

**INCOME VS FREQUENCY OF USING THE TECHNOLOGY
ORIENTED BANKING SERVICES**

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ABSTRACT

The customer choice and awareness have been increasing tremendously during this decade due to more open economy, the advent of information technology and media revolution, besides hectic competition for resources by banks. As markets have become increasingly competitive, customers can now immediately go elsewhere if they do not get what they want. Continuous improvement, gaining the competitive edge, increased market share, higher profits-none of these things is possible unless businesses can find new ways of maintaining the loyalty of existing customers.

It takes only a few incidents and direct experiences for the knowledgeable customers to form an opinion about the quality of the services and the quality of the product offered. Hence, "customer service is not being viewed as just a business strategy but should become a corporate mission."

Introduction

Technology has brought a complete paradigm shift in the functioning of banks and delivery of banking services. Gone are the days when every banking transaction required a visit to the bank branch. Today, most of the transactions can be done from the home and customers need not visit the bank branch for anything. Technology is no longer an enabler, but a business driver. The growth of the internet, mobiles and communication technology has added a different dimension to banking. The information technology (IT) available today is being leveraged in customer acquisitions, driving automation and process efficiency, delivering ease and efficiency to customers.

Reviews of Literature

Raja et al. (2008) evaluated the impact of e-payment system on the business opportunities. They identified that due to the growth of internet users, various electronic payment mechanisms had been developed to cater the diversity of applicants. The researchers classified the e-payments into three main groups, namely, cash like systems, check like systems, and hybrid systems which were further classified into credit cards, debit cards check like systems, and hybrid systems which were further classified into credit cards, and electronic cheques. They identified three main issues related to e-payment were security issues, low interest among businessmen, and heavy reliance on traditional payment methods. They also analyzed that there were technical and cultural problems which hinder the path of e-payments. However, to make e-payments more effective, security threats should be reduced; and people should be realized that traditional payment methods were more time consuming than electronic payment methods. They should also be realized that plastic card payments were more convenient, easier and more secure than cash or cheques.

Sarangapani and mamtha (2008b) studied the impact of information technology on banking sector and its security related aspects. Due to recent developments in banking industry and with introduction of basel-i and ii implementation; customers are more demanding now and it requires innovation in banking services. The researchers found that now the banking industry has been more customer-oriented with unlimited market place, extensive product breadth and e-enabled services provided to the customers. The it initiatives in banking industry have resulted into reduction of time. Introduction of negotiated dealing system, screen based trading and RTGS for online settlement of inter-bank transfers of fund had also resulted into safe, secure and quick movements of funds. The authors also studied e-security aspects of banking which pose damage and threat to the existing e-banking system. It includes unauthorized access to computer system or network, stealing information, e-mail bombing, data diddling, denial of service, viruses, etc. The authors concluded that existing legal framework was adequate to meet the challenges of e-banking; and it had become essential to create awareness of e-banking among customers, banks and society. Different attempts have been made by the researchers to give a close look to the concept of electronic banking. The review of literature provided that e-banking services have a negative impact on banks' profitability in the short run because of increased capital costs on account of technical and electronic infrastructure, training their employees and also to create the environment where the banks can electronically operate smoothly. However, these services have a positive

impact on the profitability of banks in the long run. Despite the increasing importance of e-banking services, the research pertaining to e-banking in Indian context has been limited. While concluding, it can be said that e-banking services are complementary to the existing branch network and not a substitute to it

Statement of the Problem

With the advent of technology and increasing use of smartphone and tablet based devices, the use of Mobile Banking functionality would enable customer connect across entire customer life cycle much comprehensively than before. With this scenario, current mobile banking objectives of say building relationships, reducing cost, achieving new revenue stream will transform to enable new objectives targeting higher level goals such as building brand of the banking organization. Emerging technology and functionalities would enable to create new ways of lead generation, prospecting as well as developing deep customer relationship and mobile banking world would achieve superior customer experience with bi-directional communications. Among digital channels, mobile banking is a clear IT investment priority in 2013 as retail banks attempt to capitalise on the features unique to mobile, such as location-based services.

In this paper an attempt is made to trace the extent of variation between income level of the respondents and frequency in using Techo based services of the banks

Objectives of the Study

- To trace the income level of the respondents in the study area
- To find the variation between income level of the respondents and frequency in using Techo based services of the banks and
- To offer suggestions

Methodology

The study is based on primary data and survey method. The opinion of the respondents are collected through interview schedule

Sampling Design

Analysis of the study

Technology plays a vital role in banking industry. Due to the advantages of easy access, no place boundary, anywhere and anytime solutions and so on attracts the users towards Techno services. Though the benefits are more these facilities are often preferred by high income society because of want of techno facility which the customer should have i.e. computer, internet facility and or smart phone. Hence an attempt is made in this paper to know the extent of influence of income over the usage of techno services of banks and frequency of usage level.

Analysis of the study includes income wise classification of the respondents, their usage level frequency and application of ANOVA to test the variation between income group and frequency of using the technology oriented banking services

I Income wise classification of Respondents

Table 1 shows the income wise classification of the respondents

Table 1

Income wise classification

Annual income	No of respondents	Percentage
Upto 1,00,000	26	10
1,00,001-3,00,000	53	70
3,00,001-5,00,000	12	10
Above 5,00,001	9	10
Total	100	100

Source: primary data

Highest income earners fall in the income group of Rs1,00,001-3,00,000

II Frequency of Using the Technology Oriented Banking Services

Table 2 shows that evidence between income group and frequency of using the technology oriented banking services

Table 2

Income group and Frequency of using Technology Oriented Banking Services

frequency of using banking services	Weekly	Fortnightly	Monthly	Frequently	Total

Income Group					
Upto Rs. 1,00,000	5	0	5	0	10
1,00,000-3,00,000	10	0	30	30	70
3,00,001-5,00,000	5	0	0	5	10
Above 5,00,000	0	0	5	5	10
Total	20	0	40	40	100

III Application of ANOVA Test

Table 3 shows the Anova test and its results

Table 3
ANOVA Test

Source of variation	Sum of squares	Degrees of freedom	Mean sum of squares	Variation ratio
Between columns	Ssc = 275	4 - 1 = 3	Msc = 91.67	$F_r = 0.47$
	Sse = 2350	16 - 4 = 12	Mse = 195.83	
Total	368.92	15		

The test statistic is $f_r = msc/mse = 0.47$

Ndf = 3, 12

Table value of f at 5% level = 4.26

H_o is accepted at 5% level since the calculated value of $f <$ the table value of f .

Therefore, there is no significant evidence between income group and frequency of using the technology oriented banking services.

Suggestion and Conclusion

The Banking sector in India has experienced a rapid transformation. One could regard the past as the 'medieval ages' in the banking industry, wherein every branch of the same

bank acted as an independent information silo, and multi-channel banking (ATMs, Net banking, tele-banking, etc) was almost non-existent. With the entry of new players and multiple channels, customers have become more discerning and less 'loyal' to banks. Given the various options, it is now possible to open a new account within minutes. Or for that matter shift accounts within a couple of hours. This makes it imperative that banks provide best levels of service to ensure customer satisfaction. But Cost pressures come into play when banks are not able to afford the cost of a certain service or initiative although they want to or need to have it in place. This is primarily because the cost structure at the backend is not efficient enough to offer that kind of service to the marketplace.

Hence, today banks have to look much beyond just providing a multi-channel service platform for its customers. There are other pressing issues that banks need to address in order to chalk-out a roadmap for the future:

- Cost reduction
- Product differentiation
- Customer-centric services

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