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An Exploratory Study on the outcome of Demonetisation on the Usage of E-Banking Services among Employed Women

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ABSTRACT

The global economic reforms and the resultant effect on financial sector have brought about a notable change in the banking sector in India. E-Banking transactions have increased with an increase in the consumerism. The time and place hindrances have been extinguished with the introduction of internet in banking transactions. Banks and financial institutions are providing financial services all round the clock with minimum delays furthermore the customers have access to their bank accounts from elsewhere in the world. Internet banking uses the network based technologies thereby enabling the customers to finance their transactions in a virtual environment. Customer's account in the bank is connected through the internet. The clients need not require any special software being installed in their personal computer to access the bank's official website and they enjoy the liberty of using the application without any time or cost hindrances. E-banking is to an extent based on web banking subsidiary. E-banking has been developed with the advancements in web applications. The research analyzes the level of e-banking services being used by the employed women. The working women contribute to a major share in the total customers of a bank. The present study throws light on the opinion of the working women on the efficiency, responsiveness, reliability, and convenience of using e-banking services. Through this analysis, the pros and cons of e-banking services can be evaluated and also the area of improvement can also be ascertained to improve the customers' satisfaction.

Keywords: Global economic reforms, The Internet, E-Banking, Web-based applications, Employed Women, Electronic Banking Services.

1. INTRODUCTION

Virtual Banking or E-Banking is an electronic transaction platform, which is an interface between the customers and bank as well as with external environment such as other banks and financial institutions,

financial intermediaries like insurance companies, Governmental organisations, educational institutions and the like to carry on broad spectrum of financial dealings through the bank's official website. This system has now substituted the conventional method of accessing the bank especially after demonetisation in November 2016. This new banking system is considered to be a part of the CBS (Core Banking System), where customers can operate their accounts from any nuke and corner of the world. Albeit such innovative services are being provided to the customers, bank employees find it cumbersome as it has become crucial for the banks in this dynamic business environment especially for the working women who find it difficult to meet all their banking needs between their busy time schedules. As technology and web-based applications are changing day by day, thorough understanding of the e-banking transactions is vital. Banks has now come up with a wide variety of changes such as convenience in accessing, advanced contents, better and contemporary layout and design, unswerving themes, low cost transactions, non- verbal information, better user interaction, and the like. The new phase of electronic banking is to coordinate an ethnographic move with supple methodology which is especially devoted to the changing needs of consumers.

The banking environment is facing high competition with the dynamicity in the external environmental factors like globalisation, liberalization, demonetisation and so forth. It is really difficult on the part of the banks to compete with the elasticity in prices, interest rates, monetary policies, tight competition and they are in search of innovative techniques to attract new clients as well to retain the potential ones. So it is imperative for the banks to become more urbane and adapt themselves to the changing demand of the customers. But it is not the same in India. Indian Banking system is still in the infant stage. In India, the application of technology in the banking and related financial services and the usage of customers does not match, specifically women customers. The proclamation of demonetisation in the Indian economy may have shown a slight increase in the usage of e-banking.

2. STATEMENT OF THE PROBLEM

E-banking is a technique through which the customers and the banking system are linked via web-based application. The financial services provided through online include viewing and downloading statements, initiate payments, interact with other banks, transfer money etc. This research paper is focused on the perceptions of educated and employed women about internet banking and what are the drivers that motivate them to use internet banking. It also throws light on whether the employed women have accepted the internet banking and methods to improve the usage rate.

3. OBJECTIVES OF THE STUDY

- To measure the satisfaction of employed women in e-banking services.
- To evaluate the awareness of internet banking among the employed women.
- To revise the banking facilities being offered by the banks via internet to its customers.
- To evaluate the present situation of the internet banking.

4. RESEARCH METHODOLOGY

Research is the search for knowledge. Methodology is the procedure or technique adopted in a research study or investigation. Research Design employed in this study was confirmed to descriptive research

design in order to understand the cause and effect of different variables which are connected with this study.

5. RESEARCH METHOD

Data Source: Both primary and secondary data has been collected for this study.

Primary data: The study was conducted on a sample population by collecting primary data using questionnaire. The area of study is confined to Kochi Corporation only. A total of 100 respondents were used for this study. All of the respondents were educated and employed women within the age limit of 25 to 45.

Secondary data For the purpose of study secondary data was collected from published materials like articles, journals etc. Data was also collected from internet.

Tools for analysis: The data after the collection had been processed and analyzed in accordance with outline laid down for the purpose at the time of developing the research plan. Different statistical tools that are utilized for analyzing data are graphs, diagrams, charts and tables.

