

ADOPTION OF DIGITAL PODIA FOR BANKING SERVICES IN CAPITAL OF INDIA

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Abstract

The banking without bank services has been emerging as the extensive mode of the existing banking platform. The business opportunities for the private banking have also been enormous due to the online banking platform availed through the various banking applications, as Pay tm, Google Pay, Bharat Interface for Money, Oxygen along with the public banking platforms being registered through the official banking applications. There also exists technological disruption where each bank adopts digital platforms having applications for competing with recent trends in technologies. The preferences of the consumers have surely deviated due to the faster and quicker options offered by the smart banking and yet, they are not fully comfortable using it, either because of the connectivity errors or the security reason. This study is explorative in nature and proceeds with identifying the gaps from existing literatures. This paper focuses on finding the reasons, preferences and constraints faced by the smart banking users and those not using it because of the various hindrances. Even though the claims of digital banking have been those of transparency and accessibility. But the desired inclusion has not been achieved and thus, this paper aims to analyze the what and why of the Banking without Banks in India. **Finding:** The usage amongst the female is low as compared to the male counterpart. The rural usage of banking without bank services is low as compared to the urban usage. The banking customers using the banking without bank services are very low. The occupation and education also affect the usage of the banking without bank services. While the banking without bank usage is high amongst the adults, it is low amongst the elder counterparts. **Methodology:** The cross-tabulation analysis has been done to analyses the banking without bank usage across the various demographics. This is Exploratory Research. Both sources of data have been taken. Primary Data of Customers through the structured questionnaire for Survey and Secondary Data from World Bank report and previous studies.

Keywords: Banking without bank, 24*7, Innovation, Adoption, Digital Banking.

Introduction

The banking services and function has gone through remarkable revolution after year 2000. Changes in technology induced technological innovations the banking services and its operation. During the nineties the way banking services are being alleged and used are entirely different from today's. With the amalgamation of information technology and the self-assisted technology, several new dimensions have opened up for banking services. The goals of study to discover the usage of such services devices which have been integrated into the banking services in Delhi-NCR. The new dimension of banking services that is banking without bank objective to explain how the new technology can be used in order to overcome the issues and challenges of past banking services and operations like time and duration of banking services, distance between bank and customer to get the banking services at anytime and anywhere banking without bank. Thus, endearing customer loyalty and positioning the banking services successfully in the market without going to bank. "Day by day changing in Consumers pattern in for uses of banking services and entire banking functions and operations are now ready in order to keep up their customers' needs, now banking without bank is really for customers. The motto of research is to measure the level of banking services without physical involvement of banks, which are presently used by banks customers, and to find and check the priority and cause behind its acceptance.

Review of Literature

An attempt is made to present the previous studies undertaken besides the efforts made to discuss the research problem. The review of past studies by Sharma and Srivastava (2019) tried to answer the questions such as the benefits and the challenges that banks generally face in the process of service internationalization, the different internal factors that influence the process of internationalization of services, factors that have influence on the bank performance and finally how well the nationalized, private and foreign banks performed. Due to introduction of information technology and adaptation of information technology in banking services it became possible to provide internet banking to their customers and at the same time the adoptive behavior of internet banking in customer have focused on the factors influencing the adoption, as by Rakesh and Ramya (2014) has been found to be the ease of doing banking services anytime and anywhere, and its success in transforming efficient services to the customers. Further focus has been laid on the issues related to services (design of service), awareness, adaptation and uses of services amongst the customers (Malliga A.L and Revathy K., 2016). Under the financial inclusion policy under Jan Dhan Scheme target had been taken to open additional 30 cr saving bank account in the banks in India. After that yet the large portion of population remains unbanked, as 1, 90, 00,000 adults are not having bank accounts by World Bank Findex Report (2018). Again, there is very big problem raised by Ragupathi M and Sujatha S (2015) issues of security and trust, it is very important alarms behind the absence majority of customers not using internet banking or E- banking services. It is found that the advantages of internet banking are, it offered very easy, quick and appropriate banking service to their customers due to the ease of fund transfer, bill payments, account statements and speedy recharges by Mathur A (2019). Internet banking has taken

