CHAPTER 7

FINDINGS, CONCLUSIONS AND FUTURE AREA FOR RESEARCH

7.1 Introduction

This chapter summarizes the major findings of the thesis and provides the conclusive remarks. Along with findings this chapter discusses various implications. The chapter is derived to present (i) The conclusive findings of the research, (ii) Implication to practitioners, (iii) Future area of research and, (v) Conclusion.

7.2 Findings

This section deals with the findings obtained for different objectives in the thesis. The findings are listed objective wise.

7.2.1 The first objective of the study is to find out the socio economic aspects that influence the adoption of E-banking delivery channels among salaried employees. Accordingly, at first the socio economic and demographic factors probable for influencing Electronic banking adoption were identified from literature survey. The factors obtained were age, gender, marital status, education, household income, family size and earners in the family, job level, area of residence, banking characteristics, number of saving account and job title. The results revealed that for overall electronic banking, the factors such as location of residence, earners in the

family, educational level, frequency of banking transaction and marital status are found to be significantly effecting adoption of electronic banking. Individually for internet banking, the factors such as number of members in the family and frequency of banking service seemed to be effecting adoption of internet banking. Similarly for mobile banking, location of residence, number of earners in the family, frequency of banking transaction, marital status seemed to be effecting its adoption. For ATM cum debit card the factors such as location of residence, number of saving account, number of earners in the family, education level and frequency of banking transactions, marital status and income seemed to have influence on ATM card adoption. Lastly for credit card adoption the factors such as number of earners in the family, job level and income seemed to be the contributing factors.

As far as the E-banking delivery channels are concerned, it has been observed that only 23.8 percent use internet banking, only 13 percent use mobile banking, 10 percent use credit card and maximum 49.8 percent use ATM. Thus, the financial sector should find strategies to encourage equal use of all the channels of E-banking.

Thus, we can conclude that the socio economic factors largely impact the adoption of E-banking delivery channels among salaried employees.

7.2.2 The second objective is to find out the role of E-banking delivery channel services in developing loyalty for usage of the same among target population. As such at first the electronic banking service characteristics were identified and summarized into four categories: ease of use, cost saving, usefulness and self

control from the view point of customer benefits. Literature review suggested that to evaluate the loyalty, both the behavioral and attitudinal concepts are required to be measured. After conducting regression analysis, it was obtained that there is a relationship between E-Banking delivery channel services dimensions and attitudinal loyalty and also on behavioral loyalty. And as a whole there is a positive effect of E-banking services on customer loyalty. Thus we concluded that customers using E-banking delivery channel services are more loyal to the same compared to those customers who are not using those channels.

7.2.3 The third objective is to find out the relation between the level of satisfaction and 'word –of-mouth' of the target population on E-banking delivery channels. Factor analysis is conducted for both Satisfaction and word of mouth. The variable satisfaction has only one factor and word of mouth have three factors such as word of mouth intensity, Word of mouth type and word of mouth content. Testing hypothesis with structural equation modeling threw light upon customer satisfaction's direct positive effect on word of mouth. Thus we concluded that there is an association between the level of satisfaction and the 'word-of-mouth' of the target population i.e. the salaried employees.

7.2.4 Measuring the performance of banks, in the different dimensions of E-banking services was the fourth objective. The performance in this study was measured based on perception of the users. A large number of parameters were obtained from literature review. These parameters were conceptualized and grouped under four broad parameters. These are E-Banking Channel Design, Reliability, Responsiveness and Service. Finally these parameters are found to be

coinciding with SERVQUAL measurement given by (Parasuraman, Zeithaml and Berry, 1988). For the parameter E-banking Channel Design , ICICI Bank, AXIS bank and Bank of Baroda performed very high on E-Banking channel design and rest all remaining eight banks are in the High category performance. As far as performance on parameter reliability, AXIS bank, Bank of Baroda and Indus Ind bank have very high reliability, whereas SBI, ICICI, HDFC, UNION, VIJAYA, UCO and PNB are in the High category but CANARA bank seemed to perform very less as far as reliability is concerned and is placed under somewhat high reliable.

For performance in the parameter responsiveness ICICI, AXIS, UNION and Bank of Baroda have very high responsiveness whereas rest all other seven banks are in the high category.

Lastly there are differences of opinion as far as Service dimension is concerned. UNION, INDUSIND, PNB banks are in the category of somewhat high whereas all other banks are in the high category except AXIS bank which is perceived to be having very high level of service.

