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A STUDY ON EFFECTIVENESS OF ONLINE BANKING DURING PANDEMIC

^[1] SHANMUGAPRIYA.K

^[2] DR.S.UMAMAHESWARI

^[1] Student, School of Management Studies, Sathyabama Institute of Science and Technology, Chennai – 600119

^[2] Assistant Professor, School of Management Studies, Sathyabama Institute of Science And Technology, Chennai – 600119

ABSTRACT

The Banking and Non-banking finance companies (NBFCs) which are the backbone of India's economy are not exception to the above though the lockdown was necessary and inevitable so as to prevent the rapid spread of Novel Corona virus and to save lives of people of the country; it is going to affect the various sectors of our economy in a larger sense. People can protect themselves by this pandemic by the way of maintaining social distance. But the basic needs like food and medicine are vital for leading their life and in it the transfer of cash plays an inevitable role. Internet banking can make the transaction through an electronic basis without the exchange of any physical commodity with maintaining social distance. This study is an attempt to assess the contribution and impact created by online banking due to lockdown which has resulted in closure of all commercial, educational, public and private institutions and suspension of all means of transportation, etc. Our paper seeks to analyze the effectiveness of online banking sector in India during and post pandemic - Covid-19. This was done with the help of convenience sampling methods and their responses were summarized using graphs for the purpose of better understanding.

Key words: online banking, satisfaction, covid-19

INTRODUCTION

Advanced technology allows the banking institutions to enhance its operations with cutting of cost effectively and efficiently for the purpose of handle day to day banking affairs through online banking channel. Customers are been facilitated by the reduction of their visits to banks and do their transactions through internet or ATM machines rather than personally visiting the bank branches. The purpose of this study is to make an attempt to investigate the effective factors that facilitate using electronic banking services for their customers.

Banking industry is one among the major users of information as well as communication technologies in the business life. Since new millennium, millions have been spent for the purpose of developing online banking infrastructures. Therefore it has transformed the traditional banking practices and looking on online services as the next gen technology in many countries. Today by the usage of online banking, customers could conduct a wide range of banking services electronically, anytime and anywhere. Now through online banking, customers could conduct a variety range of banking services electronically, anytime as well as anywhere.

REVIEW OF LITERATURE

Carlos tam and Tiago Oliveira (2017) states that the financial industry has has equally grown like many other industries and it has been innovated within their shells of operations. The technological advancement in a drastic level has cleared the path for new channels for banking. It becomes essential for the banking industry to be knowledgeable about what customer centric means and the methods to convert efforts into profitable notion.

Eyob ketema (2020) states that customers are the survival option for the business survival and at the same time satisfaction also plays a major role for the survival of service industry. it becomes more crucial to have surveillances and monitoring of the services rendered in the traditional methods and online mode. The predictor variables like reliability, security, efficiency, responsiveness, empathy and ease of use thus have a positive relationship with service quality

Inzamam UI Haq and Tahir Mumtaz Awan(2020) states that the electronic banking requirements are enhanced in the current circumstances that had a greater influence during the pandemic situation though their traditional banking .however the requirement related to trust factor, safety and security, reliability, design of the website and the customer relationship and support is notable factors.

Himanshu Arya (2019) stated that electronic banking faces a challenge of safety and security most of the time and there prevails loss of data that may be caused due to technical defaults, the electronic baking also faces a kind of business challenges that is for a transaction done via internet the service charges are very low they can see profit unless there are large number of transactions are being routed over the website of the bank..

Nayana and Ms.Susheela (2020) states that inadequate knowledge, lack of infrastructure, undesirable location, security issues in ATM cards, the obstacles to open a bank account are the main challenges faced by most of the internet banking users generally. Digital banking is stated as a restless factor that the lifestyle easier. In dealing with the computer and other electronic devices there is always a view of system crashing, server traffic, virus threat and power and internet fluctuations which makes the accessibility of internet banking a little risk.

Yuvnika Sogani (2020) mentioned that many developed countries have switched to chip based cards and this change have globally caused a shift because of increased risk of cards skimming and cloning by the utilization of magnetic strip cards. Although it did not attain hundred percent impacts in the number of cards frauds worldwide but it did have a most important impact in the process of reducing them.

OBJECTIVES

- To study the awareness about the online banking services provided by the banking sector during pandemic situation.
- To identify the satisfaction level towards online banking during pandemic situations.
- To evaluate the factors for preferring online banking service.
- To analyze on the perception of customers towards e-banking during pandemic.

SCOPE OF THE STUDY

In the present scenario majority of the economical and technical changes are taking place in industrial and financial revolution by the process of new information-processing technology. Especially in finance sector changes has a significant role for the overall development. After identifying the research area and referring the relevant literatures, it has been found that in most of the literature, the information technologies have a wide application area. However in the finance sector majority changes have been taken place. Due to these major

changes we have chosen to do the study on effectiveness of online banking during pandemic. After completing step by step procedure, now it is required to take the review of the system.

The people used information and technological tools to manage and to process the information. The automation process is used in the financial sector for transaction system. Automation type of working methodology is used in the financial Institute since many years. The bank sector is mostly related to all classes of people like businessmen, industry, agriculture, labor, small entrepreneurs, workers etc. It has been changing the complete culture and the working methodology. Hence it has a wider scope to study the prevailing modern transaction system in the financial sector especially in online banking system. In the literature survey it has been found that the technology has monopoly for the development of software product and it is observed that such technology is not used for study purpose in any other different field.

