

Digitalization effects: an analysis of the common problems faced by the Cardholders in SBI's E-banking services in Thanjavur

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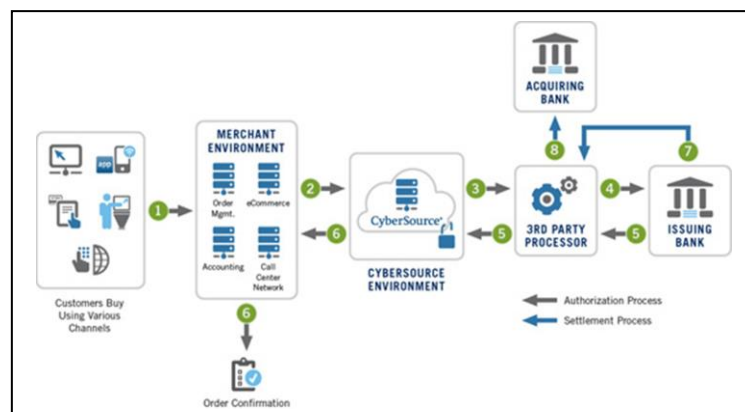
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Abstract - Digital India is an initiative taken up recently in 2015 by the government of India. It is a process instigator with the motive of providing all government services to the citizens, both residing in rural and urban areas. The entire services can be provided electronically through internet connectivity. Thus India can be identified as digitally empowered in the field of technology. Development of technology all over India, including rural areas is done by providing high speed internet networks. The current study is done mainly in the rural area of Thanjavur and especially with those respondents who are SBI cards holders. This study highlights the common problems faced by them through the online transaction carried. A total of 75 respondents were surveyed through a structured Questionnaire framed on the problems occurred in online transactions. The respondents selected were spread across the remote area of Thanjavur. The study has been planned into three parts (i) Concepts related to online problems (ii) Research design (iii) analytical part and the conclusion.

Key words: Plastic money, e-commerce payment system, merchant account, online shopping, Digital Transaction, EFI.

I. INTRODUCTION

Today the Internet has become as a part and parcel of each individual's life. It saves individuals time and money and make easier to do any online transaction from the place they live. Online transaction includes online payment services, online marketing services, online investment services, online booking for travel, restaurant, movies etc. Generally peoples believe that the cost involved in physical acquisition of these services is high and they start searching the source to utilize these services at lower cost. The Internet serves at this source and does the services at economical rate and at the best quality. The Internet is relatively considered as a new medium for the communication and the exchange of information which has become present in our daily lives. The number of Internet users is constantly increasing, which is also significant that online dealing is increasing rapidly.¹ The online dealings like shopping and its payments are commonly made by the populace. But everyone faces some problems at an initial or later stage. The process of online shopping and payment dealings can be clearly understood from the diagram depicted below



Source: Online Payment processing details (www.cybersource.com)

Online Payment processing²

Step 1: Purchaser places order

Step 2: Merchant securely transfers order information to Cyber Source over the Internet. Cyber Source receives order information and performs requested services.

Step 3: Cyber Source formats the transaction detail appropriately and securely routes the transaction authorization request through its payment gateway to the processor.

Step 4: The transaction is then routed to the issuing bank (purchaser's bank) to request transaction authorization.

Step 5: The transaction is authorized or declined by the issuing bank or card (Discover, American Express).

Step 6: Cyber Source returns the message to the merchant.

Step 7: Issuing bank approves transfer of money to acquiring bank.

Step 8: The acquiring bank credits the merchant's account.

II. CONCEPTS RELATED TO ONLINE TRANSACTION

PLASTIC MONEY: It is an electronic module where all the information about the client or the card holder and the bank are stored and can be executed by putting it in the ATM and at the Point of Sales terminal. It may be in the form of Debit card, credit card, ATM card, store card, Precash card etc.

