



# ROLE OF DIGITAL BANKING IN ECONOMIC DEVELOPMENT-STUDENTS PERCEPTION TOWARDS E- BANKING

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## ABSTRACT

*In the modern era of Information technology, every work in the human life is much easier than the traditional period. It has brought a revolution in the banking sector. Conversion from the manual-based ledger system to systemized processes and the overture to internet-based facilities has given a new facet to the banking sector. The growth of the Internet and E- banking is dramatically changing every day and the entire world is transforming into digital global village. E banking has become the integral part of the banking sector.*

*This study aims at assessing the perception of the college students towards E-Banking technologies. The collection of primary data for the present study is from different colleges in Mangalore taluk using a structured questionnaire, in addition to the secondary data. The survey will be done concentrating the college students and they were chosen through convenience random sampling method. The data collected will be analyzed to draw a meaningful conclusion.*

**KEYWORDS:** E-Banking, latest technologies, Perception, Awareness

## INTRODUCTION

In the modern era of Information technology, every work in the human life is much easier than the traditional period. It has brought a revolution in the banking sector. Conversion from the manual-based ledger system to systemized processes and the overture to internet-based facilities has given a new facet to the banking sector. The growth of the Internet and E- banking is dramatically changing every day and the entire world is transforming into digital global village. E banking has become the integral part of the banking sector.

Electronic banking has many names like e banking, virtual banking, online banking, or internet banking. It is simply the use of electronic and telecommunications network for delivering various banking products and services. E banking is playing a major role, in improving the service quality and strengthens the banking sector. Because of the electronic payment there is an increase in customer satisfaction level, increased productivity, reduction in cost of banking operations, faster settlement and in larger volumes. E- banking services are provided by various channels like Mobile banking, Smart cards, Electronic Fund Transfers, Telephone banking, Wallet banking etc.

E-banking provides 24 hours, 365 days a year services to the customers of the bank- it inculcates a sense of financial discipline and promotes transparency and it reduces the load on bank branches. The competition in banking sector augmented over the last few years and to stay competitive, to attain customer retention and satisfaction E-Banking is one tool towards it.

## OBJECTIVES

- To understand the concept of E-Banking.
- To know the awareness and satisfaction level of students about E-Banking.
- To know the perception and problems faced by students while using E-banking services.



- To give suggestion based on the findings of the study.

## STUDY DESIGN AND METHODOLOGY

The primary data for the present study was collected from students were randomly selected from different colleges in Mangalore city. The study highlights the awareness and perception of students towards E-Banking. There is total 100 respondents. Due to time constraint only 100 people are taken as sample respondents. These respondents were selected on the basis of convenience sampling method.

The primary data collected from the sample respondents on various aspects has been organised in the tabular form. Such organised data has been analysed with the help of different statistical tools like average, percentage, etc. for easy understanding of the data and for drawing meaningful conclusion. Along with the primary data, secondary data has been collected from various published sources like books, journals, reports. The ideas drawn from these sources have been incorporated wherever necessary to substantiate the primary data.

## LIMITATIONS OF THE STUDY

- ✓ It is limited to information provided by both primary and secondary data.
- ✓ Considered sample survey.
- ✓ Time constraints were the problem to conduct the detailed study.

## DATA ANALYSIS AND INTERPRETATION

**TABLE 1: Representing Gender of the respondents**

| GENDER       | NO. OF RESPONDENTS | PERCENTAGE |
|--------------|--------------------|------------|
| MALE         | 30                 | 30.0       |
| FEMALE       | 70                 | 70.0       |
| <b>TOTAL</b> | <b>100</b>         | <b>100</b> |

N=100

Source of Data: Survey

An analysis of table 1 reveals that out of 100 respondents, 30 are male and 70 are female. Therefore, it is clear that majority of the respondents are females.

