

**A STUDY ON STUDENTS AWARENESS OF E-BANKING PRODUCTS AND SERVICES OF
COMMERCIAL BANKS**

Sangeetha P.¹,

Research Scholar (UGC-SRF)
Department of Studies in Commerce
Mangalore University
Mangalagangothri, Mangalore
PIN-574199 ,Karnataka, India.

Dr. A. Raghurama²

Professor
Department of Studies in Commerce
Mangalore University
Mangalagangothri, Mangalore
PIN-574199 , Karnataka, India.

ABSTRACT

The technological innovation and the usage of information and communication technology, with increasing accessibility of internet services has extensively contributed to the changes and development observed in the worldwide economy including banking sector. The Banking sector has emerged as a very important service industry in the present competitive world. The commercial banks provide electronic banking services to all categories of customers if they want i.e., industries, employees, students, workers etc. Generally, e-banking products and services include Debit, credit cards, online/ internet banking, mobile banking, and other e-payments/digital payments. Today, the role of students' in the higher educational institutions has become highly relevant because they will be the main beneficiaries of the innovative banking strategies as they are in a position to understand and adopt the new technology and practice it. The present paper is an attempt to know the e-banking products and services of commercial banks and the students' awareness, usage or participation e-banking activities and their support to the concept of 'cashless society/economy'. This study considers the post-graduate students of Mangalore University Campus; the sample is collected by using the convenience sampling method.

Key Words: ATM, Awareness, Debit Cards, Credit Cards, E-Banking services, Internet Banking Mobile Banking, Students, e-payments, digital payments.

Introduction

Banks, as the financial institutions, apart from industry and agriculture contribute to the economic development activities of the world. The banks change their products and levels of services in accordance with the changing socio-economic needs. Commercial Banks consider the information and communication technology to practice e-banking system. In this system of banking, an individual can open accounts, transfer funds, make payments of electricity bills, insurance premium, and can also avail services on smart phones. Today, banks open their branches or extension counters in many colleges and University campuses to facilitate the payment of fees etc. The students are very dynamic; they are very knowledgeable and aware of the changes in the banking world. The students of higher educational institutions are generally considered technology- savvy and early adopters. The majority of them are already on social networking sites, and started making payments using cards. This paper is an attempt to know the e-banking products and services of commercial banks and the students' awareness, usage of e-banking services and their support to the concept of 'cashless campus' in Mangalore University.

Review of Literature

Kishori Jagdish Bhagat and Prashant Madhukar Shinde (2015) studied the awareness of banking skills among degree students in Mumbai city and found that 64% of the total respondents had bank accounts and they were actively operating it. 38% of the respondents were aware of how to use cheques and demand drafts for financial transactions, 76% of the respondents knew how to use ATM services and 31% knew about NEFT service. 18% of the respondents actually used NEFT service for carrying out financial transactions. The study revealed that there was an association between having a Bank account and awareness, use of cheque facilities; there was no association between having a Bank account and awareness about use of the ATM and NEFT.

Muhammad Nadeem *et al* (2015) studied the awareness of electronic banking among the students of Karachi, Pakistan. Majority of the students belonged to the age group of 19-24. 85.6% of the sample students had information and knowledge about the electronic banking system. 83.2% of students were aware of ATM usage, benefits, importance and convenience of ATM. 72% of respondents knew about the usage of debit and credit cards; 64% knew to do the transaction through mobile phones; 60% of respondents agreed that account can be accessed and operated easily through electronic banking services. 77.2% of respondents were satisfied with the electronic banking system. 84% of respondents preferred new electronic banking system over the conventional, manual banking system. The study revealed that there was a positive and significant relationship between Awareness and Satisfaction and that awareness, convenience, and security were essential for increasing the satisfaction level of the students of Karachi.