6. LIMITATIONS

- The sample size is limited to 100 respondents due to cost and time constraints.
- Respondents may be biased in their opinion.
- Study is restricted to educated and employed women within the age limit of 25 to 45.
- Sample may not be representative of the interest of the entire population.
- Over dependency on secondary data, resulting in inaccurate results.

7. LITERATURE REVIEW

Bank

An establishment authorized by a government to accept deposits, pay interest, clear checks, make loans, act as an intermediary in financial transactions, and provide other financial services to its customers is called a bank. A financial institution that is licensed as a receiver of deposits is known as a Bank. There are two types of banks: commercial/retail banks and investment banks. In India, banks are regulated by the central bank. A financial institution provides functions like accepting deposits, lending loans, etc. Economic development of any nation is attainable only through banks and such other financial institutions. It is indispensable for a nation to pool out the small savings of the investors from the public and thereby provides funds to the industries and other entrepreneurs to finance their productive activities.

The banking industry has seen lot of changes after the proclamation of New Industrial Policy in 1991. In the post liberalization and globalisation period, Indian Banking sector has witnessed immense changes especially in the field of technology.

Electronic Banking or E-Banking

With the advent of technology up gradation in the banking sector, all the banking and related financial services are made available through internet. As an introduction to this, the traditional banking sector

has introduced computerization in all the transactions. After that Core Banking system was employed which enabled the customers to access their bank accounts from anywhere in the world. Then the human tellers in the banks were replaced by Automated Teller Machines (ATM). Moving across the technological advancements, the following changes were brought about in the banking sector:

1. Automated Teller Machines were used by all the banks, where the manual tellers were replaced by machines. Customers were able to accept and withdraw money without any hindrances of time and place.
2. Debit Cards were issued to their customers having saving or current account in the respective banks so that they may use the card for purchasing goods and services as for cash. The amount which is paid for such shopping through debit card will be deducted from the customer's respective bank account.
3. Some financial institutions and banks in addition to debit cards may issue Credit Cards to people who may or may not be customer of their bank. Such credit cards may be used just like a debit card. The advantage of using a credit card is that the card holder can purchase products even when they have no money with them. Banks provide money on credit for which they may charge interest, if the cardholder does not pay the amount within in the stipulated time.
4. Banks have now introduced Net Banking by means of the extensive use of web-based applications and Internet. The prime necessity is that the customer should have an account with the bank. The Bank via an internet password and user id can log into his account and make all necessary transactions. The customer can make all the financial transactions as in the case of manual banking.
5. Mobile Banking is yet another user interface developed by the banks where the customer can get access to his bank account through his own mobile phones. He may make all the transactions as in the case of internet banking. As mobile phones have become an indispensibly part of everyone's life, this innovation has proved to be a success. Through Mobile banking customers receive messages on each and every transactions made by him, he may transfer funds, shop using mobile wallets, and above all ensure safety for all the transactions.

Functions of E-Banking

- Access the accounts
- Download all the necessary documents related to a person's account
- Enquiry on the balances of accounts
- Gathering information pertaining to all payments and receipts made in a particular account
- Transfer funds- within the bank, between banks or to external parties
- Payment of utility bills automatically
- Book railway tickets, air tickets, movie tickets etc

Security and Operations of Internet Banking

The customers are reluctant to make payments through internet due to the safety concerns. As all the personal information is being used in the transactions, like the account number, PIN number etc, customers may refrain from using e-banking facilities. In order to protect the interest of the customers, RBI sets certain regulations from time to time and the banks should abide all the regulations put-forth which is approved by the management. There are specifications related to use of updated technology for banking sites and also the 18 network and data base is to be administered and tested on regular intervals by a separate department of a bank that works on these major aspects. The Bank via an internet password and user id can log into his account and make all necessary transactions. The customer can make all the financial transactions as in the case of manual banking where the details provided will be having end to end security.

Transfer of fund is done through two basic modes:

1. Real Time Gross Settlement is being employed by the banks where the minimum limit of transfer is ₹2 lakhs.
2. National Electronic Funds Transfer (NEFT) is used where the transactions are processed in batches at specific time intervals.

Benefits of Internet Banking

- Swift access to banking information
- Proper auditing of the Books of accounts
- Ease of Access
- Daily financial transaction processing
- Secure transactions
- 24*7 banking operations
- Most suitable for current account holders and entrepreneurs

Tips to Avoid Risks Involved in Internet Banking

Risks arising out of the e-banking are due to certain threats such as Phishing, Viruses, Hackers etc.

- Personal computers or laptops should be used and no cyber cafes should be depended for this purpose.
- The official website of the bank should be typed rather than following certain links to the bank address.
- It is safe to provide relevant details of the user ID and password only in relevant pages of the bank official website.
- Set Strong Online Passwords
- Customers should be suspicious of any email received through your emails, requesting the customer's sensitive information.

