

A Study on Demographic Influence on E-Banking Usage Among Semi Urban Consumers in Gwalior Chambal Region

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An increased usage of ICT (Information and Communication Technology) based services is having a significant impact on banking practices adopted among common people. While such a phenomenon is exhibiting at global level, the adoption and usage of electronic banking in developing economies like India seems to be far behind than that of the developed economies. Especially, in the far flung semi urban areas, the e-banking services, despite its availability, are quite under usage by bank customers. Though technology based modern age banking services have been able to make an impact on the usage behaviour of metro and urban customers, its adoption by semi-urban population is still a matter of curiosity and interest among the researchers. This research paper is an endeavor to investigate the demographic factors that may have an influence on usage of e-banking services among semi urban consumers of Gwalior Chambal region in the state of Madhya Pradesh.

Introduction:

In the past decade, the banking sector in India has embraced exceptional advancements in ICT (Information and Communication Technology) based services. Be it a public sector or a private sector bank, majority of these banks have made an overhaul with the help of computers and information technology. With increasing focus of government on efficiency and transparency of financial sector, the banks have specially been put through the transformation process by adopting latest means of information and communication technologies. Different banking services like account opening, customer account mandate, transaction processing have been revolutionized by the application of ICT based services.

This revolution has changed the way customers used to do banking in the past. Spending hours in a bank queue to withdraw money, pay a cheque, make a demand draft, or requesting an employee to transfer funds to other account at the earliest have now become outdated.

The ICT application in banking has now provided consumers with user friendly and comfortable

methods of conducting banking transactions and activities from their own home or anywhere. Consumers may now avail the facilities to execute all types of financial transactions from anywhere that were traditionally confined within a bank branch. Also, all this is possible to do at any moment of time throughout the working hours and beyond.

However, these changes have not been fully realized by majority of Indian population, as yet. People residing in semi urban areas form a majority proportion of country's population and many of such people have been out of the main stream banking system. In order to bring such a huge population into the mainstream banking system, the Government of India recently embarked upon an ambitious project, called Pradhan Mantri Jan Dhan Yojna (PMJDY) with the aim of providing basic banking facilities to the unbanked population. The project made use of ICT based e-banking services to extend the outreach of banking services to the people residing in far flung semi urban areas. Thus, the usage of these e-banking services by the local populace is worth to be researched and investigated in order to identify factors which influence its usage among people.

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Objective of the Study:

This research paper attempts to investigate the influence of various demographic factors, like Gender, Age Group, Education, Occupation and Experience of e-banking usage on actual use of e-banking services among semi urban people in Gwalior Chambal region of state of Madhya Pradesh.

Literature Review:

Paul (2013) worked on determining the impact of emerging technologies, like electronic banking services on customer satisfaction and retention in the state of Orissa. He examined the factors that made an impact on customers' satisfaction with regards to the use of new digital technology in improving the overall service quality. The researcher also investigated the reasons or barriers in the way of successful implementation of electronic banking services in the state of Orissa.

Vijaykumar & Jaychitra, (2013) in their study stressed upon various issues and challenges in the way of customization of mobile banking services in India with all the concerned stake holders. They suggested to replicate the incidents of NGOs making less educated people mobile savvy in some states to other parts of the country.

Nayak, Nath & Goel (2014) stressed upon the need of banks and mobile service providers coming together in order to fulfil rising expectations of the consumers and help bring the revolution in the domain of mobile banking. They were also of the view that those customers who are currently using mobile banking services are highly satisfied.

Chauhan and Choudhary (2015) observed that the emergence of electronic banking has modified the way in which banks used to operate earlier. They concluded that the implementation of internet banking services has helped in transformation of banking system into their modern version. As per the researcher, although the electronic banking

is quite new to the Indian banking customers in comparison with the developed countries, it has to offers numerous benefits to them, given the issues and challenges coming in the way are addressed and dealt with properly by the government and other stake holders.

Dhananjay (2015) worked upon the usage and progress of electronic payment systems in India. He observed that the Reserve Bank of India(RBI), an apex body of banking in India has set an objective of emphatically promoting the use of electronic payments in country, which will reduce the age old cash based transaction practices. His work concluded that there has been significant difference in the use of different modes of electronic payment systems prior and after the establishment of formal facilitating and controlling body on electronic payment systems in India.

