



A STUDY ON IMPACT OF E-BANKING SYSTEM TO UPLIFT THE ECONOMIC CONDITION OF INDIAN BUSINESSES

¹ *Mr. New Bigin Samrajan J. B.E, MBA.,* ² *Dr. John Paul M.*

¹School of Business Administration, Sathyabama Institute of science and Technology. Chennai 600119, Tamil Nadu, India.

newbiginsamrajan@gmail.com

²Associate Professor, School of Business Administration, Sathyabama Institute of science and Technology, Chennai 600119, Tamil Nadu, India.

sjcjohn@gmail.com

ABSTRACT

Financial area assumes a significant part being in development of country's economy. The financial help expected by the economy to develop and create has upheld by solid and supportable financial banking system. Payment system and financial sector plays an important role in driving the economic and social development of the country. The present paper mainly focused on the impact in the field of e-banking and try to put light on the available benefits, opportunities and current challenges faced by banking sector to boost up E-banking in India and find out the economic conditions in India from previous year to current situation and find how to uplifts the economic conditions in Indian Businesses by other ways and mainly by using the E-banking system. The researcher used SPSS tools to analyse to check the assumptions & Chi-square test and One sample -T test and percentage analysis were used.

Keywords: Banks, E-banking, Economic growth, GDP, Indian businesses.

1. INTRODUCTION

E-banking is a term used to indicate a process through which a customer is allowed to carry out, personal or commercial banking transactions using electronic and telecommunication network. Since the start of the 21st century, annual average GDP growth has been 6% to 7% and from 2013 to 2018 India was the world's fastest growing major economy. But in the year of 2020-2021 the GDP has been reduced upto below 6.71% from the previous year due to the pandemic situation the GDP gets affected and loss of the economic growth in India in the year of 2020. This research is fulfilled by making a questionnaire and asking the people who all are using the E-Banking and the economic growth will be researched by using researched papers, websites, and other related articles. So, the Project title is "The Study on Impact of E-Banking system to uplift the economic condition of Indian Businesses"

OBJECTIVE OF THE STUDY

- ◆ To study the pattern of the electronic banking services in the Indian banking sector.
- ◆ To examine the impact of e-banking on the operations in modern in banking sector.
- ◆ To study the economic growth and Banking Sector GDP current percent in India.
- ◆ To identify the scope of online banking in Indian economic growth.

2. LITERATURE REVIEW

Selvakumar (2017) researched there is development is a grate change in banking industry because of information technology development. They are trying to utilize the information technology for banking business and provide technology-based banking products and services to their customers.

Jagdeep Kumari (2017), Banks should invest more in infrastructure facilities like irrigation facilities, processing, storage, and marketing activities. The role of banks has been significant, yet it will be considerably more significant later on.

Renuka & Karthik (2018), researched Banks are facing many challenges and many opportunities are available with the banks. Government and Banker ought to concentrate for instructing the rural customers for e-banking as well as open a greater number of banks in rural regions.

Lavanya V (2019), Finds that, approximately 30 to 35 percent population of the country are using digital banking services, and the remaining population

is still learning banking services.

Samundeswari (2018), Published that majority of banks are insisting on cashless and paperless payment modes. Internet banking is highly comfort, this made our life simple and convenient. These technologies created efficiency and time saving methods.

3. RESEARCH METHODOLOGY

Based on my study I have used descriptive research. And I take 125 respondents for my study. I use questionnaire as a Primary data and Secondary data from various articles, referred by books, etc.,

I used tables and flow charts for find the percentage of the response and used Chi-square and One sample T-test for checking the assumptions are right in this research paper.

