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SUCCESS OF GREEN BANKING INITIATIVES AFTER DEMONETIZATION IN INDIA

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ABSTRACT

The bank plays a dominant role in supply of money for economic development of the Society. Currently society is facing most complicated Environmental issues of Global warming. It affects our eco system. Economic growth leads to degradation of the environment, therefore we must be maintaining a balance between economic growths and preserving natural resources. The only solution is financial sectors move towards sustainable development. The present study notes the progress of green banking initiatives before and after demonetization in India. The study measures on how the Indian banks are move towards sustainable development of the country. The analysis and interpretation will be made by using suitable statistical tools such as Mean, Standard Deviation, Co-efficient of Variation, CAGR and paired 't' test. Finally, it makes an attempt to offer few suggestions to enhance better development of green initiatives.

KEYWORDS

RBI, ATM, GDP, Banks, environment, green initiatives, sustainable development.

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INTRODUCTION

The major function of the financial system is the supply of money and monetary assets for production of goods and services. Banks have to play a dominant role in this activity. Today banks have become a part of our life. Apart from their traditional functions they have now come out to fulfill social responsibility. Currently society facing most complicated environmental issues of global warming. It affects our eco system. Hence everyone should responsible to build the eco friendly environment. Economic progress improves our standard of living and makes our life more comfortable. On the other hand, it is this very progress that can lead to degradation of the environment. Any increase in national income would arise only from increased production of goods and services involving greater consumption of resources such as land, forest, fuels, etc. whose supply is, essentially, limited. While some of these resources may be renewable, others get depleted and, ultimately, exhausted with continuous use. So, environmental degradation not only affects us but also has repercussions for our future generations. Maintaining a balance between economic growths and preserving natural resources financial sector move towards sustainable development. Sustainable development has been defined in it is development that meets the needs of the present without compromising the ability of future generations to meet their own needs.

There a move towards green economy where each and every one in the society is concerned about environment. The desire to engage one in environment friendly green practices has expanded to the organizations also. Green is becoming a symbol of Eco consciousness in the world. With increasing green awareness business can no longer run after profits only. Green mantra has been relevant in each and every aspects of business. Green is the world now 'Green Computing', 'Green Banking', 'Green Strategic Computing' and so on. Banks are the major Economic Intermediates influence the Industrial sector for lending and financing projects. So there is a need for banks to adopt green initiatives into their operations. Green Banking is any form of banking from which the country gets environmental benefits. In India, banks are activity looking and more towards as a Green Bank. According to Indian Bank Association "Green Bank" is like a normal bank, which considers all the social and environment and conserves natural resources". Green Banking is making technological improvements, operational improvements and charging client habits in the banking sector for promote environmental friendly practices and taking care of earth's ecology. Banks shall formulate and adopt green banking policy are strategy and inventory of the consumption of water, paper, electricity, energy etc.,

DEMONETIZATION IN INDIA

India is the largest producer and consumer of currency notes, next only to China. Currency continues to be the dominant means of payment with the total value of banknotes in circulation placed at INR 16,419 billion as at March-end 2016 - CAGR of 14.6% between 2001-02 and 2015-16. Three denominations, i.e., 1,000, 500 and 20 posted exceedingly high CAGRs at 37.7%, 19.0% and 14.2% respectively relative to the other denominations. India's cost of cash is 1.7% of GDP (2015) which is much above that for many developed economies such as Australia (0.8%) (2008), Sweden (0.5%), Denmark (1.0%) and Hungary (1.1%) and our tax to GDP ratio is amongst the lowest, out of 125 crore only 4.5 crore Indians have files return to the income tax department. Hence policy maker has undergone revolutionary changes to moving towards a demonetization. The government, on 8th November, announced that INR 500 and INR 1000 notes will cease to be legal tender effective immediately. The move primarily aims to curb the black money and making it a cashless economy. The Reserve Bank of India has been playing this developmental role and has taken several initiatives for cashless transaction and to promote green practices of banks in a country. The following are important green practices are as follows:

1. Real Time Gross Settlement System (RTGS)

RTGS is a funds transfer systems where transfer of money takes place from one bank to another on a "real time" and on "gross" basis. Settlement in "real time" means payment transactions is not subjected to any waiting period. "Gross settlement" means the transaction is settled on one to one basis without bunching or netting with any other transaction.

2. Paper Clearing

The overall thrust is to reduce the use of paper for transaction move to electronic mode such as i) Magnetic Ink Character Recognition (MICR) technology for speeding up and bringing in efficiency in processing of cheques and ii) Cheque Truncation System (CTS) is restricting physical movement of cheques and enable use of images for payment processing.

3. Pre-paid Payment Systems

Pre-paid instruments are payment instruments that facilitate purchase of goods and services against the value stored on these instruments. The pre-paid payments instruments can be issued in the form of smart cards, magnetic stripe cards, internet accounts, internet wallets, mobile accounts, mobile wallets, paper vouchers, etc.

4. Credit and Debit cards

A credit card is a payment card issued to users to enable the cardholder to pay a merchant for goods and services, based on the cardholder's promise to the card issuer to pay them for the amounts so paid plus other agreed charges. The card issuer (bank) creates a revolving account and grants a line of credit to the cardholder, from which the cardholder can borrow money for payment to a merchant or as a cash advance.

A debit card is a plastic payment card that can be used instead of cash when making purchases. It also known as bank card or check card. It is similar to a credit card, but unlike a credit card, the money comes directly from the user's bank account when performing a transaction.

5. Mobile Banking System

Mobile banking is a service provided by a bank. Mobile phones as medium for providing banking services to perform ability to bank anywhere and at any time online banking tasks while away from home computer, such as monitoring account balances, transferring funds between accounts, bill payment and locating an ATM.

6. Retail Electronic Clearing

The Retail Electronic technology based solutions for the improvement of payment and settlement system such as

- Electronic Clearing Service (ECS) Credit is facilitates customer accounts to a credited on the specified value date.
- Electronic Clearing Service (ECS) Debit is a method of effecting periodic and repetitive collections of utility companies.
- Electronic Funds Transfer is a retail funds system. It is enabled an account holder of a bank to electronically transfer funds to another account holder with any other participating bank.
- National Electronic Funds Transfer (NEFT) System is a nationwide payment system facilitating one to one funds transfer of individuals, and corporate. This system enables for batch settlements at hourly intervals with near real-time.
- Inter Bank Mobile Payment Service (IMPS) is an instant real time inter-bank electronic funds transfer service system in India through mobile phone.

The population using internet through mobile is expected to touch around 70 crores by 2020 as compared to the current level of 26 crores. It is estimated that internet banking users will grow from the present status of 6 crores to 23 crores by 2020. This type of scenario to encourage the cashless and green initiative can bring to the table by the banks. Thus, it can be said that the future payment system will be increasingly digital, along with increased digitization of the financial intermediation function, would make banking 'faceless' and economy 'cashless'. Hence, it is intended to make an attempt to study and examine the green banking initiatives before and after demonetization in India.

REVIEW OF LITERATURE

Vijay Kumar (2012) in his studies, reveals that the significant dimensions that predict customer's satisfaction in ATM service. It is found that ATM service quality is most important predictor of the customer satisfaction. It suggests that necessary input to the bank management to can increase customer's satisfaction through improving ATM service quality.

Vimala & Sarala (2014) in their paper to understand the perception and the behavior of the plastic money holders and its impact on the ICICI bank customers in Davangore District. It is found that most of the respondents (68.53 per cent) using ATM cum debit cards. It reveals that the uses of plastic money affect the society and income level of customers which turn makes the cashless society.

Raad Mozib Lalon (2015) studied the green practices and process of banks in Bangladesh. The study finds that foreign banks provides 100 per cent online banking facility to their customers and public Sector Banks green financing is much higher than other commercial banks. It also suggested that automation and rigorous training programmes required for all level of management.

Abirami and Senthil Kumar (2017) analyzed the e-payment system in the banks and to determine the effectiveness and usage by the customers. The study finds 77.5% of customers who use the service from bank were feeling completely safe. It suggests that the bank should remove the unnecessary charges and reduce the minimum balance of saving account maintained charges.

OBJECTIVES OF THE STUDY

The following are the main objectives of the study

1. To examine the green banking initiatives in banks in India.
2. To study the growth of green banking initiatives in banks before and after demonetization in India.

RESEARCH METHODOLOGY

The study is based on secondary data. The required data have been collected from the banking statistics (data releases), speeches and various issues published by Reserve Bank of India (RBI). The relevant websites were visited for collection of necessary literature and data. This period has been specially selected as the implementation demonetization was undertaken in 8th November 2016. The study period of 16 months of before demonetization periods 8 months from March 2016 to October 2016 and after demonetization periods 8 months from November 2016 to June 2017, the data are analyzed by using appropriate tools such as Mean, Standard Deviation, Co-efficient of Variation, Paired 't' test, Pearson Correlation, Compound Annual Growth Rate and Trend analysis.

RESULTS AND DISCUSSION

The success of various green banking initiatives has been analysed in term of volume during the period before and after demonetization period.

Table-1 the growth of electronic fund transfers through RTGS Before and After Demonetization in India has been presented.

The null hypotheses framed are.

- 1) There is no significant difference between volume of RTGS before and after demonetization in India.

TABLE 1: GROWTH OF RTGS BEFORE AND AFTER DEMONETIZATION IN INDIA (Volume in Millions) (As on 31st March)

2015-16 (Months)	Before	Growth rate (%)	2016-17 (Months)	After	Growth rate (%)
March	9.87	-	November	7.88	-
April	8.33	15.60	December	8.84	12.18
May	8.71	4.56	January	9.33	5.54
June	8.83	1.38	February	9.11	2.36
July	8.26	6.46	March	12.54	37.65
August	8.56	3.63	April	9.54	23.92
September	8.47	1.05	May	10.43	9.33
October	9.01	6.38	June	9.83	5.75
Mean	8.755			9.6875	
SD	0.515			1.372	
CV	5.882			14.163	
CAGR	-1.13			2.80	
t statistic value	1.504		DF	7	
Critical value	1.895		Pearson Correlation	0.655	
P value	0.088				

Sources: RBI Bulletin, Current Statistics in various issues

From Table –1: It is observed that the total RTGS before demonetization of in India registered a fluctuating trend. The growth rate had varied between 1.05 per cent and 15.60 per cent during the period under study. The highest 15.60 per cent Growth rate was found in the month of April 2016 and lowest 1.05 per cent in the month of September 2016 during the study period. The Compound Annual growth rate is -1.13 per cent. It is clear that Mean and Standard Deviation is 8.755, 0.515, Co-efficient Variation is 5.882.

It is observed that the total RTGS after demonetization of in India registered a fluctuating trend. The growth rate had varied between 5.54 per cent and 37.65 per cent during the period under study. The highest 37.65 per cent Growth rate was found in the month of March 2017 and lowest 5.54 per cent in the month of January 2017 during the study period. The Compound Annual growth rate is 2.80 per cent. It is clear that Mean and Standard Deviation is 9.688, 1.372, Co-efficient Variation is 14.163.

The test results show a ‘t’ statistic of 1.504. The one tailed p value is 0.0881, which is more than the conventional 1 per cent level of significance (p>1%). Therefore, the null hypothesis is accepted. There is no significant difference between volume of RTGS before and after demonetization in India and also found there is a positive correlation (0.655).

Table-2 shows the growth of paper clearing before and after demonetization in India.

The null hypotheses framed are.

- i) There is no significant difference between volume of paper clearing before and after demonetization in India.

TABLE 2: GROWTH OF PAPER CLEARING BEFORE AND AFTER DEMONETIZATION IN INDIA (Volume in Millions) (As on 31st March)

2015-16 (Months)	Before	Growth rate (%)	2016-17 (Months)	After	Growth rate (%)
March	98.05	-	November	93.50	-
April	85.27	13.03	December	138.82	48.47
May	85.06	0.25	January	131.17	5.51
June	86.19	1.33	February	107.94	17.71
July	85.85	0.39	March	127.98	18.57
August	88.23	2.77	April	99.97	21.89
September	85.11	3.54	May	101.63	1.66
October	88.03	3.43	June	95.47	6.06
Mean	78.98			100.70	
SD	26.552			37.941	
CV	33.619			37.676	
CAGR	-1.34			0.26	
t statistic value	-3.330				
Critical value	1.895				
P value	0.0062				
DF	7				
Pearson Correlation	-0.581				

Sources: RBI Bulletin, Current Statistics in various issues

From Table –2: It is observed that the total Paper Clearing before demonetization of in India registered a fluctuating trend. The growth rate had varied between 0.25 per cent and 13.03 per cent during the period under study. The highest 13.03 per cent Growth rate was found in the month of April 2016 and lowest 1.05 per cent in the month of May 2016 during the study period. The Compound Annual growth rate is -1.34 per cent. It is clear that Mean and Standard Deviation is 78.98, 26.552, Co-efficient Variation is 33.619.

It is observed that the total Paper clearing after demonetization of in India registered a fluctuating trend. The growth rate had varied between 1.66 per cent and 48.47 per cent during the period under study. The highest 48.47 per cent Growth rate was found in the month of December 2016 and lowest 1.66 per cent in the month of May 2017 during the study period. The Compound Annual growth rate is 0.26 per cent. It is clear that Mean and Standard Deviation is 100.70, 37.941, Co-efficient Variation is 37.676.

The test results show a ‘t’ statistic of -3.330 The one tailed p value is 0.00629, which is less than the conventional 1 per cent level of significance (p<1%). Therefore, the null hypothesis is rejected. There is a significant difference between volume of Paper clearing before and after demonetization in India and also found there is a negative correlation (0.5806).

Table-3 shows the Growth of prepaid payments instruments before and after demonetization in India.

The null hypotheses framed are.