**TABLE 2: Representing Educational Qualification of the respondents**

| EDUCATIONAL QUALIFICATION | NO. OF RESPONDENTS | PERCENTAGE |
|---------------------------|--------------------|------------|
| POST GRADUATE             | 14                 | 14.0       |
| GRADUATE                  | 80                 | 80.0       |
| OTHERS                    | 6                  | 6.0        |
| <b>TOTAL</b>              | <b>100</b>         | <b>100</b> |

N=100

Source of data: survey

Table 2 reveals that out of 100 respondents, 14 are post-graduation, 80 respondents are pursuing their graduation and remaining 6 respondents are pursuing courses like diploma. Therefore, it is clear that majority of the respondents are pursuing their graduation.

**TABLE 3: Representing Awareness of E-Banking**

| RESPONSE     | NO. OF RESPONDENTS | PERCENTAGE |
|--------------|--------------------|------------|
| YES          | 100                | 100.0      |
| NO           | -                  | -          |
| <b>TOTAL</b> | <b>100</b>         | <b>100</b> |

N=100

Source of data: survey

An analysis of table 3 reveals that out of 100 respondents, all the respondents are aware of E-Banking. Therefore, it is clear that majority of the respondents are aware of E-Banking.

**TABLE 4: Representing use of E-Banking facilities**

| RESPONSE     | NO. OF RESPONDENTS | PERCENTAGE |
|--------------|--------------------|------------|
| YES          | 100                | 100.0      |
| NO           | -                  | -          |
| <b>TOTAL</b> | <b>100</b>         | <b>100</b> |

N=100

Source of data: survey

An analysis of table 4 reveals that out of 100 respondents, all the respondents are using of E-Banking facilities. Therefore, it is clear that majority of the respondents are using of E-Banking facilities.

**TABLE 5: Representing source of information about E-Banking**

| SOURCE         | NO. OF RESPONDENTS |
|----------------|--------------------|
| FRIENDS        | 30                 |
| RELATIVES      | 25                 |
| ADVERTISEMENTS | 40                 |
| OTHERS         | 10                 |

N=100

MRR=1.05

An analysis of table 5 reveals that out of 100 respondents, 40 respondents got to know about E-Banking through advertisements, 30 respondents got to know about E-Banking from their friends, 25 respondents got to know about E-Banking from their relatives, and 10 respondents got to know about E-Banking from other sources like banks, syllabus. Therefore, it is clear that majority of the respondents got to know about E-Banking through advertisements.

**TABLE 6: Representing frequency of use of E-Banking services**

| FREQUENCY    | NO. OF RESPONDENTS | PERCENTAGE |
|--------------|--------------------|------------|
| DAILY        | 5                  | 5.0        |
| WEEKLY       | 65                 | 65.0       |
| MONTHLY      | 30                 | 30.0       |
| <b>TOTAL</b> | <b>100</b>         | <b>100</b> |

N=100

Source of data: Survey

An analysis of table 6 reveals that out of 100 respondents, 65 respondents are using E-Banking services on weekly basis, 30 respondents are using E-Banking services on monthly basis and 5 respondents are using E-Banking services on daily basis. Therefore, it is clear that majority of the respondents are using E-Banking services on weekly basis.

**TABLE 7: Representing E-Banking facilities used**

| KINDS               | NO. OF RESPONDENTS |
|---------------------|--------------------|
| DEBIT CARD          | 70                 |
| CREDIT CARD         | 3                  |
| MOBILE BANKING/ UPI | 75                 |
| INTERNET BANKING    | 5                  |
| OTHERS              | -                  |

N=100

MRR=1.53

An analysis of table 7 reveals that out of 100 respondents, 70 respondents are using debit cards, 75 respondents are using mobile banking/UPI facilities, 5 respondents are using internet banking facilities and 3 respondents are using credit card facilities. Therefore, it is clear that majority of the respondents are using MOBILE BANKING/UPI enabled payments.