Arvind Chaudhari, Mamata Patil and Madhulika Sonawane (2014) studied the awareness of e-banking facilities among the college students of the age group ranging between 18 and 25 years

in Bhusawal city. It was found that 91% of college students had the savings account and preferred nationalised banks. 20% of the respondents used mobile banking. It was also found that 46% of students used net-banking services whereas 52% of students have not used the same. The study revealed that 88% students used ATM services. 52% of them used ATM for cash withdrawal; 20% used it for Balance enquiry; 14% for fast cash and 8% of students used ATM for other purposes like utility bill payments. It was found that only 25% of respondent students were fully satisfied with the e-banking services. It was also clear that more number of commerce and professional students used e-banking services than science and arts students.

Mirosław Soltysiak and Magdalena D Suraj (2014) studied the Internet Banking awareness and preferences among young people aged 20-25, studying at Subcarpathian Universities in Poland. 95.65% of them were using online banking services. Banks delivering transactional websites to their clients were popular among 61% of the respondents. The possibility to use banking services through the internet was one of the most desirable factors affecting the choice of a bank (88% of men and 80% of women). 53% of the respondents were using banking services more often and 34.7% of them once a week. 96% of the respondents opined that convenience was the most significant factor influencing the use of transactional websites in the case of banking services. Other factors were: time saving, direct account access and financial benefits. The normal online banking operations conducted by respondents were checking the account balance (98.72%) and the account records (97.44%). They also pay their bills (90.44%), transfer money (88.34%) and top-up their mobile phones (84.96%). In the case of shopping, 61.8% of women pay online for shopping more frequent as compared to 49.5% of men.

The above studies analysed the awareness, usage and preferences of e-Banking services of commercial banks among students in different places in India, and also in some foreign countries. The responses of students who were either in graduate or at the post-graduate level were considered for their study. This paper is an attempt to know the e-banking products and services and students' awareness, usage or participation in the e-banking services of commercial banks and their support to the concept of 'cashless campus' in Mangalore University.

Objectives of the Study

- To know the students' awareness about e-banking products and services.
- To analyse the challenges and risks faced in using e-banking services.
- To analyse and understand the students' participation and contribution to e-banking practices.
- To suggest measures to improve the e-banking practices of commercial banks based on the findings.

Research Methodology

This study is based on both primary and secondary data. The secondary data were collected from articles in journals, other related reports and publications. The primary data was collected from

the sample students with the help of questionnaire. The 60 sample students from Mangalore University Campus were selected through convenience sampling method. The data analysis was done with the help of simple percentage method.

Electronic Banking (E-Banking)

Electronic banking is the use of electronic communication forms to transfer funds directly from one account to another, rather than by cheque or cash. It can be appropriate to use combinations of several communication means, depending on individual segments, types of operations, products and situations. The most important electronic delivery channels are the Internet, wireless communication networks, automatic teller machines (ATMs), and telephone banking. Electronic banking can be defined as the use of electronic delivery channels for banking products and services.

Electronic banking (e-banking) is the latest delivery channel of banking services. The customers consider the benefits and assess them against the costs associated. The Internet banking offers a lot of benefits, like any-time anywhere banking, faster transaction, updated information, convenience, etc. In the initial stage, e-banking channels were introduced in metropolitan cities and urban areas, but recently banks have started focusing on semi-urban and rural areas. The different e-banking channels such as debit and credit cards, ATMs, online banking, Tele-banking, Mobile banking, and Smart Cards are changing the face of the retail banking sector.

The banking industry has been revolutionised since 1991. The utilisation of Information Technology is very important in the banking industry today. The technological innovations and upgradations are taking place in the banking industry, which initiated new modes of providing banking services through electronic channels/mode. In addition to debit and credit cards which are being commonly used as a mode of payment, some other channels of delivery have been developed for the customers. Some of the new and innovative e-banking services are stated below.