- i) There is no significant difference between volume of prepaid payments instruments before and after demonetization in India

TABLE 3: GROWTH OF PREPAID PAYMENTS INSTRUMENTS BEFORE AND AFTER DEMONETIZATION IN INDIA (Volume in Millions) (As on 31st March)

2015-16 (Months)	Before	Growth rate (%)	2016-17 (Months)	After	Growth rate (%)
March	72.05	-	November	169.03	-
April	69.30	3.82	December	261.09	54.46
May	70.95	2.38	January	295.80	13.29
June	76.98	8.50	February	280.02	5.33
July	77.85	1.13	March	342.09	22.17
August	96.28	23.67	April	352.23	2.96
September	97.07	0.82	May	278.08	21.05
October	126.90	30.73	June	255.65	8.07
Mean	85.92			279.25	
SD	19.82			56.80	
CV	23.068			20.340	
CGR	7.33			5.31	
t statistic value	-9.408319575				
Critical value	1.894578604				
P value	1.59678E-05				
DF	7				
Pearson Correlation	0.10720653				

Sources: RBI Bulletin, Current Statistics in various issues

From Table –3: It is observed that the total Prepaid Payments Instruments before demonetization of in India registered a fluctuating trend. The growth rate had varied between 1.13 per cent and 30.73 per cent during the period under study. The highest 30.73 per cent Growth rate was found in the month of October 2016 and lowest 1.13 per cent in the month of July 2016 during the study period. The Compound Annual growth rate is 7.33 per cent. It is clear that Mean and Standard Deviation is 85.92, 19.82, Co-efficient Variation is 23.068.

It is observed that the total PPI after demonetization of in India registered a fluctuating trend. The growth rate had varied between 5.33 per cent and 54.46 per cent during the period under study. The highest 54.46 per cent Growth rate was found in the month of December 2016 and lowest 5.33 per cent in the month of February 2017 during the study period. The Compound Annual growth rate is 5.31 per cent. It is clear that Mean and Standard Deviation is 279.25, 56.80, Co-efficient Variation is 20.340.

The test results show a 't' statistic of -9.408. The one tailed p value is 1.597, which is more than the conventional 1 per cent level of significance (p>1%). Therefore, the null hypothesis is accepted. There is no significant difference between volume of PPI before and after demonetization in India and also found there is a positive correlation (0.1072).

Table-4 shows the growth of cards before and after demonetization in India.

The null hypotheses framed are.

- i) There is no significant difference between volume of credit and debit before and after demonetization in India.

TABLE 4: GROWTH OF CREDIT AND DEBIT CARDS BEFORE AND AFTER DEMONETIZATION IN INDIA (Volume in Millions) (As on 31st March)

2015-16 (Months)	Before	Growth rate (%)	2016-17 (Months)	After	Growth rate (%)
March	917.42	-	November	906.78	-
April	913.05	0.48	December	1162.39	28.19
May	941.82	3.15	January	1154.21	0.70
June	927.27	1.54	February	1039.40	9.95
July	961.25	3.66	March	1089.38	4.80
August	971.81	1.10	April	1035.38	4.96
September	945.86	2.67	May	1038.86	0.34
October	1032.14	9.12	June	1025.60	1.28
Mean	951.33			1056.5	
SD	38.48			81.29	
CV	4.045			7.694	
CGR	1.48			1.55	
t statistic value	-3.196429069				
Critical value	1.894578604				
P value	0.007570371				
DF	7				
Pearson Correlation	-0.091398495				

Sources: RBI Bulletin, Current Statistics in various issues

From Table –4: It is observed that the total Credit and Debit Cards before demonetization of in India registered a fluctuating trend. The growth rate had varied between 0.48 per cent and 9.12 per cent during the period under study. The highest 9.12 per cent Growth rate was found in the month of October 2016 and lowest 0.48 per cent in the month of April 2016 during the study period. The Compound Annual growth rate is 1.48 per cent. It is clear that Mean and Standard Deviation is 951.33, 38.48, Co-efficient Variation is 4.045 and the Compound Growth rate----- which is significant at 1 per cent level.

It is observed that the total Debit and Credit cards after demonetization of in India registered a fluctuating trend. The growth rate had varied between 0.34 per cent and 28.19 per cent during the period under study. The highest 28.19 per cent Growth rate was found in the month of December 2016 and lowest 0.34 per cent in the month of May 2017 during the study period. The Compound Annual growth rate is 1.55 per cent. It is clear that Mean and Standard Deviation is 1056.5, 81.29, Co-efficient Variation is 7.694.

The test results show a 't' statistic of -3.1964. The one tailed p value is 0.0076, which is less than the conventional 1 per cent level of significance (p<1%). Therefore, the null hypothesis is rejected. There is a significant difference between volume of Debit and Credit cards before and after demonetization in India and also found there is a negative correlation (0.0914).

Table-5 shows the Growth of mobile banking before and after demonetization in India.

The null hypotheses framed are.

- i) There is no significant difference between volume of mobile banking before and after demonetization in India.

TABLE 5: GROWTH OF MOBILE BANKING BEFORE AND AFTER DEMONETIZATION IN INDIA (Volume in Millions) (As on 31st March)

2015-16 (Months)	Before	Growth rate (%)	2016-17 (Months)	After	Growth rate (%)
March	49.48	-	November	85.45	-
April	48.38	2.22	December	110.64	29.48
May	60.76	25.59	January	106.12	4.09
June	62.52	2.90	February	95.41	10.09
July	64.44	3.07	March	113.65	19.12
August	70.05	8.71	April	106.18	6.57
September	72.63	3.68	May	114.10	7.46
October	78.10	7.53	June	115.73	1.43
Mean	63.30			105.91	
SD	10.51			10.52	
CV	16.603			9.933	
CGR	5.87			3.86	
t statistic value	12.56742247				
Critical value	1.894578604				
P value	2.33025E-06				
DF	7				
Pearson Correlation	0.584143355				

Sources: RBI Bulletin, Current Statistics in various issues

From Table –5: It is observed that the total Mobile banking before demonetization of in India registered a fluctuating trend. The growth rate had varied between 2.22 per cent and 25.59per cent during the period under study. The highest 25.59 per cent Growth rate was found in the month of May 2016 and lowest 2.22 per cent in the month of April 2016 during the study period. The Compound Annual growth rate is 5.87 per cent. It is clear that Mean and Standard Deviation is 63.30, 10.51 Co-efficient Variation is 16.603.

It is observed that the total Mobile Banking after demonetization of in India registered a fluctuating trend. The growth rate had varied between 1.43 per cent and 29.48 per cent during the period under study. The highest 29.48 per cent Growth rate was found in the month of December 2016 and lowest 1.43 per cent in the month of June 2017 during the study period. The Compound Annual growth rate is 3.86 per cent. It is clear that Mean and Standard Deviation is 105.91, 10.52, Co-efficient Variation is 9.933.

The test results show a 't' statistic of 12.567. The one tailed p value is 2.3303, which is more than the conventional 1 per cent level of significance ($p > 1\%$). Therefore, the null hypothesis is accepted. There is no significant difference between volume of Mobile Banking before and after demonetization in India and also found there is a positive correlation (0.5841).

Table-6 shows the growth of retail electronic clearing before and after demonetization in India. The null hypotheses framed are.

- i) There is no significant difference between volume of retail electronic clearing before and after demonetization in India.

TABLE 6: GROWTH OF RETAIL ELECTRONIC CLEARING BEFORE AND AFTER DEMONETIZATION IN INDIA (Volume in Millions) (As on 31st March)

2015-16 (Months)	Before	Growth rate (%)	2016-17 (Months)	After	Growth rate (%)
March	328.22	-	November	312.73	-
April	316.86	3.46	December	418.98	33.97
May	307.49	2.96	January	386.31	7.80
June	316.88	3.05	February	359.28	7.00
July	336.73	6.26	March	446.28	24.22
August	307.55	8.67	April	431.10	3.40
September	315.03	2.43	May	427.36	0.87
October	346.46	9.98	June	426.75	0.14
Mean	321.90			401.098	
SD	14.01			45.33	
CV	4.352			11.301	
CGR	0.68			3.96	
t statistic value	4.866177949				
Critical value	1.894578604				
P value	0.000911106				
DF	7				
Pearson Correlation	0.104243728				

Sources: RBI Bulletin, Current Statistics in various issues

From Table –6: It is observed that the total Retail Electronic Clearing before demonetization of in India registered a fluctuating trend. The growth rate had varied between 2.43 per cent and 9.98 per cent during the period under study. The highest 9.98 per cent Growth rate was found in the month of October 2016 and lowest 2.43 per cent in the month of September 2016 during the study period. The Compound Annual growth rate is 0.68 per cent. It is clear that Mean and Standard Deviation is 321.90, 14.01, Co-efficient Variation is 4.352.

It is observed that the total Retail Electronic clearing after demonetization of in India registered a fluctuating trend. The growth rate had varied between 0.14 per cent and 33.97 per cent during the period under study. The highest 33.97 per cent Growth rate was found in the month of December 2016 and lowest 0.14 per cent in the month of June 2017 during the study period. The Compound Annual growth rate is 3.96 per cent. It is clear that Mean and Standard Deviation is 401.098, 45.33, Co-efficient Variation is 11.301.

The test results show a 't' statistic of 4.8662. The one tailed p value is 0.00091, which is less than the conventional 1 per cent level of significance ($p < 1\%$). Therefore, the null hypothesis is rejected. There is a significant difference between volume of Retail Electronic clearing before and after demonetization in India and also found there is a positive correlation (0.1042).

SUMMARY OF FINDINGS

The study displays the findings after analyzing the data collected from the bank. The findings are given below:

- Generally, the green initiatives of banks of India showed a fluctuating trend.
- There is no significant difference between volume of RTGS, PPI and Mobile Banking before and after demonetization in India and also found there is a positive correlation.
- There is a significant difference between volume of Paper clearing, Cards and Retail Electronic Clearing before and after demonetization in India and also found there is a negative correlation.
- The study found RTGS, PPI and Mobile Banking are Positive Correlation and Paper clearing, Cards and Retail Electronic Clearing are Negative Correlation among before and after demonetization in India.

CONCLUSION

As India enters the developing economy into a super economy, where country would be able to run without hurdles involving corruption and black money. Hence country has undergone revolutionary changes due to demonetization. This measure leads to transformation into high growth in the electronic and cashless transactions. This could be the huge opportunity for come out as successful green banking which includes not only financial inclusion but also fiscal inclusion for the banking industry. Bill Gates once said, "We need banking but we don't need banks anymore." Can we say the same about cash? The study tries to answer for the question. The present study considered the green practices of banking institutions in India before and after demonetization of India. The results indicated the fluctuating trend for various green initiatives of banks in India. The environmental protection is a very urgent need for healthy living of people in the earth. The banking sector should identify and develop green financial products and services and also motivate the innovative financial solutions for environmental friendly projects. The banks must remove all the charges for electronic transactions by the customers. The study hopes India will become frontrunner in green banking initiatives.

