



AWARENESS OF BANKING SERVICES AND USAGE BY CUSTOMERS IN INDIA



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ABSTRACT

Banking sector is growing widely across global on a rapid speed. With wide range of facilities and services provided by this sector, the customer or the user have got acquainted with service. Certainly it developed the drive to examine the banking services available and the extent of awareness towards it. During the survey it was observed that majority of the customer were aware about banking services, tele banking, Online banking, ATM Services, sms services and other. But the more significant observation was that the comfort level was not the satisfactory which averaged between 20%-40%. Customer are even unaware about the business facilitator and correspondence. The researcher has attempted to bring the level of challenges faced by the customer in using the services of banking.

KEYWORDS : *Banking Services, Facilities from Banking, Service Providers from Banking.*



INTRODUCTION :

A bank is a financial institution that provides banking and other financial services to their customers. A bank is generally understood as an institution which provides fundamental banking services such as accepting deposits and providing loans. There are also nonbanking institutions that provide certain banking services without meeting the legal definition of a bank. Banks are a subset of the financial services industry.

Over the years, the customer service in

banks has improved considerably with the introduction of technology based products:

1. ATM (this has facilitated customer to access cash withdrawal/deposits/ account querying/transfer of funds/payment of utilities/purchase of air/train tickets – 24 X 7).
2. Internet Banking.
3. Debit Cards (dispensed the need for carrying cash for making purchases).
4. Mobile Banking (stage wise implementation) and the youngsters accessing banking services.

IMPORTANCE OF STUDY

One of the vital and economically backbone sector of our country is banking, which helps the country people to do any kind of sophisticated transaction do it effortlessly. The regulatory body RBI is

very robust in its regulation and safeguards the interest of the customers. There are share of innovative technology divine facilities provided by these associated (National and private banks) banks in India. To know more about the usage of the services rendered by banks, it became positively necessary to inspect the comfort level of the customer. More over to see how the present generation has acquainted with these services for which the study was directed.

OBJECTIVE

1. Study the awareness level of customers with different options (facility) provided by Banks.
2. To know the literacy level of customer and have they attended any banking program.

RESEARCH METHODOLOGY

The data is collected through primary source, the researcher has collected the data through the mail survey. The electronically structured questionnaire was sent to various respondents across Indian randomly. Based on the response, satisfaction and accuracy of the data, analysis was made and inference was drawn.

SCOPE FOR FURTHER RESEARCH

The study it restricted to Country India randomly. A further attempt can be made to study in concrete similar kind of study state wise and major city wise. The research can even try to analyse the practices which are engaged in other parts of the globe.

LIMITATION OF THE STUDY

The examination conducted was through mail survey and was restricted to only few people spread across. A schedule interview similarly can be directed to professional as well a lay man to get citadel outcome.

ANALYSIS & INTERPRETATION

1. During the study it was observed that Majority of the respondents were between the age group of 20-40 years comprising of 60 %. 20% were belong to the age above 50 years.
2. 80% of the respondents were male and the rest of 20% were female respondents.
3. The education level of the respondents were 20 % were 10th std., 25% were 12th std., and 30% were graduates.
4. 40 % of the respondents were employed in government services and self-employed each respectively.
5. 30% of the respondent's income level was between Rs.10, 000-20,000 and Rs.20, 000-30,000 each respectively. And around 20% were between Rs.40, 000-50,000.

Table 1.1
BANK SERVICES

OPTIONS	AWARENESS %		Total
	YES	No	
Online Banking	90%	10%	100%
Tele-Banking	90%	10%	100%
SMS Banking	90%	10%	100%
ATM	100%	-	100%

Source: Primary Data

6.From Table 1.1 it is shown that 90% of the respondents are aware about the services like Online Banking, Tele-Banking, SMS Banking and ATM.

Table 1.2
USAGE OF THE SERVICES AND FREQUENCY OF USAGE

OPTIO NS	USING THE SERVICE S		(IF YES, FREQUENCY OF USAGE		
	YES	No	Frequen tly	Som e time s	Rarely
Online Bankin g	70%	30 %	50%	30%	20%
Tele- Bankin g	40%	60 %	25%	35%	40%
SMS Bankin g	80%	20 %	10%	70%	20%
ATM	90%	10 %	70%	25%	5%

Source: Primary Data

7.It was observed during the study that around 70% of the respondents used online services frequently to the extent of 50%. 60% of the tele banking respondents rarely used the service about 70%. SMS banking service were used to the extent of 80%, but the frequency of usage was 70%. 90% of the respondents used the ATM services and were frequently used around 70%.

Table1.3
ONLINE BANKING SERVICES

OPTIONS	AWARENESS		USING THE SERVICES		Highly comfortable
	YES	No	YES	No	
Balance Inquiries	100%	-	90%	10%	20%
Issue of demand draft	70%	30%	20%	80%	-
Issue of cheque book	90%	10%	70%	30%	10%
Bill payments	80%	20%	40%	60%	10%
Funds transfer between own accounts	90%	10%	40%	60%	10%
Banks through NEFT / ETGS	50%	50%	20%	80%	10%
Opening of new accounts	45%	55%	45%	55%	-
Open fixed deposits	70%	30%	70%	30%	-
Stop-payment requests	50%	50%	50%	50%	-
cash and draft delivery	70%	30%	70%	30%	-
Online ticket booking	90%	10%	90%	10%	40%

Source: Primary Data

8. From table 1.3 it can be observed that 90% of the respondents use the service, in which 60% and 20% were comfortable and highly comfortable in using balance enquiry service respectively. In case of demand draft issue 70% were aware but only 20% used the service, rarely at 20% of the respondents.