- Credit bureaus will supply a free credit report for any activity that you have not unauthorized, or that appears to be incorrect. Customers should make use of such reports.
- The personal computer has virus and spy ware protection programs installed

Contributories

1. **State Bank of India emerges as world's eighth biggest finance site.**

Source: India Infoline News Service, March 26, 2016

As per the latest survey reports by India Infoline News Service in March 26, 2016 reports the State Bank of India as the world's biggest online banking site. This analysis was done by a Digital market intelligence firm, analyzing several similar online services rendered across 200 nations. SBI's online banking website registers over 900 million online users on a monthly average.

2. **Efma, SAP launch portal to help banks develop online banking apps for SMEs.**

Source: SMB World Asia Editors

As a result of the increased usage of online banking services by the bank customers, Efma, a global association of retail financial services companies, and SAP have joined hands to launch an online portal dedicated to banks' business focused on small and midsize enterprises (SMEs), viz., SME Apps Bank portal, which support banks in their digital activities to improve performance and optimize the quality of services they deliver to their professional clients. Subsequent to the demonetization of the legal currencies, this has become the necessity of the hour.

3. **Online payments to be as safe as offline transactions by 2030.**

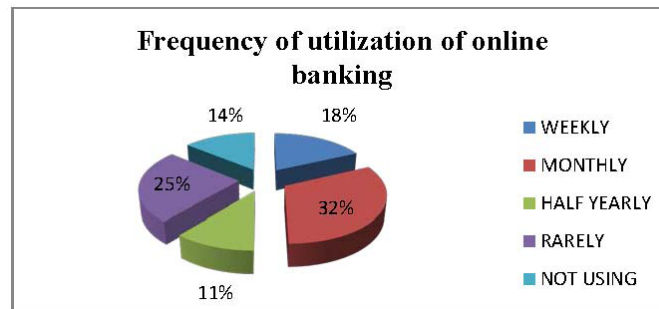
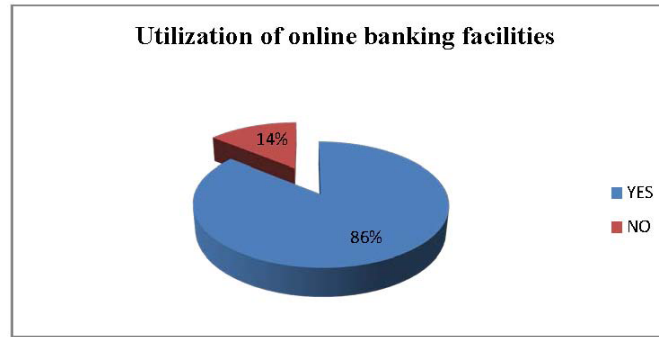
Source: IEEE survey Neha Alawadhi, Economic Times Bureau

A topical survey conducted by the IEEE reveals that the Technology enthusiasts is of the belief that by the year 2030, mobile payments would be secure enough, making conventional methods such as cash and credit cards superfluous. 70% of the respondents are of the opinion that the mobile payments would be absolutely safe and sound by 2030.

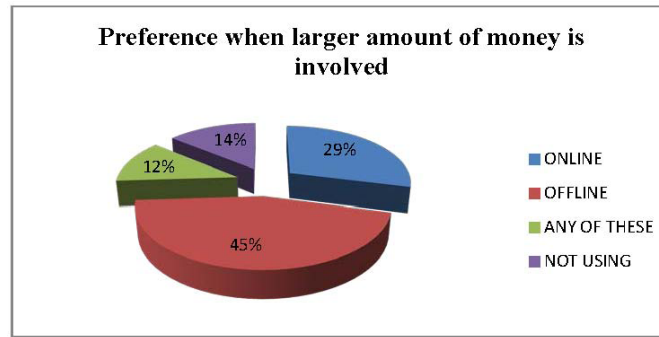
8. DATA ANALYSIS AND INTERPRETATION

The analysis reveals the role of internet banking in the current period of demonetization. With the fall in currencies, alternative modes of payments such as Digital money, E wallets and Mobile wallet applications, E banking, M banking, Plastic Money etc has been increased considerably, which would ultimately initiate escalation of the economy's system and infrastructure. The analysis states the following findings:

1. It was found that most of the working class women customers prefer using online banking facilities rather than conventional banking transactions, especially after demonetisation.
2. Most of the customers are using SBI, federal bank, HDFC and Dhanalakshmi bank's online banking services.
3. Online banking facilities are utilized by the female customers on a daily basis, owing to the recent termination of legal tender currency.