E-COMMERCE PAYMENT SYSTEM: it facilitates the acceptance of electronic payment for online transactions. It is also known as a Electronic Data Interchange (EDI). This system is introduced to use green transaction i.e., Paper less money Transaction.

MERCHANT ACCOUNT: It is a type of bank account or business account of a trader or merchant with bank where all the funds paid through plastic money are deposited in this business account. It accepts Visa, MasterCard, American Express or any other debit or credit card for payments.

ONLINE SHOPPING: It is a form of e-commerce, where consumers can directly buy goods or services from a seller over the Internet by referring the online shopping zone. There are multiple zone which displays the different product's availability and pricing at different e-retailers. The consumer can select the product and can use online or offline option of payment option for such product and request for delivery to their convenient location.

DIGITAL TRANSACTION: A digital transaction is a seamless system involving one or more participants, where transactions are effected without the need for cash. Digital transaction involves a constantly evolving way of doing things where financial technology companies collaborate with various sectors of the economy for the purpose of meeting the increasingly sophisticated demands of the growing tech-savvy users.³

ELECTRONIC FUND TRANSFER: It is a popular electronic payment method to transfer money from one bank account to another bank account. It can be operated self by the customer in online and can also use NEFT, RTGS to transfer money but in this case the customer has to depend upon the bank to transfer the fund.

III. REVIEW OF RELATED LITERATURE

Goyal and Goyal (2012)⁴ studied that an analysis of the differences in risk perceptions between bank customers using i-banking and those not using internet banking was done and the study showed that risk perceptions in terms of financial, psychological and safety risks among customer not using the internet was more meaningful than those using internet banking. Customers not preferring to use i-banking thought that they would be swindled when using this service and therefore, are particularly careful about high risk expectation during money transfers from and between accounts. Private and foreign banks are trying to turn more and more customer towards the usage of internet for the banking transaction.

Smith and Rupp (2003)⁵ have examined and identify the factors in their work that affects the behaviour of consumers. These issues have been identified as for the marketing effort, socio-cultural influence, emotional factor, the psychological factors and privacy factors, to the experience, the purchase and post -purchase decisions. They also show that consumers are affected by various psychological factors, such as perception, motivation, personality, attitudes and emotions.

Kaufman-Scarborough, Carol; Linquist, Jay D (2002)⁶ This study finds more differences between the behaviour of frequent and occasional online shoppers, and greater similarities between occasional shoppers and non-online shoppers. Those consumers who shop online frequently are more confident, spend more money when they shop online in their home country, and also shop more cross-border. While they do worry about issues such as delivery and returning goods, they also tend to be savvier on how to solve problems when they do occur. Therefore encouraging and developing online shopping at national level is likely to increase cross-border shopping as well.

Rachel & Caterina, (2012)⁷ According to the study of trust in e-commerce what might makes consumers worry is losing money while not getting products in online shopping. In another word, they get defrauded by Internet frauds. Based on most the shared information about those frauds (Web Of Trust), two most common Internet frauds is: Phishing and malware

Objectives of the study

- ☞ To study the problems faced by SBI card holders in E- services.
- ☞ To give appropriate suggestion to the customer to overcome this problems.

Statement of the problem

It was once upon a time in India that most of the consumers are heavily dependent only on the cash economy; they have been using cash in hand for purchase of products and service. As continuation of demonetization process, now the consumers have to switch from cash to

cashless electronic transactions. Currently the government has restricted the traditional cash transaction and offers for electronic transfer. The consumers are push to adopt and implement cashless transaction for their needs. Though India is marching towards cashless economy, still there are complications and lack of awareness in using the plastic money and especially in E-transaction. Therefore this study makes an attempt to analyze the problems faced by the SBI card holders in online services.

Scope of the study

The present study has wide scope. This study highlights the problems arise in Internet transfers, Telephone banking, Mobile Banking problems etc. It covers the opinion of the SBI card holders who have experienced the problem in online dealings. It also covers the steps involved in online purchase and payment processing.