ATM/ Cards facility/ Plastic Money: It refers to ATM cards, debit cards, credit cards etc. provided by the banks to their customers. The ATM (Automated Teller Machine) is an effective delivery channel and the most useful tool to ensure “Any time Banking” or Any Time Money, which operates with particular PIN Number. The customers can use this card to avail services, such as Cash withdrawal, account balance enquiry, order a cheque book, deposit fund, utility bill payments, recharge of mobile phones, etc. Customers can also make purchases, e-commerce transactions, and pay bills etc with the use of debit cards.

Internet banking: It is also known as PC Banking or Net banking. With The accessibility to internet facility and availability of the computer, the banks provide their products and services through internet. Today, all public and private sector banks are providing e-banking services to their customers. It is a retail banking product which enables the customers to operate their accounts from anywhere and at anytime. A customer can access his account by logging in the website of the particular bank. It facilitates Fund Transfer, utility bill payments, online bill payments, online ticket booking, direct deposit, online share trading, credit card payment, LIC

premium payments, Request for a loan, Credit PPF Account, Request to Issue D.D., etc.

NEFT/RTGS: NEFT (National Electronic Fund Transfer) system and RTGS (Real Time Gross Settlement) System enables the transfer of funds from one bank to another bank as well as from remitter's account in a particular bank to beneficiary's account in another bank across the country. It is useful to the customers to transfer funds from one bank branch to another branch and also another bank.

Phone Banking: It is also known as Tele-banking or Mobile-banking or M- Banking. The significant increase in the use of mobiles and landlines lead the banks to offer Telephone Banking, mobile-banking services.

Telephone Banking: Banks provide this service with the help of a telephone. The services are provided to the customers with secure ID and TPIN number. It provides for the change of TPIN, balance enquiry, last three transaction statements, cheque status enquiry, etc.

SMS Banking: This service is provided with the help of mobile phone of the customers. It offers balance enquiry, Alert for password generations, last three transactions statements, cheque status, etc.

Mobile Banking: This service is provided by banks with secure ID and password to the customers on their request. Mobile banking offers Fund transfer, direct deposit, bill payments, immediate payments service, mobile and DTH recharge cheque book request, M-Commerce transactions, e-cheque, etc. The transactions can be done by using the mobile devices such as feature phones, smart phone or tablet etc. with the applicable rules and conditions. The banking applications which are provided by the banks can be used and also other relevant applications such as paytm, BHIM, etc can be used for bill payments or fund transfers etc.

Data Analysis

This paper analyses the data collected from the sample students on the campus regarding their awareness about some of the e-banking products and services, sources of getting information, purpose for which they use ATM/ debit cards, benefits/impact of e-banking on banking services, problems faced by them and their support for cashless campus concept. All the respondents had bank accounts. Majority of the student respondents (80%) had their accounts in Public sector banks and 20% of them in private sector banks. They use ATM card/ debit cards also. Among the total respondents, 40% were males and 60% were females. Out of the total respondents, 48.3% were from rural areas, 23.4% were from urban areas and 28.3% from semi-urban areas.

Awareness

Table 1: Awareness of e-Banking products and services among the Sample Students (%)

e-banking products and services	Know	To Some Extent	Don't know
Debit cards/Credit cards	98.33	1.67	-
Online Statements	60	16.67	23.33
Direct deposits/ Direct credit	55	21.67	23.33
Online Bill Payment	71.67	20	8.33
Internet Banking	76.67	20	3.33
Mobile Banking	78.33	16.67	5
Electronic Fund Transfer (NEFT/RTGS)	60	21.67	18.33

Source: Field Survey

The above table 1 shows the awareness level of students of various e-banking products and services of banks on Mangalore University Campus. Among the respondents 98.33% are aware of debit cards/credit cards, 60% each are aware of online statements and also heard about NEFT/RTGS; 55% are aware of direct deposits/ direct credit, 71.67% know about online bill payments, 76.67% have heard about online/ Internet banking, and 78.33% of them are aware of mobile banking.

The respondents are aware of or heard about some of the above given e-banking services to some extent which are Online Bill Payment, Internet Banking (20%); direct deposits/direct credit and Electronic Fund Transfer (NEFT/RTGS) (21.67%). The students are also not aware of some of the e-banking services, which include Electronic fund transfer (18.33%), direct deposits and online statements (23.33%) each.

