps to expand and modernize. Federick & Phil. (2000) studied E-Loyalty. According to them, what makes customers loyalty more important is the exceptional money matters of e-business. Pikkarainen, Pikkarainen, Karjaluoto & Pahnla (2004) studied the acceptance of online banking amongst private bank customers. They found that information about online banking services and its benefits are the crucial factor influencing the acceptance. Surprisingly, they found that security and privacy were relatively less crucial factor influencing acceptance of online banking services. They emphasized on two major reasons causing online banking penetration and advancement. Firstly, there is weighty cost savings in the operations of banks through Digital

Banking services. Secondly, there is reduction in the number of required employees in the banks and the number of branches. They also showed that digital banking services distribution is the most profitable and the cheapest delivery channel for banking services and products. If long-term survival of banks is needed, then internet banking is essential in the e-commerce world (Burnham 1996). The internet banking market has been predicted to grow severely in the near future, creating tough competition for the traditional bank branches (Duclaux 1996; Liao, Shao & Chen, 1999). Also, it is said that internet banking is presenting a possibly low-cost substitute to brick and mortar branch banking (Margaret & Thompson 2000). According to Jim Bruene (2006), online banking is one of the major in the personal finance management since the creation of the paper statement. Majority of online users in many places regularly go to their bank to verify deposits, check account activities, and see if everything is in place. A report by Mintel International Group Ltd (June 1, 2006) highlighted the forces which drive the increase in the broadband access, new innovations that provide a safe atmosphere, will pool to drive online banking. Mintel predicted that as people become more familiar with technology and as internet matures, online banking will grow and become more profitable for financial institutions. The development within the industry and the socio-economic forces behind changing demographics are the factors influencing online banking.

Kamakodi, N. (2007) surveyed how digitization has impacted the banking preferences and habits of Indian bank customers and the factors which influence these preferences. The three main reasons for customers who change their bank were non-availability of technology based services, salary

account and change of residence. Vijay M. Kumbhar (2011) tried to study the influence of the dimensions of quality of service that impact the satisfaction of customers. Result of the study indicates that, the all the 13 variables that were tested were found significant and were good interpreters of overall satisfaction in electronic banking. However, a result of principle component analysis showed that, Responsiveness, Problem handling, Ease of Use, Perceived Value, Convenience, Brand Perception, Cost Effectiveness, and Security/Assurance are important factors of customers' satisfaction in e-banking. Cost Effectiveness, Responsiveness, Ease of Use, and Compensation are interpreters of brand perception in internet banking. Responsiveness, Fulfillment, Security/Assurance, Efficiency, Compensation, Cost Effectiveness, Convenience, and Problem Handling are factors determining perceived value of online banking. Thus, by making changes in the dimensions the banking services provided to customers can be enhanced. Namita Rajput and Monica Gupta, (2011) tried to map the influence of Information Technology on banking sector for scheduled commercial banks operating in India including public, private and foreign sector banks in India. A non-parametric linear programming based technique was used. Results of the study show that all scheduled commercial banks have shown a noteworthy and improving trend in the performance due to the implementation of Information Technology. A research conducted by Joao Dias, Debashish Patnaik, Enrico Scopa, and Edwin van Bommel (2012) highlighted that an important prospect is there that increases the level of digitization in back-end operations. Their IT architecture once reworked upon, will lead to banks having much smaller operational units. Karimzadeh,

Majid; Alam, Dastgir. (2012) provided a possible six factor model centered upon the following: infrastructure, knowledge, legal-security, socio-cultural, economic and management and banking issues. The results of the study indicated that legal and security, socio-cultural, and management and banking issues are accepted as challenges for the development of e-banking but that there is less awareness regarding new technologies and unsuitable software which are ranked respectively as the highest and lowest obstacles in India.

