

An approach of urban and rural educated senior citizens towards e banking services

Nilesh Anute^{1,*}, Devyani Ingale²

¹Assistant Professor, ²Associate Professor, Dept. of Management, NBN Sinhgad School of Management Studies, Pune, Maharashtra, India

***Corresponding Author: Nilesh Anute**

Email: nileshanute@gmail.com

Abstract

The objective of this research paper is to study behaviour of urban and rural educated senior citizens about e banking services. The government of India provides various concessions and facilities to its senior citizens. The banking industry is also providing various schemes to senior citizens like senior citizens savings scheme, senior citizens club account, tax saving schemes, senior citizens fixed deposits schemes etc. Banks are also marketing themselves as best bank for senior citizens. Banking institutions started providing online services to their customers but these services cannot be said to be user-friendly for senior citizens. It is also possible that websites will be designed for easy use by the elderly in the future. As educated senior citizens are the major segment using banking services it becomes necessary to study the awareness, usage, ease of using and satisfaction level of e banking services among them. The researcher has used descriptive research design and non-probability convenience sampling method for this study. Survey method is used to collect the data from 160 respondents by using well-structured questionnaire. This research will help the banking system to know awareness, usage, ease of using and level of satisfaction about e banking services for urban and rural educated senior citizens. And this will lead to develop specific schemes and strategies for this group of customers.

Keywords: E-banking, Internet banking, Senior citizen, Awareness, Usage, Ease of use, Satisfaction.

Introduction

The banking sector plays an important role in the development of an Indian economy. E-banking became an essential part of the banking system; use of e banking helps banks to increase the work efficiency. E-banking provides both efficient and effective ways of doing banking transactions. E-Banking is the medium of delivery of banking services, it has gained wide acceptance in India. In the near future banking operations will be highly operated by information technology. Now a day's Mobile-banking is playing a significant role in the banking sector and the some bankers are providing more and more services on mobile rather than in bank. The services like balance enquiry, a request for cheque book, change password, request for a Demand Draft, etc. The use of electronic funds transfer has been also increased. Banks have launched their apps for providing the banking services to their customers and most of the educated customers especially youth has started using e banking services through mobile apps. Internet banking provides many facilities to bank customers like money transfer (RTGS, IMPS), bill payments etc. Debit /Credit cards services of banks have seen the highest growth in last two decades in India. The plastic money also made inroads into the Indian economy especially for the all classes of customer. The debit and credit cards are playing very important role in the daily activity of almost every individual, due to the debit/credit card doing bill payment of products becomes very easy. Internet penetration in India is the biggest innovation in the banking sector in the last three decades. According to the law, "a senior citizen means any person being a citizen of India, who has attained the age of sixty years or above". And these users encounter many barriers that arise from aging when they attempt online banking.

Literature Review

Sylvia E. Peacock (2007), in his research paper, "Senior Citizens and Internet Technology: Reasons and Correlates of Access versus Non Access in European Comparative Perspective", he discussed the influence of cultural and socioeconomic back ground on the internet access of senior citizens. He also identified that motivational indifference and deficient knowledge are the major factors of low usage of internet technology amongst senior citizens. Vijay M. Kumbhar (2011), in his research paper "Factors affecting the Customer Satisfaction in e-Banking: Some Evidences Form Indian Banks" he evaluates major factors affecting on customers' satisfaction in e-banking service settings. This study also evaluates the influence of service quality on brand perception, perceived value and satisfaction in e-banking. Jayshree Chavan (2013), in her research paper "Internet Banking- Benefits and Challenges in an Emerging Economy" She identified that information technology has taken imperative place in the future expansion of financial services, especially banking sector conversion are affected more than any other financial provider groups. She also mentioned that for banking transactions and international trading requires more concentration towards e-banking security against deceptive activities. Shannak, R. O. (2013), in his research paper "Key Issues in E-Banking Strengths and Weaknesses: The Case of Two Jordanian Banks" he suggested to enhance the e banking sector we have to focus more on mobile functionalities and internet services. He also suggested that e banking services must be trusted by its users then only it will grow drastically. Bhavesh Parmar, et.al. (2013), in their research paper "Rural banking through internet: A study on use of internet banking among rural consumers" they identified that customers are using e banking services because they are time saving and provides the facilities which are important in for customers. And they also suggested that, there is a need to make internet banking

user friendly and safe. Shaza W. Ezzi (2014), in her research paper titled "A Theoretical Model for Internet Banking: Beyond Perceived Usefulness and Ease of Use" she tried to inquire different types of electronic banking like ATM's, telephone banking, electronic funds transfer and Internet banking. Rakesh H. M. & Ramya T. J. (2014), in their research paper "A Study on Factors Influencing Consumer Adoption of Internet Banking in India" they tried to examine the factors that influence internet banking adoption. Dr. Dhiraj Sharma and Namita Singla, (2016) in their research paper "E-Banking in India: Bankers' Problems Perspective", they observed that Indian private banks are ahead of public sector banks in providing e banking services to customers and in coming era customer relationship management will be highly maintained with the help of e banking services.

Research Methodology

Objectives of the Study

1. To study the awareness of e banking services amongst urban and rural educated senior citizens.
2. To study the usage of e banking services amongst urban and rural educated senior citizens.
3. To study the ease of using e banking services amongst urban and rural educated senior citizens.
4. To study the satisfaction level of e banking services amongst urban and rural educated senior citizens.

