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A Study of the Awareness of Electronic Banking Services among Rural Women of Nelamangala, Bangalore, India

By Aneesha K. Shaji¹ and Ajith P. Mathews²

Abstract

The revolution in electronic technology has taken the world by storm. The banking sector has not been immune to the impact of this digital revolution. In India, both private and public banks have changed their standard business practices and have now shifted entirely to electronic banking. The banking transactions that are executed through electronic devices and over the internet are termed electronic banking. One of the special features of urbanization is that urbanized society, irrespective of gender, is ready to accept the change and adjust to the new technologies quickly because of their extensive exposure to these innovations and their higher educational standard. This raises the question of how far these electronic banking reforms impact residents in rural areas, especially rural women who spend most of their lives within their homes. The present study has been undertaken to analyse the extent to which rural women are aware of electronic banking services with special reference to Nelamangala, which comes under the Bangalore Rural district of Karnataka state in India.

Keywords: Electronic Banking, Awareness, Customer satisfaction, women in banking, rural women, Banking sector, Bangalore

Introduction

The success of any innovation largely depends upon the range of its reach, i.e., how many ordinary people can afford it and use it efficiently. The Indian banking system has undergone tremendous change in the last few years, both in the online and offline mode. This innovation has been variously called electronic banking, mobile banking, or online banking. The Indian banking sector is highly structured, and it consists of public sector banks, private sector banks, and foreign banks. The number of ATMs in India is increasing day by day, which clearly shows that greater numbers of ordinary people are using banking innovations, which automatically increases their quality of life and spending. Use of debit and credit cards has become a habit even in the life of a common man now.

An undisputed fact is that an advanced and up-to-date banking culture is essential for the overall upliftment of the country. This electronic banking culture has already influenced the

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lifestyle and spending habits of people, especially the youth and the middle-aged. It is undoubtedly a positive change, as it brings comfort and convenience to the lives of common people, and most importantly, the risk of physically handling cash is minimized to a very great extent. The government's new policy of digital India is aimed at maximizing such financial transactions. With the advancement of banking innovations, the employees who work in the banking sector are also benefitted as there are much fewer footfalls in banks. The innovations also enable the customers to initiate monetary transactions themselves without requiring the aid of bank employees.

Whenever new technology is introduced, one of the critical factors in its acceptance is the dissemination of awareness concerning its proper use. This applies in the case of electronic banking as well. Efforts must be taken by the banking sector, to properly update the customers, about the recent developments that have been introduced in E-banking. In metropolitan cities and urban sectors, awareness about electronic banking is satisfactory not only because of the banking sector's efforts but also because of the educational and media exposure available to urban people. So, any advancement in the technology will quickly reach urban citizens, and they easily adapt to that change, as it becomes a part of their lifestyle.

The success of any technology or invention can be gauged through the benefits provided to all people, irrespective of their social and economic background. If an electronic banking facility is used only by a specific class of people, it cannot be seen as entirely beneficial to society. This paper focuses on the awareness of electronic banking services among rural women in a specified locality. It focuses on understanding the reach of electronic banking awareness, especially among rural women, who have limited exposure to the outside world.

Statement of the Problem

One of the main objectives of any financial institution is to provide service to customers, along with increasing the profits. Therefore, to expand their services as well as increase profits, banks must expand their customer base irrespective of their geographic location. If the facilities offered by the bank, especially the E-banking services are utilized by only a certain section of customers, then service and profit maximization will remain an unattainable target.

This investigation gives a general overview of the awareness and understanding of electronic banking services among rural women. It also further reveals the present accessibility of electronic banking services and customer satisfaction levels based on the use of electronic banking services.

Need and Importance of the Study

In the modern world, electronic banking is not a new concept as it is familiar to the majority of the population. But this majority calculation is somewhat limited to the urban sector. Therefore, it is essential to analyse the reach of E-banking awareness among rural women so that one can precisely understand E-banking's real prevalence in the rural sector, especially among women.