Sources of Information

The information regarding e-banking products and services are important to participate in the banking transactions.

Table 2: Sources preferred by respondents to get information about e-banking services

Sources of Information	Response (%)
TV/News Papers	63.33
Internet/ Social Networks	80
Family Members	28.33
Friends/ Relatives	51.67
Bank Websites / Bank Employees	31.67
Mobile SMS Services by Banks	55
Brochures, Booklets and Pamphlets	23.33
Advertisements	56.67

Source: Field Survey

The above table 2 shows the various sources that the respondents prefer much to get information about e-banking services. The respondents preferred more than one source as information

gathering source. The majority of the respondents (80%) opined that they got information from internet/ social networks. 63.33% of them considered TV/news papers as source of information, advertisements (56.67%), and mobile SMS services by banks (55%) and friends and relatives (51.67%), the other sources of information are family members (28.33%), bank websites and bank employees (31.67%) and Brochures, Booklets and Pamphlets (23.33%).

Usage of ATM/ Debit cards

The respondents used ATM card/ debit cards for various transactions. The sample students opined that the usage of ATM/ debit cards by them is mainly to withdraw money (55% regularly, 31.67% frequently), to check the balance in the account (30% frequently, 26.7% occasionally), for online shopping (35%), and to recharge mobile phones (31.67%) regularly. 30% of the respondents often used ATM/debit cards to make payments for purchases/services at shops. 25% of the student respondents have never used ATM/ debit cards to transfer funds, and mobile recharge. 31.67% of the respondents' used ATM/ debit cards occasionally to get Mini statements of their accounts. Only few of them used cards to pay utility bills i.e., hostel fees, rent, etc (28.33%) and also for other purchases etc. The following table shows the response regarding usage of ATM or Debit Card by the respondents for various transactions.

Table 3: Usage of ATM or Debit Card (%)

Purpose	Regularly	Often	Occasionally	Rarely	Never
To Withdraw Money	55	31.67	6.67	3.33	3.33
To Enquire the Balance in the Account	33.33	30	26.67	5	5
To Receive SMS Alerts From Bank	33.33	30	20	11.67	5
To Get Mini Statement	8.33	30	31.67	15	15
To Online Shopping	35	21.67	18.33	13.33	11.67
To Recharge Mobile Phone	31.67	16.67	10	16.66	25
To Pay Utility Bills (Hostel fees, Rent, Phone Bill, etc.)	28.33	18.33	20	6.67	26.67
To Make Payments for purchases/services at shops	28.33	30	18.33	8.34	15
To Transfer of Fund (NEFT/ RTGS)	10	30	13.33	21.67	25

Source: Field Survey

Benefits of e-banking services

The respondents opined that the e-banking services have their own benefits and impact on banking activities and on customers.

- The majority of (93.33%) the respondents opined that it facilitates anytime, anywhere banking thereby provides convenience to the customers as they are not required to go to the banks for every transaction.
- As per the opinions of 50% of the respondents, there is an increase in the number of transactions.
- 80% of the respondents opined that it reduces paper work and also wastage of paper and thereby reduces environment pollution.

- 54.55% of the respondents opined that through e-banking services banks can create awareness among people about the environment protection.

Challenges/ risks of e-banking services

The respondents also opined that the e-banking services are not free from challenges and risks to both banking activities and to the customers. Some of the challenges/ risks faced by the customers and banks are:

- Majority of the respondents i.e., 63.33% opined that the problems faced by the customers in availing e-banking services are due to lack of awareness and knowledge regarding e-banking services and conducting banking transactions through the electronic devices without awareness and knowledge.
- 50% of them opined that there is lack of certainty of data security and privacy in e-banking.
- Lack of knowledge about technical issues (48.33%).
- Lack of infrastructural facilities is the challenge according to 58.33% of respondents.
- 65% of the respondents opined that high cost aspects relating to electronic device and operating charges are also the problem faced by them.
- The other problems or challenges are: Usage of language in e-banking transactions especially, English is one of the problems that the less educated people face and also people who are not having access to computers or other devices face the problem in availing e-banking services.
- Fraud and other cyber illegal activities such as hacking etc are also the risk and major challenge before the banking industry and also the customers of e-banking.