RESEARCH DESIGN

A research design is considered as a framework or a plan for a study that guides as well as helps the data collection and analysis of data.

Descriptive Research Design- Descriptive research is a type of study that is designed in order to depict the response of the respondents in an accurate way. In simple words the descriptive research is all about describing the respondents who take part in the study.

SOURCES OF DATA:

Primary data- Primary data means the data collected by the investigator conducting the research in the contrast.

Questionnaire- The questionnaire tried to capture the responses of the customers mainly on the key deliverables, derived from the survey conducted and a few questions have been included to gauge the level of satisfaction and to gain insights into customer's expectations.

Secondary Data Sources- Secondary data refers to the data that was collected by someone that is other than the user. Common sources of the secondary data are Journals, books, websites, online industrial records and data that were originally collected by other researchers for research purposes.

Structure of questionnaire and population- There are two broad types of questions. they are open ended or open questions and closed ended or closed questions. An open question enables the respondents to answer as they wish and closed questions provide the respondents with a list of options from which they choose an option. The number of respondents collected was 112 respondents randomly in Chennai location.

SAMPLING TECHNIQUE:

Convenience sampling method- A convenience sampling is one among the main types of non probability sampling methods. A convenience sample is made up of people who are ease to reach to the researcher.

Period of study- The period of study is from January 2021 to March 2021 which is a three months of study.

Analytical tools- The analytical tools used are percentage analysis, correlation and one way Anova.

RESULT ANALYSIS AND DISCUSSION

CORRELATION

1) Education and Satisfaction level attained

		Education qualification	Satisfaction level attained
Education qualification	Pearson's correlation	1	0.178
	Sig (2-tailed)	-	0.060
	N	112	112
Satisfaction level attained	Pearson's correlation	0.178	1
	Sig (2-tailed)	0.060	-
	N	112	112

INFERENCE-

From the above table it is inferred that, since value of r is positive, and the significance level is more than 0.05, there exist a positive relationship between education qualification and satisfaction level attained.

2) Age of the respondents and factors for preferring online banking

		Age of the respondents	Factors for preferring online banking
Age of the respondents	Pearson's correlation	1	0.163
	Sig (2-tailed)	-	0.086
	N	112	112
Factors for preferring online banking	Pearson's correlation	0.163	1
	Sig (2-tailed)	0.086	-
	N	112	112

INFERENCE-

From the above table it is inferred that, since the value r is positive, and the significance level is more than 0.05, there is a positive relationship between the age of the respondents and the factors for preferring online banking .

ONE WAY ANOVA**3) gender and online banking as a better substitute based on satisfaction**

H0- there is no significant difference between gender and online banking as better substitute based on satisfaction level.

H1- there is significant difference between gender and online banking as better substitute based on satisfaction level.

	Sum of squares	df	Mean square	F	Sig.
Between groups	1.582	3	0.527	2.163	0.097
Within groups	26.337	108	0.244		
total	27.920	111			

INTERPRETATION-

From the above table since the significance level is more than 0.05 accept alternate hypothesis and reject Null hypothesis. Hence there is significant difference that is the relationship is negative between gender and online banking as a better substitute based on customer satisfaction.

LIMITATIONS

The analysis of the present study has been carried out based on the information collected from the customers of banks. This study is an opinion survey and caution may have to be exercised while extending the result to other areas. Due to time constricts only 112 numbers of respondents were considered. The result is fully dependent on the information given by that of the respondents which may be based.

SUGGESTIONS

People keeping in mind the current scenario should themselves shift to online banking and e-wallet payment services to carry out their financial transactions. Government should conduct awareness drives to educate people about the need to switch to online banking and its benefits. The reserve bank of India should promote the internet services and decrease the charges imposed on e-wallet and UPI payments. The Biometric ATM machines can also be used to prevent hacking of the password and to make easy for illiterate persons. Senior

customer always prefers technology but at times lack of knowledge they are unable to access these technologies. The truth that people have positive look about online banking should be considered with great value. This is that one bad experience can possibly result in customer not using of the electronic banking service

CONCLUSION

The banking sector has been a pioneer and a leader in the electronic business world in recent years. The electronic banking revolution has primarily changed the method of the business of banking by scaling borders and limits and by bringing all about new opportunities and pathways. In countries like India, electronic banking has strongly affected the strategic business considerations and complications for banks by importantly cutting down costs such as transaction cost and delivery cost of services offered. It must be taken into consideration that however, that while electronic banking provides many benefits to customers and that to the banks, it also aggravates and reduces the hindrances of traditional banking risks. Compared to that of the developed countries, developing countries are facing many impediments that affect the successful and further implementation of online banking initiatives. One of the benefits that the banks experience while using electronic banking is that is increased customer satisfaction. This is due to that the customers may access their own accounts whenever and from anywhere and they can get involved more and thereby creating relationships with banks. Banks should also provide their customers with convenience in the sense meaning offering service that are through several distribution channels like ATM, Internet and physical branches and that have more functions available through online. Other benefits are expanded and variety product offerings and extended geographic reach. With all these steps, the banks can obtain success on that of the financial markets. But e-banking still remains to be a difficult business and banks face a lot of challenges.

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