**TABLE 8: Representing usage of E-Banking is time saving**

| RESPONSE     | NO. OF RESPONDENTS | PERCENTAGE |
|--------------|--------------------|------------|
| YES          | 100                | 100.0      |
| NO           | -                  | -          |
| <b>TOTAL</b> | <b>100</b>         | <b>100</b> |

N=100

Source of data: Survey



An analysis of table 8 reveals that out of 100 respondents, all the respondents are of the opinion that E-Banking is time saving. Therefore, it is clear that majority of the respondents are of the opinion that E-Banking is time saving.

**TABLE 9: Representing E-Banking technology increases accessibility to banks**

| RESPONSE     | NO. OF RESPONDENTS | PERCENTAGE |
|--------------|--------------------|------------|
| YES          | 97                 | 97.0       |
| NO           | 3                  | 3.0        |
| <b>TOTAL</b> | <b>100</b>         | <b>100</b> |

**N=100**

**Source of data: Survey**

An analysis of table 9 reveals that out of 100 respondents, 97 respondents are of the opinion that E-Banking technology increases accessibility to banks anytime and anywhere and 3 respondents are of the opinion that E-Banking technology does not increase accessibility to banks anytime and anywhere. Therefore, it is clear that majority of the respondents are of the opinion that E-Banking technology increases accessibility to banks anytime and anywhere.

**TABLE 10: Representing E-Banking technology is well established**

| RESPONSE     | NO. OF RESPONDENTS | PERCENTAGE |
|--------------|--------------------|------------|
| YES          | 80                 | 80.0       |
| NO           | 20                 | 20.0       |
| <b>TOTAL</b> | <b>100</b>         | <b>100</b> |

**N=100**

**Source of data: Survey**

An analysis of table 10 reveals that out of 100 respondents, 80 respondents are of the opinion that E-Banking technology is well established and 20 respondents are of the opinion that E-Banking technology is not well established. Therefore, it is clear that majority of the respondents are of the opinion that E-Banking technology is well established.

**TABLE 11: Representing reason for a customer switching over to E-Banking technologies**

| REASONS          | NO. OF RESPONDENTS |
|------------------|--------------------|
| TIME SAVING      | 70                 |
| COST EFFECTIVE   | 10                 |
| EASY ACCESS      | 50                 |
| TECHNOLOGY SAVVY | 20                 |

**N=100**

**MRR=1.5**

An analysis of table 12 reveals that out of 100 respondents, 70 respondents stated that time saving is the reason for a customer to switch over to E-Banking technologies, 50 respondents stated that easy access is the reason for a customer to switch over to E-Banking technologies, 10 respondents stated that cost effective is the reason for a customer to switch over to E-Banking technologies and 20 respondents stated that technology savvy is the reason for a customer to switch over to E-Banking technologies. Therefore, it is clear that majority of the respondents are of the opinion that time saving is the reason for a customer to switch over to E-Banking technologies.

**TABLE 12: Representing the contribution of new technology to the success of banks**

| RESPONSE     | NO. OF RESPONDENTS | PERCENTAGE |
|--------------|--------------------|------------|
| VERY HIGH    | 30                 | 31.0       |
| HIGH         | 4                  | 3.0        |
| AVERAGE      | 25                 | 25.0       |
| LOW          | 2                  | 2.0        |
| VERY LOW     | -                  | -          |
| <b>TOTAL</b> | <b>100</b>         | <b>100</b> |

**N=100**

**Source of data: Survey**

An analysis of table 13 reveals that out of 100 respondents, 30 respondents stated that the contribution of new technology to the success of banks is very high, 25 respondents stated that the contribution of new technology to the success of banks is average, 4 respondents stated that the contribution of new technology to the success of banks is high and 2 respondents stated that the contribution of new technology to the success of banks is low. Therefore, it is



clear that majority of the respondents are of the opinion that the contribution of new technology to the success of banks is very high.