4. DATA ANALYSIS & INTERPRETATION

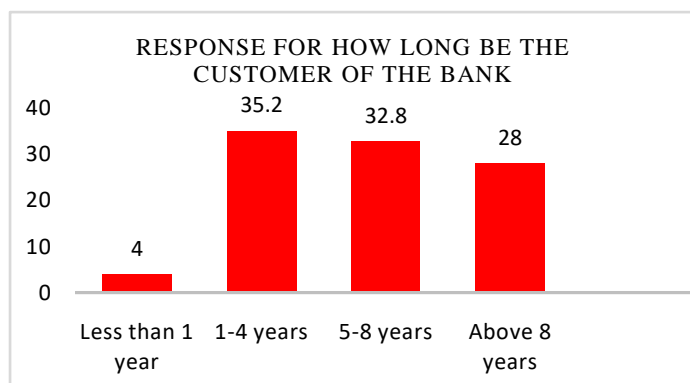
Table showing how long be the customer of the bank

| <i>Particular</i> | <i>No. of Respondent</i> | <i>Percentage of Respondent</i> |
|-------------------|--------------------------|---------------------------------|
| Less than 1 year | 5 | 4 |
| 1-4 years | 44 | 35.2 |
| 5-8 years | 41 | 32.8 |
| Above 8 years | 35 | 28 |
| Total | 125 | 100 |

INFERENCE

Majority (35.2%) of the respondents were 1-4 years be the customer of the bank

Table showing Opinion about E-banking



| <i>Particular</i> | <i>No. of Respondent</i> | | | | |
|-----------------------|--------------------------|------------------|-----------------|---------------------|-------------------------|
| | <i>Highly satisfied</i> | <i>Satisfied</i> | <i>Not sure</i> | <i>Dissatisfied</i> | <i>Highly satisfied</i> |
| SAFE | 4 | 30 | 56 | 20 | 15 |
| Percent of Respondent | 3.2 | 24 | 44.8 | 16 | 12 |
| EASIER | 22 | 39 | 46 | 16 | 2 |
| Percent of Respondent | 17.6 | 31.2 | 36.8 | 12.8 | 1.6 |
| TIME SAVING | 11 | 53 | 41 | 19 | 1 |
| Percent of Respondent | 8.8 | 42.4 | 32.8 | 15.2 | 0.8 |
| USER FRIENDLY | 4 | 23 | 81 | 12 | 5 |

| | | | | | |
|--------------------------|------|------|------|------|-----|
| Percent % | 3.2 | 18.4 | 64.8 | 9.6 | 4 |
| CHEAP | 29 | 38 | 28 | 27 | 3 |
| Percentage of Respondent | 23.2 | 30.4 | 22.4 | 21.6 | 2.4 |
| Total No. of Respondent | 125 | | | | |

INFERENCE

★Majority of the respondents (56%) are telling not sure about the opinion about e-banking as Safe ★ Majority of the respondents (36.8%) are telling not sure about the opinion about e-banking as Easier ★ Majority of the respondents (42.4%) are satisfied about the opinion about e-banking as Time saving ★Majority of the respondents (64.8%) are telling not sure about the opinion about e-banking as User friendly ★Majority of the respondents (30.4%) are satisfied about the opinion about e-banking as Safe.

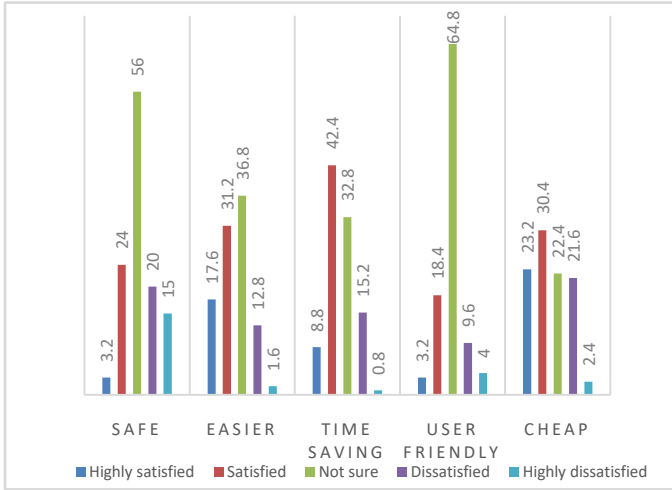


Table showing money transfer from one to another account

| Particular | No. of Respondent | Percentage of Respondent |
|-------------------|-------------------|--------------------------|
| Strongly agree | 9 | 7.2 |
| Agree | 39 | 31.2 |
| Neutral | 54 | 43.2 |
| Disagree | 22 | 17.6 |
| Strongly disagree | 1 | 0.8 |
| Total | 125 | 100 |