away the space and time restrictions. Any kind of physical banking service can be replaced by very simple and common device possessing an active internet connection. Subsequently the customer managing the data is owner of the account; consequently it became very challenging to avoid the risk of data leakage (Kaur R.R and Singh N., 2019). At last but not list by (Jain A.and Sarupria A.,2019) internet banking and third-party interference with the network enhances the risk of fraud and theft in banking service and also demotivate the bank customer to restrict the services of banking without bank.

Advantages:

1. Anytime and anywhere, no location and time constraint. We can access 24*7 from any part of the globe
2. Very easy and handy due to quick, faster and lesser formalities required. Very easy to operate and manage the fund transfer, account information, bills payment, online payment and recharges. It is effective and efficient to maintain records of any type of transactions.
3. Safety is major concern so that OTP and password are used to protect along with use of biometric features to stop the risk of fraud and theft in banking service.
4. Any kind of physical banking service can be replaced by very simple and common device possessing an active internet connection, it became very cost effective
5. Very easy to operate and manage grievance handling and the Customer Support through the online operations like self-assisted technical guidance and chat support system.

Disadvantages:

1. Require digital device like laptop, tablet smart phone etc.
2. Banking without bank required software and different type of apps.
3. Secure the availability of internet speed of and connectivity is challenging things in our country.
4. Security concern and threats during transaction. Every time there is fear of hacking of data.
5. One of the biggest problems in internet banking without bank is banks are always facing the problem of Server down no matter how urgent.

Research Problem

It is very challenging thinks in banking sector in India how to meet with domestic and international completion within the sector, because rising numbers of bank and its branches both domestic private and foreign private banks in India. Even our nationalized commercial bank's infrastructures are not able to match with them. The rising investment in banking without bank has been on the rise, in both government as well as the private e-Business. In

realistic term customers are list adoptive in it due to lack of proper awareness and digital infrastructure. Still several of customers have been found to be not entirely comfortable with the system and its functions. The research has been undertaken to navigate the usage of banking without bank services in our country. Sideways, the objective and usefulness resulting from art banking without banks.

Objectives of the Study

The objective of study is to find the most preferred banking application being used by the customers for banking without bank. Thus, the major objectives of the study are:

1. To gain insight about smart banking usage in Rajasthan.
2. To analyze the descriptive of smart banking development achieved in Rajasthan.

Research Methodology:

The cross-tabulation analysis has been done to analyses the smart banking usage across the various demographics.

Statement of Problem:

The analysis of the banking without bank services usage in India.

Type of Research:

Exploratory Research

Data Source:

Primary Source:

Primary Data of Customers through the structured questionnaire for Survey.

Secondary Source:

Secondary Data from World Bank report and previous studies.

Target Population:

The population of Selected city in India.

Sample size:

445 Customers of Bank in the five Selected cities in India.

Sampling Technique:

Stratified Random Sampling

Tool:

Structured questionnaire based on the standardized instrument has been used for primary survey.

Data Analysis Tool:

Recourse availability and suitability, the data has been analyzed using the frequency tables and charts for processing and analyzing the data. SPSS has been used for data processing and statistical analysis.

Scope of Study:

The next generation banking services require banking not in physical form because there is lots of demand for banking at anytime and anywhere. So, it is not possible to fulfill the demand of banking customer in physical banking. Thus, virtual banking will be realist banking for future banking that is banking without bank

Significance of Study:

The research has been planned to just pilot the virtual banking that is banking without bank in India. The research has been very remarkable importance for future analyses the behavior banking customers for banking without bank services in our country.

Limitations:

For this research resource and time limitation, very limited geographical areas are taken for sample collection as well the size is also very small has been commenced in this research. Just 445 samples have been commenced for statistical analyze and findings the results of the population of an entire country.