Scope of the study

The study deals with awareness, usage, ease of using and satisfaction level of e banking services only about educated senior citizens in Pune urban and Pune rural area. As from the previous studies and literature review it is observed that the number of uneducated senior citizens using e banking services is very negligible. Sometimes they operate e banking services through private and government agencies or from their educated family members. So this study deals with only educated senior citizens. The researcher has selected five professions under the segment of educated senior citizens for the study; Teachers, Doctors, Lawyers, Engineers and Management Professionals (working as well as retired).

Sampling Method

The researcher has selected non-probability convenience sampling method for selecting 160 respondents as sample size (80 from Pune urban and 80 from Pune rural).

Methods of Data collection

Primary data is collected using the questionnaire prepared and all relevant secondary data is collected from various sources like Internet, Books, Magazines, and Articles etc. For primary data the researcher has visited urban and rural area in Pune and collected data from the respondents.

Method of Analysis and Statistical tools

The researcher has prepared the master chart from the data collected and analyse the data with the help of IBM Statistical Package for the Social Sciences (SPSS)-20.

Reliability and Validity

A reliability test was carried out using SPSS. The Cronbach's Alpha observed is 0.795, which is more than 0.700, so the questionnaire is considered to be reliable. The researcher has used content validity and identified the research instrument is valid for the present research study.

Research Design

Table 1: Research design

| Type of Research Design | Descriptive Research Design |
|-------------------------|---|
| Population | Educated senior citizens in Pune urban and Pune rural |
| Sampling Technique | Non-Probability Convenience Sampling |
| Sampling Area | Pune urban & Pune rural |
| Sample Size | 160 (80 Pune urban & 80 Pune rural) |
| Primary Data | Well-structured questionnaire |
| Secondary Data | Research papers, Articles, Books, Journals etc. |
| Data Analysis | MS-Excel, SPSS-20 |

Data Analysis

Table 2: Gender of respondents

| | Respondents | | Percentage (%) | |
|--------|-------------|-------|----------------|-------|
| | Urban | Rural | Urban | Rural |
| Male | 54 | 63 | 67.5 | 78.75 |
| Female | 26 | 17 | 32.5 | 21.25 |

Table 3: Occupation of respondents

| Occupation | Urban | | Rural | |
|--------------------------|-------|-----|-------|-----|
| | No. | % | No. | % |
| Teachers | 25 | 31 | 32 | 40 |
| Doctors | 13 | 16 | 10 | 12 |
| Lawyers | 6 | 8 | 4 | 5 |
| Engineers | 19 | 24 | 19 | 24 |
| Management Professionals | 17 | 21 | 15 | 19 |
| Total | 80 | 100 | 80 | 100 |

Table 4: Awareness and usage of e banking services (%)

| | Awareness (%) | | Usage (%) | |
|------------------|---------------|-------|-----------|-------|
| | Urban | Rural | Urban | Rural |
| Debit card | 100 | 100 | 100 | 94 |
| Credit Card | 92 | 82 | 21 | 16 |
| Mobile Banking | 100 | 100 | 74 | 52 |
| Mobile Apps | 72 | 58 | 12 | 05 |
| Internet Banking | 95 | 86 | 23 | 11 |

Table 5: Rating method used in research

| | 1 | 2 | 3 | 4 | 5 |
|--------------|---------------------|---------------|--------------------|----------------|---------------------|
| Awareness | Very low awareness | Low awareness | Moderate awareness | High awareness | Very high awareness |
| Usage | Very low usage | Low usage | Moderate usage | High usage | Very high usage |
| Ease of Use | Very Difficult | Difficult | Moderate | Easy | Very easy |
| Satisfaction | Highly dissatisfied | Dissatisfied | Neutral | Satisfied | Highly satisfied |

Table 6: Awareness, usage, ease of use and satisfaction of e banking services

| | Awareness Mean | | Usage Mean | | Ease of Use Mean | | Satisfaction Mean | |
|------------------|----------------|-----|------------|-----|------------------|-----|-------------------|-----|
| | U | R | U | R | U | R | U | R |
| Debit Card | 4.8 | 4.2 | 3.8 | 3.1 | 4.6 | 4.5 | 4.2 | 4.6 |
| Credit card | 4.4 | 4.1 | 2.4 | 1.8 | 3.1 | 2.3 | 3.5 | 3.7 |
| Mobile Banking | 3.4 | 3.1 | 2.8 | 2.6 | 3.1 | 2.9 | 3.9 | 4.2 |
| Mobile Apps | 3.1 | 3.1 | 3.2 | 2.8 | 2.1 | 1.6 | 4.2 | 4.6 |
| Internet Banking | 4.2 | 3.9 | 2.8 | 2.7 | 1.8 | 1.4 | 2.3 | 2.8 |

*U – Urban, R- Rural

Conclusion

Awareness of e banking services amongst educated senior citizens is high and as compared to rural citizens it is slightly higher in urban citizens. Amongst all e-banking services awareness, usage, ease of using and satisfaction level is very high for debit cards. Awareness, usage and ease of using e banking services is higher in urban citizens as compared to rural citizens but satisfaction level is higher in rural citizens as compared to urban citizens. Usage of mobile apps, credit cards and internet banking is low. Both urban and rural educated senior citizens find it difficult to use mobile apps and internet banking. The Govt. of India and Indian banking system needs to take more initiatives to educate and develop e-banking services especially for educated senior citizens.

Conflict of Interest: None.

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