INFERENCE

Majority of the respondents (43.2%) are neutral about for recommending transferring from one account to another account through e-banking

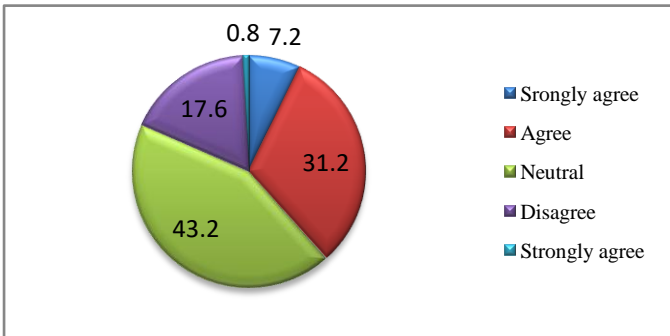
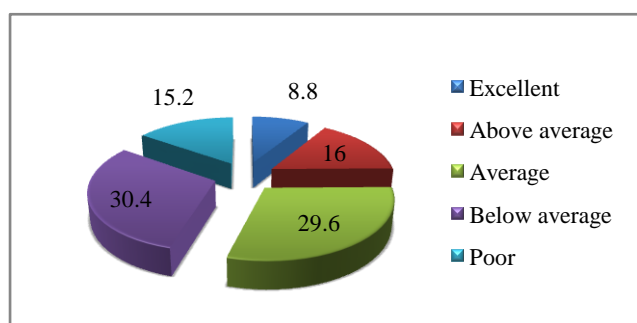


Table Showing Impact of e-banking on Economic growth

| Particular | No. of Respondent | Percentage of Respondent |
|---------------|-------------------|--------------------------|
| Excellent | 11 | 8.8 |
| Above average | 20 | 16 |
| Average | 37 | 29.6 |
| Below average | 38 | 30.4 |
| Poor | 19 | 15.2 |
| Total | 125 | 100 |

INFERENCE

Majority of the respondents (30.4%) are telling the impact of e-banking system on the economic growth of our country as Below average

**CHI SQUARE TEST**

| | Value | df | Asymptotic Significance (2-sided) |
|--------------------|---------------------|----|-----------------------------------|
| Pearson Chi-Square | 63.808 ^a | 56 | .221 |
| Likelihood Ratio | 61.186 | 56 | .295 |
| N of Valid Cases | 125 | | |

INFERENCE

Since p value 0.221 is greater than 0.05. So, null hypothesis is rejected alternate is accepted. Hence, there is a significant association between the most frequently used E-banking service with references to the Opinion about E-banking system regarding easier.

ONE SAMPLE T-TEST

| One-Sample Statistics | | | | |
|--|-----|--------|----------------|-----------------|
| | N | Mean | Std. Deviation | Std. Error Mean |
| Transfer money from account to account through E-banking | 125 | 6.7360 | 0.86270 | 0.07716 |
| Impact of E-banking system on economic growth of our country | 125 | 3.2720 | 1.16658 | 0.10434 |

| One-Sample Test | | | | | | |
|--|-------|-----|------------------------|--------------------|---|--------|
| Test Value = 5 | | | | | | |
| | t | df | Sig. (2- tailed) | Mean Difference | 95% Confidence Interval of the Difference | |
| | | | | | Lower | Upper |
| Transfer money from account to account through E-banking | 87.29 | 124 | 0.00 | 6.736 | 6.583 | 6.8887 |
| Impact of E-banking system on economic growth of our country | 31.35 | 124 | 0.00 | 3.272 | 3.065 | 3.4785 |

INFERENCE

Since the significance value is $(p=.000) p < .05$, then the null hypothesis is accepted. Hence, there is no difference between the transfer money from one account to another account through E-banking and the impact of e-banking system on economic growth.