Analysis:

Table 1.a Gender * Banking without Bank Cross tabulation

Variable			Banking without Bank		Total
			yes	no	
Gender	Male	Count	48	209	257
		% within Banking without Bank	62.3%	56.8%	57.8%
	Female	Count	29	159	188
		% within Banking without Bank	37.7%	43.2%	42.2%
Total		Count	77	368	445
		% within Banking without Bank	100.0%	100.0%	100.0%

As per table, 1. The Banking without Bank users was 62% males and 38% females.

Table 1.b Age * Banking without Bank Cross tabulation

Variable		Banking without Bank		Total	
		yes	no		
Age	5-25	Count	22	100	122
		% within Banking without Bank	28.6%	27.2%	27.4%
	26-40	Count	33	137	170
		% within Banking without Bank	42.9%	37.2%	38.2%
	41-55	Count	7	41	48
		% within Banking without Bank	9.1%	11.1%	10.8%
	56-76	Count	9	39	48
		% within Banking without Bank	11.7%	10.6%	10.8%
	76 and above	Count	6	51	57
		% within Banking without Bank	7.8%	13.9%	12.8%
	Total	Count	77	368	445
		% within Banking without Bank	100.0%	100.0%	100.0%

According to the Table 1.b, the highest usage is amongst the age group of 26-40, preceding which is 5-25 customer age groups. The third ranking is of the respondents aged 56-76, after which follows the 41-55 age group customers, followed by the age group of 41-55. The least number of users are in the age group of 76 and above.

Table 1.c Education * Banking without Bank Cross tabulation

Variable		Banking without Bank		Total	
		yes	no		
Education	no formal education	Count	7	25	32
		% within Banking without Bank	9.1%	6.8%	7.2%
	up to secondary	Count	10	60	70
		% within Banking without Bank	13.0%	16.3%	15.7%
	up to senior secondary	Count	24	100	124
		% within Banking without Bank	31.2%	27.2%	27.9%
	graduate	Count	5	41	46
		% within Banking without Bank	6.5%	11.1%	10.3%
	post graduate	Count	6	27	33
		% within Banking without Bank	7.8%	7.3%	7.4%
	professional	Count	25	115	140
		% within Banking without Bank	32.5%	31.2%	31.5%
Total		Count	77	368	445
		% within Banking without Bank	100.0%	100.0%	100.0%

As per table 1.c, the highest number of users are in the category of professional customer groups, after which are those who have studied up to senior secondary, followed by the no formal education group. Then there are the post graduate level customers followed by the graduate level customer groups.

Table 1.d Occupation * Banking without Bank Crosstabulation

Variable		Banking without Bank		Total		
		yes	no			
Occupation	agriculture	Count	7	26	33	
		% within Banking without Bank	9.1%	7.1%	7.4%	
	student	Count	23	104	127	
		% within Banking without Bank	29.9%	28.3%	28.5%	
	business	Count	17	82	99	
		% within Banking without Bank	22.1%	22.3%	22.2%	
	home maker	Count	8	36	44	
		% within Banking without Bank	10.4%	9.8%	9.9%	
	employees	Count	6	58	64	
		% within Banking without Bank	7.8%	15.8%	14.4%	
	professionals	Count	16	62	78	
		% within Banking without Bank	20.8%	16.8%	17.5%	
	Total		Count	77	368	445
			% within Banking without Bank	100.0%	100.0%	100.0%

According to the Table 1.d the students are amongst the highest number of users along with the business customer groups, followed by the professionals. Then there are the home makers, preceded by the agriculture customer groups after which are the employees.