WAVES IN BANKING TECHNOLOGY

The first wave in banking technology initiated with the use of Advanced Ledger Posting Machines (ALPM) during the 1980s. All the banks were advised to go in for high level mechanization at the level of branches. Either the front-office or the back-office operation can be automated. However, for most of the banks, automating the front-end operations was the preferred option. Few banks like State Bank of India focused on automation of the back office operations. During the late 1980s the Second wave of development was in " Total Branch Automation" (TBA). The focus was to automate both the back-end as well as front-end operations. It encompassed total automation of each branch with its own particular database. Third wave saw the entrance of the new private sector banks into the automation field. Banks prefer using single centralized database instead of multiple databases. Good network infrastructure was available which made it possible. The fourth wave began with the development of a delivery channel in the form of ATM. This started with the initiation of enablement of the

customer for their own transactions. The next step was the " Suvidha experiment" in Bangalore. It presented the power of technology and how the reach can be increased at a great pace. Following this was the groupings of various gateways for payments. The other important progress taking place is the real-time gross settlement (RTGS) system of the RBI. This will make transactions between banks to be done through the settlement system by electronic means, using the internet making collections faster. The process of digitization had initiated from Back Office Application followed by Total Branch Automation and Core Banking Solutions (CBS). ATM, internet banking and mobile banking are said to have improved customer convenience by providing 24*7 banking services at any place or location. Payment of bills has been made easy with the online utility bill presentment and payment. Electronic fund transfer (EFT) and electronic clearing system have aided faster funds settlement and movement for the customers of different centers and different banks. The cash management service and electronic data interchange (EDI) have helped the customers by providing better funds management.

OBJECTIVES

Study the concept of digital banking. Study the reaction of bank customers to digitization. Study of various factors related to digital banking. Identify the challenges faced by banking users.

METHODOLOGY

The study will be conducted using a structured questionnaire. The questionnaire will be filled by users of digital banking channels. The

questionnaire will contain only close-ended questions for more accurate data analysis. The questions format will be multiple choice questions and likert scale based questions.

TYPE OF RESPONDENTS

The respondents would be the users of any type of digital banking services. The age groups will be from 20years and above. They should have a minimum education level of a graduate. They could be students, professionals, business men/ women or housewives. The income ranges also have to be recorded as banking transactions are affected by the same.

GEOGRAPHIC COVERAGE

The study is carried out only for the Indian population.

PERIOD OF DATA COLLECTION

The data will be collected during January 2013- February 2013.

HYPOTHESES

Ho: There is no significant relationship in using digital banking facility which makes transaction faster and is cheaper also. H1: There is a significant relationship in using digital banking facility which makes transaction faster and is cheaper also. Ho: There is no significant relationship in satisfaction and convenience of use of digital banking facility. H1: There is significant relationship in satisfaction and convenience of use of digital banking facility.

SOURCE OF DATA

Both primary and secondary data will be used for the research purpose.

Secondary data is used for providing the theoretical background to the research problem. Primary data is collected from the customers of the bank through questionnaire to study their reactions towards bank digitization. For the collection of primary data structured questionnaire has been designed.

The secondary data is collected from annual reports of banks, RBI bulletins, journals, magazines, and from various authenticate websites. Sample size of customers would be 50-100 records.

BACKGROUND

The banking system in India is well-developed. Most of the Indian banks were founded in the pre-independence era by Indian entrepreneurs and visionaries to provide financial assistance to agriculturists, traders and budding industrialists. Indian banks have played a vital role in the development of Indian economy by lending finance to Indian industry and by inculcating the habit of saving in Indians. The fast pace of technology has produced an astonishing effect upon our economy in general and has had a particularly intense impact in expanding the utility and scope of financial products over the last ten years. In recent years, Information Technology has made it possible to create, value, and exchange complex financial products on a global basis. All the new financial products created in recent years contribute to the economic value by unbundling risks and transferring them in a highly calibrated manner. Digitization has been a big change in the banking industry. The start of the usage of computers has increased the

capabilities of the banks and thus offering wider and better range of services to their customers. Internet banking, mobile banking, ATMs etc. are all the result of digitization of the banks. Banks are expanding at a fast pace and offering services to increasing number of customers because computer usage. Advancements in the information technology (IT) field of have strongly supported the comprehensiveness and growth of the banking sector by enabling wide-ranging economic growth. IT has improved the front-end and back end operations and has helped in bringing down the transaction costs for its customers.

