

IMPACT OF ELECTRONIC BANKING ON BUSINESS ENVIRONMENT – A CUSTOMER CENTRIC STUDY WITH SPECIAL REFERENCE TO KERALA

Dr.RAMACHANDRA C G

**Research Scholar, Kerala University, Thiruvanthapuram, Kerala
Research Centre: P G and Research Department of Commerce,
Iqbal College, Peringammala, Thiruvananthapuram, Kerala
University: Kerala University, Thiruvananthapuram, Kerala**

Dr.S.BELWIN JOEL

**Principal and Research Supervisor
Iqbal College, Peringammala, Thiruvananthapuram, Kerala**

Abstract

Business environment includes all internal and external factors that have an influence on business regulation, management, customers and several other factors. Among these, customers are one of the important factors to be considered by a business enterprise as it plays a vital role in the policy formulation aspects of a business. The present business scenario is witnessed by technological revolution throughout the world. Among these electronic banking technologies used by financial institutions is a major determinant of customer behavior. As customer is the most important factor on business environment, any change in this factor makes an impact on other factors too. The present study tries to evaluate the impact of electronic banking on business environment by taking customer as a major factor.

Keywords: Business Environment, Electronic Banking, Customer Awareness and Business Regulations

INTRODUCTION

Electronic banking, otherwise called electronic asset move (EFT), utilizes PC and electronic innovation instead of checks and other paper exchanges. EFT is started through gadgets like cards or codes that let you, or those you approve, access your record. (Sangoro, 2013) Numerous monetary organizations use ATM or charge cards and Personal Distinguishing proof Numbers (PINs) for this reason. A few utilize different sorts of charge cards that require your mark or then again an output. (Bakare, 2015) For instance, some utilization radio recurrence distinguishing proof (RFID) or different types of "contactless" innovation that examine your data without direct contact with you. The government Electronic Fund Transfer Act (EFT Act) covers some electronic buyer exchanges. (Federal Trade Commission, 1985)

STATEMENT OF PROBLEM

There is a worldwide rivalry inside the financial business. As a financial enterprise banks are running through this environment. (Nazaritehrani & Mashali, 2020) In this E – banking has a great role. Hence, the study is entitled as “Impact of Electronic Banking on Business Environment – A Customer Centric Study with Special Reference to Kerala”

OBJECTIVES OF THE STUDY

1. To evaluate the awareness of customers about various electronic banking services
2. To evaluate the influencing factor behind the use of electronic banking services.
3. To identify the relationship between gender and awareness of customers.

METHODOLOGY

Data

The present study is conducted using both primary data and secondary data. Primary data are collected through interview schedule. Secondary data are collected from articles published in online journals, newspapers and websites.

Sampling

The population for the study is the total number people who are using electronic banking services. Since, it is sufficiently large, we selected 50 number of customer.

Tools for Analysis

As the population is infinite, the sampling distribution tends to be normal. So, we can use parametric tests for analysis. In this present study, we used descriptive statistic and independent sample t – test.

ANALYSIS AND INTREPRETATION

The present study is conducted to evaluate impact of awareness of customers about mobile banking services, influencing factors for adoption of mobile banking services and level of satisfaction on gender and age. For this t-test and ANOVA are used.

Table 01: Descriptive Statistics of Awareness of Customers about Electronic Banking Services

Descriptive Statistics					
	N	Minimum	Maximum	Mean	Std. Deviation
check balance and account statement	50	1.00	4.00	3.3200	.95704
fund transfer	50	1.00	4.00	3.2800	.72955
mobile recharging and payment of expenses	50	1.00	4.00	3.2600	.89921
request for issuing various services from bank	50	1.00	4.00	3.2600	.87622
online shopping	50	1.00	4.00	3.6200	.72534
booking for train ticket, bus ticket etc.	50	3.00	4.00	3.7400	.44309
apply online for loans and services	50	3.00	4.00	3.6200	.49031
Valid N (listwise)	50				

Source: Primary Data

Mean value of all influencing factor is more or less same (between 3 and 4). However, more customers are aware about booking for train ticket, bus ticket etc.