Table 1.f Monthly Income * Banking without Bank Cross tabulation

Variable			Banking without Bank		Total	
			yes	no		
Monthly Income	below 20,000	Count	29	116	145	
		% within Banking without Bank	37.7%	31.5%	32.6%	
	20001-40000	Count	13	63	76	
		% within Banking without Bank	16.9%	17.1%	17.1%	
	40001-60000	Count	17	74	91	
		% within Banking without Bank	22.1%	20.1%	20.4%	
	60001-80000	Count	9	65	74	
		% within Banking without Bank	11.7%	17.7%	16.6%	
	above 80001	Count	9	50	59	
		% within Banking without Bank	11.7%	13.6%	13.3%	
	Total		Count	77	368	445
			% within Banking without Bank	100.0%	100.0%	100.0%

According to the Table 1. f, the income group with the highest usage is below 20,000 preceded by the 40,001 to 60,000 income group. Then, there are the customers with income ranging from 20,001 to 40,000 followed by the income groups of 60,001 to 80,000 and above 80,001 equally.

Table 1.g Smartphone * Banking without Bank Cross tabulation

Variable			Banking without Bank		Total
			yes	no	
Smartphone	yes	Count	58	232	290
		% within Banking without Bank	75.3%	63.0%	65.2%
	no	Count	19	136	155
		% within Banking without Bank	24.7%	37.0%	34.8%
Total		Count	77	368	445
		% within Banking without Bank	100.0%	100.0%	100.0%

As per the Table 1.f, the customers having smart phones and using smart banking devices are 75%, while not having smart phones and yet using smart banking are 24%.

Table 1.h Area * Banking without Bank Cross tabulation

Variable			Banking without Bank		Total
			yes	no	
Area	Rural	Count	19	247	266
		% within Banking without Bank	24.7%	67.1%	59.8%
	Urban	Count	58	121	179
		% within Banking without Bank	75.3%	32.9%	40.2%
Total		Count	77	368	445
		% within Banking without Bank	100.0%	100.0%	100.0%

According to the Table 1.h, the customers using Banking without Banks from the rural area are 25%, while those of the urban area are 75%.

Table 1.i Banking Service * Banking without Bank Cross tabulation

Variable			Banking without Bank		Total
			yes	no	
Banking Service	yes	Count	77	368	445
		% within Banking without Bank	100.0%	100.0%	100.0%
Total		Count	77	368	445
		% within Banking without Bank	100.0%	100.0%	100.0%

According to the Table 1.i, the banking customers using the Banking without Banks are meagerly 77 out of the 445 i.e, 17.3%.

Results:

1. The usage of Banking without Bank services in between the female customers is low as compared to the male customers.
2. The usage of Banking without Bank services in rural customers is low as compared to the urban customers.
3. Overall, the usages of banking services by customers using the Banking without Banks services are very low.
4. The level of customer's education and occupation correspondingly mark the usage of the Banking without Bank services.

5. The usage of Banking without Bank services is high amongst the adult's customers; it is low amongst the elder customers.

Conclusion:

The study aimed to analyze the virtual banking means no need of physical banking that is banking without bank service presence realized in India. The present and future of banking without bank is really bright, but lots of variations were marked between the demographics in the usage of the Banking without Bank, still very limited users in the population has been observed. The research exposed huge variations amongst the education level, occupation, and gender, urban and rural population in the usage of banking services banking without Banks. Also, there are problem of awareness and adaptively of virtual services as well as usage of digital device, because without proper availability of digital devise and their adaptively, along with speed and connectivity of internet we cannot enhance the usage of virtual banking that is banking without bank. Due to above reason our young generation and the working-class customers were found to be the active users of banking services banking without Banks. The research assumptions that with the help of banking professionals and the governmental authorities design inclusive plan to include a customers those are still not using banking service that is banking without bank. By targeting such customers, we can fulfill the dream of financial inclusion as well as banking without bank for all. This research giving opportunity to bank managers and policymakers to plan and design sustainable strategies and efforts most successfully and efficiently so as to enhance the sustainability of bank business and to attract, maintain and retain the customers for the banking services anytime anywhere by banking without bank for everyone in India.

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