IMPORTANT EVENTS IN INDIA

Arrival of card-based payments- Credit card and Debit card during 1980s and 1990s
Introduction of Electronic Clearing Services (ECS) in late 1990s
Introduction of Electronic Fund Transfer (EFT) in early 2000s
Introduction of RTGS in March 2004
Introduction of National Electronic Fund Transfer (NEFT) in 2005/2006
Cheque Truncation System in 2007
In addition to the above mentioned innovations, banks are selling third party products like Insurances and Mutual Funds to its clients. According to a data from National Payments Corporation of India, the number of ATMs in the India had crossed 98, 000 by the end of April 2012.

DIGITIZATION IN BANKS

Technology has brought a huge change in the Indian banking sector through digitization. Foreign banks and new private sector banks have an upper hand in this regard. About 97. 8% of the public sector banks were fully digitized at end of March 2010 and all branches of SBI are already fully digitized.

Table 4. 1: Digitization in Public Sector banks

4. 3. 1 Core Banking

Technological development is closely related to digitization in various branches of banks for acceptance of the core banking solution (CBS). A noticeable development has been seen in the increase in the number of public sector banks branches implementing core banking solution. This increased from 80% during end of March ' 09 to 90% during the end of March ' 10.

AUTOMATED TELLER MACHINE (ATM)

Even though ATM was originally developed for cash give out, now it includes many other functions related to the banks such as- Cash withdrawal, Printing bank statement, Paying routing bills fees and taxes, pay premium, Purchasing online products, Funds transfer, Train tickets reservations, Donating to charities, Claque processing module, Products from shopping mall, Adding pre-paid cell phone/mobile phone credit, and Advertising channels for own or third party services and products.

Table 4. 3: Growth in ATM Installation (2005 To 2009)

Year

Number of ATMs

2005 -06211102006-07252472007-08345472008-09436512009-

10577652010-1176871Source: Cyber Media DQ Estimates Research

Chart 4. 1: Number of ATMs installed in India

DEMOGRAPHICS

5. 1. 1 AGE

Chart 5. 1: Age of Respondents

The sample consists of respondents in all age groups. However, majority i. e., 33 out of the 84 respondents are below 25 years. This accounts for 39% of the respondents. There were 18 and 14 respondents in the age group 25-35 years and 36-45 years respectively. There were 19 respondents above the age of 45 years. Thus, we observe that the respondents are quite balanced in terms of their age groups. By selecting different age groups it helps us to ensure that there is no age bias in the study. Also, it helps us find out if any of the factors related to digital banking are affected by the age of the users.

5. 1. 2 GENDER

Chart 5. 2: Gender Distribution of Respondents

66. 67%The number of male respondents is 56 constituting 67%, while the number of female respondents is 28 which constitute 33% of the total.

5. 1. 3 EDUCATION

Chart 5. 3: Education level of Respondents

The sample was conducted mainly for the educated people and thus 48 of them were graduates while 36 are post-graduates. Generally, it is the educated people who have knowledge and are more familiar with digital banking, and thus they were preferred as the sample for conducting the research.

5. 1. 4 ANNUAL INCOME

Chart 5. 4: Annual Income of Respondents

The respondents are fairly equally distributed in the various income groups ranging from less than Rs. 2, 00, 000 to more than Rs. 8, 00, 000 annually.

Use of banking services is also determined by the income of the users. Thus, there responses could differ due to their levels of income. Thus, it was required to capture this information for the study.

5. 1. 6 OCCUPATION

Chart 5. 5: Occupation of Respondents

The respondents selected belong to different occupation categories. Majority of them are students constituting 39. 92% followed by business men constituting 28. 57%. Professionals constitute 22. 62% and housewives constitute 9. 52%. The respondents were chosen in these categories because it includes majority people using banking services. They use these services regularly and so can respond appropriately to the factors affecting the services.

STATISTICAL DATA ANALYSIS

The primary data collected through structured questionnaire has been used and statistical tools have been applied for the purpose of identifying important factors and analyzing the same. Various statistical tools like T-test, Cross tabulation and factor analysis have been used to test the hypothesis and find out the variables that is related to the study. Descriptive analysis will be used to analyze the data and arrive at the result of the study.