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CHARTS

CHART 1 TO 6

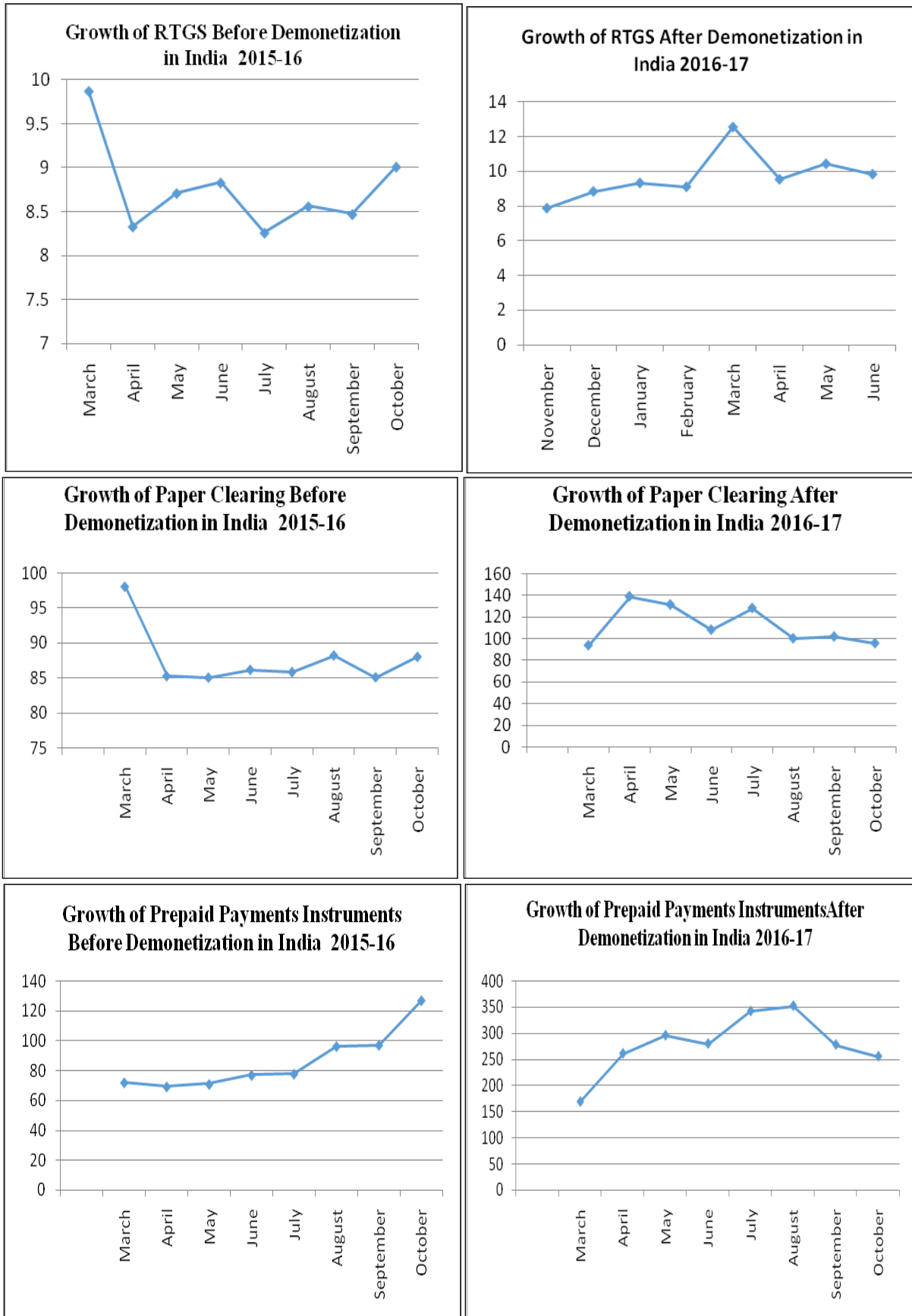
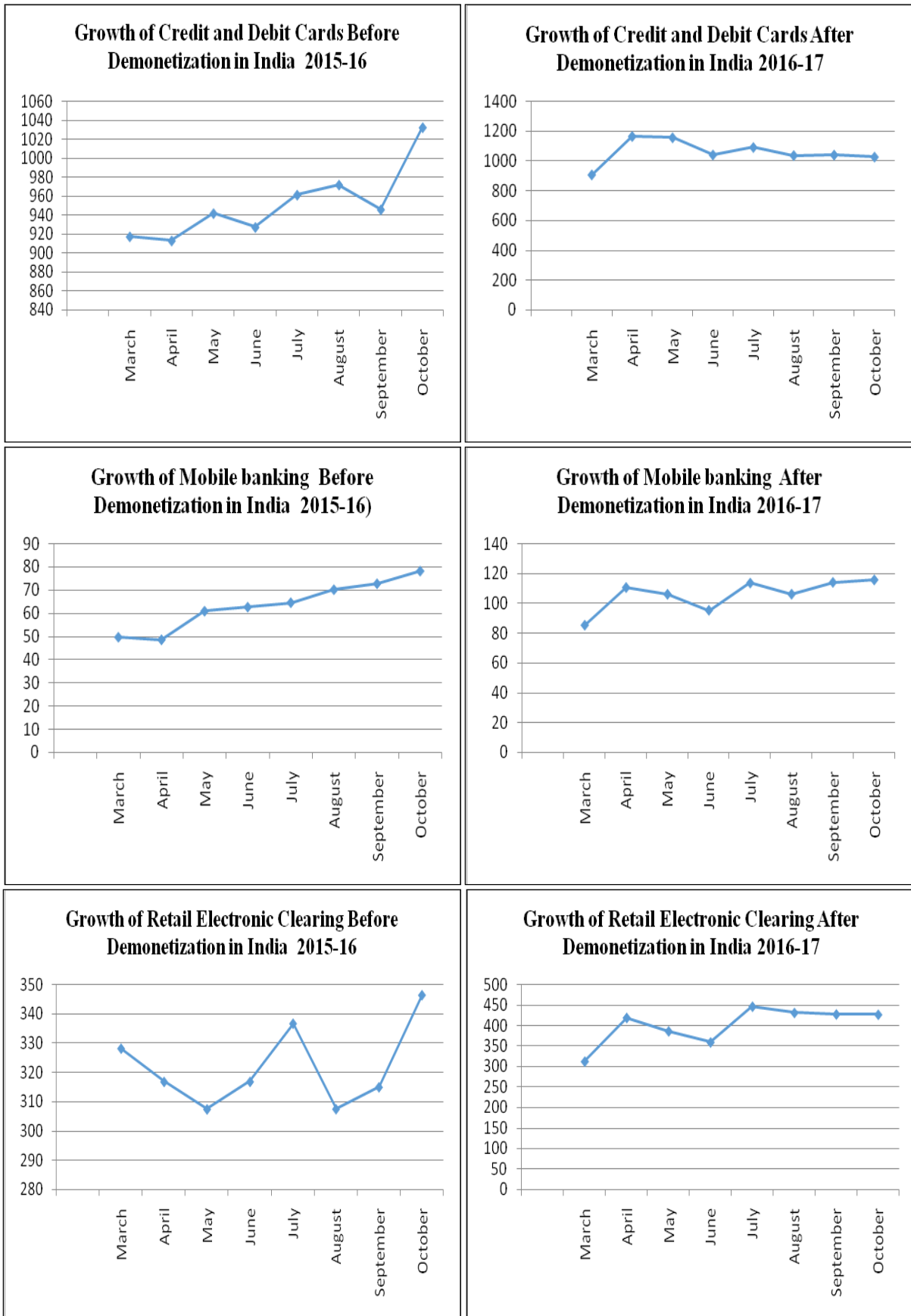


CHART 7 TO 12



AN ANALYSIS OF INDIAN AUTOMOBILE INDUSTRY SLOWDOWN AS AN OPPORTUNITY FOR DEVELOPMENT

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ABSTRACT

The automobile industry is one of the largest markets in the world. Nowadays, automobiles have become the necessity for everyone. There is a huge scope for automobiles in India, but nowadays Indian automobile industry is facing a big problem, i.e., slow down. The main purpose of this paper is to discuss the reasons for the slowdown in the automobile industry. It analyses the changing scenario of the automobile industry that influence the purchasing behaviour of consumers. It explains the sales analysis of various automobile companies in India. It also gives the scope for the future and highlights the solution with the help of new trends which should be adopted by the automobile companies to capture the market and increase the sales in future. It also throws the light on the new technologies for automobile sectors.

KEYWORDS

consumer, development, industry, market.

JEL CODE

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INTRODUCTION

Who could ever imagine of car before 1478, when Leonardo DA Vinci first designed the “self-propelled car”, and today, none of us can imagine our world without that machine, i.e. the automobile. The history of the automobile itself expresses about the development that it brought into the world along itself. The Indian automobile market is the 4th largest market in the world the economic times retried 24 Mar 2018. As per SIAM passenger carrier sales registered a growth of 10.62 percent and goods carrier grew by 8.75 percent in April-March 2019 over April-March 2018. The automobile, as we know it was not discovered in a day or by any single maker. The pasts of the automobile replicate an achievement that took place around the globe. Automobile products are the second principle, optional buying made by consumer, after household acquisition, the affluences of the automobile industry are closely connected with the common progress of the economy, not reusable income and consumer sureness.

Around 85 years ago, the Indian automobile market was nothing because we did not have any automobile manufacture in India. There were some imported cars in India. After the independence of India, the government had started efforts to develop an automobile industry. In the beginning of the automobile industry in India. The progress rate was very slow. But now, the situation is relatively different. We have very large market for automobile industry. Currently, India has amongst the lowest vehicle solidities globally at 22 cars per thousand persons. This is very low as compared to other comparable economics.

The globalization has never proceeded at a faster pace, not only in terms of sourcing of complete products and components, but also in terms of markets. As a result, the cast of players in the world auto industry is ever increasing.

The Indian automobile industry is best segmented as follows:

- Medium and heavy commercial vehicles (M/HCV)
- Light commercial vehicles(LCV)
- Light utility vehicles (LUV)
- Passenger cars
- Two-wheelers

India is one of the limited markets where small car section growth is as solid as the in the superior and luxury segment. Even passenger car sales in rural areas have been growing while the share of urban areas has been declining. There are lots of options for transport like motorcycles, cars, SUV, etch for everyone. There are many automobile manufacturers in two wheelers & four wheeler segments. Few major automobile companies are Bajaj, HeroMotocorp, Maruti Suzuki, Mahindra & Mahindra, Hyundai, Tata Motors, TVS, and Chevrolet etc.

REVIEW OF LITERATURE

R C Bhargava, the chairman of Maruti Suzuki India, has already said that his company's decision to stop producing vehicles with up to 1.3 litre diesel engine capacity was taken keeping in mind the rising cost of compliance with newer emission norms.

SIAM has already sought a GST relief coinciding with the implementation of the new emission norms, to prevent a further slide in vehicle sales.

The economic times in India 24 July 2019 updated-the automotive industry is facing an unprecedented slowdown. Vehicle sales in all segments continued to plummet for last the several months, ACMA President Ram Venkataramani told.

“Overall economic slowdown coupled with delayed monsoon and higher monsoon deficit in few regions have impact rural demand. Moreover, liquidity issue to some extent and inventory correction for better business viability at dealers and have resulted in sizable volume decline across the automobile segment,” Reliance Securities Senior Research Analyst Mitul Shah told India today 1st Aug 2019.

Business today 6th Sep 2019 Indian automobile industry growth story is about to collapse due to ongoing slump triggered by a variety of factors, including low consumer sentiment and non-availability of liquidity, Tata Motors CEO and Managing Director Guenter Butschek said.

OBJECTIVE OF THE STUDY

The objective of this study is to discuss about the slowdown in Indian automobile industry. It aims to study about the preferences of automobile consumers. The purpose of this study is also to find out the reasons of slowdown and further to discuss about the solutions.

RESEARCH METHODOLOGY

DATA COLLECTION

This study is based on secondary data has referred from books, newspapers, journals and articles, reports and survey published on SIAM.

TOOLS TO DATA ANALYSIS

The study done is empirical in nature. The statistical tools have been used to analyse the production and domestic sales trend it is also a quantitative study. The tool for appraisal of production and domestic sales trend percentage of pie chart analysis.

ANALYSIS

TABLE 1: AUTOMOBILE PRODUCTION TRENDS

Year	Passenger Vehicles	Percentage of Production for passenger vehicles	Commercial Vehicles	Percentage of Production for Commercial vehicles	Three Wheelers	Percentage of Production for Three Wheelers	Two Wheelers	Percentage of Production per Two Wheelers	Quadric Cycle	Percentage of Production for Quadricycle	Total
2013-14	3,087,973	14.36%	699,035	3.25%	830,108	3.86%	16,883,049	78.53%		0.00%	21,500,165
2014-15	3,221,419	13.79%	698,298	2.99%	949,019	4.06%	18,489,311	79.16%		0.00%	23,358,047
2015-16	3,465,045	14.43%	786,692	3.28%	934,104	3.89%	18,830,227	78.41%	531	0.00%	24,016,599
2016-17	3,801,670	15.01%	810,253	3.20%	783,721	3.09%	19,933,739	78.69%	1,584	0.01%	25,330,967
2017-18	4,020,267	13.82%	895,448	3.08%	1,022,181	3.51%	23,154,838	79.59%	1713	0.01%	29,094,447
2018-19	4,026,047	13.02%	1,112,176	3.60%	1,268,723	4.10%	24,503,086	79.26%	5,388	0.02%	30,915,420

Sources: <http://www.siamindia.com/statistics.aspx?mpgid=8&pgidtrail=13> Report of Society of Indian Automobile Manufacture

Only Oct-March 2016 data is available for 2015 -16.

