

Usage of Self Service Based Financial Services

Dr Saleena AS

*Assistant Professor of Commerce
Iqbal College, Peringammala, Trivandrum
University of Kerala*

Abstract

Information technology enables sophisticated product expansion, better market infrastructure, implementation of consistent techniques for control of risks and helps the financial intermediaries to reach geographically distant and diversified markets. The current web-based variant of electronic banking is the latest of several generations of systems. Technology in banking can lower transaction costs, allow banks to cross-market new and active products to customer and generate a high rate of innovation in improved and new financial products.

Keywords: *Financial Services, Self Service Technology, Usage Environment.*

Introduction

Banking industry today is in the midst of an Information Technology revolt. A combination of regulatory and aggressive reasons has led to increasing importance of total banking mechanization in the Indian banking industry. The customers of banks of today have a virtual bill of fare of options as far as delivery channels are concerned and all these are the payback of technology, with the most visible benefits happening in the areas of payments for retail dealings. A variety of cards, Automated Teller Machines, electronic based funds transfers, Internet banking, Mobile banking are all some of the up-to-the-minute technology based payment solutions, which have gained large recognition amongst the Indian banking public. With technological solutions swiftly evolving, more new products and services may soon become the order of the day.

Objectives of the Study

- To analyse the factors influencing the preference on the selection of bank.
- To assess the usage environment of Self Service Technologies provided by the Commercial banks in Kerala.

Methodology

The study is based on primary data. Primary data collected from four hundred and thirty two respondents through purposive sampling. Multi stage simple random sampling method is used for the selection of bank branches. Data are collected through Questionnaire method. Data were analysed and interpreted with the help of Chi square, Friedman Test and Mann Whitney U Test. In this study usage environment constitutes the extent of usage, duration of usage and self efficacy in using self service banking technologies. Customer represents a person having an account, who is also a card holder of Commercial Banks who uses any one of the Self Service Machines, Online Self Service System and Digital Payment System at least once in a month for banking transactions. Self Service Technology represents the technological interface which

allows the customer to produce a service independently by themselves. They can be deployed online or through a self service kiosk. Commercial Banks constitute Public Sector Banks and Private Sector Banks having branches in rural and urban areas within the State of Kerala.

Hypotheses of the Study

H0: There is no significant difference among the factors influencing the preference on the selection of bank.

H0: The degree of the usage of self service based financial services provided by the banks is not moderate.

H0: There is no significant difference in the degree of the usage of self service based financial services provided by the Public Sector Banks and Private Sector Banks in Kerala.

Analysis and Interpretation

Preference in selection

In financial sector, particularly in the banking sector, there are so many new technologies that are taking place in financial operations. Self service technologies permit customers to use technology to produce and consume services with no direct personal contact with employee from the bank that provides the services.

Customers assist in the process of service delivery aided by Self Service Technology. Persuading customers to use new technologies in service encounters is more challenging than employee's use of new technologies as far as banks are concerned. The factor influencing the preference on the selection of bank is depicted in Table 1.

Table 1
Friedman Test on the preference in selecting a bank

Sl No	Factors	Mean Rank	Chi-Square value	p value
1	Convenient accessibility	3.90	21.801	0.01*
2	Improved service and friendly staff	4.12		
3	Availability of latest technologies	3.66		
4	Image of the bank	4.00		
5	Recommendations by friends and relatives	4.31		
6	Provides accurate information	4.01		
7	Security/Less risk to use	4.00		

Source: Primary data

Table 1 exhibits the ranking of factors influencing the preference in selecting a bank for service. The null hypothesis that “There is no significant difference among the factors influencing the preference on the selection of bank” stands rejected. Therefore it can be concluded that there exists a significant difference among the factors influencing the preference on the selection of bank.

The mean rank of the sources viz, convenient accessibility, improved service and friendly staff, availability of latest technologies, image of the bank, recommendations by friends and relatives, provide accurate information and less risk to use are 3.90, 4.12, 3.66, 4.00, 4.31, 4.01 and 4.00 respectively. The variable with least mean value is considered as the highest ranked one. The least mean value is 3.66 which is occupied by the variable availability of latest technology. Therefore it can be concluded that availability of latest technology is ranked first in terms of the factors influencing the preference on the selection of bank for services.