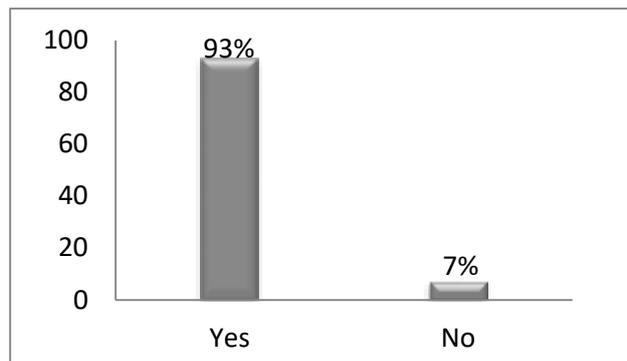
Cashless Campus

The announcement of the cashless economy along with electronic payment system has contributed to the launch of 'Cashless Campus' concept in higher educational institutions in India. The concept of cash less campus is concentrating on our young educated population in colleges and universities, who are the users of new technology and facilities. The 'cashless campus' can be considered a mode through which the youth can enter into the e-banking activities. In India, Ministry of Human Resource Development has launched Vittiya Saksharata Abhiyana (VISAKA)- Campaign for promoting digital economy through youth volunteers from higher educational institutions. Since students in universities and colleges are already in the digital world, they are in a position to understand and adopt the new technology and practice the same. They are considered highly relevant in this process. The concept of 'cashless campus' covers all receipts including fee, fines etc; all payments including salaries, wages etc; other payments including the canteen, stationery, photocopy, printing, binding etc through digital payments.

In this study, 93% of the sample respondents opined that they support the concept of cashless campus by adopting electronic payment system; 41% of them were male and 59% were female. They are of the opinion that it is time saving, there is no burden of carrying cash etc. Since most of the students are active in technology based systems, internet/ social media there may not be much

difficulty among the students to adopt this system. Availability of Wi-Fi system on the campus may also contribute to this. The student respondents have also opined that they can try to give awareness about e-banking services to their family members, friends and neighbours on necessity. The following chart shows the response of the sample respondents for 'cashless campus'.

Chart 1: Students opinion regarding 'Cashless Campus'



Source: Field Survey

Findings of the Study

- Awareness: Among the respondents, 98.33% are aware of debit cards, 55% are aware of direct deposits, 71.67% of them are aware of online bill payments, 76.67% are aware of online banking and 78.33% are aware of mobile banking.
- Sources of information are Internet/ social networks (80%), TV/news papers (63.33%), mobile SMS services by banks (55%) and advertisements (56.67%).
- Respondents used ATM/ debit cards to withdraw money (55%), to check the balance (30%), online shopping (35%), recharge mobile phones (31.67%) regularly. 25% of the respondents have never used ATM/ debit cards to transfer funds, and mobile recharge. Only a few of them used cards to pay utility bills, i.e., hostel, rent, etc (28.33%).
- Benefits are anytime, anywhere banking (93.33%) and reduced paper work (80%).
- Challenges/risks faced by the respondents/customers are: lack of awareness/knowledge (63.33%), data security and privacy (50%), and technical issues (48.33%). The respondents'/customers have faced the problems, such as, Lack of infrastructure (58.33%) and the high cost of the electronic device and operating expenses (65%).
- Cashless Campus: 93% of the sample respondents support this concept by adopting a digital payment system. Some of the respondents were also opined that it will be useful only to a limited extent, because the small shops may not be able to adopt such cashless system due to lack of resources.