- Survey reports that the customers are fully satisfied with the online banking services provided to them and most of the online banking service providers in India offer standardized services of high quality.
- Majority of the respondents opined that online banking is more convenient these days than offline banking especially in their busy working schedule and due to effect of demonetisation and digitalization.
- Most of the respondents are of the opinion that online banking services are equally secure as offline banking services. Online banking service providers have taken great effort to ensure security of online banking services.
- E-banking is being used popularly for the purpose of online shopping, bill payments and cash transfers. A few respondents have also preferred it for tax payment and other purposes. Shopping, payment of bills, transfer of cash, payment of tax etc are much easier and faster when performed through online banking than offline banking.
- Employed women are cost conscious. So a majority of the respondents have the opinion that online banking is more cost effective than offline banking. Online banking avoids the cost of travelling, use of paper and fees for intermediaries.
- As per the survey customers prefer offline banking for cash transactions involving large amount of money. Customers are comparatively new to online banking services and might be scared to make transactions involving large amount of money due to fear of loss of money.
- Majority of the respondents agree that the use of biometric system can make online banking more secure. Biometric system is one of the latest and most powerful technological inventions used to enhance security in almost every field and will have the same effect in online banking.



11. Most of the respondents have the opinion that their internet banking service provider should reduce the advertisements in the websites to enhance their performance. Large number of internet banking users find inconvenience in utilizing online banking facilities due to large number of pop ups and advertisements coming while accessing their online bank accounts.
12. Majority of the respondents are of the same opinion that internet banking is more helpful in case of emergencies. Online banking services are available 24 hours a day and can be accessed from everywhere in the world.
13. Most of the respondents have the same opinion that infrastructural development in the country will make internet banking more acceptable. With the development of infrastructure in the country, almost everyone will have access to internet, mobile phones etc and will be educated making the internet banking more acceptable.
14. Most of the respondents are of the opinion that banking instruments like cheques, challans, demand drafts, etc. are not relevant now. Almost half of the public believe that the banking instruments such as cheques, challans etc are still important as only they are accepted for certain official purposes. The rest disagree to this because they very rarely come across such official needs.
15. All the respondents who utilized online banking facilities believed that awareness and educational programmes can increase the number of users of internet banking. Educational and awareness programmes about online banking will surely make a larger amount of persons to use online banking facilities.
16. Most of the respondents think that both public banks and private banks provide equally good internet banking services. Since all the banks in India are controlled by RBI, irrespective of the difference in sector, all banks provide standardized services of high quality.
17. Most of the respondents think that online banking has reduced discrimination among customers. Internet banking avoids the chance for authorities to give special attention to any customer avoiding discrimination between customers.
18. Majority of the respondents felt that providing instructions in local language will make internet banking more user-friendly. Providing instructions in local languages will make internet banking facilities accessible even to the people who don't know foreign languages.

19. Most of the respondents felt hanging of website, server problems, power failures and forgetting passwords as the inconveniences which caused them the worst trouble while utilizing internet banking facilities. As the online banking service providers are comparatively new to the business they lack experience in maintenance of websites and servers. Power failures are a common phenomenon in India.
20. Most of the respondents believe it is important to use online banking facilities as it is banking in future. It is important to adapt to the technological changes for the overall economic development of the country.
21. Most of the respondents believe that instruction via voice messages will make internet. Instructions provided via voice messages will make internet banking facilities acceptable to the people who don't even know to read and write.

9. SUGGESTIONS

Following changes can make internet banking more acceptable in the country:

- Overall infrastructural development in the country.
- Educational and awareness campaigns about internet banking.
- To make internet banking more secure Biometric system can be introduced. More strict rules and control should be setup against theft and frauds in online banking.
- To make internet banking more convenient, Instructions can be provided to users in local languages. Instructions can be provided to users via voice messages.
- Banks who provide internet banking facilities should reduce advertisements on their websites and simply the online banking procedures to improve their services.
- Online banking services providers can set up an online means by which users can communicate effectively with their branch managers which will solve the problems of communication barriers between consumers and branch managers.

10. CONCLUSION

As Indian economy booming towards digitalization and cash less transactions, usage of e-banking services are gaining much importance. To increase the acceptability of these e-banking services is one of the imperative issues faced by India today. This study is limited to educated and employed women within the age limit of 25-45, who reside within Kochi Corporation. It was positively found that 86% of the employed women with in the area under study utilize online banking facilities. This acceptance of online banking is the result of simplicity of use, momentum, efficient service in emergencies, and low cost of internet banking facilities. Consumers also believe that online banking services removes discrimination among customers of a bank. But still, this method is not free from disadvantages of security of usage of e-banking services which involves huge amount of money and the customers still believe in the relevance of cheques, challans, DD and the like. Women form almost half the population of our country and currently, the usage of internet banking among educated and employed women is satisfactory taking into account its late entry into Indian

economy. By employing the changes suggested the customers, launching certain awareness programmes, the usage of online banking service may be increased in the coming years.

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