Descriptive analysis is used to analyze the basic data of the respondents

using graphical representation to provide a better and clear view of the collected data. It describes the data and analyzes the various characteristics attached to the data through bar chart, pie charts, tables etc.

Q. Are you satisfied with the digital banking services?

Chart 5. 6: Satisfaction towards Digital Banking

When asked if they were satisfied with the digital banking services, majority of them responded positively. There are 79 out of the 84 respondents who are satisfied and they account to 95% of the respondents. Only 5 respondents are dissatisfied which could be attributed to errors and other extreme situations. The high level of satisfaction shows that the digital channels have become very popular and are growing due to the benefits they offer. Even if there are concerns or issues related, the benefits outrun the costs which is indicated by the users satisfaction level.

Q. Is it safe to provide debit/ credit card information?

Chart 5. 7: Safety towards proving debit/ credit card information

Most of the respondents are neutral towards the perception of safety towards providing debit/ credit card information. They contribute to 54. 8% of the respondents. Those who disagree to the same constitute 22. 6% and 2. 4% of them strongly disagree. This shows that there are people who despite of being satisfied with digital banking services are still skeptical about providing their credit/ debit card related information. However, with the development of technology, people are slowly feeling confident about proving the information. As a result, 17. 9% of them agree that it is safe to

provide their information and 2. 4% strongly agree. Thus, we see a gradual change in the customers' perception.

Q. Is digital banking more secure than traditional banking?

Chart 5. 8: Digital banking vs. Traditional banking security

Majority of the respondents are neutral towards the opinion of digital banking security. Out of the 84 respondents, 40 of them, i. e., 47. 61% were neutral. This is opposing to the earlier studies, where digital banking customers felt that traditional banking modes were more secure and digital banking lacked the required security. However, there are still 25 of them who disagree to the fact that digital banking is more secure than traditional banking and 2 of them who strongly disagree. This gives a cumulative of 32. 14% who still have fears regarding the security of digital banking. There are 14 respondents who felt that digital banking security has surpassed traditional banking and 3 of them strongly agreed to the same. Thus, 17% of them believe that digital banking is more secure than traditional banking.

Q. Has digitization reduced waiting time for any transaction in the bank?

Chart 5. 9: Customer response towards reduction in waiting time

Majority respondents constituting 47. 6% agree that digitization has reduced waiting time for any transaction in banks. Additionally, 42. 9% strongly agree that digitization has reduced the waiting time for any transaction in bank. This shows that 90. 5% of the respondents are positive about the same. Also, 8. 3% were neutral about it. But, mere 1. 2% of them had a negative view

about the reduction in waiting time. Thus, it is clear that one of the major improvements due to digitization of banking services is that it has reduced the waiting time.

Q. Have you faced any problem while using Digital banking?

Chart 5. 10: Percentage customers who face problems using Digital Banking

The response has been quite balanced on both sides. Though digital banking services are widely being adopted, there are still some issues associated and thus, 59. 52% of the respondents said that they have faced problem while using digital banking services. Whereas, 40. 48% have not faced any problems as such while using digital banking services. Earlier, the issues and concerns used to be higher but with developing technologies the experts are continuously trying to overcome the issues. This can be seen with the 40% people not having faced any significant issues with respect to the electrpic modes of banking.

5. 2. 1 CROSS TABULATION ANALYSIS

Table 5. 1: Gender-Income Cross Tabulation

INCOME

< 2, 00, 000 2, 00, 000-5, 00, 000 5, 00, 000-8, 00, 000 > 8, 00,

000
Total
Gender of Respondents
Male 171471856
Female 7106528

Total 2424132384

Interpretation

From the above table it can be seen that the maximum number of males belong to an income group of more than Rs. 8, 00, 000/- p. a. followed by 17 males in the less than Rs. 2, 00, 000/- p. a. group. Among the females 10 of them have a yearly income of Rs. 2, 00, 000-5, 00, 000.