IV. RESEARCH DESIGN

RESEARCH METHODOLOGY: This is the **survey method of research based on Primary data**. An attempt was made to analysis of the common problems faced by the SBI Cardholders in E- Services in Thanjavur.

SOURCES OF DATA: The research works with both primary and secondary data's. The information required for the study was collected from the respondents using structured questionnaire as a primary source. Secondary data's' are referred from books, reports, journals, internet and like.

STATISTICAL TOOLS: The collected data has been represented in the form of Table. The data has been further simplified into percentage for easy understanding. Simple statistical analysis such as descriptive statistical analysis, frequency distribution, cross tabulation, Chi square test, and correlation test is also applied to test the independence of the variables.

Sampling design

The sampling design describes the sample size, sampling method and Universe of the current research studied.

SAMPLE SIZE: The study is mainly based on the primary data collected by the researcher. Questionnaire method of data collection has been exclusively used for this purpose. The data has been collected from 75 respondents. Each respondent fills separate questionnaire. The questionnaire is farmed in such a way that could help to find out solution for the objective of the study.

SAMPLING METHOD: Since the population is indefinite, convenience method of sampling is used in order to collect data from the respondents. The data was collected in person using a structured questionnaire from the respondent regularly opt E- services and experienced the problems faced in online dealing from Thanjavur are selected.

UNIVERSE OF THE STUDY: The universe for the study to analyze the problems faced by the SBI card holders in online dealings is Thanjavur city.

PERIOD OF THE STUDY

Period of the study is four months from the month of December 2017 to March 2018.

Limitations of the study

- ⊕ The findings of the study are purely an outcome of the responses given by the sample respondents.
- ⊕ Due to time availability, the sample size was taken as up to 75 respondents
- ⊕ The findings of the study may be relevant only to the study area viz., Thanjavur.
- ⊕ The cardholder's responses are subject to personal bias.

V. ANALYSIS AND DISCUSSION

1. Personal Back ground

- 77 % of respondents studied were female.
- 65 % of the respondents were in 18-25 age group
- 41% of the respondents have completed undergraduate degree.
- 64 % of the respondents studied were unmarried.
- 40 % respondents of card holders were self - employed
- 43 % of the SBI customers opined their income ranges between Rs.10,000- Rs. 20000
- 63 % of the respondents used the card for a period of 1-5 years.

2. SBI's Service Quality

- 41 % of the respondents opined quality of service as the best attribute of SBI.
- 41% of the respondents have referred the quality of service insisted to use new techniques.

3. Customers awareness on Net services

- 43 % of respondents have average knowledge in computer usage level.
- 40 % of the respondents have knowledge in the operating ATM/Debit card in net.

4. Customer perception on SBI's level of Technology

a) INTERNET SERVICES

- 27 % of respondents are highly satisfied with balance inquiry through internet`
- 59 % of respondent are satisfied in account to account transfer made through internet
- 51 % of the respondents opined neutrally to the dues verification through internet.
- 60% of the respondents are satisfied with the obligation of statement request using internet.

b) BANKING SERVICES

- 69 % of respondent belongs to satisfied on up-to-date technology.
- 59% of the respondents are satisfied with ease location of the bank.
- 60% of the respondents have felt satisfied with the sufficient number of ATM machines available.
- 41% of the respondents have felt satisfied and opined that number of cash counting machines are available in the bank and it saves their time.

VI. PROBLEMS FACED BY THE RESPONDENTS

a) Problems in E – Banking services

- 56 % of the respondents felt rarely feel that internet banking doesn't give fast response.
- 47% of the respondents have felt that the internet operation has been felt unfinished.
- 45 % of the respondents felt internet banking transactions can be tampered by others.

b) Telebanking Problem

- 41 % of the respondents have rarely felt to immediate connection to access the service is not available.
- 44 % of the respondents have rarely experienced to the lack of guidelines through Telebanking.

c) M-banking Problems

- 43 percent of respondents are never felt login/sign off as easy through mobile banking.
- 63 % of the respondents have never felt insecure in banking transaction.