The study area is part of Bangalore Rural and is located approximately 30 km from Bangalore city. Nelamangala is a growing locality which comes under the Bangalore rural district of Karnataka state in India. However, it is a rural area, though not very far from central Bangalore. This study focuses on the awareness regarding the E-banking facilities offered by banks, among women in this rural area, and also explains their level of satisfaction based on their usage and awareness.

Select Literature Review

According to Khan, H. F. (2017), electronic banking is handling various banking transactions with the help of the internet through communication and information technology.

Sohali & Shanmugham (2003) explain that certain factors affect the usage of electronic banking services among customers. It includes proper accessibility of internet connection, awareness of electronic banking, and customer hesitation.

In the words of Jahangir, N., & Begum, N. (2008), perceived usefulness, ease of use, and security and privacy are the factors which influence customers' electronic banking adaptation.

It has been noted that electronic banking services can be improved through proper customer communication and software improvements (Karjaluo, H., Mattila, M., & Pento, T. 2002). Yousafzai, S. Y., Pallister, J. G., & Foxall, G. R. (2003) have stated that trust is the factor that is used to reduce the perceived risk and create a positive approach towards electronic banking services. Durkin, M. (2007) mentioned that customers consider convenience and security as the vital factors influencing electronic banking registrations. Hammoud, J., Bizri, R. M., & El Baba, I. (2018) suggested that service quality and customer satisfaction have a strong influence over customers.

Objectives

The present study seeks to examine the extent to which rural women are aware of electronic banking services. The following are the primary objectives:

1. To examine the extent of awareness of electronic banking services among rural women;
2. To evaluate the satisfaction of rural women with electronic banking services;
3. To identify the problems faced by rural women while using E-banking services.

Methodology

This study focuses on gauging the awareness level of rural women regarding the use of electronic banking services. This awareness is necessary to measure the customer satisfaction level of the rural women, as existing bank customers are also examined in this study. Secondary data is used to get the relevant data, and a structured questionnaire is used to obtain data from rural women. Customer satisfaction is measured based on a five-point scale:

The first objective is to test the level of awareness among rural women. Two sets of criteria, age and education, are vital to influencing the awareness of electronic banking services. The percentage of these, were also considered in the study. The awareness level was classified in two degrees - fully aware and partially aware. Other statistical devices like diagrams and graphs were also used to test the objectives.

The current study is a descriptive study of mobile banking services provided by established banks and new generation banks.

Sources of Data

Data required for the study was collected from primary sources and secondary sources.

Primary data collection: The questionnaire method and interview schedule method were used for collecting the data from the customers.

Secondary data collection: Theoretical backgrounds needed to support the research study were collected from secondary sources such as journals, magazines, and web pages.

Sampling plan

The universe: The population of the study consist of rural women who are using electronic banking services at Nelamangala Taluk, Bangalore Rural.

The Sample Size: The sample size used for the study is 400.

The Sampling Technique: Convenient sampling method has been adopted for the study.

Plan of Analysis

In this study analysis of the responses is made by using statistical tools such as:

1. Simple percentage analysis
2. Weighted Rank Method

Data Analysis and Interpretation

Awareness level of rural women customers regarding electronic banking services

Awareness levels among rural women customers of the electronic banking services was tested using a questionnaire. The awareness level of rural women customers was divided into two types:

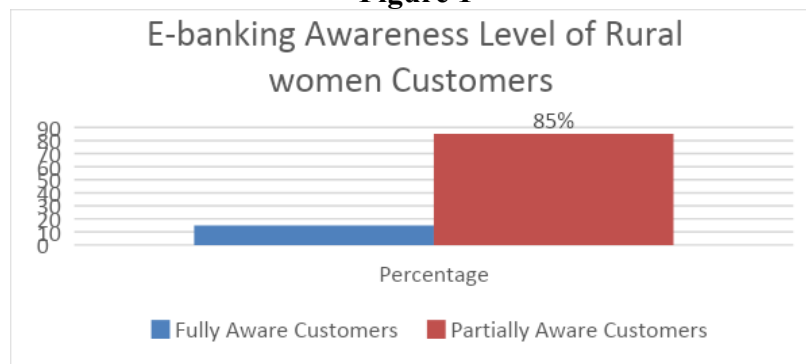
1. Fully Aware Customers
2. Partially Aware Customers