Table 5. 2: Gender-Frequency of visiting Branch Cross Tabulation

Frequency of banking service:

Branch	Daily	Weekly	Monthly	Quarterly	Yearly	Total	Gender of respondents
Male	39	22	19	35	6	103	28
Female	05	10	10	32	28	84	31
Total	44	32	29	67	34	206	84

Interpretation

Out of the total respondents of 84, 72% of the respondents use the facility of branch banking either monthly or quarterly basis only. As technology is developing in banking sector more and more customers are adopting technology so that they could make their banking transaction easier and avoid waiting for turns in the traditional banking system. Hence the development of digital banking is gaining huge importance as more and more customers prefer technology driven method to do their banking transactions.

Table 5. 3: Gender and Frequency of using ATM Cross Tabulation

Frequency of banking service:

ATM	Daily	Weekly	Monthly	Quarterly	Yearly	Total	Gender of respondents
Male	23	71	33	15	6	128	26
Female	02	33	11	28	14	88	26
Total	25	104	44	43	20	216	84

Interpretation

ATM is one among the most frequently used mode for doing banking transactions like cash withdrawal and balance enquiry. Among the total respondents 60 of them said that they use their banks ATM weekly followed by 16 of them who used it monthly to do one time transaction. Banks are trying to open more ATM so that customers can have access to their a/c from any place and need not visit the bank.

Table 5. 4: Gender and Frequency of using Internet Banking Cross Tabulation

Frequency of Banking Service: Internet

Banking	Daily	Weekly	Monthly	Quarterly	Yearly	Total	Gender of respondents
Male	32	20	29	25	6	112	
Female	34	13	44	28	4	123	
Total	66	33	73	53	10	235	

Interpretation

Comparing to the above table where ATM are used by customers on a weekly basis, here in this table it is seen that 35 customers prefer to use internet banking facility more often on a monthly basis and 24 customers prefer to use on a weekly basis.

Table 5. 5: Gender and Frequency of using M-Banking Cross Tabulation

Frequency of banking service: M-

Banking	Daily	Weekly	Monthly	Quarterly	Yearly	Total	Gender of respondents
Male	31	10	12	17	14	84	
Female	0	2	8	5	13	28	
Total	31	12	20	22	27	112	

Interpretation

Customers are well aware of the facility like internet banking and atm. but that is not the same in case of M-banking. 58% of the respondents use M-banking facility on a yearly or quarterly basis, which goes to show that customers are either not aware of the service of M-banking or are unaware of the service facility. There are many barriers to M-banking when compared to that of internet banking and ATM is that for M-banking facility the user should have a compactible smart phone which can support the application that the bank provide and this could be one of the reasons as to why m-banking is not as popular as other banking facility. Banks are focusing towards spreading of customer awareness for m-banking because users can directly transact from their digital devices like i-pad or mobile or tablets. This would save a lot of time and effort also.

5. 2. 2 Correlations

Table 5. 6: Correlation between convenience and waiting time

Descriptive Statistics

MeanStd. DeviationNTransacting through E-banking is more convenient than traditional4. 19. 78484Digitization has reduced waiting time for any transaction in bank4. 31. 72884

Correlations

Transacting through e-banking is more convenient than traditionalDigitization has reduced waiting time for any transaction in bankTransacting through e-banking is more convenient than

traditional Pearson Correlation = 0.550** Sig. (2-tailed). 0.000 N = 8484 Digitization has reduced waiting time for any transaction in bank Pearson Correlation = 0.550** Sig. (2-tailed). 0.000 N = 8484**. Correlation is significant at the 0.01 level (2-tailed).

Interpretation

The above correlation matrix shows that transacting through e-banking is more convenient than traditional. A positive correlation with digitization has helped to reduce the waiting time for any transaction in the traditional method of banking. The significance value is also below .05 which shows that there is a significant relationship between both the variables. Hence, more and more users of digital technology this would reduce the number of footsteps in the bank and hence customer would be able to complete their transaction faster than before.