VII. STATISTICAL ANALYSIS

Reliability Test

ANOVA test between Profession and problems in internet banking transactions

		Sum of Squares	df	Mean Square	F	Sig.
E-Banking Transaction Familiarity	Between Groups	9.251	5	1.850	3.207	.018
	Within Groups	39.869	69	0.578		
	Total	79.120	74			
Customer Technology level	Between Groups	6.345	5	1.269	.399	.848
	Within Groups	219.202	69	3.177		
	Total	225.547	74			
Accounting details Inquiry	Between Groups	4.003	5	.801	3.069	.015
	Within Groups	17.997	69	.261		
	Total	22.000	74			
E-Payment services	Between Groups	8.469	5	1.694	3.732	.005
	Within Groups	31.317	69	.454		
	Total	39.787	74			

Reliability Statistics			
Cronbach's Alpha	Cronbach's Alpha Based on Standardized Items	Based on	N of Items
.768	.770		14

Source:

Primary data (Output generated from SPSS 21)

A reliability analysis was carried out on the task of measuring the problems faced by the SBI card holders in E-Banking transactions comprising 14 items. Cronbach's alpha showed the questionnaire to reach acceptable reliability, $\alpha = 0.768$. The alpha coefficient for the fourteen items is 0.768, suggesting that the items have relatively high internal consistency. Most items appeared to be worthy of retention, resulting in a decrease in the alpha if deleted. The one exception to this was online statement inquiry, which would increase the alpha to $\alpha = 0.774$. As such, removal of this item should be considered.

Factor Analysis

KMO and Bartlett's Test		
Kaiser-Meyer-Olkin Adequacy.	Measure of Sampling	.569
Bartlett's Test of Sphericity	Approx. Chi-Square	369.498
	df	171
	Sig.	.000

Source: Primary data

(Output generated from SPSS 21)

Kaiser – Meyer – Olkin measure of sampling adequacy index is 0.569, which indicates that factor analysis is appropriate for the given data set. KMO measure of sampling adequacy is an index to examine the appropriateness of factor analysis. Bartlett's test of Sphericity Chi-square statistics is 369.498, which would mean the 14 statements are correlated and hence as concluded in KMO, factor analysis is appropriate for the given data set.

A/c to A/c Transfer	Between Groups	1.485	5	.297	1.146	.045
	Within Groups	17.902	69	.259		
	Total	39.387	74			
Due inquiry in net	Between Groups	6.280	5	1.256	2.277	.056
	Within Groups	38.067	69	.552		
	Total	44.347	74			
Requisition for Statement through net	Between Groups	1.192	5	.238	.414	.838
	Within Groups	39.794	69	.577		
	Total	40.987	74			
Bank Updating knowledge	Between Groups	1.599	5	.320	1.063	.388
	Within Groups	20.748	69	.301		
	Total	22.347	74			
Telecommunication clarification	Between Groups	1.799	5	.360	.589	.708
	Within Groups	42.148	69	.611		
	Total	43.947	74			
Lack of internet operating Guidelines	Between Groups	7.143	5	1.429	4.070	.013
	Within Groups	24.244	69	.351		
	Total	49.387	74			
Login is uneasy	Between Groups	4.283	5	.857	1.290	.278
	Within Groups	45.797	69	.664		
	Total	50.080	74			
Felt unsecured	Between Groups	8.470	5	1.694	3.220	.014
	Within Groups	36.277	69	.526		
	Total	38.747	74			
Banking with new technology	Between Groups	3.221	5	.644	1.505	.019
	Within Groups	29.526	69	.428		
	Total	32.747	74			
Leaving operation unfinished	Between Groups	1.190	5	.238	.424	.831
	Within Groups	38.756	69	.562		
	Total	39.947	74			