Kaur, Pathak and Kaur, (2015) studied the beneficial features of online banking and suggested that the prospects of electronic banking are high and bright in the developing countries, given the proper redressal of issues like telecommunication infrastructure, power supplies and high cost of internet access.

Clonia and Asht, (2016) suggested that in the current modern environment the demand for financial products/services is increasing rapidly and in order to meet the ever increasing demand, the financial institutions, especially banking organizations, need to look at alternative channels of services delivery and electronic banking channels are best suited for it. The electronic banking channels are also needed to retain the existing banking customers as well as to attract the new ones as against the competitors. The transcending process from traditional banking to the new age electronic banking is phenomenal and will provide elevating experience to the customers during banking transactions. Their research work also analyzed the growth taken place in adoption and use of electronic banking services in India and concluded that a lot more work is needed to be done

in order to make the electronic banking transactions safer, more secure and faster for providing a valuable experience to the customers.

Sethuraman et al., (2016) while working in similar area, concluded that awareness among semi urban people towards electronic banking channels do not readily translate into usage of those channels and there exists a significant gap between awareness and actual usage of those channels.

Research Methodology:

The current research work is based on Descriptive research methodology. The respondents are chosen from semi urban areas of Gwalior Chambal region with the help of Multi stage sampling and Simple

random sampling technique. The total sample size taken is 500. The data analysis is performed with the help of independent sample t-test and Analysis of Variance (ANOVA).

Results and Discussion:

Analysis of Gender towards usage of e-banking services:

Table 1: Group Statistics

	gender	N	Mean	Std. Deviation	Std. Error Mean
actual use	male	347	4.17	1.623	.087
	female	153	3.71	1.546	.125

Table 2: Independent Samples Test

		Levene's Test for Equality of Variances		t-test for Equality of Means						
		F	Sig.	t	df	Sig. (2-tailed)	Mean Difference	Std. Error Difference	95% Confidence Interval of the Difference	
									Lower	Upper
actual use	Equal variances assumed	.415	.520	2.948	498	.003	.458	.155	.153	.763
	Equal variances not assumed			3.004	303.987	.003	.458	.152	.158	.757

Analysis through t-test shows:

Mean value for Male respondents: 4.17

Mean value for Female respondents: 3.71

T-test significance value is 0.003 (Equal variances assumed with Levene's value: 0.520)

The result shows that actual usage of electronic banking services is much more frequent among male consumers as compared to the female consumers. It means that the female consumers are not as frequent in using the electronic banking services as are the male consumers.

Analysis of Age Group towards usage of e-banking services:**Table 3: Group Statistics**

Age Group	N	Mean	Std. Deviation	Std. Error	95% Confidence Interval for Mean		Minimum	Maximum
					Lower Bound	Upper Bound		
18-24	97	4.32	1.611	.164	3.99	4.64	1	6
25-34	135	4.50	1.450	.125	4.25	4.74	1	6
35-44	144	3.71	1.591	.133	3.45	3.97	1	6
45-54	124	3.67	1.651	.148	3.38	3.96	1	6
Total	500	4.03	1.612	.072	3.89	4.17	1	6

Table 4: ANOVA Test of Significance

E-banking Usage	Sum of Squares	df	Mean Square	F	Sig.
Between Groups	68.516	3	22.839	9.224	.000
Within Groups	1228.034	496	2.476		
Total	1296.550	499			

The result shows that actual usage of electronic banking services is much more frequent among 25-34 years age group (Mean value: 4.5) consumers as compared to other age group consumers. Further, the respondents from age groups 18-24, 35-44 and

45-54 have actual usage values as 4.32, 3.71 and 3.67 respectively. The significance value from ANOVA table shows that there is significant influence of age as a demographic factor on e-banking usage.