Suggestions

Based on the data analysis and findings of the study, the following suggestions are given for the improvement of e-banking activities and the participation of the young population in this through

various modes of digital banking.

- Educating the customers through conducting awareness programmes by bank officials in association with educational institutions, such as conferences, workshops etc.
- Demonstration of using different e- payment systems or digital payment systems such as Point of Sales machine, paytm, mobile banking applications, e-wallets, electronic fund transfer etc. in the college campuses can be conducted to have the practical knowledge about digital payment system.
- Since the students have more access to social networks, they can be used as a source of providing information regarding e-banking products and services.
- In general, bank officials should also consider rural area customers to give awareness about the usage of e-banking products and services, such as Mobile banking, NEFT, e-payments, etc in fairs, different public celebrations, Gram Panchayats etc.
- Should provide improved and updated data security measures to protect online banking transactions and data.
- Technical defaults should be avoided by employing well trained and expert technicians in the field of computers, ATM and also ensure full security to customer funds.
- Banks should cut off or reduce service charges for e-banking / digital payment services to encourage the use of e-banking services among the people.

Conclusion

With the announcement of demonetisation and the e-payment system, the different modes of conducting banking transactions were very much highlighted. The bank officials have already started giving awareness program about various electronic payment systems. While explaining about the e- payments, they can explain how one can also contribute to environment protection by opting for electronic payment channels or services. Students are the customers from different regions or places who come together regularly. Through the concept of 'cashless campus', they can be brought in to e-banking platform, with the hope that information regarding innovative e-banking system will be passed on to others and continued by them even after completion of their education. It is difficult to transform the present system entirely to the new system immediately because in this process not only the students of the campus but also the staff and other employees are involved. It may take time or may be difficult to adopt this system completely on the campus. But it can be reached, if not the 'cashless', at least to 'less cash' campus and also less cash society. The customers of banks will also take time to adopt and to adjust to the system of electronic banking. Thus, e-banking services are the influential factor for transformation of the economy in this electronic era.

References

1. Arvind Chaudhari, Mamata Patil and Madhulika Sonawane (2014) "A Study on Awareness of E-Banking Services in College Students of Bhusawal City", *International Journal of Innovative Research & Development*, Vol. 3 (1), January, pp.219-224
2. Kishori Jagdish Bhagat and Prashant Madhukar Shinde (2015), "A Study of Awareness of Banking Skills among the Degree Students in Mumbai City", *Tactful Management Research Journal*, Vol. 7, March, pp. 57-61. Retrieved from <http://oldtm.lbp.world/SeminarPdf/137.pdf>
3. Miroslaw Soltysiak and Magdalena D Suraj (2014), "Internet Banking Awareness and Preferences among Young People in Poland", *Humanities and Social Sciences*, Vol. XIX (21/3), July-September, pp. 213-222
4. Muhammad Nadeem, Rashid Ahmad, Naveed Ahmad, Syeda Rabia Batool, Ammar Ahmed, and Muhammad Nouman Shafique (2015), "Awareness of Electronic Banking System among Students: Evidence from Karachi, Pakistan" , *Singaporean Journal of Business Economics, and Management Studies*, Vol.3(12), pp.34-42
5. Retrieved from <https://www.monitorit.co.uk/getmedia/7bf253bd-a155-4ecf-8361-a15e1d3d4205/MITWhitePaper-FinalVersion>
6. Retrieved from <http://mhrd.gov.in/visaka/Visaka.pdf>
7. Retrieved from <http://sjecnotes.weebly.com/uploads/5/2/5/1/5251788/26494919-definition-of-e-banking.pdf>
8. Retrieved from <https://idrbt.ac.in/>
9. Retrieved from <https://rbidocs.rbi.org.in/rdocs/Speeches/PDFs/DG23042013FL.pdf>
10. Roshan Lal and Rajni Saluja (2012), "E-Banking: The Indian Scenario", *Asia Pacific Journal of Marketing & Management Review*, Vol.1(4), December, pp.16-25.