CHART 1: COMPARATIVE PRODUCTION ANALYSIS OF PASSENGER VEHICLES FROM 2013-14 TO 2018-19

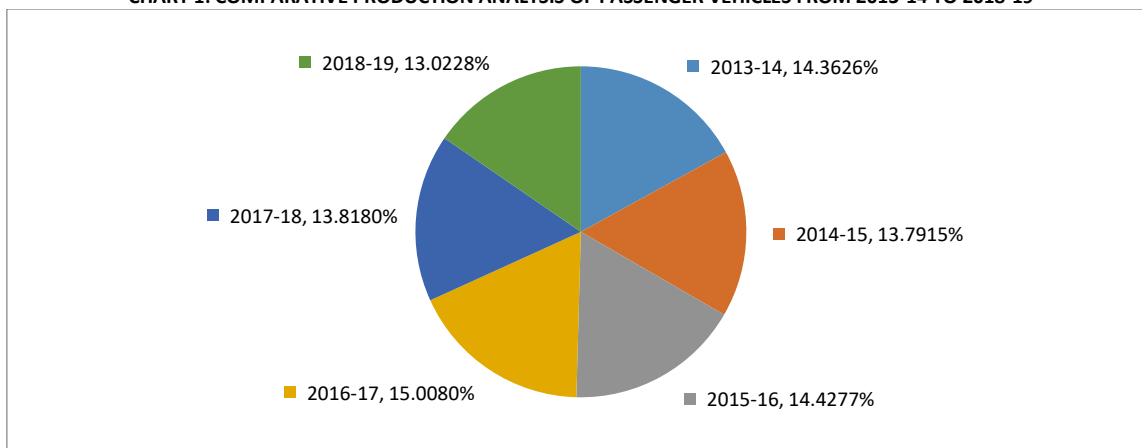


CHART 2: COMPARATIVE PRODUCTION ANALYSIS OF COMMERCIAL VEHICLES FROM 2013-14 TO 2018-19

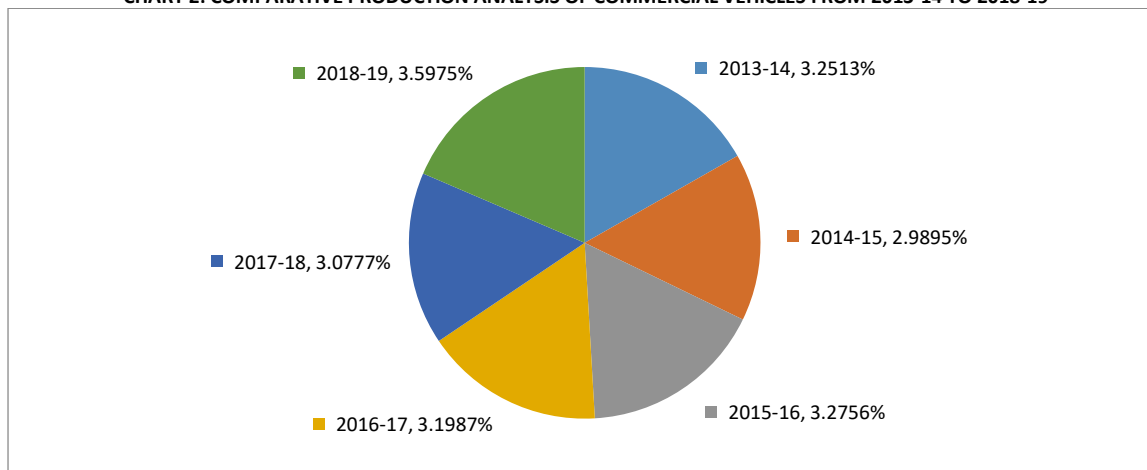


CHART 3: COMPARATIVE PRODUCTION ANALYSIS OF THREE WHEELERS VEHICLES FROM 2013-14 TO 2018-19

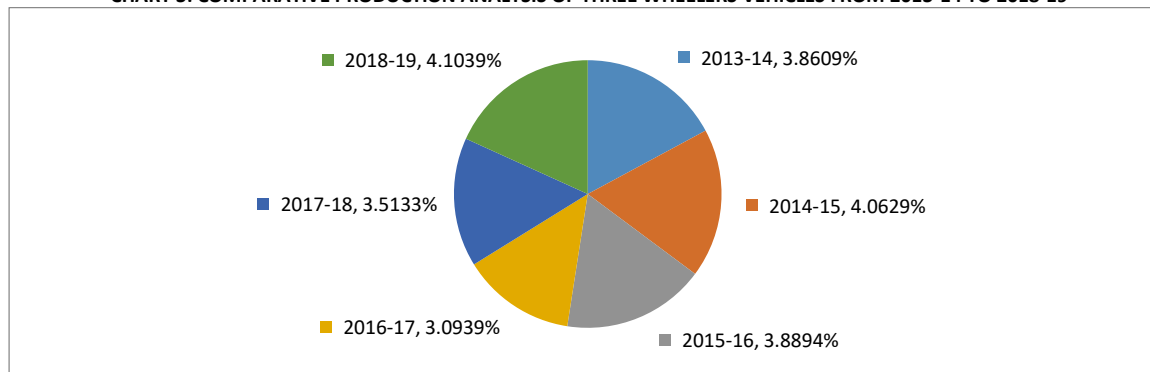


CHART 4: COMPARATIVE PRODUCTION ANALYSIS OF TWO WHEELERS VEHICLES FROM 2013-14 TO 2018-19

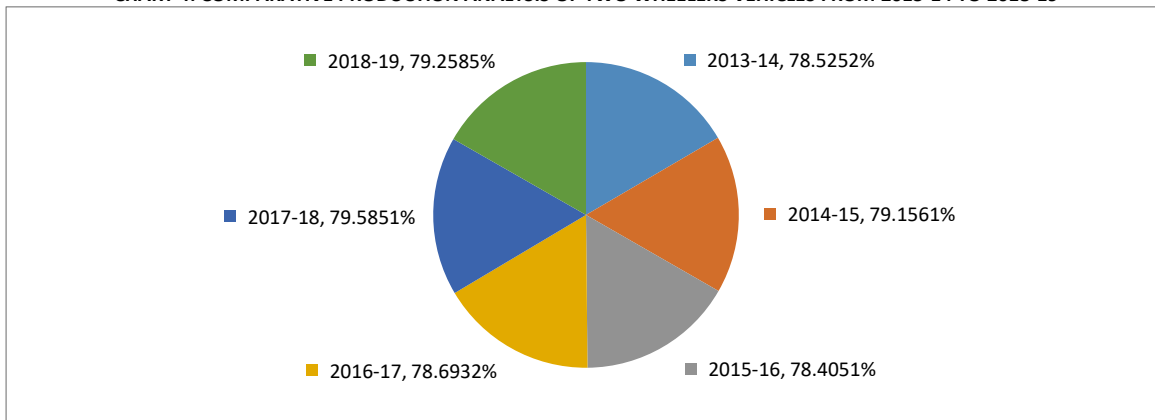


CHART 5: COMPARATIVE PRODUCTION ANALYSIS OF QUADRIC CYCLE VEHICLES FROM 2013-14 TO 2018-19

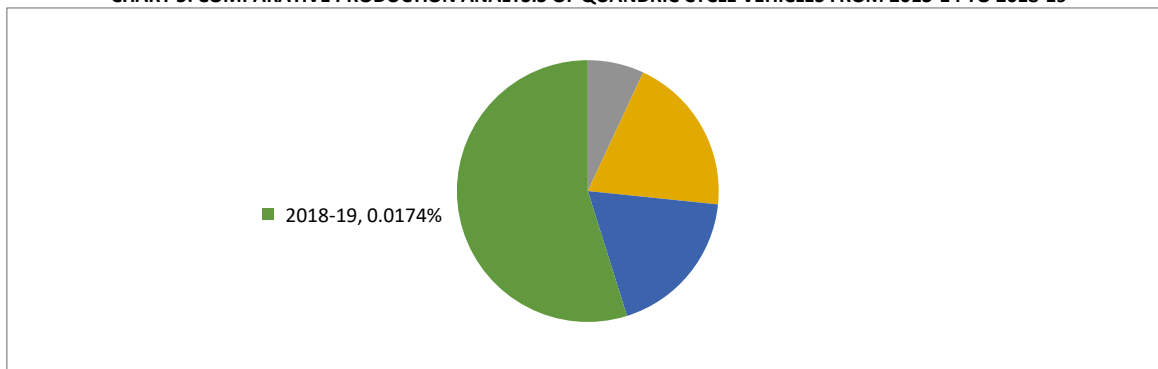


TABLE 2: AUTOMOBILE DOMESTIC SALES TRENDS

Year	Passenger Vehicles	Percentage of Domestic sales for passenger vehicles	Commercial Vehicles	Percentage of Domestic sales for Commercial vehicles	Three Wheelers	Percentage of Domestic sales for Three Wheelers	Two Wheelers	Percentage of Domestic sales for Two Wheelers	Quadricycle	Percentage of Domestic sales for Quadricycle	Total
2013-14	2,503,509	13.59%	632,851	3.44%	480,085	2.61%	14,806,778	80.37%		0.00%	18,423,223
2014-15	2,601,236	13.19%	614,948	3.12%	532,626	2.70%	15,975,561	80.99%		0.00%	19,724,371
2015-16	2,789,208	13.63%	685,704	3.35%	538,208	2.63%	16,455,851	80.39%		0.00%	20,468,971
2016-17	3,047,582	13.94%	714,082	3.27%	511,879	2.34%	17,589,738	80.45%		0.00%	21,863,281
2017-18	3,288,581	13.16%	856,916	3.43%	635,698	2.54%	20,200,117	80.86%		0.00%	24,981,312
2018-19	3,377,436	12.86%	1,007,319	3.83%	701,011	2.67%	21,181,390	80.64%	627	0.00%	26,267,783

Sources: <http://www.siamindia.com/statistics.aspx?mpgid=8&pgidtrail=14> Report of Society of Indian Automobile Manufacture Only Aug 18 –March 2019 data is available for 2018-19

CHART 6: COMPARATIVE DOMESTIC SALES ANALYSIS OF PASSENGER VEHICLES FROM 2013-14 TO 2018-19

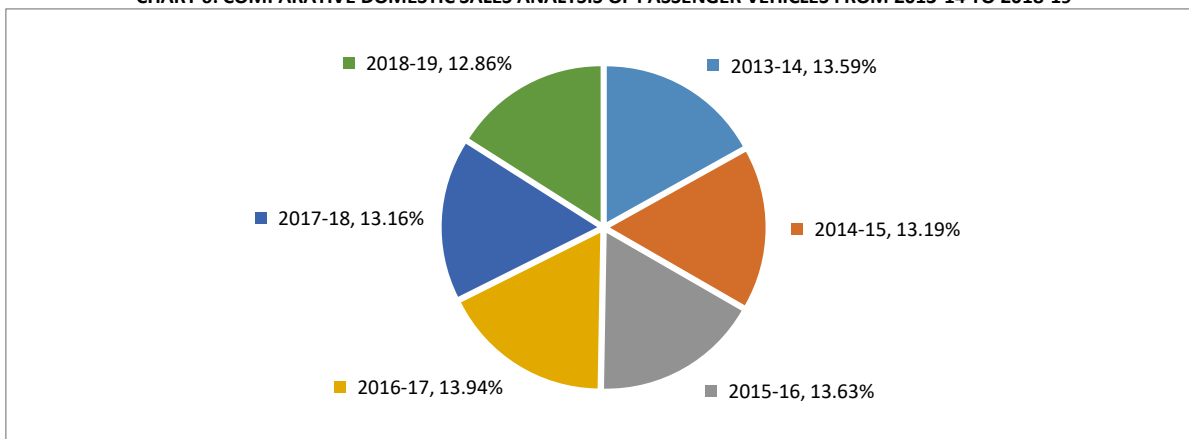


CHART 7: COMPARATIVE DOMESTIC SALES ANALYSIS OF COMMERCIAL VEHICLES FROM 2013-14 TO 2018-19

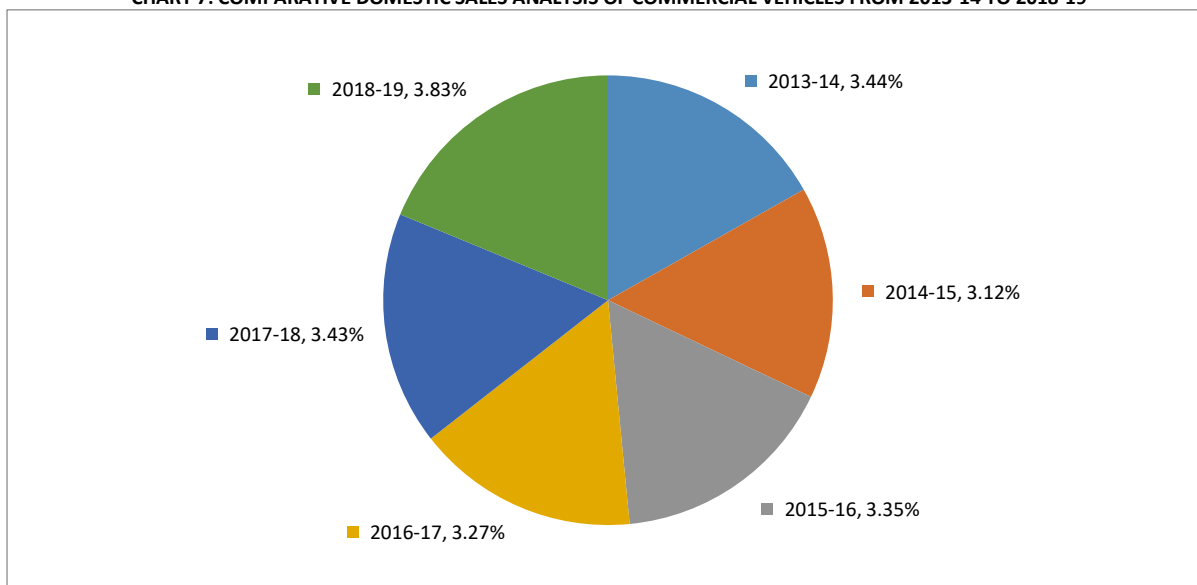


CHART 8: COMPARATIVE DOMESTIC SALES ANALYSIS OF THREE WHEELERS FROM 2013-14 TO 2018-19

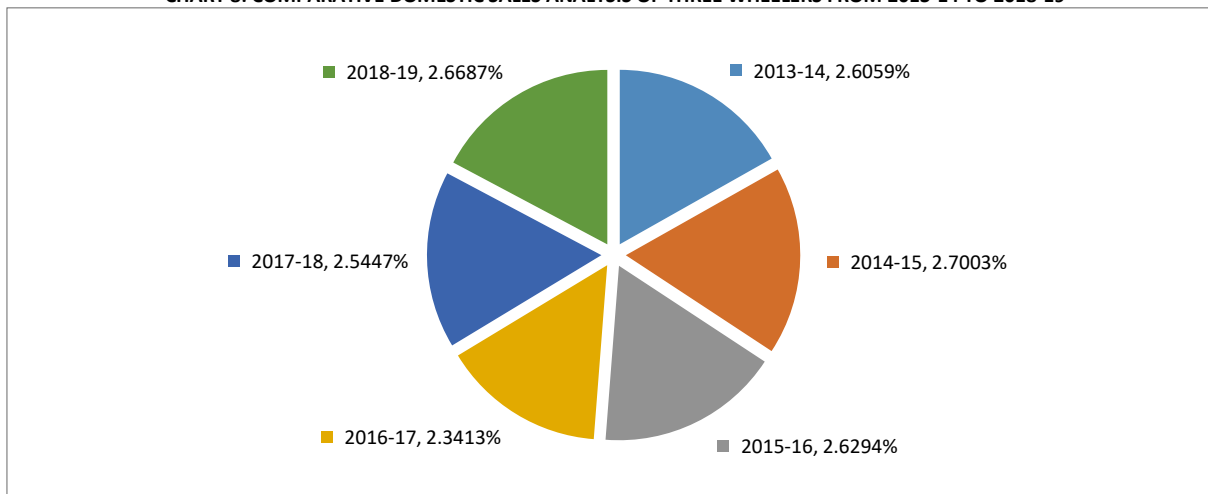
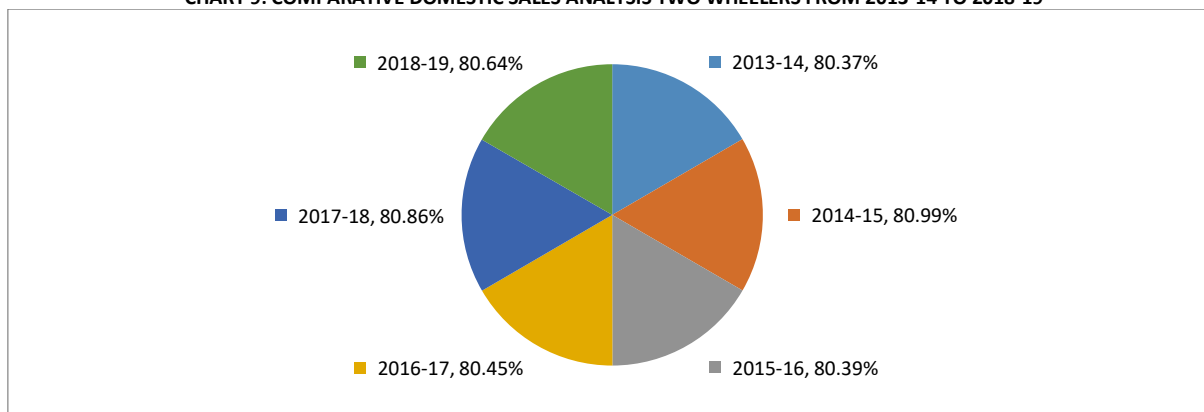


CHART 9: COMPARATIVE DOMESTIC SALES ANALYSIS TWO WHEELERS FROM 2013-14 TO 2018-19



REASONS OF DOWNFALL IN INDIAN AUTOMOBILE INDUSTRY

VEHICLE DEMAND

As we have seen through above analysis, the Indian automobile is facing a slowdown in sales. Market share of India’s top automobile companies has fallen.