Table 02: Relationship between Awareness of Customers and Gender (Independent Sample t – test)

Independent Samples Test										
		Levene's Test for Equality of Variances		t-test for Equality of Means						
		F	Sig.	t	Df	Sig. (2-tailed)	Mean Difference	Std. Error Difference	95% Confidence Interval of the Difference	
									Lower	Upper
check balance and account statement	Equal variances assumed	4.130	.048	-1.208	48	.233	-.32792	.27139	-.87359	.21774
	Equal variances not assumed			-1.159	36.278	.254	-.32792	.28283	-.90139	.24554
fund transfer	Equal variances assumed	.318	.575	-1.241	48	.221	-.25649	.20672	-.67212	.15914
	Equal variances not assumed			-1.200	38.063	.238	-.25649	.21379	-.68927	.17628
mobile recharging and payment of expenses	Equal variances assumed	.003	.955	-.226	48	.822	-.05844	.25870	-.57860	.46171
	Equal variances not assumed			-.225	44.632	.823	-.05844	.25959	-.58141	.46452
request for issuing	Equal variances assumed	.745	.392	.738	48	.464	.18506	.25080	-.31921	.68934

various services from bank	Equal variances not assumed			.724	41.544	.473	.18506	.25549	-.33070	.70083
online shopping	Equal variances assumed	52.667	.000	-5.156	48	.000	-.86364	.16750	1.20041	-.52686
	Equal variances not assumed			-4.557	21.000	.000	-.86364	.18950	1.25773	-.46955
booking for train ticket, bus ticket etc.	Equal variances assumed	15.607	.000	1.788	48	.080	.22078	.12350	-.02753	.46909
	Equal variances not assumed			1.859	47.689	.069	.22078	.11879	-.01811	.45967
apply online for loans and services	Equal variances assumed	17.370	.000	2.690	48	.010	.35390	.13157	.08935	.61844
	Equal variances not assumed			2.772	47.998	.008	.35390	.12766	.09723	.61056

Source: Primary Data

We can interpret from the above table that, customers are aware about the various services provided under the electronic banking irrespective on their gender except in the case of online shopping and awareness about applying online for loans and services, because, significance value is more than 0.05%.

In the case of online shopping and awareness about applying online for loans and services, the awareness of customers is depend on their gender. So, in order to find out whether male is dominated or female is dominated, we want to check the mean value.

Table 03: Relationship between Awareness of Customers and Gender (Group Statistics)

Group Statistics					
	gender	N	Mean	Std. Deviation	Std. Error Mean
check balance and account statement	male	22	3.1364	1.12527	.23991
	female	28	3.4643	.79266	.14980
fund transfer	male	22	3.1364	.83355	.17771
	female	28	3.3929	.62889	.11885
mobile recharging and payment of expenses	male	22	3.2273	.92231	.19664
	female	28	3.2857	.89679	.16948
request for issuing various services from bank	male	22	3.3636	.95346	.20328
	female	28	3.1786	.81892	.15476
online shopping	male	22	3.1364	.88884	.18950
	female	28	4.0000	.00000	.00000
booking for train ticket, bus ticket etc.	male	22	3.8636	.35125	.07489
	female	28	3.6429	.48795	.09221
apply online for loans and services	male	22	3.8182	.39477	.08417
	female	28	3.4643	.50787	.09598

Source: Primary Data

Females are more aware about online shopping than male as the mean value is higher for females. But in the case of “applying online for loans and services” males have more awareness.

Table 04: Influencing Factor of Using Electronic Banking Services

Descriptive Statistics					
	N	Minimum	Maximum	Mean	Std. Deviation
user friendliness	50	1.00	5.00	4.2200	1.05540
time saving	50	1.00	5.00	4.3600	.80204
frequent updation	50	1.00	5.00	4.1800	.89648
Convenient	50	2.00	5.00	4.1000	.95298
less expensive	50	3.00	5.00	4.5000	.61445
Valid N (listwise)	50				

Source: Primary Data

Mean value of all influencing factor is more or less same (between 4 - 4.5). However, more customers are using electronic banking services as it is less expensive.

MAJOR FINDINGS

1. Mean value of all influencing factor is more or less same (between 3 and 4). However, more customers are aware about booking for train ticket, bus ticket etc.
2. Customers are aware about the various services provided under the electronic banking irrespective on their gender except in the case of online shopping and awareness about applying online for loans and services, because, significance value is more than 0.05%.
3. In the case of online shopping and awareness about applying online for loans and services, the awareness of customers is depend on their gender.
4. Females are more aware about online shopping than male as the mean value is higher for females. But in the case of “applying online for loans and services” males have more awareness.

5. Mean value of all influencing factor is more or less same (between 4 - 4.5). However, more customers are using electronic banking services as it is less expensive.

CONCLUSION

From this study we are concluded that, there are many factors for using electronic banking services. So the bank should identify the customer's needs to retain them. In current scenario, people are concentrating on the banking products which have an innovative technological support. So, it is better for the banks to provide innovative technological products to their customers. (Malik, 2010)

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