Table 5. 7: Correlation between digital banking security and providing credit/ debit card information

Descriptive Statistics

Mean Std. Deviation N Are digital banking more secure than traditional = 2.89, 0.83684 Providing a/c info like debit/credit card number for payment are safe = 2.95, 0.77584 Are digital banking more secure than traditional Providing a/c info like debit/credit card number for payment are safe Are digital banking more secure than traditional Pearson Correlation = 0.606** Sig. (2-tailed). 0.000 N = 8484 Providing a/c info like debit/credit card number for payment are safe Pearson Correlation = 0.606** Sig. (2-tailed). 0.000 N = 8484**. Correlation is significant at the 0.01 level (2-tailed).

Interpretation

The above correlation matrix result shows that there is significant positive correlation between providing credit/ debit card information for making online payment and using digital technology is also secure. Hence using digital technology for making any kind of payments is safe. Banks have invested huge amount of funds in building a secured platform for the online net payment so that fund transfer is easy and all account information are secured.

5. 2. 3 HYPOTHESIS TESTING

TEST-1

Ho: There is no significant relationship in using digital banking facility which makes transaction faster and is cheaper also. H1: There is a significant relationship in using digital banking facility which makes transaction faster and is cheaper also.

Table 5. 8: T-Test 1

Group Statistics

Do you think it is cheaper to use digital banking
 Std. Error Mean Reason:
 Makes transaction faster Yes. 073 No. 957

Independent Samples Test

Levene's Test for Equality of Variance test-test for Equality of Means F Sig.

t Reason: Makes transaction faster Equal variances assumed 21. 417. 0002.

043 Equal variances not assumed. 807

Result

As per Levene's test for equality if the sig. value is less than .05 we fail to reject the H_0 and we accept the alternative hypothesis. In the above hypothesis testing the sig. value arrived at is .000 which is much lower than .05. Hence we reject the H_0 and accept the H_1 which stated that there is a significant relationship in using digital banking facility which makes transaction faster and is cheaper also.

TEST-2

H_0 : There is no significant relationship in satisfaction and convenience of use of digital banking facility. H_1 : There is significant relationship in satisfaction and convenience of use of digital banking facility.

Table 5. 9: T-Test 2

Group Statistics

Are you satisfied with your digital banking service
Std. Deviation
Transacting through e-banking is more convenient than traditional
Yes. 784
No. 548

Independent Samples Test

Levene's Test for Equality of Variance
test-test for Equality of Means
FSig.
t
Transacting through E-banking is more convenient than traditional
Equal variances assumed. 210.648
1.759
Equal variances not assumed
2.412

Result

In the above test of hypothesis the sig. value determined is .648 which is above the acceptance level of .05. Hence H_0 is accepted and there is no significant relationship in customer satisfaction towards e-banking and the

convenience of use. The level of Satisfaction is not determined by convenience of use of digital banking facility.

5. 2. 4 FACTOR ANALYSIS

Table 5. 10: Factor Analysis

KMO and Bartlett's Test

Kaiser-Meyer-Olkin Measure of Sampling Adequacy.. 699Bartlett's Test of SphericityApprox. Chi-Square151. 745df28Sig.. 000

Total Variance Explained

Component	Initial Eigenvalues	Extraction Sums of Squared Loadings	Total% of Variance	Cumulative %
1	12.991	13.385	37.385	21.132
2	5.132	5.154	14.540	35.931
3	1.412	1.673	4.636	40.567
4	1.213	1.014	2.814	43.381
5	1.141	1.673	4.636	48.017
6	0.840	0.466	1.346	50.363
7	0.679	0.725	2.025	52.388
8	0.466	0.822	2.296	54.684
9	0.547	0.276	0.763	55.447
10	0.453	0.100	0.276	55.723

000Extraction Method: Principal Component Analysis.

Rotated Component Matrix

Component	1	2	3	4	5	6	7	8	9	10
Problem: No personal advice.	0.740									
Problem: Lack of knowledge.	0.720									
Problem: No direct communication with bank.	0.829									
Problem: Transaction errors.	0.834									
Problem: Fear about security.	0.890									
Problem: Broadband speed.	0.731									
Problem: Home page not user friendly.	0.550									
Problem: No digital banking support.	0.728									

Extraction Method: Principal Component Analysis. Rotation Method: Varimax with Kaiser Normalization.