Usage of self service based financial services

Electronic banking provides banking services to customer at his office or at any other place wherever the person is through the usage of electronic technology. Banks are now capable to process the customer information for a number of purposes. Banks have the opportunity to market their products and services online and additional financial services like banc assurance can be targeted at the existing customers and prospects, thus facilitating customization to suit the needs of individual customers. The extent of the usage of self service based financial services is shown in Table 2.

Table 2
Extent of the Usage of Self Service based Financial Services

SL No	Independent Variables	Strongly Agree		Agree		Neutral		Disagree		Strongly Disagree		Total		Mean	SD
		N	Per cent	N	Per cent	N	Per cent	N	Per cent	N	Per cent	N	Per cent		
1	Branch Counter	112	25.9	125	28.9	130	30.1	47	10.9	18	4.2	432	100	3.62	1.107
2	ATM	167	38.7	130	30.1	102	23.6	28	6.5	5	1.2	432	100	3.99	.994
3	Internet Banking	204	47.2	137	31.7	60	13.9	17	3.9	14	3.2	432	100	4.16	1.019
4	Phone Banking/Mobile Banking	201	46.5	141	32.6	67	15.5	15	3.5	8	1.9	432	100	4.19	.945
5	Passbook Printer Machine	147	34.0	142	32.9	106	24.5	22	5.1	15	3.5	432	100	3.89	1.045
6	POS	153	35.4	123	28.5	109	25.2	31	7.2	16	3.7	432	100	3.85	1.098
7	Cash Deposit Machine	143	33.1	142	32.9	107	24.8	25	5.8	15	3.5	432	100	3.86	1.052
8	NEFT/RTGS	133	30.8	128	29.6	96	22.2	33	7.6	42	9.7	432	100	3.64	1.259
9	Credit Card	134	31.0	126	29.2	102	23.6	38	8.8	32	7.4	432	100	3.68	1.210

10	Debit Card	143	33.1	110	25.5	104	24.1	51	11.8	24	5.6	432	100	3.69	1.204
11	Prepaid Card	93	21.5	94	21.8	84	19.4	104	24.1	57	13.2	432	100	3.14	1.353
12	Electronic Wallet	102	23.6	75	17.4	72	16.7	103	23.8	80	18.5	432	100	3.04	1.449
Overall Usage of Financial Services													3.73	1.144	

Source: Primary data

The extent of the usage of self service based financial services is illustrated in the Table 2. The percentage analysis shows that 54.8 per cent, 68.8 per cent, 78.9 per cent, 79.1 per cent, 66.9 per cent, 63.9 per cent, 66.0 per cent, 60.4 per cent, 60.2 per cent, 58.6 per cent, 43.3 per cent and 41.0 per cent of the customers have positive opinion with respect to the variables Branch Counter, ATM, Internet Banking, Phone Banking/Mobile Banking, Passbook Printer Machine, POS, Cash Deposit Machine, NEFT/RTGS, Credit Card, Debit Card, Prepaid Card and Electronic Wallet while 15.1 per cent, 7.7 per cent, 7.1 per cent, 5.4 per cent, 8.6 per cent, 10.9 per cent, 9.3 per cent, 17.3 per cent, 16.2 per cent, 17.4 per cent, 37.3 per cent and 42.3 per cent respectively of customers have negative. And 30.1 per cent, 23.6 per cent, 13.9 per cent, 15.5 per cent, 24.5 per cent, 25.2 per cent, 24.8 per cent, 22.2 per cent, 23.6 per cent, 24.1 per cent, 19.4 per cent and 16.7 per cent of customers have opined neither positively nor negatively with regard to the variables Branch Counter, ATM, Internet Banking, Phone Banking/Mobile Banking, Passbook Printer Machine, POS, Cash Deposit Machine, NEFT/RTGS, Credit Card, Debit Card, Prepaid Card and Electronic Wallet.

