

Effectiveness of E-Banking services of private bank

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Abstract— The principal objective of this research is to identify the effectiveness of E-banking services of a private bank. That will help to a private bank to be able to perform their duties effectively and responsibly. In terms of accessibility, that customer can always easily withdraw a cash, often deposit cash, and pay cash easily using E-banking. It shows that most of the depositors of the private bank find the use of E-banking as always or often accessible in terms of withdrawals, deposits, and payments.

In terms of accuracy, the respondent customers always agreed that E-banking provides accurate information regarding banking and as a depositor they sometimes encountered any problems concerning E-banking, depositors also explained that they are always satisfied about the effectiveness of E-banking as the company's provided, also most customers have been provided accurate information regarding E-banking transactions and found E-banking provided by the company effective. Convenience, according to the respondents they were often satisfied with the benefits given by the E-banking. The private bank often introduced their company's products and services so that, as a customer of the aforementioned bank they are well-informed about company's new strategies. And it often helped the customers' minimize time consumption in doing banking transaction. Thus, E-banking was often found to be convenient by being satisfied with the benefits it give, introduction to the company's product and services well and minimize time consumption in doing banking transactions.

Keywords- Accessibility, Accuracy, Automatic Teller Machine, Convenience, Depositor, Debit Card, E-banking, Effectiveness, Electronic funds transfer, Private bank

I. INTRODUCTION

The world is changing by the use of some technologies that considered being the key driver for these changes around us. An analysis of technology and its uses show that it has permeated in almost every aspect of our life. Many activities are handled electronically due to the acceptance of information technology at home as well as at workplace. The concept and scope of E-banking is still evolving. It facilities an effective payment and accounting system thereby enhancing the speed of delivery of banking services considerably.

Most people are very familiar with how a bank operates. The concept is very simple, if the customer takes his money to the bank and they will keep it safe for him, and he can collect it later. There are other uses of a bank, such as loans and interest. But with nearly everything going digital, including money transfers, paychecks, bill payments and debit cards, cash is practically becoming obsolete. With online banking, the customer won't ever have to worry about full access to his account. He have quick and easy 24-hour access from anywhere in the world. The customer won't ever have to rush over to the bank after work and fight lines. Other bank accounts don't commonly offer the best deal available when it comes to saving the customer's money. Also, because online banking services don't have to rent a building, they offer higher interest rates with their savings accounts. By using other services on a bank, mostly it is time consuming and to make money, they often charge expensive fees to consumers

The advancement of electronic banking or commonly known as e-banking, began with the use of automatic teller machines (ATMs) and has included telephone banking, direct bill payment, electronic fund transfer, online banking and other electronic transactions. For many people, they believe that the e-banking will go to the direction of mobile banking. Also, some people believing that online banking will be the most popular method in the future.

Many people are now able to avoid the rush to get to the bank before it closes, as they can bank from a home computer or via automatic teller machine (ATM). Most banks routinely offer online banking services when customers sign up for accounts. They are a variety of options based on the type of banking account they have. For example, a checking account can be linked to an ATM card, and most accounts can be viewed and managed using online banking. An ATM card works two different ways – as credit or debit. When it used as a credit card, many banks do not charge fees and the money does not come out of the account immediately. A debit card requires that a pin number be entered are required. ATM withdrawals may be conducted at any ATM machine that accepts any debits card.

E-banking or electronic banking refers to all types of banking transactions performed electronically, without

visiting a bank. Terms such as PC banking, Internet banking or online banking are sometimes used instead. E-banking allows customers to conduct bank transactions online, instead of finding a bank and interacting with a teller. For customers, this means performing actions such as paying bills, checking balances on their accounts, transferring funds and purchasing financial instruments remotely. Banco De Oro Universal bank, Inc. was the largest bank in the Philippines. It belongs to the SM group of companies, one of the Companies, one of the country's largest conglomerates owned by tycoon Henry Sy. Following the Banco de Oro-Equitable PCI Bank merger, the bank has since become Banco de Oro Unibank, Inc. It provides products and services to the retail and corporate markets including lending (corporate, middle market, SME, and consumer), deposit-taking, foreign exchange, brokering, trust and investments, credit cards, corporate cash management and remittances, Through its subsidiaries, the bank offers Leasing and financing, Investment Banking, Private Banking, Bank assurance, Insurance brokerage and Stock Brokerage services.