HIGH FUEL PRICES

India’s automobile market, which has appealed venture from worldwide companies for growth in developing markets, has vanished some of its shine as high fuel prices and increasing interest rates as well as rise of job losses in a slowing economy have kept customer away. The weak economy has also injured demand for commercial vehicles.

In modern times, the prices of fuel have been rising suddenly, making it challenging for a lot of buyers to sustain the use of an automobile vehicle. It is unidentified fact that a high proportion of the Indian buyers belong to the lower and middle class income groups. These customers are continuously on the searching for substitutes for fuel, which has resulted in the rise for CNG and LPG vehicles.

MOTOR FINANCE

Since most Indians buy vehicles with loaned out money, high interest rates have been a major factor hurting sales. The RBI cut repo rate by 35 basis points (bps) in its last policy review. This has triggered a trickle-down effect with public-sector (PSBs) slashing lending rates for vehicle loans by 10bps-15bps.

NBFCs have been more active in utility vehicles, commercial vehicles and used cars. Many passenger vehicles and two wheelers have captive financiers. Large players such as Finance and Mahindra Finance not only cater to their own clients but also to customers of other brands.

Tighter lending norms over the last few years kept vehicle loans on a tight leash. Since the entire outstanding amount has to be entered as loss on the balance sheet if a borrower delays repayment or errs on interest payment, it impacted NBFCs rating from raising their borrowing cost.

The default time limit too has been reduced from 120 days to 90 days, making NBFCs more cautious in rural areas, farmers have to give income proofs and land-holding papers to access loans for vehicles used for commercial purpose.

People who are averse to debt burden are slowing down on purchases. It could also be due to increased margin requirements by banks. "Moreover, the new generation prefers rental car services to owning a vehicle. It is worth that financial savings of households are seeing a decline, resulting in lower capacity to pay.

INCREASE REGULATORY COST PRESSURE

Over FY19-21, vehicle prices are estimated to jump 13-30 per cent (1-2 per cent per annum over previous decade) due to safety, insurance and emission related compliance costs. Come April 2020, India will upgrade to BS-VI from BS-IV emission standard given that general price hike over the previous decade was 1-2 per cent per annum, a sharp increase in vehicle prices over FY19-21 can restrict the recovery.

USED CAR SALES

The trend, it seems, is not a blip or limited to a particular market. The economic slowdown and the steep fall in the value of the Indian rupee have erased the dividing line between those who scouted for a new car and those willing to settle for a well maintained used car.

The depreciation of the rupee, among others, has also meant an increase in input costs, leading to prices of cars being raised even as demand was falling. As a result, for the Indian automobile market, the used car market was valued at USD 21.04 billion in 2018, and is expected to reach USD 49.01 billion by 2024, estimating a CAGR of 15.12%, during the forecast period.

Additional factors, such as a rise in income levels, increasing demand for luxury cars, shorter car ownership periods, and increasing demand for two-wheeler owners of small and compact cars, are driving the growth of the market. Approximately 60% of the used car buyers are first-time buyers, followed by multi-car families, 37% and only 3% replaced their pre-owned car with another pre-owned car. It is declining in the new car sales, industry experts said.

SWOT ANALYSIS OF INDIAN AUTOMOBILE INDUSTRY STRENGTHS**STRENGTHS**

- Investments by global manufacturers
- The Indian market is very large
- Low labour cost
- Government assistance in production
- Increase demand for international quality
- Rise in the working and middle class income
- Continuous product innovation & technological advancement

WEAKNESS

- Government taxes increase the cost of manufacturing
- Lack of research & development
- Lack of appropriate manufacturing units
- Production costs are generally higher than some other countries like China etc.
- High interest rates
- Labour productivity is low
- Local demand is still towards low cost vehicles, due to low income levels
- Cars recalled
- Bargaining power of consumers

OPPORTUNITIES

- Rising rural markets
- Increase in population
- Growth in living standard
- Constant increase in salaries/incomes
- Auto vehicle (Car etc.) as status symbol
- Demand of the best and latest technology
- Introducing fuel-efficient vehicles
- To make a major shift to electric vehicles
- Government giving tax deduction for electric vehicles

THREATS

- High rate of interest
- Lack of technological setup for Indian companies
- Tough competition with Chinese manufacturers
- Costly raw material
- Less skilled labour
- Congestion on the urban roads
- Sluggish economy
- Volatility in the fuel Prices

ACTION PLAN FOR THE FUTURE GROWTH

As we have already discussed that the automobile industry is facing the problem of slowdown. Companies should try to increase their market with various ways. Companies have to be prepared with new dealers and models to drive growth of the automobile market. Companies will have to focus on the core values, as technology, quality, performance and uniqueness. It is not surprising that the high growth witnessed in the Indian automobile industry for the past few years had coincided with similar high GDP growth rates recorded by the country along with growth in incomes. The increasing purchasing power of rural India, accelerated development of roads and highways are factors that will help fuel further demand for mobility and vehicles. Though personal taste and lifestyles of customers are changing, companies should develop new designs for the vehicles which may fulfil the demand of current consumers. As per the analysis done by industry experts, electric vehicles may be the alternative for Indian buyers of automobile vehicles. These vehicles are more environment friendly than normal vehicles. Currently Toyota Prius, Honda Accord Hybrid, Toyota Camry, MG Hector, Suzuki Ciaz, Suzuki Swift, Suzuki Ertiga, Mahindra Scorpio Intelli hybrid is a hybrid vehicle which has been seen in the Indian market.

Given all the drawbacks industry experts still feel that electric cars will gain prominence in the Indian car market in coming years in the year 2019 Union Budget, the Indian government claimed that it will provide funds to give all the drawbacks, industry experts still feel that electric cars will gain prominence in the Indian

car market in coming years. In the Union Budget, the Indian government claimed that it will provide funds to support the production of hybrid and electric models. OEMs should concentrate on filling the gaps in their respective portfolios as well as designing and developing value for-money products. Companies should have the top preference for R & D activities to think of ways to achieve higher fuel efficiency. There should be nonstop development of current and new resources and procedures in order to produce the components that are price effective and biodegradable, today, it is the prime responsibility of the top management of every automobile company to share their knowledge and expertise to take initiative for new phase of vehicles. There should be new innovation in Indian automobile industry to solve the problem of slowdown.

CONCLUSION

It can be concluded from the above study that the demand for vehicles is also reliant upon various elements such as convenience and cost of finance, vehicle density, demographic shape of the marketplace and the earning capability. Thus, there is a huge potential market for automobiles that is yet to be tapped through the developments with the use of new technology. Obviously, the slowdown is the opportunity for the marketers for new developments; they have the scope for new innovations by conducting research. Automobile companies will have to produce such types of vehicles which may give the motivation to the customers for purchasing of the automobiles. So companies should take the slowdown period as an innovation era. It may lead to an increase in the sales.

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THE USE OF ELECTRONIC TRANSFERS IN CASH ASSISTANCE: THE SATISFACTION OF PSNP BENEFICIARIES IN LIBOKEMKEM WOREDA

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ABSTRACT

Low-income people especially, those in rural communities have limited access to traditional financial systems. To this end, financial inclusion has become a key pillar of development policy in most countries around the world. In the aid world, linking humanitarian cash transfer recipients with e-transfer services is considered as a gateway to financial inclusion. However, the uptake of financial services like saving and loans depends on the satisfaction of beneficiaries on e-transfer. This study focused on investigating beneficiaries' satisfaction on an e-transfer pilot in Libokemkem woreda, in Amhara region of Ethiopia. Using both quantitative and qualitative methods, a sample of 363 beneficiaries was selected using convenience sampling while 12 people were interviewed from the organizers' side. Multiple regressions were used to test the study hypotheses. The findings indicated that beneficiaries were satisfied by four of the elements (convenience, security, transaction speed, and system availability) of electronic transfer while two (added benefit and relative advantage) of the elements did not satisfy them. The interview finding suggested that 'added benefits' of e-transfer could be improved through 'financial literacy and awareness campaign' to encourage financial services like saving. Utilizing dedicated MFI agents or introduce commercial agents could improve the 'relative advantage' of the e-transfers.


KEYWORDS

digital finance, financial inclusion, electronic cash transfers.

JEL CODES

O32, O33.

INTRODUCTION

 Governments and international organizations still continue to provide assistance to poor people in many countries. In Ethiopia, one such practice is the introduction of a welfare program called the Productive Safety Net Program (PSNP). Such safety net support programs are designed in a manner that not only curve food shortages and smoothen consumption during deficit periods for the households but also improves the livelihoods through enhancing the productive assets in the intervention areas in a sustainable manner.

The design of a program like PSNP is expected to sustainably enhance the livelihoods of the beneficiaries and safeguard them from falling back to food insecurity and build assets. Although attacking poverty is a major policy objective everywhere, sustaining the outcome of a program like PSNP, particularly in rural parts of Ethiopia where basic services are unavailable, raises the issue of financial exclusion. Financial exclusion refers to the lack of financial services like saving and credit that could offer the poor a chance to improve their livelihood.

Low-income people especially, those in rural communities have limited access to traditional financial systems. According to the World Bank (2017) challenges such as high service costs, long journeys to get the service, negative perception of financial service providers limit access. Limited financial access prolongs economic disparity and potentially results in long-term demotivation for both working and saving. In light of this fact, financial inclusion has become a key pillar of development policy in most countries around the world (Ouma, Odongo, and Were, 2017). While developed countries could utilize their mature financial services infrastructure, the growth in mobile technology, however, is offering developing countries in Africa and Asia a vast opportunity to capitalize on.

Ouma, Odongo, and Were (2017) claim that the advances in technology and especially mobile phones have revolutionized financial services provision and introduced new models of serving the poor. Such technologies offer an innovative and affordable way to provide financial services to the previously unbanked populations in rural parts of the country like Ethiopia. However, attracting such communities into the world of financial inclusion in general and the use of mobile devices for financial services requires leveraging bulk cash transfers gained traction in a number of recent emergencies.

Accordingly, in the aid world, interest in linking humanitarian cash transfer recipients with e-transfer services has increased while in the process enabling the beneficiaries to utilize the service to better prepare themselves for the future.

With this in mind, a pilot testing of electronic transfer (branchless banking or mobile money) to deliver cash transfers of the PSNP in Libokemkem district (woreda) in Amhara region in 2012. The Ethiopian PSNP program is one of the largest welfare systems in Ethiopia, that caters for 5 -7 million chronically food insecure population annually (World Bank, 2014). The program transfers public assistance, either cash or food to the targeted beneficiaries on a monthly basis for pre-determined period annually. Apart from the direct assistance of food or cash, the program is expected to help the beneficiaries to build assets and get out of the severe poverty they are in. This objective clearly indicates the need for financial services like saving for these beneficiaries located at those remote locations.

In contrast to this however, the Ministry of Finance and Economic Development (MoFED) who was in charge of the overall financial management of the program was delivering the monthly assistance using an ad hoc structure in collaboration with Ministry of Agriculture and disaster risk management and food security unit found in administrative organs all the way to the woreda level.

Using the government existing channels for the transfer for the beneficiaries had faced lots of challenges like inability to ensuring the right beneficiaries are receiving the intended transfer, payment leakages in the name of non-existing beneficiaries, inability to deliver the money on time which led to inability to produce timely report and communication of financial reports, top of that the huge administrative cost for the PSNP transfers (World Bank, 2014).

The manual cash delivery and use of ad-hoc government structures also forced the beneficiaries to collect on a specified date or lose it which proved counterproductive to the objective of enabling the beneficiaries to save or build assets (World Bank, 2014). Cognizant of this fact the government with the support of development partners embarked upon improving the financial transfer for the beneficiaries by gradually introducing innovative alternative electronic mode of transfer that aims to improve the aforementioned fiduciary, efficiency and transparency-related challenges as well as exacerbated administrative costs among others (World Bank, 2014).

If implemented appropriately, the use of electronic payments was deemed to bring a solution to the existing challenges and pave way for sustainable financial inclusion (the use of formal financial services by beneficiaries) of the beneficiaries that in turn provide positive development outcomes (Kim, Nathem, Lee, and Kang, 2018). The electronic transfer modality designed for the pilot utilized mobile financial services technology where the identified targeted beneficiaries were enrolled using a mobile application and their biometric information is recorded. Another approach was to use mobile money services just to deliver the cash transfer.

Using the biometric information, a saving account (at a microfinance institution) was created for each beneficiary to which the monthly assistance was dispersed. This was intended to allow beneficiaries with limited illiteracy to be able to withdraw the money throughout the month at a satellite point set up for the same purpose.

Hence, the pilot was expected to promote and prove that savings-led financial services can be provided successfully and sustainably in rural areas, further creating linkage with financial institution that can promote the use of additional financial services by the customers such as loans, insurance, and remittances, among others (Kim et al., 2018).

The success of the pilot, as well as the uptake of financial services like saving and loans, depends on the satisfaction of the beneficiaries as a customer. As Ouma, Odongo, and Were (2017) indicated customer satisfaction on mobile financial services in general and electronic transfers, in particular, depends on its simplified experience, reliability on the transfers and a cheaper price among others. Hence, this study focused on investigating the use of electronic transfer on beneficiaries' satisfaction in Libokemkem woreda.

LITERATURE REVIEW

Electronic Transfer in Humanitarian Assistance

During emergency situations or to improve the livelihood of poor communities' governments and aid organizations provide different types of assistance. In the international aid sector, the term 'cash transfer' is used to describe periodic assistance provided to beneficiaries. The delivery of such cash transfers traditionally relied on traditional handing-out of cash at rural centers by government or aid workers. Such deliveries are very challenging when beneficiaries reside in rural communities far from public infrastructure.

