



ROLE OF RBI TOWARDS A STUDY ON E-BANKING PRODUCTS PREFERENCE AND CUSTOMERS AWARENESS

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ABSTRACT

Green banking could garner the society towards a better greener environment. Fundamentally, green banking keeps away much of paper work as possible and relies on electronic transaction for processing. This article focuses the importance of customer financial literacy of e-banking and role of RBI and also analyzed dependent factors those influence the customer's / accountholder's financial literacy of public sector banks within city of Chennai. The study was conducted through a sample of 100 respondents selected randomly. The results revealed that customers were highly satisfied with the usage of e-banking and also need awareness programme on usage of banking products through on line.

Keywords: *Green banking, Transactions, Awareness, Financial products.*

INTRODUCTION

E-banking (Green banking) promotes environmental friendly practices and reducing carbon footprint from banking activities. It may be in form of using online banking instead of branch banking (paying bills online instead of mailing them). E-Banking is an automated delivery of new and traditional banking products and services directly to customers through electronic media. E-banking includes the system that enables customers to access accounts, process business transactions, or obtains information on financial products and services just by a click away. Any transactions of customer through e-banking could help the environment, so this leads to the question, which banks are green? Financial institution realized that E-banking is not only a way of reducing cost through automation and increased efficiency, but more importantly, a means of expanding revenues through enhanced customer service. Corporate websites provide an important interface through which customers and firms interact through other. E-Banking is a generic term for delivery of banking services and products through electronic channels, such as the telephone, the internet, the cell phone etc.

REVIEW OF LITERATURE

A number of studies have been made to analyze the customers view on e-banking services.

Uppal (2006) using a stratified sampling of 500 banks customers concluded that customers services are much better in fully-computerized banks and further in e-banks as compared to the in partial or non-computerized banks.

Rseuvraeti et.al (2008) state with the proliferation of internet and computer usage the electronic delivery of e-banking services has become ideal for banks to meet customers' expectations.

Michuis and Magiean (2009) in the interview with 200 e-banking customers observed that technology alone could not give a sustainable competitive advantage for the banks. Personal touch is also necessary for the banks to retain the existing clients.

The above reviews help the researcher to identify the research gaps based on which objectives of the study are framed.

OBJECTIVES OF THE STUDY

1. To analyze the role of RBI in the promotion of E-Banking.
2. To study the role of RBI as regulator for E-Banking.
3. To know the role of RBI as an assessment authority.



4. To assess the customers awareness level regarding E-Banking.

RESEARCH QUESTIONS?

1. Do banks have proper infrastructure and schedule for backing up data?
2. Does the customer guided in usage of e-banking facilities?
3. Does RBI focus any Suitable promotional activities on E-banking?
4. What are the measures have taken by the banks on continuous awareness on usage of E-banking?

HYPOTHESIS OF THE STUDY

1. Respondents' opinion about usage of E- Banking services on the basis of Education Qualification.

PURPOSE OF THE STUDY

1. To get an overview of the e-banking scenario in Chennai city
2. To study the role of RBI in the promotion of E-Banking.
3. To know the technology services preferred by the customers.

SCOPE OF THE STUDY

- ❖ This research study is confined to Chennai city only.

RESEARCH METHODOLOGY

The research methodology that has been taken for the purpose of this study is enumerated below.

Primary Research

Primary data was collected through questionnaires. As this study is focused on RBI and other banks operating in Chennai, therefore banking customers were surveyed and the final sample consisted of 100 complete and valid responses.

Secondary Research

Sources of secondary data were primarily the Internet, Journals, Newspaper, Annual report and the database available in the library, catalogue and presentations.

DATA ANALYSIS

To analyze the collected data, first the reliability of responses of the questionnaire is checked, and then the descriptive statistics are assessed to examine the sociological variables including gender, age, education and monthly income. All measurements of the constructs are based upon the respondents' opinion.

DESCRIPTIVE STATISTICS

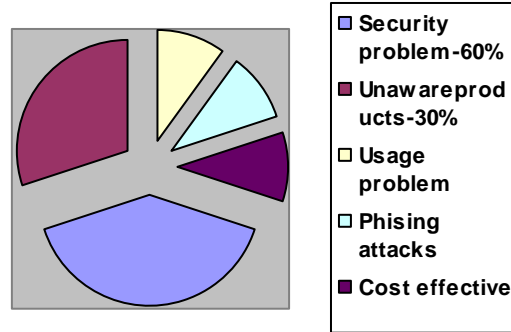
This part of the study deals with the statistical sample distribution which regards to variable such as gender, age, education, number of online purchases etc.

RESULTS AND DISCUSSION

DATA ANALYSIS AND INTERPRETATION

a) Reasons for Non usage of E- Banking?

Total Respondent	= 100
1) Security problem	= 40%
2) Unaware products	= 30%
3) Usage problem	= 10%
4) Phising attacks	=10%
5) Cost-effective.	= 10%



LIMITATION OF THE STUDY

1. The data collection procedure was taken up from customers in Chennai city only.
2. Personal bias and prejudice of the respondents could have affected the results of the study.
3. The sample size of 100 customers may constitute a limitation due to its small nature.

FINDINGS

1. 5% of respondents say that transaction cost too high – Technology not leveraged fully.
2. 10% of respondents are not trust in a web ventures this hesitate to deal with an E-Bank as they are not sure of the quality of products and services where they receive.
3. 25% of respondents delivered that usage of banking products like loans and mortgage, withdrawal of cash, etc, required a physical form after proper authentication of the customer. This issue can drive the customer away from e-commerce.
4. 10% of respondent argue that Internet based transaction are usually not fully automated, as it may require additional telephone calls, paper work, data entry etc.
5. 35% of respondents are not interested to use the E-Banking due to security, recent phishing attacks, all transactions not being possible online, slow adoption to Internet Banking, lack of human interface, loss of opportunity in potential business leads, huge capital requirement, disproportionate level of penetration and customer education.

SUGGESTION

1. E-banking increases operational efficiencies reduce costs, besides giving a platform for offering value-added services to the customer.
2. Trust is a tremendously valuable asset, which can be leveraged on to address other shortcomings by Public Sector Banks in Chennai city.
3. Customers are to be aware of innovation in E-Banking products (include both literate and illiterate)

CONCLUSION

This research will help the banks to improve their E-Banking portal. The finding also reveals that customers are readily merged with new technology services introduced by bank even though there is a hurdle in technological services. The better access and service quality can optimize the resources utilization and helps to reduce the operating cost in the years to come. The study concludes that E-Banking is the only tool that can be use to achieve their goal.

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