A Pilot Study on Digitalisation of Banking Sector and its Impact on illiterate People

[1]Ms. B. Priyadharshini, [2]Ms. S.Sweety Elizabeth thangam, [3]Dr.C.Saffina

[1,2,3]Asst .Prof, Dept of Commerce, Bon Secours College for Women, Thanjavur, India.

ABSTRACT - The purpose of the study is to analyse about the effect of digitising the banking sector among the illiterate people. Banking is one of the largest service sectors in India. Digitising the banking sector will reduce the online frauds and will improve the use of plastic money. But for a country, like India where the literacy rate is low this decision will affect the routine life of a Citizen who does not have any big economic background.

KEYWORDS: Digitalisation, Banking Sector, Plastic money, Illiterate, Literacy Rate.

I. INTRODUCTION

Digitization is the conversion of data into a digital format with the adoption of technology. By converting the data into digital format will reduce the human effort and it will further improve the quality of the service provided. Transparency will be improved by Digitalisation.

Adoption of digitalization is very important for the banking sector. By embracing digitalization, banks can provide enhanced customer services. This provides convenience to customers and helps in saving time. No wonder for a biggest sector like banking, digitalisation is a good effort. Almost the all the banks both Public and Private are aims at transforming its activities into digital mode. The transformation will help the banks to maintain a close relationship with its customers and also to face the competition in the field of banking. The primary aim of the digitalisation is to upgrade the already providing services in the best way. All the banks thought that digitisation will improve the quality of the service provided.

OBJECTIVES OF STUDY

➢ Digitalisation and its effect on banking sector.
➢ Consumer perception towards digitalisation.
➢ Satisfaction of illiterate consumers towards the recent trends in banking.

II. RESEARCH METHODOLOGY

It is stated as the systematic way to analyse the problem which is selected and aims at giving an appropriate solution to the problem which is taken for doing the research.

RESEARCH DESIGN

Descriptive Research Design

Descriptive research studies are those studies which are concerned with describing the characteristics of a particular individual or a group. This study describes the nature of the problem taken.

SAMPLING DESIGN

Universe of the study

The study universe consists of the people who are illiterate.

Sampling method

The method of selecting the partition of the universe with a view to draw a conclusion about the universe is known as sampling. Deliberate sampling is said to be purposive or non-probability sampling. This method involves deliberate selection of particular units of the universe for constituting a sample which represents the universe.

Sample size

The data has been collected from 100 respondents who are migrated to various countries within the last 5 years by interview schedule.

STATISTICAL ANALYSIS

Statistical Analysis refers to the method which is used to analyze the data collected and to prove the framed hypothesis. For this study the researcher used simple percentage analysis and Chi-square test.

III. REVIEW OF LITERATURE

1. **Singh and Malhotra (2007)** "The results of the study showed that large banks having high fixed expenses, high income and expenditure tend to use more technology. Banks had used internet banking as complementary channel to existing branch network. However, the private and foreign banks were quick adopter to internet banking than public sector banks".

2. **Forest & Rose, 2015** "Digitalisation" is the transformation beyond that. A company or an organization seeking to become "digital" might focus on automating their processes to create efficiency. In that sense, a company focusing on digitalisation might aim at effective outcomes by improving customer engagement.

3. Michael Crosby, et.al. 2016 Technology would go through slow adoption due to the risks associated and that most of the start-up companies would fail with only a few winners.

AREA OF STUDY

Thanjavur has been selected as the area of Study. Peoples in Thanjavur City are mainly engaged in Agricultural works and their source of income also based on that only. Silk weaving, Ornamental/ Jewel making, Pottery, Thatches making and Tailoring was other occupations of the people.

Even though Agriculture was major occupation the districts literacy rate was comparatively high when compared to other disticts of the state. According to the census of 2011 the districts average literacy rate is 82.64 %

IV.   DATA ANALYSIS AND INTERPRETATION

TEST-I

ASSOCIATION BETWEEN EDUCATIONAL QUALIFICATION AND SATISFACTION LEVEL OF CONSUMERS

LITERACY LEVEL / SATISFACTION LEVEL	Literate	Illiterate	Total
Highly satisfied	25	04	29
Satisfied	20	02	22
Neither satisfied nor dissatisfied	10	08	18
Dis satisfied	15	03	18
Highly dis satisfied	10	03	13
TOTAL	80	20	100

Null Hypothesis (Ho):

There is no any association between Educational qualification and Satisfaction level of Account Holders.

Alternative Hypothesis (H1):

There is an association between Educational qualification and Satisfaction level of Account Holders.

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$$x^2 = \frac{\sum (Oi - Ei)^2}{Ei}$$

$$\sum (Oi - Ei)^2 = \frac{RT \times CT}{GT}$$

Where,

Oi   - Observed frequency

Ei   - Expected frequency

RT   - Row Total

CT   - Column Total

GT   - Grand Total

Expected Frequency:

23.2	5.8	29
17.6	4.4	22
14.4	3.6	18
14.4	3.6	18
10.4	2.6	13
80	20	100

CALCULATION OF TABLE VALUE

Oi	Ei	Oi-Ei	$(Oi - Ei)^2$	$(Oi - Ei)^2/Ei$
25	23.2	1.8	3.24	0.13
20	17.6	2.4	5.76	0.32
10	14.4	-4.4	19.36	1.34
15	14.4	0.6	0.36	0.02
10	10.4	-0.4	0.16	0.01
04	5.8	-1.8	3.24	0.55
02	4.4	-2.4	5.76	1.30
08	3.6	4.4	19.36	5.37
03	3.6	-0.6	0.36	0.1
03	2.6	-0.4	0.16	0.06
			$\frac{\sum(Oi - Ei)^2}{Ei}$	9.2

$$\frac{\sum (Oi - Ei)^2}{Ei} = 9.2$$

Degrees of Freedom = (r-1) (c-1)

$$= (5-1)(2-1)$$

$$= 4$$

Table value   =14.860

Calculated value is less than the table value hence the Null hypothesis is accepted it shows that there is no association between Educational qualification and Satisfaction level of Account Holders**.**

V.   FINDINGS OF THE STUDY

o   More than 80% of the respondents are literate and 20% of the respondents are illiterate.

o   More than 60% of the respondents were the customers of Public Sector banks.

o   Nearly 70% of the respondents have used the digital trends such as ATM cards and other cards for transactions.

o   Nearly 60% of the respondents are supporting the digitisation of banking activities.

o   Nearly 50% of the respondents are aware of the recent trends in banking activities.

8th International Conference on Digital Outreach and Future of Management Practices - 2019
Organized By PG & Research Dept of Commerce & PG Dept of Fashion Technology &
Costume Designing Bon Secours College for Women, Thanjavur, India.

VI.   SUGGESTIONS

Although some of the people living in this area were illiterate they are successfully able to use the banking facilities as by the Practise. But in the upcoming years there will be a lot of advancement in the field of Banking. To cope up with that advancement, Customers should be given with proper guidance of the respective banks. So Guidance classes should be conducted by the Banks.

VII.   CONCLUSION

This paper aims at studying the effect of digitisation of Baking sector among the illiterate people with special reference to Thanjavur City. This research concludes that Iliteracy is not a barrier to adapt with the technological changes. And the study also states that there is no relationship between educational qualification and satisfaction level of customers.

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