Result

As the Kaiser-Meyer- Olkin Measure of Sampling Adequacy value is . 699 which is higher than the required level of 0. 6, factor analysis can be carried out to find the dominant factors to the issues in digital banking. The three factors determined are Communication factor Technical support factor Transaction safety and security

MAJOR FINDINGS

In the above chapter the data collected where analyzed through both descriptive method and statistical tools. In the following chapter major findings from the analysis will be summarized to provide the outcome of the research which is related to the objective of the study. 48 of the respondents were graduates while 36 where post-graduates, who are aware and users of digital banking facility. Majority of the respondents are students' constituting 39. 92% followed by business men constituting 28. 57%. Professionals constitute 22. 62% and housewives constitute 9. 52%. 95% of the respondents are satisfied with the digital banking service. Usually security is an issue but here 54. 8% of the customers where neutral on the security of providing their debit/credit card information. Digitization has various benefits and one of them are reduced waiting time. Among the respondents 90. 5% of them agreed using digital mod of banking has reduced the waiting time in banks. Technology does have some flaws, 59. 52% of the respondents said that they have encountered problem while using digital banking services. The traditional method of banking is slowly losing its importance and digitization has taken the place of the traditional banks. Out of the total

respondents of 84, 72% of the respondents use the facility of branch banking either monthly or quarterly basis only. 60 of the total respondents use ATM on a weekly basis. Customers majorly use ATM or E-banking facility on a regular basis, but out of the total respondents of 84, 72% of the respondents use the facility of branch banking either monthly or quarterly basis only, and hence M-banking is not as popular as other mode of digital banking.

Transacting through e-banking is more convenient than traditional has a positive correlation with digitization which has helped to reduce the waiting time for any transaction in the traditional method of banking. There is also a positive correlation between digital security and providing credit/debit card information for online payment and hence using digital mode of banking is safe. There a significant relationship in using digital banking facility which makes transaction faster and is cheaper also. There no significant relationship in customer satisfaction towards e-banking and the convenience of use. Hence satisfaction is not derived by the convenience but there are other factors that actually determine the level of satisfaction that customers have by using digital mode of banking. Barriers for digital banking are classified under three major factors they are Communication factor, Technical support factor, Transaction safety and security.

CONCLUSION

The study has shown us that Digital banking has become an important mode of transaction for all the banking users. Digital banking has become the preferred mode as it is more convenient and time-saving. The user population is growing and most of the users are trying to adapt to the new

technologies. There have been concerns related to the security issues, but with developing technologies, users are overcoming these fears and are adopting these channels. M-banking is the new channel that is attracting users. Though they may not be using it presently due to low popularity, it still interests them. Users do face certain problems and issues while using these channels, but still the benefits seem to outweigh these issues.

LIMITATION OF THE STUDY

For the purpose of the research 80 respondents was the sample size. Larger the sample size more accurate the research study would be. The study was carried out for a short period of time and hence all the aspects related to the topic could not be covered. The respondent's data was collected from respondents who stay in Bangalore only.

SUGGESTIONS

Customers are not well aware of all the banking facility and the new development that are taking place in the banking system. Hence banks should focus on increasing customer awareness by educating the visiting customers in banks so that they are encouraged to digital mode for doing their regular banking transactions. Banks should reduce their paper work in registering and provide instant access to customers so that they are encouraged to use the digital banking facility. Banks should have an easy and user friendly website so that even elder do not have a difficulty in using facility of e-banking, because the success of digital banking can be determined only when there are more and more users. Banks should also have a separate counter in the bank's facility who would deal only in

providing assistance for digital banking. M-banking is a easier method of banking as customers can just install the application and use it from anywhere. The importance of M-banking should be explained to the customers. When customer register for anyone of the digital mode of banking, simultaneously access for all the other mode of digital banking facility should be availed to customers. Customers usually face a difficulty in remembering user id and passwords for various accounts. Hence a common id and password for all the mode of digital banking would be convenient to the users. This option could be made optional.