In this study, the researchers aim to find out how important E-banking is the depositors of Banco De Oro Private Bank in Don Antonio, Quezon City. And how well they are satisfied in terms of the benefits that E-banking can do in their banking transaction.

A. Research Questions

This study aims to assess the effectiveness of e-banking to the e-banking users of Banco De Oro, as basis of its program enhancement. Specifically, it aims to answer the following questions:

1. How do the profile of the e-b be described as to:
 - 1.1 Gender,
 - 1.2 Age, and
 - 1.3 Civil Status?
2. How do the depositors assess the e-banking program in terms of:
 - 2.1 accessibility,
 - 2.2 accuracy and
 - 2.3 convenience?
3. How effective is the e-banking services of the private bank in terms of:
 - 3.1 accessibility,
 - 3.2 accuracy, and
 - 3.3 convenience?
4. What are the common problems encountered of the respondent customers in using E-banking?

B. Scope and limitation

The major concern of this study is to assess the effectiveness of E-banking to the customers of a private bank. The researchers choose Banco De Oro Unibank, Don't Antonio Quezon City as the locale of the study, it was limited to 50 depositors who are using e-banking which are chosen randomly as the respondents or subjects of this study.

C. Definition of the e-Banking

The concept of electronic banking has been defined in many ways. Daniel (1999) defines electronic banking as the delivery of banks' information and services by banks to customers via different delivery platforms that can be used with different terminal devices such as a personal computer and a mobile phone with browser or desktop software, telephone or digital television.

Pikkarainen et al (2004) define internet banking as an "internet portal, through which customers can use different kinds of banking services ranging from bill payment to making investments". With the exception of cash withdrawals, internet banking gives customers access to almost any type of banking transaction at the click of a mouse (De Young, 2001). Indeed the use of the internet as a new alternative channel for the distribution of financial services has become a competitive necessity instead of just a way to achieve competitive advantage with the advent of globalization and fiercer competition (Flavián et al, 2004; Gan and Clemes, 2006).

Accessibility defines as the ability of users to access information and services from the web is dependent on many factors. These include the content format; the user's hardware, software and settings; internet connections; the environmental conditions and the user's abilities and disabilities (Godwin-Jones 2001; Hackett and Parmanto, 2009). The term "web accessibility" generally relates to the implementation of website content in such a way as to maximize the ability of users with disabilities to access it. For example, providing a text equivalent for image content of a web page, allows users with some visual disabilities access to the information via a screen reader. The techniques and approaches that create more accessible web pages for people with disabilities also address many other access issues such as download speed and discoverability (Godwin-Jones 2001; Hackett et al, 2004; Hackett and Parmanto, 2009).

Jun et al (1999) revealed reliable/prompt responses, attentiveness, and ease of use had considerable impacts on both customers perceived overall service quality and satisfaction. It also indicated that there is a significant positive relationship between overall service quality and satisfaction. Yang and Jun (2002) redefined the traditional service quality dimensions in the context of online services, and suggested an instrument consisting of seven online service dimensions (reliability, access, ease of use, personalization, security, credibility, and responsiveness).