In recent days, however, taking advantage of the expansion of mobile phones and related technologies, cash transfers are being delivered electronically to beneficiaries. This has enabled the simplification of the delivery process while creating the opportunity to provide other financial services to poor communities in rural areas.

The use of electronic transfers in cash transfers or humanitarian assistance began with the aim of finding an efficient and cost-effective delivery mechanism. Willis (2016b) however suggests that practitioners are increasingly utilizing e-transfers to better enable beneficiaries to cope with crisis. Practitioners in the humanitarian work have an objective of creating an enabling environment that can improve the lives of the recipients of the assistance beyond immediate relief.

The use of e-transfers is, therefore, gaining traction for its added benefit of promoting financial inclusion that will better prepare vulnerable communities to cope in the future (Murray, 2016). According to the Global Innovation Exchange (2016) UN agencies, donors and private sector representatives including the GSMA, MasterCard and Western Union, and others agree that digital technologies besides delivering humanitarian aid could help build a bridge towards sustainable development goals including economic, social, and financial inclusion.

Types of Electronic Transfer

Rapid developments in all aspects of ICT are changing the way we live and work. The dissemination of technology in the developing world, technologies such as the mobile phone and the internet are bringing new ways of doing things in low-income and disaster-affected countries. Similarly, donors, practitioners, and governments are showing interest in how technology can serve humanitarian responses.

Today, different models of delivering cash transfers (electronic transfers) are out there in different areas. Here, three of the common approaches are discussed in brief.

Electronic Transfer through vouchers: According to WFP (2017), a voucher transfer is the use of paper of electronic entitlement that an individual can redeem. The redemption could happen at preselected retailers or at specifically organized fairs for a predefined list of commodities. When the aim of assistance is specified to a particular purpose depending on the program, Vouchers are best applied (GSMA, 2017).

Vouchers can be in the form of E-vouchers, tools that digitize voucher distributions, transactions, and reconciliation with merchants (Sossouvi, 2012). The two main types of vouchers are Commodity voucher and a value voucher. A commodity voucher is redeemed for fixed quantities of specified foods where the value of this voucher is expressed in quantities of food. On the other hand, a value voucher is redeemed for a choice of specified food items with the equivalent cash value of the voucher (GSMA, 2017). The value of this voucher is expressed in monetary terms.

Electronic Transfer Using Mobile Money: GSMA defines mobile money as a virtual wallet maintained in a mobile phone that could be created by "buying" electronic value (cash in) which remains in the holders account until the account holder "sell" it (cash out) (GSMA, 2017). In different countries based on their regulations, the service is offered by either mobile network operators or financial institutions. The most popular mobile money service is Safaricom's M-Pesa service in Kenya (Bruett, 2017). Once users add value to their m-wallet, the electronic value can be used to purchase goods, buy air time, or transfer funds to others.

As Sossouvi (2012) indicates mobile money has created a channel to provide financial services in developing countries where formal financial services are lacking. Although money transfers are the most common applications in mobile money service, using the service providers' (financial institution or mobile network operator) technology and a network of agents for cash-in and cash-out, customers can use mobile money for their various needs.

Understanding the potential of mobile money services, the humanitarian sector has adopted a mobile money service to deliver cash transfer to its beneficiaries. Beneficiaries, who register for the service are eligible to receive funds to their mobile money account, which they can then cash out at an agent outlet, save in the account or use to make purchases.

A large number of the biggest players in humanitarian aid, including UN agencies, donors and private sector representatives including the GSMA, MasterCard and Western Union, advocate the use of digital technologies like mobile money in humanitarian response. They further advise that mobile money can be leveraged to prioritize emergency needs first and, at the same time, build a bridge towards sustainable development goals like financial inclusion among others (Global Innovation Exchange, 2016).

Electronic Transfer through Branchless Banking: Branchless banking is known as an alternative delivery channel for financial institutions where mobile devices like a phone or a POS device are used in satellite points in rural areas where traditional financial institutions are not available. This is mostly done by using special-purpose POS devices with biometric identification capability and data storage ability to overcome connectivity challenges (Mas and Siedek, 2008).

Branchless banking technology allows financial value to be transferred from the bank account of the aid agency to the bank accounts of aid recipients. Accordingly, recipients of cash transfers can withdraw their cash from any branchless banking agent or use the value to purchase commodities directly in local shops (Smith, 2012). Such agents are commonly local traders.

Mobile money and branchless banking services have three basic similarities. First, both services require the cash transfer recipient to have an account. However, the mobile money account is a wallet account that is only used for transactional (cash in/cash out or pay) purposes while branchless banking account can be an account that resides with a financial institution and can earn interest (saving and credit). Second, both mobile money and branchless banking services are provided or accessed at an agent (usually a local trader) who will provide the service on behalf of the financial institution or the mobile money operator. The third is that both mobile money and branchless banking services are provided using mobile devices whether a mobile phone or a POS device. However, in a mobile money service, the recipient/account holder is required to have a mobile phone while in a branchless banking service only the agent is required to have the device.

Benefits of Electronic Transfer

The primary concern in the introduction of electronic transfers was the need to improve the cost of delivery and efficiency of transfers. The recent trend, however, suggests enabling financial inclusion where recipients could potentially get a saving and credit service is the reason for utilization in emergency situations (Willis, 2016b).

Further, Hoofnagle, Urban, and Li (2012) claim that payments made through wireless devices like mobile phones and smartphones are thought to provide more convenience, reduce the fee for the transaction, and increase the security of electronic payment. Besides reducing the cost of a transaction, the use of mobile payment service improves the security of payments to the beneficiary (Bezhovski, 2016).

According to the CALP guidance on e-transfers in emergencies (2014), the benefits of electronic transfers coupled with the rapid spread of technologies has, therefore, enabled aid agencies to make use of branchless banking and mobile money service in their cash transfer programs. The Cash Learning Partnership has recorded 41 electronic transfer programs worldwide targeting over 3.3 million beneficiaries in emergency settings (Sossouvi, 2012).

E-transfers in cash transfer programs, therefore, offers two distinct benefits; an improved delivery mechanism and added benefit of financial inclusion.

Improved Delivery: Sossouvi (2012) points out that a great many benefits of e-transfers to aid recipients and aid agencies alike such as increased security, convenience, privacy, speed, reduced operational/transaction costs and logistics, etc... have been widely documented. Zimmerman (2015) also argue that the elimination of cash in e-transfers or e-payments offers a faster, more secure and more transparent (so less corruptible) means of getting help to those who need it, even at geographically inaccessible places.

According to Smith (2012), the most important reported benefits of e-transfers by aid agencies are improved security for staff and recipients, improved reconciliation of accounts and increased speed and lower costs. Smith (2012) however point out that lack familiarity with technology, poor infrastructure and low level of literacy among beneficiaries might pose a challenge. Despite this, innovative technologies such as mobile money and branchless banking could be used to deliver cash transfers significantly improving the efficiency and transparency of the payouts (Bailey, 2017).

Smith (2012) in an attempt to assess new e-transfer technologies in humanitarian assistance looked at 25 programs in 11 countries using these e-transfer systems for cash transfer. The study concluded that the most frequently reported benefits of e-payment systems are improved security for staff and recipients, improved reconciliation of accounts and increased speed and lower costs (Smith, 2012).

Financial Inclusion: Although cash transfers are mainly provided to alleviate immediate needs, proper use of the fund by beneficiaries could improve the general livelihood and future prospect of poor communities. To this end, delivering the cash transfer in a modality that can allow them to save some and create financial history could help. With this in mind, promoting financial inclusion through the use of electronic cash transfers (e-transfers) is becoming popular in emergencies situations (Willis, 2016b). Hurlstone and Harvey (2018) also indicate that currently humanitarian assistance is increasingly provided in the form of electronic cash transfers through debit cards, mobile money, or other channels which in turn exposes recipients of humanitarian assistance who are often 'unbanked' to formal financial services and thereby offers some potential to facilitate their financial inclusion. Bailey (2017) also claims that e-transfers (humanitarian cash transfers) create potential opportunities to connect recipients with broader digital financial services.

The potential of e-transfers in spurring financial inclusion for beneficiaries has also been researched by many. For instance, Willis (2016a) of The Electronic Cash Transfer Learning Action Network (ELAN) conducted research to build evidence on the potential of e-transfers to promote financial inclusion in humanitarian assistance. Their findings showed that the use of mobile money has increased the use of the mobile device and savings from 0% to 27% (Willis, 2016a). Similarly, Murray (2016) of The Electronic Cash Transfer Learning Action Network (ELAN) in his research concluded that participants demonstrated high rates of adoption of mobile money services in a program implemented by Mercy Corps and Somali Microfinance Institution (SMFI) in Somali region of Ethiopia.

Conceptual Framework and Hypothesis Development

This paper mainly focuses on the use of e-transfer in delivering cash transfer to the beneficiaries of the Productive Safety Net Program (PSNP). A review of empirical literature indicated that there is no structured approach in evaluating the deployment of e-transfer technologies for cash transfer from beneficiaries' perspective. One can, however, assume that beneficiaries' satisfaction with e-transfer technology can be nothing more than its expected benefits.

A review of the benefits to the beneficiaries, their satisfaction as well as their level of usage can be assessed using models such as the Technology Acceptance Model (TAM). Technology Acceptance Model is one of the models used in exploring the acceptance of new technologies. w technologies (Lim and Ting, 2012). TAM is based on the assumption that users rely on their perception of ease of use and benefits to use new technology (Matikiti, Mpinganjira, and Roberts-Lombard, 2018). Hence, it can be assumed that the use of a certain technology is a reflection of improved performance or added benefits hence the users' satisfaction.

Levine and Bailey (2015) developed a guideline for evaluating how transfers are made in emergency programming. The guideline was intended for evaluation (or monitoring) of an intervention that transferred resources to the recipients. According to the guideline, the essential question recommended for use includes effectiveness, impact, efficiency, and cost. Levine and Bailey (2015) define effectiveness as the extent to which an intervention achieved its desired outcome(s), Impact was defined as the wider effects of the intervention on the recipient while efficiency was interpreted as the costs or inputs needed by alternative approaches.

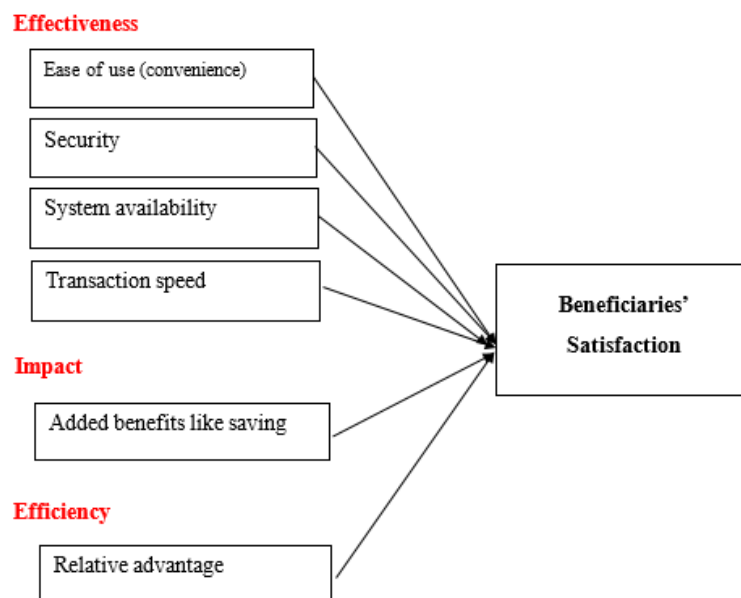
A closer examination of the factors identified in the above two approaches can see that ease of use identified in TAM is similar to effectiveness in Levine and Bailey (2015) guideline. As discussed above in the theoretical and empirical sections, the intended outcomes (effectiveness) desired from e-transfers refer to ease of use (convenience) to counter the issues of illiteracy, systems availability despite challenges of geographic location as well as transaction speed. Security of the account where the cash transfer through e-transfer can be directly delivered to the beneficiary eliminating the opportunity of embezzlement by others.

Similarly, the desired impact of introducing e-transfers besides effectiveness in cash transfer delivery is the added potential of financial inclusion that can be visible through continued use of the account for saving, hence no need to withdraw the aid money at once. The third element, efficiency, from Levine and Bailey (2015) guideline could also be integrated into the model where the relative advantage of e-transfers in terms of costs to the beneficiary can be looked at. From the perspective of the beneficiaries, the ability to use financial services like saving is an added benefit.

Here it should be noted that the context or the environment the project took place mainly consisted of poor farmers who were beneficiaries of the government aid program and were previously subject to delayed payments before commencement of the electronic payment delivery method. This implies that their expectation of the service as well as their level of satisfaction is quite different from a normal customer in an urban setting.

Hence, taking the Levine and Bailey (2015) guideline for transfers are made in emergency programming and fitting them in the Technology Acceptance Model (TAM), the conceptual framework for this research looked as follows.

FIGURE 1: CONCEPTUAL FRAMEWORK



Source: Developed by the Researchers based TAM model and Levine and Bailey (2015) guideline

Mathematically, the framework can be represented as:

$$Y = \beta_0 + \beta_1 X_1 + \beta_2 X_2 + \beta_3 X_3 + \beta_4 X_4 + \beta_5 X_5 + \beta_6 X_6 + e$$

Where: Y= beneficiaries' Satisfaction

β_0 = Constant term

X1= Convenience/ease of use

X2 = Security

X3 = System availability

X4 = Transaction speed

X5 = Added benefit

X6 = Relative advantage

E= Error term

OBJECTIVES OF THIS STUDY

The objectives of this study was to investigate how the use of e-transfers affected the beneficiaries' satisfaction. The specific objectives were:

- Examine how the convenience of e-transfer affected the beneficiaries' satisfaction
- Assess the effect of security of e-transfers on beneficiaries' satisfaction
- Examine if the system availability of e-transfer affected the beneficiaries' satisfaction
- Examine if the transaction speed of e-transfer affected beneficiaries' satisfaction
- Assess if the added benefits of e-transfers affected the beneficiaries' satisfaction
- Examine if the relative advantage of e-transfer affected the beneficiaries' satisfaction

HYPOTHESIS OF THE STUDY

The conceptual framework above shows the relationship between the identified variables the researchers have identified through the review. Accordingly, the following research hypothesis is developed to test the proposed relationship.