Analysis of Education Level towards usage of e-banking services:**Table 5: Group Statistics**

Education levels	N	Mean	Std. Deviation	Std. Error	95% Confidence Interval for Mean		Minimum	Maximum
					Lower Bound	Upper Bound		
Literate	174	3.79	1.476	.112	3.57	4.01	1	6
High school	217	4.22	1.660	.113	4.00	4.44	1	6
Intermediate	57	4.14	1.913	.253	3.63	4.65	1	6
Graduate	52	3.92	1.398	.194	3.53	4.31	1	6
Total	500	4.03	1.612	.072	3.89	4.17	1	6

Table 6: ANOVA Test of Significance

	Sum of Squares	df	Mean Square	F	Sig.
Between Groups	19.466	3	6.489	2.520	.057
Within Groups	1277.084	496	2.575		
Total	1296.550	499			

The ANOVA result shows that usage of electronic banking services is equally availed among consumers from all across education level groups. It means that the consumers are equally frequent in using the electronic banking services irrespective of their educational background.

Analysis of Occupation towards usage of e-banking services:

Table 7: Group Statistics

Occupation	N	Mean	Std. Deviation	Std. Error	95% Confidence Interval for Mean		Minimum	Maximum
					Lower Bound	Upper Bound		
Labourer	123	3.88	1.394	.126	3.63	4.13	1	6
Self employed	136	4.28	1.681	.144	3.99	4.56	1	6
Student	95	4.24	1.609	.165	3.91	4.57	1	6
Farming	146	3.79	1.682	.139	3.51	4.06	1	6
Total	500	4.03	1.612	.072	3.89	4.17	1	6

Table 8: ANOVA Test of Significance

	Sum of Squares	df	Mean Square	F	Sig.
Between Groups	24.148	3	8.049	3.138	.025
Within Groups	1272.402	496	2.565		
Total	1296.550	499			

The result shows that actual usage of electronic banking services is much more frequent by the self-employed (Mean value: 4.28) as compared to other occupation groups' consumers. The mean values show that the farmers (Mean value: 3.79) are the least frequent in using the electronic banking service. At the same time, students (Mean value: 4.24) are having more frequent usage than the laborers (Mean value: 3.88). The significance value from ANOVA table shows that occupation of consumers significantly influences their e-banking usage.

Analysis of Usage Experience towards usage of e-banking services:

Table 9: Usage Experience Group Descriptives

Occupation	N	Mean	Std. Deviation	Std. Error	95% Confidence Interval for Mean		Minimum	Maximum
					Lower Bound	Upper Bound		
less than 1 year	18	3.22	1.003	.236	2.72	3.72	1	6
1-2 years	213	3.95	1.586	.109	3.74	4.17	1	6
2-3 years	188	4.06	1.665	.121	3.82	4.30	1	6
3-4 years	81	4.35	1.606	.178	3.99	4.70	1	6
Total	500	4.03	1.612	.072	3.89	4.17	1	6

Table 10: ANOVA Test of Significance

	Sum of Squares	df	Mean Square	F	Sig.
Between Groups	21.231	3	7.077	2.752	.042
Within Groups	1275.319	496	2.571		
Total	1296.550	499			

The result shows that actual usage of electronic banking services is much more frequent by the consumers with larger e-banking usage experience as compared to other experience groups' consumers. The actual usage mean values for 1-2 years and 2-3 years usage experience respondents are 3.95 and 4.06 respectively. The consumers with less than a year experience (Mean value: 3.22) are not as frequent in using the electronic banking services as are consumers in larger experience groups. The significance value from ANOVA table shows that e-banking usage experience of consumers significantly influences their actual e-banking usage.

Conclusions:

The results obtained after analysis of responses collected from the respondents, the study concludes that the demographic factors of Gender, Age, Occupation and E-banking Usage experience have a significant influence on usage of e-banking services. The Male respondents make more use of e-banking as against the female respondents. The consumers in the age group of 25-34 years are more frequent users of e-banking in comparison with consumers from other age groups. Occupation wise, the consumers who are self-employed are having more frequent usage and the farmers are having least frequent usage of e-banking services. Further, the past usage of e-banking services plays a significant role on current frequency of its usage among consumers, i.e. greater the past experience, more is the current use. The only demographic factor that did not show any significant influence of e-banking usage is the education level of consumers. This outcome of the research could be attributed to the fact that people tend to learn new things through usage and practice

and their educational background does not become any hurdle in the way of their practical learning, as far as the usage of e-banking services is concerned.

The outcome of this research work puts an emphasis on the need to promote usage of e-banking more among the females and farmers in semi urban areas, which constitute a significant part of the semi urban population.

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