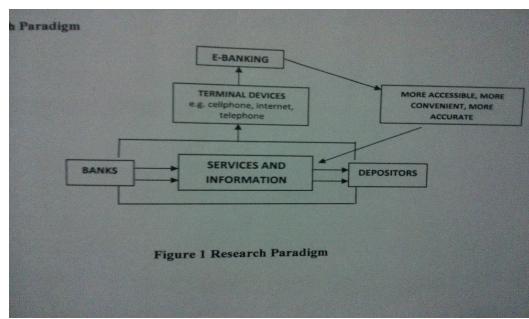
Joseph et al (1999) considered banking service quality with respect to technology use, such as ATMs, telephone, and

the internet and identified six dimensions. They were convenience/accuracy; feedback/complaint management; efficiency; queue management; accessibility; and customization. Therefore, it is hypothesized that accessibility has positive effect on customer satisfaction.

D. Conceptual framework

According to Daniel (1999), he defines electronic banking as the delivery of banks' information and services by banks to customers via different delivery platforms that can be used with different terminal devices such as a personal computer and a mobile phone with browser or desktop software, telephone or digital television. In her study, she mention that, "Electronic or online banking is the newest delivery channel to be offered by the retail banks in many developed countries and there is wide agreement that this channel will have a significant impact on the market. Aims to quantify the current provision of electronic services by major retail banking organizations in the UK and the Republic of Ireland. Additional insight into the banks' adoption of this new channel is gained by exploring two areas important in the analysis of new offerings, that is: an organization's approach to innovation; and their view of the current and future markets. By use of a mailed questionnaire, it was found that 25 per cent of the banks in the UK and the Republic of Ireland which responded to this survey are already offering online transactional services to consumers in their homes. The largest group of respondents (50 per cent) are those that are currently testing or developing such services, while just 25 per cent of the respondents were in organizations not providing or developing such services. It is also found that the organization's vision of the future, their prediction of customer acceptance, which tends to be very low, and their organizational culture of innovation are the most important of the suggested factors in their adoption of electronic delivery."

E. Research Paradigm



II. METHODOLOGY

In this study, the researchers used the descriptive method of research. **Descriptive research** is used to describe characteristics of a population or phenomenon being studied. It does not answer questions about how/when/why the characteristics occurred. Rather it addresses the "what" question (what are the characteristics of the population or

situation being studied?). The characteristics used to describe the situation or population are usually some kind of categorical scheme also known as descriptive categories.

The researchers used to stratified technique in this study. Stratified sampling is done through systematic technique. In the study the categories of the samples are the customer of a private bank that uses traditional banking transaction, the customers of a private bank that uses E-banking and banking staff.

The researchers targeted thirty respondents. This is composed of ten customer that use traditional banking, ten of customers that uses E-banking, and ten for the banking staffs. The sample came randomly from Banco de Oro, Unibank.

The study made use of researchers' made survey questionnaire which was validated by 3 professional in banking industry and 1 I.T expert on technical aspects of system. It was tried to use the instrument to other depositors of the bank to check the validity and reliability of instrument.

III. RESULT AND DISCUSSION

A. Summary of Finding

After the data were gathered, tabulated and statistically treated and analyzed, the researcher arrived at the following summary findings;

1. How do the profile of the e-banking users be described as to: age, gender and civil status?

As to age, majority of the e-banking users is in the age bracket of 18-25 years old or 44 percent. It was followed by 26-33 years old with 36 percent, followed by 34 years old and above, with a percentage of 20 percent. As to gender, most of the depositors' were male with 52 percent of the total number of respondents of 26 individuals while the female has a total of 48 percent or 24 individuals. As to civil status, almost 32 or 64 percent of the total respondents are single while 18 or 36 percent of the total respondents are married.

2. How do the respondent users assess the E-banking program in terms of: accessibility, accuracy and convenience?

As to accessibility, that e-banking users can always easily withdraw a cash using E-banking system have a weighted mean of 4.58. They are also often deposit cash using the E-banking system with a weighted mean of 4.4. And they were often pay cash easily using e-banking with a weighted mean of 4.2. It shows that most of the depositors of the private bank find the use of E-banking to be always or often accessible in terms of withdrawals, deposits, and payments.

As to accuracy, that e-banking users always agreed that e-banking provides accurate information regarding banking transaction with a weighted mean of 4.58. And as a depositor they sometimes encountered any problems concerning E-banking with a weighted mean of 3.16.