90% of the respondents were aware, 70% used the services and only 10% of the respondents were comfortable with the service of Issue of cheque book. In case of online bill payment 80% were aware, in which 40% were using the services and only 30%, 10% were comfortable and highly comfortable in using it. 90% were aware, 40% were using and 20% and 10% were comfortable and highly comfortable in case of fund transfer facility through online.

NEFT / ETGS only 50% were aware, 20% were using the services and only 10% were highly comfortable in the facility. 45% only were aware and using the service of online a/c opening through online. Around 70% were aware and using the service of online FD services. Stop the payment request only 50% were aware and using the services. 70% each in case of cash and draft delivery were aware and using the services. 90% were aware and using the service out of which 40% were very comfortable in using the services.

Table 1.4
Tele Banking Services

	Awareness		Using the Service		comfortable
	Yes	NO	Yes	NO	
Account balance inquiry	80%	20%	60%	20%	10%
Funds Transfer	70%	30%	40%	30%	10%
Information about products and services	30%	70%	30%	70%	-
Information about status of cheque issued / deposited	30%	70%	10%	20%	-
Request for cheque book	70%	30%	40%	30%	20%
Request for statement by e-mail or fax	50%	50%	20%	30%	10%
Regeneration of Internet banking password	50%	50%	10%	40%	10%
Blocking of internet banking user I	50%	50%	10%	40%	10%
ATM card request	90%	10%	60%	30%	20%
ATM pin request	90%	10%	60%	30%	20%
Stop payments	50%	50%	30%	20%	10%

Source: Primary Data

9. In the above table 1.4 it can be observed that 80% are aware, 60% are using the service, in which 10% are comfortable in usage of Account balance inquiry. 70% and 40% are aware and using the services respectively, in which 10% are highly comfortable in case of Funds Transfer. Only 30% each are aware and using the services of Information about products and services. 30% and 10% are aware and using the service of Information about status of cheque issued / deposited.

In case of Request for cheque book 70% & 40% are aware and using the service respectively. Out of which 20% are highly comfortable in usage of the service. 50% & 20% are aware and using the service of Request for statement by e-mail or fax, of which 10% are highly comfortable in usage.

In case of Regeneration of Internet banking password 50% and 10% are aware, using the services. Around 10% are highly comfortable in using it. Regeneration of Internet banking password. In case of Blocking of internet banking user 50%, 10% are aware and using the service out of which 10% are highly comfortable in usage of the services. ATM card request 90% and 60% are aware and using the service and 20% are comfortable in using the services.

50% and 30% are aware, using the services. Around 10% are comfortable in usage of service of the Stop payments services

Table1.5
ATM Services

OPTIONS	AWARENESS		USING THE SERVICES		comfortable
	YES	No	YES	No	
Cash withdrawals	100%		100%		100%
Cash deposits	50%	10%	40%	10%	
Cheque deposits	70%	30%	60%	10%	50%
Balance enquiry/ deposited	90%	10%	80%	10%	50%
Statement of account	90%	10%	60%	10%	20%
Order new cheque book	90%	10%	30%	10%	-
Generate MMID (Mobile Money Identifier)	70%	30%	20%	20%	-

Source: Primary Data

10. From the above table 1.5 it is observed that 100% of the respondents are using the services of cash drawing in ATMs. Other services are used between 40%-90%.

11. 70 % of the respondents took the help of Business facilitator for doing banking transaction

Table 1.6
Business Facilitator (BF)/Business Correspondent (BC) for doing banking transactions

S.no	OPTIONS	Percentage
1	Post Office	35
2	Micro Finance Institute	25
3	NGO	5
4	Karana Stores (grocery Stores)	15
5	Medical Stores	5
6	Insurance Agent	10
7	Travel Agent	5

Source: Primary data

12. Table 1.6 shows that majority of the respondents i.e. 35% and 25% are from post office and micro finance institute which they do through Business Facilitator (BF)/Business Correspondent (BC)

RECOMMENDATIONS

1. Special efforts are required to educate the customers in the use of technology in banking. Banks should make use of Print media, Television, All India Radio for this purpose. Short training programmes at the branch level can also be arranged for the customers.
2. Banks should ensure full transparency to the customer in levying of various fees/ service charges and penalties.
3. Banks should establish a proper Customer Grievance / Assistance Centre which works in an integrated manner across channels like – branches, call centres, IVR, internet and mobile. The personnel in the Call centres who receive the grievances should be empowered to make decisions.
4. Use of various technology channels for customer education and gathering suggestion for improving service should be made.
5. All banks should implement a relevant Customer Relationship Management system to capture and track customer issues and complaints.

6.Branches should be provided with dedicated phones / computers with internet connection so that customers can avail themselves of the facilities such as Call Centre, Internet Banking and Phone Banking at the branch itself

7.For imparting customer education participation from all the concerned players is necessary. In this regard, Lead banks should involve customer associations, consumer organisations in revisiting/ evolving strategy for imparting customer education.

8.Banks should ensure proper currency exchange facilities and also the quality of notes in circulation in rural areas.

9.Branches should be made functioning at a time convenient to the customers (agricultural laborers, workers, artisans, etc.) i.e., morning hours and late evening hours.

CONCLUSION:

With the moment of the present generation and the swiftness required to the people, the Indian banking system has introduced numerous of facilities for the convenience. Apart from that the RBI and associated banks are inculcating new technology which are the vital prerequisite of the present era. During the study it was observed that 60% of the respondent were of middle age, 80% were male and among which 30% were graduates.

40% of them were a govt. employed and there income level was between 10,000 to 20,000, 90% were aware of banking services, between 70% to 90% were using the services frequently. In case of online banking services 10% on an average are highly comfortable in using the service. Between 10%-15% are highly comfortable in usage of Tele Banking Services. Between 20-50 are comfortable in using ATM Services.

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