Source: Primary data (Output generated from SPSS 21)

- ⊖ The differences in the mean of samples based on the **E-Banking Transaction Familiarity** and the differences in the mean of samples based on the profession of respondents are **Significant**.
- ⊖ The differences in the mean of samples based on the **Customer Technology level** and the differences in the mean of samples based on the profession of respondents are **Insignificant**
- ⊖ The differences in the mean of samples based on the **Accounting details Inquiry** and the differences in the mean of samples based on the profession of respondents are **Significant**.
- ⊖ The differences in the mean of samples based on the **E-Payment services used for online shopping** and the differences in the mean of samples based on the profession of respondents are **Significant**.
- ⊖ The differences in the mean of samples based on the **A/c to A/c Transfer using NEFT & RTGS through internet** and the differences in the mean of samples based on the profession of respondents are **Significant**.
- ⊖ The differences in the mean of samples based on the **Due inquiry through internet** and the differences in the mean of samples based on the profession of respondents are **Significant**.
- ⊖ The differences in the mean of samples based on the **Requisition for Statement for reference** and the differences in the mean of samples based on the profession of respondents are **insignificant**.
- ⊖ The differences in the mean of samples based on the **Bank updating awareness information** and the differences in the mean of samples based on the profession of respondents are **insignificant**.
- ⊖ The differences in the mean of samples based on the **Tele communication clarification** and the differences in the mean of samples based on the profession of respondents are **insignificant**.
- ⊖ The differences in the mean of samples based on the **clarity of internet language** and the differences in the mean of samples based on the profession of respondents are **Significant**.
- ⊖ The differences in the mean of samples based on the **Login** and the differences in the mean of

samples based on the profession of respondents are **insignificant**.

- ⊗ The differences in the mean of samples based on the **E-Banking Felt unsecured** and the differences in the mean of samples based on the profession of respondents are **Significant**.
- ⊗ The differences in the mean of samples based on the **Banking with new technology** and the differences in the mean of samples based on the profession of respondents are **Significant**.
- ⊗ The differences in the mean of samples based on the **Leaving operation unfinished** and the differences in the mean of samples based on the profession of respondents are **insignificant**.

VIII. SUGGESTIONS

A study on the common problems faced by the Cardholders in SBI's E-Banking services in Thanjavur has been analysed and the following suggestions are recommended

- ⊗ The card issuers should take necessary steps to improve the internet applications awareness campaign for their business growth and to support the policy of Digital India in the study area.
- ⊗ The majority of cardholder preferred money as a right mode of payment than using card. It is suggested that the card division should adopt right marketing strategy such as reduce charges and popularize through effective sale promotion (like gift, free offer) and acceptability of card with incentives offered by the merchant establishments to attract and promote their card holders usage.

IX. SCOPE FOR FUTURE RESEARCH

Further the research study can be applied by comparing all banks customers of the same remote area. This study can also be continued as a comparison study inbetween rural and urban area places to know the lack of rural areas development in online transaction and solutions can be studied and applied for supporting digital India plan.

X. CONCLUSION

This research study examined the common problems faced by the Cardholders in SBI's E- banking services in Thanjavur area. This study mainly focuses on the respondents of SBI using online transaction from the study area. One way Anova applied shows significant relationship among the major factors related to E-Banking transaction familiarity, Accounting details inquiry, E-Payment services used for online shopping, A/c to A/c transfer , Due inquiry through internet, Lack of internet operating Guidelines, E-Banking felt unsecured, opinion on Banking with new technology. The online resources are available in plenty but the level of education for accessing this online business is low. Customers from the study rural area felt unsecured in doing online services. The SBI bank in this study area

should adopt right marketing strategy by conducting educational campaigns to improve the online services usage of the customers, so that their existing customers can be maintained and new customers can be attracted. Thus it can achieve long-term profitability, survival and stability of e-banking business at present and growth of economy of our country in future.

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