Table 1
Awareness level of the rural women customers electronic banking Services

Awareness	No. of respondents	Percentage
Fully Aware Customers	60	15
Partially Aware Customers	340	85

Source: Primary Data

Figure 1



Source: Primary Data

Variables used for measuring the satisfaction level

Variables
Security
Ease of use
Service Quality
Cost-effectiveness
Privacy of transactions
Customer support

Criteria for Satisfaction Measurement and Values Assigned:

Criteria	Values Assigned
Highly Satisfied	5
Satisfied	4
Neutral	3
Dissatisfied	2
Highly Dissatisfied	1

Table 2: E-Banking Satisfaction level among fully aware rural women customers

N o.	Basis	5		4		3		2		1		T S	T F	Av g	Ran k
		Highly satisfied		Satisfied		Average		Dissatisfied		Highly Dissatisfied					
		F	S	F	S	F	S	F	S	F	S				
1	Security	40	200	15	60	3	9	2	4	0	0	273	60	4.55	1
2	Ease of use	38	190	16	64	3	9	1	2	1	1	266	60	4.43	2
3	Service Quality	31	155	19	76	8	24	1	2	1	1	258	60	4.30	3
4	Cost-effectiveness	36	80	17	68	3	9	2	4	2	2	163	60	2.72	6
5	Privacy	32	160	11	44	7	21	5	10	5	5	240	60	4.00	5
6	Customer Support	35	175	13	52	5	15	6	12	1	1	255	60	4.25	4

Source: Primary Data

Overall mean average- $24.25/6=4.04$

From the above table, we can see the satisfaction level of customers based on six service indicators. By taking the average satisfaction of each indicator, we can rank the satisfaction level. In this table, the service indicator 'Security' occupies the first rank among other indicators because it has the highest average, ie.4.55. The second position is gained by the service indicator 'Ease of

use'. It has an average of 4.43. The service indicator's privacy and cost' has the lowest satisfaction as it occupies the last ranks, among other indicators. In the case of satisfaction level among rural women customers, their overall mean average is 4.04, which lies between weights 5 and 4, so we can say that the fully aware rural women customers of e-banking services are satisfied customers. Where, TS = Total Sum, TF = Total Frequency, Avg = Average

Table 3: E-Banking Satisfaction level among partially aware rural women customers

No	Basis	5		4		3		2		1		TS	TF	Avg	Rank
		Highly satisfied		Satisfied		Average		Dissatisfied		Highly Dissatisfied					
		F	S	F	S	F	S	F	S	F	S				
1	Security	56	280	123	492	168	504	438	864	1010	1010	1372	340	4.03	6
2	Ease of use	57	285	124	496	176	528	3030	606	1313	1313	1382	340	4.06	1
3	Service Quality	41	205	110	440	188	564	3737	7474	2424	2424	1307	340	3.84	5
4	Cost	40	200	142	568	174	522	2222	4444	2222	2222	1356	340	3.98	4
5	Privacy	52	260	135	540	162	486	2323	4646	2828	2828	1360	340	4	3
6	Customer Support	34	170	137	548	165	495	3333	6666	3131	3131	1310	340	3.85	2

Source: Primary Data

Overall mean average- $23.76/6=3.96$

From the above table, the satisfaction level of customers based on six service indicators. By taking the average satisfaction of each indicator, we can rank the satisfaction level. In this table, we can see that service indicator 'Ease of use' occupies the first rank among other indicators, because it has the highest average, i.e., 4.06

The second position is gained by the service indicator 'Security.' It has an average of 4.03. Service indicator 'customer support and service quality' has the lowest satisfaction as it occupies the last ranks, among other indicators. In the satisfaction level among rural women customers, their overall mean average is 3.96, which lies between weights 4 and 3, so we can say that partially satisfied rural women customers of e-banking services have only average satisfaction levels. Where, TS = Total Sum, TF = Total Frequency, Avg = Average