7.2.5 The last objective was to develop a composite index to compare the overall performance of the different banks by combining the different dimensions of the E-banking services. Accordingly, the mean value obtained while analyzing the earlier objective was subjected to simple arithmetic to develop a composite index. The composite table suggests that as per the overall ranking of performance is concerned, AXIS bank tops the list with score 6.365 out of 7, which is followed by Bank of Baroda with score 6.034. In the third position is ICICI bank with SBI in

fourth position. At the bottom we have Punjab National Bank. Later one way Anova test was conducted to ensure that the differences in ranks are significant. Finally TUKEYS PostHoc Test is conducted to find out the significantly contributing pairs which are AXIS-HDFC, AXIS-CANARA, AXIS-VIJAYA, AXIS-UCO and AXIS-PNB.

7.3 Future Area of Research

For researchers there are plenty of opportunities and scope for future research since a doctoral thesis can seldom cover all aspects of a topic. And also since new and new issues emerge with time and research it becomes an obvious scope for further investigations. The researchers may choose different methodologies all together such as regression analysis, cluster analysis, multi dimensional scaling or any other suitable methodology to find out whether the existing relationship holds well in other cultural set up or not. The measurement statements used can be varied and found out whether the results conform to the same existing relationship or not. Further researcher may employ other set of statements for measuring the different constructs. Similar studies can be performed in different study area or location and also if any external factors such as demographic or economic factors are playing a moderating role in the relationship can be examined. Since the current study is based on only few constructs, other studies may be developed based on multi dimensional effect containing multiple constructs like adding, customer retention, customer perception etc. A comparative study of the same can be made based on different countries or a comparison between Indian customers and developed, developing and underdeveloped nations' customers can be carried out which shall

help the authorities to be aware of hidden issues and concerns. Increasing the span of sample by using web based questionnaire and having participants from diverse location can help in generalising the findings. Lastly studies can also be conducted to compare the security issues faced by different banks' customers and its impact on adoption, usage and word of mouth.

7.4 Conclusion

Banking organizations looking for sustainable business and competitive edge will always try to retain and increase number of customers and since E-banking is a way of retaining and increasing customers through innovation diffusion hence Adoption, usability and continuous usage of the E-banking delivery channels are a major concern. It is necessary to find out perceptions about electronic banking and what are the drivers that drive consumers. It is also necessary to evaluate the post adoption behavior of the customers and how to improve the usage rate.

7.4.1 Implication to the practitioners: It is very necessary for the banking organization to explore factors responsible for adoption and further usage of E-banking based on customer's perception and attitude. As far as utility of the results are concerned the bank manager can apply different strategies in targeting the salaried class of people in terms of socio-economic aspects such as location of residence, earners in the family, educational level, frequency of banking transaction and marital status in order to promote and encourage usage of E-banking. Banking organization looking for new customers should try to understand why the customers specifically the salaried employees do-not adopt E-banking. The information obtained in the study could be used to develop strategies to attract

new customer and at the same time encourage use of all the channels of E-banking. Banking organizations nowadays need to understand that customers can be retained more with better services through electronic banking. In this study, it has been found that usefulness, cost saved and self control are much more related in establishing loyalty among banking customers through electronic banking services. The technical team must provide more privileges and mechanisms to establish a sense of belongingness to the customer along with developing innovative techniques to encourage E-banking use. Banking organizations nowadays are fully utilising the core banking systems by which branch banking is converted to bank banking. Customers, both corporate as well as retail, are no longer willing to queue in banks, or wait on the phone, for the most basic of services (Komal and Rani, 2012). Hence satisfaction on electronic banking channel is major concern for the banking practitioners. Here the study is concentrated on salaried employees and since salaried employees are found to be majority users or the probable majority users (Jun W. , 2005); (Mannan, 2010); (Pandian and Sharma, 2012); (Joshua, 2009); (Gupta and Bansal, 2012); (Sharma, Dhaundial, and Srivastava, 2012) of E-banking channels, hence finding out the relationship between satisfaction and word of mouth among such target population shall enable the Banks to develop a niche based strategy. The study put forward evidences of direct relationship between satisfaction and word of mouth and hence the banking organizations should improve the electronic banking quality attributes and at the same time attain feedback from such group of population for increasing their satisfaction and thereby indirectly promoting their bank and its E-services through the satisfied customers.