Depositors also explained that they are always satisfied about the effectiveness of e-banking as the company's provided with a weighted mean of 4.6. It shows that most customers have been provided accurate information regarding e-banking transactions and found E-banking provided by the company effective.

As to convenience, according to the respondents they were often satisfied with the benefits given by the e-banking with a weighted mean of 3.92. Also, the private bank were often introduced their company's products and services with a weighted mean of 3.92. So that, as e-banking users of the aforementioned bank they were informed about company's new strategies. And it often helped their clients' to minimize time consumption in doing banking transaction. Thus, e-banking was often found to be convenient by being satisfied with the benefits it give, introduction to the company's product and services well and minimize time consumption in doing banking transactions

3. How effective is the E-banking services of the private bank in terms of: accessibility, accuracy, and convenience?

As to accessibility is concerned, the depositor can easily access the E-banking system anytime they want to using the different application available for android and IOS software, with a weighted mean of 4.58. They can also deposit cash using ATM facility and fund transfer in either ATM, internet or even in android and IOS facility with a weighted mean of 4.49. And they were often pay cash easily using E-banking with a weighted mean of 4.32. It shows that most of the depositors of the private bank find the use of E-banking as "very effective" in terms of withdrawals, deposits, and payments.

As to accuracy, the respondent e-banking users rated it as "very effective" that E-banking services of private bank in providing accurate information regarding on banking transaction with a weighted mean of 4.68. E-banking users also explained that providing accurate information about depositors transaction may lead to more efficient way of banking experience with a weighted mean of 4.71. It shows that most e-banking users have been provided accurate information regarding E-banking transactions and found E-banking provided by the company effective.

As to convenience, the e-banking services of the private bank as rated by the respondent e-banking users rated as "very effective" with a weighted mean of 4.68. Also, the private bank provides easy-to-use applications in android and OIS version to extend the banking needs of their client, with a weighted mean of 4.52.. Thus, E-banking services of private bank was found to be very in doing banking transactions.

4. What are the common problems encountered of the respondent customers in using E-banking?

Most common problems that are encountered by the customers regarding E-banking is the security risk, with 29.33%, followed by technological comprehensive issue with 24% and technical difficulties with 23.33%. The number one problem that is mostly encountered by the customers is security risk. It is because regardless of what type of security is in place for online banking sites or ATM's; people are able to obtain customer information. This issue is often beyond the bank's control, as criminals try many tactics to obtain customer information. At ATMs. Thieves can also hack the system, so your personal identification number (commonly called a PIN number) and password.

B. Conclusions

Based on the findings, researchers came up with the following conclusions:

1. Majority of the depositors are male with an age bracket of 18-25 years old are single.
2. Many e-banking users considered e-banking as an effective and efficient way of doing bank transactions. It is a hassle free transaction for immediate needs of their clients.
3. Loyal clients of different banks suggests to use the e-banking services as an alternative way of transacting of their banking needs.
4. E-banking users encountered some security related problems with regard to hackers.

C. Recommendations

The following are some of the recommendations of the researchers regarding effectiveness of E-banking services of a private bank.

1. Banks should enhance their online banking transactions in terms of security features of e-banking transactions. In addition, banks must also focus in the technical issues so that they can lessen customer problems regarding this.
2. Customer must engage in E-banking specially to those who don't have time to transact personally in the bank because E-banking will be a big help for them because it provides easier and faster way of doing banking transaction and banking information acquisitions. But of course, though E-banking provides a lot of benefits, the depositors must still be aware of what we so called "security risk" that is involved in every banking transactions.
3. Bank managers should encourage their clients on the advantages of e-banking in terms of efficiency and effectiveness of transactions. Also, they must develop a more desirable and effective customer care service through e-banking system.
4. Future researchers must acquire additional information regarding the subject in order for them to come up with a

study better than this but in a different content and features of e-banking services.

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