The effectiveness of the e-transfer affects beneficiaries' satisfaction, hence:

H1: The Convenience (ease of use) of e-transfer has a positive and significant effect on beneficiaries' satisfaction of PSNP beneficiaries in Libo Kemkem district.

H2: The security of e-transfer has a positive and significant effect on beneficiaries' satisfaction of PSNP beneficiaries in Libo Kemkem district.

H3: The system availability of e-transfer positively and significantly affects beneficiaries' satisfaction of PSNP beneficiaries in Libo Kemkem district.

H4: The transaction speed of e-transfer positively and significantly affects beneficiaries' satisfaction of PSNP beneficiaries in Libo Kemkem district.

The impact of e-transfer affects the beneficiaries' satisfaction.

H5: The added benefits (ability to promote saving and consumption smoothing) of e-transfer has a positive and significant effect on the beneficiaries' satisfaction of PSNP beneficiaries in Libo Kemkem district.

The efficiency of e-transfer affects the beneficiaries' satisfaction.

H6: The relative advantage of e-transfer positively and significantly affects the beneficiaries' satisfaction of PSNP beneficiaries in Libo Kemkem district.

METHODOLOGY

Research Design

Research design constitutes the blueprint for the collection, measurement, and analysis of data (Cooper and Schindler, 2014). This research intended to explore the effect of the electronic transfer on beneficiaries' satisfaction of PSNP beneficiaries at Libokemkem Woreda. In order to better understand and explain the factors, both quantitative and qualitative methods were used. The rationale for use of both quantitative and qualitative methods was that one method complements and strengthens the other further improving the understanding of a research problem (Creswell, 2012).

In this approach, the researchers first collected and analyzed the quantitative data. The qualitative data was then collected and analyzed second in the sequence to help explain and further elaborate the quantitative results obtained in the first stage.

In line with the research design described above, the researchers conducted a quantitative stage first, using an instrument developed for this purpose. Data was then collected from participants with the help of interviewers before analysis was made on the collected data. Following the analysis, interview questions were designed to further explain the findings of the first stage.

Population, Sample Size, and Sampling Techniques

Target Population: good research requires identifying participants that have relevance to the topic under study. The target populations of this research were PSNP beneficiaries in Libokemkem woreda. Accordingly, 3295 beneficiaries who took part in direct public work were targeted.

Sample Size: as pointed out in the research design section above, the researched involved quantitative and qualitative stage. For the quantitative stage, Salant and Dillman (1994) point out that three of the most common factors influencing the size of the sample are the size of the population, tolerable sampling error, and variation of the variable of interest within the population.

For a finite population whose population size is known, the Yamane formula for determining the sample size can be used. Yemane's formula was therefore used. Yamane formula is given by:

$$n = N / (1 + Ne^2) = 3925 / (1 + 3925 \times 0.05^2) = 363$$

Where

n= sample size,

N = population size, and

e = Margin of error (MoE), e = 0.05

Although qualitative studies could also benefit from as large a sample size as possible, they should not also suffer from an inability to undertake a deeper analysis due to bigger sample size. Guest, Bunce, and Johnson (2006) therefore recommend 12 participants for an interview in a qualitative design. This research, therefore, followed their recommendation and used twelve interview participants from stakeholders involved in the e-transfer program from MFI management, MFI agents and Food Security.

Sampling Techniques: for the quantitative part in the first step, convenience sampling was used. Although a sampling frame (a list of all the beneficiaries) was available, the use of probability sampling would require reaching out to each of the randomly selected beneficiaries which are difficult to access due to remote localities. Second, for the qualitative interview part, employees who participated in the pilot services were selected for their involvement and knowledge of the e-transfer of PSNP. For this purpose, four participants from Food Security, four from MFI management and four from MFI agents were interviewed.

Validity and Reliability

Developing own questionnaire raises the issue of validity and reliability. Validity in general looks at if the instrument has measured what it set out to measure. The fact that the questionnaire was developed based on the empirical literature, as well as pilot testing, was done prior to the data collection can assure its validity.

Reliability, on the other hand, is concerned in the instrument's ability to produce a consistent outcome in measurement. According to Bolarinwa (2015) reliability refers to the degree of consistency with which the instrument measures an attribute. One way of assuring the reliability of the instrument is using Cronbach's Alpha. The Cronbach's Alpha calculated for the instrument was 0.865 indicating the reliability of the instrument used hence further analysis is possible. Johnson

and Christensen (2010) suggest that the coefficient of alpha should be at minimum 0.70 or more indicating excellent reliability for the instrument used in this research.

Method of Data Analysis

As identified in the research design section, this research used both quantitative and qualitative designs where the first phase was a quantitative phase. For the first phase, descriptive statistics, particularly tabular method of data presentation and percentages were used to characterize the participants' demography. Further, descriptive statistics, particularly mean and standard deviation were used to present the beneficiaries' opinion on each element of the electronic transfer and beneficiaries' satisfaction.

Inferential statistics, particularly, correlation and multiple regressions were also used to deduce a relationship between the beneficiaries' satisfaction and the identified elements convenience, security, system availability, transaction speed, added benefits and relative advantages of e-transfer) while in the process test the hypothesis.

RESULTS

Demographic Profile

The survey instrument included four background questions to characterize the survey participants profile. The questions include gender, age, marital status, and the number of dependents. Table 1 summarizes the participants' profile.

TABLE 1: PARTICIPANT'S DEMOGRAPHIC PROFILE

S. No.	Variables	Frequency	Percent
1	Gender	Male	207 66.35%
		Female	105 33.65%
2	Age	18 - 25 years	13 4.17%
		26 - 30 years	18 5.77%
		31 - 40 years	135 43.27%
		41 - 50 years	108 34.62%
		51 - 60 years	35 11.22%
		Above 60 years	3 0.96%
3	Marital Status	Married	232 74.36%
		Un married	25 8.01%
		Widowed	28 8.97%
		Divorced	27 8.65%
4	No. of dependents	Below 3	64 20.51%
		3 - 5	173 55.45%
		6 - 8	60 19.23%
		Above 8	15 4.81%
Total		312	100.0

Gender distribution between Male and Female was at 207 (66.35%) and 105 (33.65%) which was also in line the fact that majority of PSNP participants are male. Regarding the age distribution, the age group 31 - 40 was the largest with 135 (43.27%) and closely followed by the age group 41 - 50 with 108(34.62%) of the participants. The age group 51 - 60 was the third highest with 35 (11.22%) of the participants. Only 18 (5.77%) were aged between 26-30 and only 13(4.17%) of the participants had age between 18-25. The smallest age group of participants was those above 60 years with only 3 (0.96%) of the participants.

In terms of marital status, majority of the participants, 232 (74.36%) were married while those that were 'widowed', 'divorced' or 'unmarried' were very close to one another with each representing about 25 (8%) of the participants. The number of dependents under the participants also showed that a significant majority of participants, 173 (55.45%) had 3-5 dependents. This was followed by those participants that had >3 dependents with 64(20.51%) and those with 6-8 dependents with 60(19.23%). Those who had more than eight dependents were only 15 (4.81%).

DESCRIPTIVE STATISTICS

The mean scores were calculated for each variable. Accordingly, the result indicated that convenience, transaction speed, and security had a mean of 4.12, 4.12 and 4.02 with standard deviation of 0.5, 05 and 0.44 (Table 2). This shows that participants have agreed to experience 'convenience', 'transaction speed' and 'security' with their 'agree' ratings. System availability also received a mean score of 3.85 with a standard deviation of 0.53 indicating that participants 'agreed' to the availability of the system.

TABLE 2: MEAN OF THE ELEMENTS OF E-TRANSFER

S. No.	Variables	Mean	Std. Deviation
1	Convenience/ease of use	4.12	0.50
2	Security	4.02	0.44
3	System availability	3.85	0.53
4	Transaction speed	4.12	0.50
5	Added Benefits	3.41	0.88
6	Relative advantage	3.47	1.05
7	Beneficiaries Satisfaction	4.06	0.44

Source: Own survey, 2019

Regarding the 'added benefits' the participants gave a mean score of 3.41 with a standard deviation of 0.88 which indicates that their rating is closer to 'neither agree nor disagree'. This suggests that participants have a close to neutral opinion of the added benefits of the e-transfer system. Similarly, the mean score of 'relative advantage' also received a mean score of 3.47 with standard deviation 1.05 which indicates the participants' opinion of 'relative advantage' is closer to neutral with even a higher standard deviation.

Overall, the mean scores show that participants think, the e-transfer has provided them with convenience, transaction speed, security, and system availability better than its added benefits and relative advantage. The participants' overall satisfaction also received a mean score of 4.06 with sd=0.44 indicating that participants are satisfied with the e-transfer system.

Testing the Research Hypotheses

Pearson correlation was computed to see the relationship between the dependent variable 'beneficiaries' satisfaction' and the independent variables convenience, security, transaction speed, system availability, added benefits, and relative advantage.

All the independent variables showed a statistically significant positive correlation with the dependent variable (see table 3 below). However, only three of the variables; convenience (r (312) = 0.757, p<.01), security (r (312) = 0.588, p<.01), and transaction speed (r (312) = 0.585, p<.01) showed a strong relationship with the variable 'beneficiaries' satisfaction'. The variables system availability (r (312) = 0.475, p<.01) and added benefits (r (102) = 0.783, p<.01) showed a moderate relationship with the beneficiaries' satisfaction. The variable 'relative advantage' was the variable with the weak relationship with (r (102) = 0.783, p<.01).

TABLE 3: CORRELATION COEFFICIENT

		Convenience	Security	System Availability	Transaction Speed	Added Benefits	Relative Advantage
Beneficiaries Satisfaction	Pearson Correlation	.757**	.588**	.475**	.585**	.346**	.210**
	Sig. (2-tailed)	.000	.000	.000	.000	.000	.000
	N	312	312	312	312	312	312

** Correlation is significant at the 0.01 level (2-tailed).

Source: Calculated from own Survey (2019)

A standard multiple regression analysis was used to see the effect of each of the independent variables (convenience, security, transaction speed, system availability, added benefits, and relative advantage) on the dependent variable (beneficiaries' satisfaction).

TABLE 4: MODEL SUMMARY

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.793 ^a	.629	.622	.26919
a. Predictors: (Constant), Advantage, Availability, Security, Speed, Benefits, Convenience				
b. Dependent Variable: Satisfaction				

Source: Calculated from own Survey (2019)

TABLE 5: ANOVA

Model		Sum of Squares	Df	Mean Square	F	Sig.
1	Regression	37.452	6	6.242	86.142	.000 ^b
	Residual	22.101	305	.072		
	Total	59.553	311			
a. Dependent Variable: Satisfaction						
b. Predictors: (Constant), Relative Advantage, System Availability, Security, Speed, Added Benefits, Convenience						

Source: Calculated from own Survey (2019)

The multiple linear regression of the dependent variable (beneficiaries' satisfaction) and the independent variables (convenience, security, transaction speed, system availability, added benefits, and relative advantage) resulted in a significantly related equation with $F(6,305) = 86.142, p < .001$. The R^2 was 0.629, indicating that approximately 62.9% of the variance in beneficiaries' satisfaction can be accounted for by the linear combination of the independent variables (see table 4 and table 5).

TABLE 6: COEFFICIENTS

Model	Unstandardized Coefficients		Standardized Coefficients	t	Sig.
	B	Std. Error	Beta		
(Constant)	.693	.163		4.249	.000
Convenience	.472	.046	.535	10.331	.000
Security	.114	.046	.115	2.469	.014
System availability	.078	.034	.094	2.299	.022
Transaction speed	.167	.040	.189	4.213	.000
Added benefits	.023	.023	.047	1.030	.304
Relative advantage	-.031	.018	-.075	-1.736	.084
a. Dependent Variable: beneficiaries Satisfaction					

The multiple linear regression also showed that the independent variables 'Convenience', 'Security', 'System availability' and 'Transaction Speed' were significant at $p < 0.05$ while two of the variables 'added benefit' and 'relative advantage' were not found to be statistically significant at $p < 0.05$. The regression equation for predicting beneficiaries' satisfaction was, therefore:

$$\text{Beneficiaries Satisfaction} = 0.693 + 0.472 [\text{Convenience}] + 0.114 [\text{Security}] + 0.078 [\text{System availability}] + 0.167 [\text{Transaction speed}]$$

From table 6, stated hypotheses can be tested, as:

H1: The convenience of e-transfer affects beneficiaries' satisfaction of PSNP beneficiaries in Libo Kemkem district as $.000 = P < .05$. The hypothesis is accepted.

H2: The security of e-transfer affects beneficiaries' satisfaction of PSNP beneficiaries in Libo Kemkem district as $.014 = p < 0.05$. The hypothesis is accepted.

H3: The system availability of e-transfer affects beneficiaries' satisfaction of PSNP beneficiaries in Libo Kemkem district as $.022 = P < .05$. The hypothesis is accepted

H4: The transaction speed of e-transfer affects beneficiaries' satisfaction of PSNP beneficiaries in Libo Kemkem district as $.000 = P < .05$. The hypothesis is accepted

H5: The added benefits of e-transfer do not affect the beneficiaries' satisfaction of PSNP beneficiaries in Libo Kemkem district as $.304 = P > .05$. The hypothesis is rejected

H6: The relative advantage of e-transfer does not affect the beneficiaries' satisfaction of PSNP beneficiaries in Libo Kemkem district as $.084 = P > .05$. The hypothesis is rejected

Based on the result of the hypothesis, it can be concluded that beneficiaries in Libokemkem woreda were satisfied by four (convenience, security, transaction speed, and system availability) of the elements of the electronic transfer while two (added benefit and relative advantage) of the elements did not satisfy them.