**TABLE 13: Representing problems faced while transacting**

| RESPONSE     | NO. OF RESPONDENTS | PERCENTAGE |
|--------------|--------------------|------------|
| YES          | 35                 | 35.0       |
| NO           | 65                 | 65.0       |
| <b>TOTAL</b> | <b>100</b>         | <b>100</b> |

N=100

Source of data: Survey

An analysis of table 14 reveals that out of 100 respondents, 35 respondents have faced problem while transacting and 65 respondents have not faced any problem while transacting. Therefore, it is clear that majority of the respondents have not faced problems while transacting.

**TABLE 13.1: If YES, Reasons**

| REASONS                   | NO. OF RESPONDENTS |
|---------------------------|--------------------|
| POOR INTERNET CONNECTION  | 20                 |
| LACK OF COMPUTER LITERACY | 2                  |
| SECURITY ISSUES           | 15                 |
| OTHERS                    | 5                  |

N=35

MRR=1.2

An analysis of table 14.1 reveals that out of 35 respondents, 20 respondents stated that they face problems because of poor internet connection, 15 respondents stated that they face problems because of security issues, 2 respondents stated that they face problems because of Lack of computer literacy and 5 respondents face problems because of other reasons like failure of payments. Therefore, it is clear that majority of the respondents face problems because of poor internet connection.

**TABLE 14: Representing level of satisfaction on E-Banking facility**

| RESPONSE            | NO. OF RESPONDENTS | PERCENTAGE |
|---------------------|--------------------|------------|
| HIGHLY SATISFIED    | 9                  | 9.0        |
| SATISFIED           | 73                 | 73.0       |
| NEUTRAL             | 10                 | 10.0       |
| DISSATISFIED        | 8                  | 8.0        |
| HIGHLY DISSATISFIED | -                  | -          |
| <b>TOTAL</b>        | <b>100</b>         | <b>100</b> |

N=100

An analysis of table reveals that out of 100 respondents, 73 respondents are satisfied with E-Banking facilities available, 10 respondents are neutral with E-Banking facilities available, 8 respondents are dissatisfied with E-Banking facilities available and 9 respondents are highly satisfied with E-Banking facilities available. Therefore, it is clear that majority of the respondents are satisfied with E-Banking facilities available.

## FINDINGS

- It is found that majority of the respondents are females.
- The study states that majority of the respondents are pursuing their graduation.
- The study reveals that majority of the respondents are aware of E-Banking.
- It is found that majority of the respondents are using of E-Banking facilities.
- It is clear that majority of the respondents got to know about E-Banking through advertisements.
- The study shows that majority of the respondents are using E-Banking services on weekly basis.
- It is found that majority of the respondents are using mobile banking or UPI enabled payments.
- The study states that majority of the respondents are of the opinion that E-Banking is time saving.
- The study reveals that majority of the respondents are of the opinion that E-Banking technology increases accessibility to banks anytime and anywhere.
- It is found that majority of the respondents are of the opinion that E-Banking technology is well established.
- It is found that majority of the respondents are of the opinion that time saving is the reason for a customer to switch over to E-Banking technologies.



- The study shows that majority of the respondents are of the opinion that the contribution of new technology to the success of banks is very high.
- It is found that majority of the respondents are not facing any problems while transacting.
- It is clear that some of the respondents face problems because of poor internet connection.
- The study states that majority of the respondents are satisfied with E-Banking facilities availed.

### **SUGGESTIONS**

- It is suggested that banks should educate students on the safety use of their passwords and pin numbers and it should insist that they should change the passwords and pin numbers frequently so no unauthorized fraudulent practices happen in E-Banking.
- Employees of banks should give special awareness programmes (Seminars and workshops) for the use of E-Banking so that they can further encourage students to use the same.

### **CONCLUSION**

With the expansion of internet usage and advancement in the technology, E-banking has become one of the most revolutionized components of today's economic growth. Younger generation has begun to see the convenience and benefits of E-Banking. The study clearly shows that students of today's generation are well aware of the E-banking services and using it in their daily life. Banks have to give proper training regarding the usage of E-Banking products and services and also create trust in the mind of young generations regarding their security. Electronic banking will be the most preferred form of banking in the coming years

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