V FINDINGS, SUGGESTIONS & CONCLUSION

FINDINGS

- ❖ Majority of 53.6% of the peoples are 18-25 age.
- ❖ 76.8% of the respondents are male.
- ❖ 87.2% respondents are using ATM as the E-banking services frequently
- ❖ Majority 44.8% respondents said “Not sure” opinion for about E-banking system regarding following advantages for SAFE, EASIER & USER FRIENDLY.
- ❖ Majority 43.2% of the respondents said “Neutral” for recommending transferring money from one account to another account.
- ❖ Majority 43.2% of the respondents said “Neutral” for recommending transferring money from one account to another account.
- ❖ 30.4% people were responding as Below Average for Impact of E-banking system on the Economic growth of our country.
- ❖ Contribution of the banking sector to GDP is about 7.7% of GDP
- ❖ Banking sector intermediation as measured by total loan as a % of GDP is 30%.

SUGGESTIONS

- ❖ Banks are providing e-banking services to customers it should create awareness among people and make literate to the people about the use of e-banking products and services.
- ❖ Government should make huge investments in building the infrastructure of e-banking services.
- ❖ Banks use the latest technologies with timely updates to secure customers' valuable money from the hand of hackers.
- ❖ Workshops and seminars should be provided to the people especially in rural areas those who are ATM, computer illiterate, and usage of e-banking.

CONCLUSION

In this research paper, various impacts created by E-banking services to the public, current GDP and the banking sector income has been studied. It will show some clear knowledge about the e-banking services to the people who are aware about the e-banking system and services. Some of the people didn't know about these banking services. To overcome such barriers proper information must be given to the public by the government about the banking operations. The advancements of Indian banking show that the Indian banks are marching towards current banking and changing their customary look. It is a great change in the banking industry because of the information technology department. The Government of India coming out with new initiatives to boost and motivate digital programs and control of the cybercrimes, outline fraud, hacking by connectivity and data protection will aggressively grow and people will be addicted to digital transactions. The funds accumulated from the banks can be used for development, and it leads the country's economy.

REFERENCES

- Selvakumar (2017)** - “A Study on Role of E-Banking in Indian Economic Growth” - Imperial Journal of Interdisciplinary Research (IJIR), Vol-3, Issue-1.
- Jagdeep Kumari (2017)** - “Role of Banks in the Development of Indian Economy” - International Journal of Multidisciplinary Research and Modern Education (IJMRME), Vol-3, Issue 1.
- Renuka & Karthik (2018)** - “E-Banking Services to Rural Customers – A Study with special reference to Tirupur district” - International Journal of Business and Management Invention (IJBMI), Vol-7, Issue-7.
- Lavanya V (2019)** - “Impact of digital banking on Indian economy” - International Journal of Recent Scientific Research, Vol-10, Issue-09.
- Samundeswari (2018)** - “E-Banking in India” - International Journal of Business and Management Invention (IJBMI), Vol-7, Issue-7.
- Members of Parliament larrdis (2020)** – “The Economic impact of Covid 19 with special reference to India” No. 23-RN-Ref./June2020.
- Samundeswari (2019)** – “E-Banking in India” - Digital Innovation - A Transformative Tool for Economic Growth-
researchgate.net/publication/337211059.
- Umesh Kabadi (2021)** – “A Study on Digital banking” - International Journal of Advance and Innovative Research, Vol-8, Issue-2.
- P.Kumar, T.Kant, N.Alam, & Tiwari (2016)** “The Economic impact of covid 19 with special reference to India” -International Journal of Science and Research (IJSR), Vol- 5, Issue-12.
- KPMG (2020)**- “Impact of COVID-19 on digital payments in India” - home.kpmg/in/COVID-19
- P.S. Abbigeri, M. Shettar** -“The Changing trends in payments: An overview” - International Journal of Engineering Research & Technology (IJERT), Volume-5, Issue-11.
- Suhas. D, Ramesh H (2018)** - “E-banking and its growth in India” – 5(4):376-383.
- S Renuka, P Dinesh(2018)** – “Impact of New Trends on Banking and Insurance”- Asian Journal of Management, Vol-9, Issue-3.