Table 2 also portrays the mean score analysis to reiterate the above said result. The mean values of the variables viz, Branch Counter, ATM, Internet Banking, Phone Banking/Mobile Banking, Passbook Printer Machine, POS, Cash Deposit Machine, NEFT/RTGS, Credit Card, Debit Card, Prepaid Card and Electronic Wallet are 3.62, 3.99, 4.16, 4.19, 3.89, 3.85, 3.86, 3.64, 3.68, 3.69, 3.14 and 3.04 respectively. All the mean values are well above the statistical mean value of 3. And the overall mean value of the extent of the usage is 3.73 which is also well above the statistical mean value of 3 which means that the extent of usage of self service based financial services is at a highly moderate level. Therefore it can be concluded that there is a highly moderate level of usage of self service based financial services among the banking customers in Kerala.

Table 3
Chi-Square test for goodness of fit on the Usage of Self Service based Financial Services

Usage of Self Service based Financial Services	Frequency	Per cent	Chi-Square Value	p value
Low	125	28.94	27.681	0.01**
Moderate	195	45.14		
High	112	25.92		
Total	432	100		

Source: Primary Data

Chi-Square test for goodness of fit for the degree of usage of self service based financial services provided by the banks is portrayed in Table 3. As per the Table, the frequency and percentage analysis shows that

majority opined that the degree of usage of self service based financial services provided by the banks in Kerala is moderate. The null hypothesis that “The degree of the usage of self service based financial services provided by the banks is not moderate” stands rejected. Therefore it can be concluded that there exists significant difference in the usage of self service based financial services provided by the banks is at a moderate level.

Table 4
Mann- Whitney U Test on the Usage of Self Service based Financial Services

Usage of Self Service based Financial services	Mean Rank of Respondents		Mann – Whitney U Test Value	p value
	Public	Private		
Branch Counter	233.91	199.09	19566	0.003**
ATM	233.39	199.61	19679	0.003**
Internet Banking	188.85	244.15	17355	0.01**
Phone Banking/Mobile Banking	183.00	250.00	16091	0.01**
Passbook Printer Machine	164.11	268.89	12011	0.01**
POS	160.15	272.85	11156	0.01**
Cash Deposit Machine	174.63	258.37	14284	0.01**
NEFT/RTGS	161.74	271.26	11499	0.01**
Credit Card	165.82	267.18	12381	0.01**
Debit Card	185.25	247.75	16578	0.01**
Prepaid Card	166.71	266.29	12573	0.01**
Electronic Wallet	168.14	264.86	12882	0.01**
Overall use of Financial Services	164.65	268.35	12128	0.01**

Source: Primary Data

Table 4 displays that the Mann Whitney U test for significant difference in the Mean Ranks based on the financial services provided by the Public sector and Private sector banks in Kerala. The null hypothesis that “There is no significant difference in the degree of the usage of self service based financial services provided by the Public Sector Banks and Private Sector Banks in Kerala” stands rejected. Therefore it is revealed that there exists significant difference in the degree of the usage of self service based financial services provided by the Public sector and Private sector banks in Kerala.

The mean ranks given by customer respondents for the public sector and private sector categories are illustrated in the Table 4. The Table also shows that there is no significant public sector and private sector wise difference in the usage of self service based financial services among the customers of banks. It is also

seen that respondents from private sector hold high level usage of self service based financial services followed by respondents from public sector.

Conclusion

Factors influencing the preference on the selection of bank were identified and from the result analyzed it is inferred that there is difference among the factors influencing the preference on the selection of bank. It is also inferred that availability of latest technology is ranked first in terms of the factors influencing the preference on the selection of bank for services and recommendation by friends and relatives is the least preferred factor. In the case of usage environment of Self Service Technology, the extent of usage of financial services was initially studied. It is inferred from the analysis that there is a highly moderate level of usage of self service based financial services among the banking customers in Kerala. The degree of usage of Self Service based financial services were identified and from the analyzed result it is inferred that there is difference in the degree of the usage of self service based financial services provided by the Public Sector Banks and Private Sector Banks in Kerala.

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