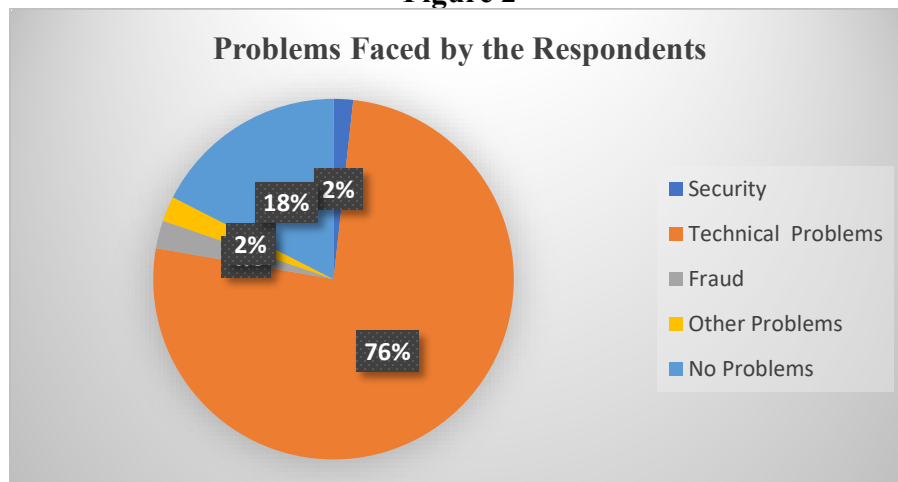
Table 4: Problems of Customers

Problems	Response	
	No. of respondent	Percentage
Security	7	1.75%
Technical Problems	304	76 %
Fraud	10	2.5 %
Other Problems	9	2.25%
No Problems	70	17.5%
Total	400	100%

Source: PrimaryData

The majority of respondents, 76% faced technical problems while using mobile banking services. Nearly 1.25% of respondents faced security problems, 2.5% of respondents faced fraud, and 2.25% have other problems like network issues and internet problems. 17.5% of users have no problems while using this service.

The following figure shows the diagrammatic representation of the problems faced by the respondents.

Figure 2

Source: Primary Data

Findings

- This study reveals that 85% of the rural women customers are partially aware of the electronic banking services offered by various banks, and only 15% are fully aware of electronic banking services.
- By assessing the satisfaction level of rural women, fully aware customers are satisfied customers, and partially aware customers have only average satisfaction levels. The mean satisfaction level of 4.04 in the case of fully aware rural women customers shows that they are satisfied customers whereas, the mean satisfaction level of partially aware rural women customers shows that they have only average satisfaction with the banking services of banks.

- The major problems faced by rural women respondents (76%) were technical problems while using electronic banking service.

Recommendations

- The objective of improving customer awareness for electronic banking services could be achieved through proper customer education. This can be done by implementing a separate customer care unit in each bank, with technically qualified personnel to provide up to date information to the users and to answer customer queries.
- To gain customer confidence, banks should improve all promotional measures. Adoption of high-quality promotional material may influence the usage rate of the customers.
- Rural women are less attracted to various electronic banking services, so they should be appropriately encouraged to use such services.
- Taking necessary precautions to solve software problems may help the banks to offer these services more economically with higher standards.
- More awareness campaigns should be initiated, especially among rural women.

Conclusion

The current research study is based on the usage of electronic banking services among rural women customers. It was an effort to examine the customers' awareness level and satisfaction level, and also helped to check whether there is any difference in the satisfaction level of the customers. As far as the awareness level is concerned highly educated customers have more awareness, and awareness levels among the younger respondents are greater compared to older respondents. So effective measures need to take to enhance the awareness level of the customers of all age groups. In the present study, it is evident that rural women customers need more support and guidance to adapt fully to the electronic banking services offered by banks as only 15% of the rural women respondents have a good understanding of the various e-banking services.

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