DISCUSSION OF INTERVIEW FINDING

In order to make sense of the findings in the quantitative analysis, interview was conducted with stakeholders involved in setting up the pilot and offering the service. The follow-up interview with the stakeholders indicated that the effectiveness dimensions of the system (convenience, security, transaction speed, and system availability) were performed better in the pilots. Participants indicated that this was due to the focus of the primary goal of delivering the PSNP payout instead of the additional impacts expected. The interview further indicated, however, technology selection which inherently solved for the four elements (convenience, security, transaction speed, and system availability) while the other elements (added benefit and relative advantage) required additional effort from stakeholders.

The interview further explored the reason for the element 'added benefits' received a lower rating. There were two different explanation by the stakeholders. Stakeholders representing 'Food Security' indicated that, for the beneficiaries to get the added benefits should have been encouraged by the MFI to save use other financial services. Accordingly, those from the 'Food security' side believe that the MFI believes PSNP beneficiaries are very poor and will not be interested in saving. On the contrary, stakeholders from the MFI side think proper 'financial literacy and awareness' program should have been done by 'Food Security' as part of the program.

Similarly, the interview participants from Food Security and MFI had a different take on the reason why beneficiaries rated 'relative advantage' of the service very low. Interview participants from the Food Security side believe that 'relative advantage' would have been achieved if the number of roaming agents used by the MFI was increased taking the service closer to the beneficiaries (decrease the amount of distance traveled by beneficiaries to collect the payment). On the other hand, participants from MFI believed that increasing the agents (service points) is not economically viable.

IMPLICATIONS

The findings showed that beneficiaries are satisfied with most of the elements of the electronic transfer. The discussion with the stakeholders has also revealed that the areas found unsatisfactory to the beneficiaries could be improved with minor adjustments. It is therefore suggested that the use of e-transfer be scaled up to cover all PSNP payments in other woredas and regions to improve the satisfaction of the beneficiaries. To improve the 'added benefits' of e-transfer, introduce 'financial literacy and awareness campaign' to encourage beneficiaries to use e-transfer and the account related to it for other financial services such as saving. To improve the 'relative advantage' of the e-transfer, increase the number of dedicated MFI agents, or introduce commercial agents to work on an agency banking approach to avail the service closer to the beneficiaries' location as well as make them operational throughout the month.

LIMITATIONS AND FUTURE RESEARCH

The research used convenience sampling while applying multiple regression which affects the quality of the data set. Further research is therefore suggested to examine the findings here using a broader sample from the beneficiaries of the e-transfer pilot. Further, the area of the research also covered one Woreda (the smallest government administrative organ) in one region of the country. Expanding the geographic cover as well as considering beneficiaries in other region of the country where the culture and lifestyle of the beneficiaries is different might add different insight.

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APPENDICES

APPENDIX 1: THE STUDY QUESTIONNAIRE

This questionnaire is developed for data collection from beneficiaries regarding their experience with electronic payment transfer for their PSNP payments delivery. The research is conducted with the title “The Use of Electronic Transfer in Cash Assistance: The Satisfaction of PSNP beneficiaries in Libokemkem Woreda”. The data collection will be mediated by data collectors and will also be translated to Amharic for easy understandings.

GENERAL DIRECTION TO COLLECTORS

Please do not write the name of the participant on the questionnaire. The questionnaire has two parts. The first part includes questions covering the participant’s demographic profile while the second part covers related to factors affecting customer satisfaction.

PART I: PARTICIPANTS DEMOGRAPHY

1. Gender

Male

Female

2. Age

18 - 25 years

26 - 30 years

31 – 40 years

41 – 50 years

51 – 60 years

Above 60 years

3. Marital Status

Married

Unmarried

Widowed

Divorced

4. Number of dependents

Below 3

3 – 5 years

6 – 8

Above 8

PART II: FACTORS THAT DETERMINE CUSTOMER SATISFACTION AND CUSTOMER SATISFACTION

INSTRUCTIONS: The statements given below identify potential factors that could determine customer satisfaction with electronic payment transfer. Please indicate your response under the rating scale (number) which could reflect your opinion as follows:

1 = Strongly Disagree

2 = Disagree

3 = Neither agree nor disagree

4 = Agree

5 = Strongly Agree

	Factors	1	2	3	4	5
A	Effectiveness					
1	The convenience/ease of use					
1.1	I was able to get the service easily					
1.2	Easy identification as a customer					
1.3	Allows withdrawal of only the amount you want					
1.4	The satellite point location is convenient					
2	Security					
2.1	It is only me who can access my transfer					
2.2	It saved my money if I failed to collect monthly					
3	The system availability					
3.1	The service is always available when it is supposed to					
3.2	I have not faced service denial due to system availability					
4	The transaction speed					
4.1	Getting paid electronics is very fast					
4.2	It has reduced the time it took before					
B	Impact					
5	Added Benefits					
5.1	It allowed me to withdraw in smaller amounts throughout the month					
5.2	It allowed me to become an MFI customer and save					
C	Efficiency					
6	The relative advantage					
6.1	It has reduced the time I traveled to collect payment					
6.2	It has reduced the time I wait at the service point to take me before					
D	Beneficiaries’ Overall Satisfaction					
6.1	In most ways, the service was close to my expectations					
6.2	I am completely satisfied with the electronic money transfer service					
6.3	I recommend it to be used in the future					
6.4	I will continue to use the account after the PSNP program is completed					

PERFORMANCE ANALYSIS OF INDIAN AUTOMOBILE INDUSTRY

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ABSTRACT

The automobile industry is increasingly becoming the cynosure of the manufacturing sector across the globe. The attention and importance to the automobile industry in the economic development and planning policies of Government and its agencies has also witnessed significant upraise. In the last two decades, the Indian automobile industry has played a very important role in the economic development of the nation. The Indian automobile industry has attained substantial growth and has become one of the largest manufacturing sectors in India. In the above context, the present study makes an attempt to study the physical performance of the industry in terms of production, domestic sales, exports and capacity utilisation. The present study uses secondary data covering all segments of the industry for a period of six years i.e.: from 2013-14 to 2018-19. Various statistical tools such as arithmetic mean, co-efficient of variation, compound annual growth rate, etc. have been used to assess the performance of the industry. The study also makes an attempt to provide necessary suggestions and recommendations so as to increase the efficiency and improve the overall performance of the Indian automobile industry.

KEYWORDS

automobile, development, industry, performance.

JEL CODE

L62

INTRODUCTION

The automobile industry is referred as “the industry of industries” around the world due to both its notable share in national economies and its multi-dimensional complexity such as advanced product design and manufacturing technologies, supply chain size and network, involvement of government and labour relations. This sector is a key player in the global economy. As in all other countries, the automobile industry in India is one of the key drivers of industrial growth and employment which will further gain in importance in the coming years. During the last two decades, the automobile industry has been a bright spot in India’s progress and it has adapted itself well to the demands of globalisation. The automobile industry in India contributes 4.7 percent to India’s GDP and 19 percent to India’s indirect tax revenue. The automobile industry along with the auto components industry provides employment directly to more than 5 lakh persons and indirectly to around 50 million persons. The industry has been evolving over the years, meeting up with challenges as diverse as transitions, consolidations and restructuring, and thereby adapting to the new market conditions. The automobile industry, globally, as well in India, is one of the key sectors of the economy.

The automobile industry in India produces a wide range of vehicles like passenger cars, utility vehicles, commercial vehicles, two-wheelers, three-wheelers and tractors. Currently, there are approximately 15 manufacturers of passenger cars and utility vehicles, 9 manufacturers of commercial vehicles, 16 manufacturers of two and three-wheelers and 14 manufacturers of tractors in India. The Indian automobile industry has a mix of large domestic players such as Tata Motors, Mahindra & Mahindra, Ashok Leyland, Bajaj Auto, Hero MotoCorp and major international players including General Motors, Ford, Toyota, Suzuki, Hyundai and Volvo. According to India Brand Equity Foundation (IBEF), India is envisaged to be the third largest automobile market in the world by 2030 only behind USA and China.

India became the fourth largest auto market in 2018 with sales increasing 8.3 per cent year-on-year to 3.99 million units. It was the seventh largest manufacturer of commercial vehicles in 2018. The two wheelers segment dominates the market in terms of volume owing to a growing middle class and a young population.

The various segments of the Indian automobile industry along with their market share are given below:

TABLE 1: DOMESTIC MARKET SHARE OF INDIAN AUTOMOBILES IN INDIA (2018-19)

Segment	Market Share (%)
Passenger vehicles	13
Commercial vehicles	4
Three wheelers	3
Two wheelers	80
Grand Total	100

REVIEW OF LITERATURE

Vijayakumar and Sri Devi (2011) in their study investigated the relationship between the growth of Indian automobile industry and its profitability. They took a sample of 20 companies representing each segment of the Indian automobile industry namely passenger vehicles, commercial vehicles, two and three wheelers, based on their respective market shares. The analysis of data employed the use of correlation and a normal linear regression model that consisted of both growth and profitability. A.Vijayakumar (2011) in another research paper focused on the relationship between firm structure and profitability of Indian automobile companies. The primary aim of this study was to test the postulated hypotheses and to provide evidence with respect to the impact of firm structure on firm profitability by examining major factors such as firm size, growth, liquidity, leverage, age, past profitability, market share and capital-output ratio. Sarbapriya Ray (2011) in her paper attempted to investigate the financial health of automobile industry in India and test whether Altman’s Z score model can correctly foresee the corporate financial distress of the automobile industry in Indian context. The premises underlying this paper were that corporate failure is a process commencing with poor management decisions and that the trajectory of process can be tracked using accounting ratios. Shinde Govind P. & Dubey Manisha (2011) studied the various segments such as passenger vehicles, commercial vehicles, utility vehicles, two and three wheelers of the industry and also analysed SWOT analysis and key factors influencing growth of automobile industry. Dawar Varun (2012) made a study to analyse the effect of various fundamental corporate policy variables like dividend, debit, capital expenditure on stock prices of automobile companies of India. The study concluded that dividend & investment policy is relevant and capital structure irrelevant to stock prices. Azhagaiah R. & Gounasegaran (2014) recognized India’s per capita real GDP growth as one of the key drivers of growth of Indian automobile industry. It stated that the central government would set up various task forces on issue related to taxation, land acquisitions, labour reform and skill development for the automobile industry. Krishnaveni, M. & Vidya, R. (2015) found that the Indian automobile industry is a high flying sector these days and emerging as an export hub in wake of liberalisation and globalisation. This paper revised the category wise production, sales and exports of automobile industry in India. Kumar Neeraj & Kaur Kuldip (2016) made an attempt to test the size and profitability relationship in the Indian automobile industry. To analyse the relationship, linear regression model as well as cross-sectional method were employed for the year 1998 to 2014.

IMPORTANCE OF THE STUDY

Performance analysis is of special importance in industries and automobile industry is one such industry. From the point of view of the socio-economic development of the country, automobile industry is significant enough in terms of investment and employment. The sales and profitability function in automobile industry differs from that of other industries. Even though many studies in this direction have been conducted, the present one would be of greater significance to many. The study makes an attempt to analyse the physical performance of the Indian automobile industry in terms of production, domestic sales, export sales and capacity utilisation. It would not only provide an up to date report on the performance of automobile companies in India but also propose suitable remedial measures for improvement in their performance and competitiveness.

OBJECTIVES

The present study is undertaken with the following major objectives:

1. To analyse the physical performance of Indian automobile industry in terms of trends of production, domestic sales and exports.
2. To analyse the capacity utilisation ratio of Indian automobile industry during the period of study.
3. To provide necessary suggestions and recommendations so as to increase the efficiency and improve the overall performance of the Indian automobile industry.

RESEARCH METHODOLOGY

The Indian automobile industry comprises of four segments - passenger vehicles, commercial vehicles, two-wheelers and three-wheelers. Therefore, while conducting the present study necessary steps have been taken to include all four segments of the industry. The present study has been carried out for a consecutive tenure of six years from the financial year 2013-14 to 2018-19. The study is mainly based on secondary data. The data relating to production, domestic sales, market share and exports of various segments of the Indian automobile industry have been obtained from the Statistical Profile of Indian Automobile Industry published by SIAM (Society of Indian Automobile Manufacturers). Data is also collected from books and magazines and published papers, reports, articles from various journals, newspapers, bulletins and other research reports published by industry and research organisations.

The collected data relating to various aspects of physical and operational performance have been duly edited, classified and analysed using all types of relevant statistical techniques. Following are the main statistical tools used in the present study:

- Arithmetic Mean
- Co-efficient of Variation
- Compounded Annual Growth

RESULTS & DISCUSSION

As compared to other developed nations, the Indian automobile industry is unique in its characteristics. The automobile industry in India specialises in the production of passenger vehicles, commercial vehicles, two-wheelers and three-wheelers. The annual production figures of different types of vehicles produced by the automobile industry in India during the study period 2013-14 to 2018-19 are shown in Table No.2. The analysis of production of different categories of vehicles has been done through estimation of mean, co-efficient of variation, compounded annual growth rate (CAGR). An analysis of Table No.2 shows that the annual production of automobiles has grown at a CAGR of 6.24 percent during the study period. The average production of all categories of automobiles is calculated to be 25701071.5 units. The production figures show an increasing trend throughout the period indicating high demand for automobiles in India. It also indicates that the industry has sufficient infrastructure and capacity to meet the ever increasing demand of the Indian population. A study of co-efficient of variation shows that there is moderate variation of 14 percent only in the overall production of automobiles during the period of study. The passenger vehicles segment is considered to be the most consistent with a co-efficient variation of 11.25 percent only. Among the various segments, the commercial vehicles segment has shown the highest growth during the study period with a CAGR of 8.05 percent followed by the three wheeler segment with a CAGR of 7.33 percent.

TABLE 2: ANNUAL PRODUCTION OF AUTOMOBILES IN INDIA

YEAR	PASSENGER VEHICLES	COMMERCIAL VEHICLES	TWO WHEELERS	THREE WHEELERS	TOTAL
2013-14	3087973	699035	16883049	830108	21500165
2014-15	3221419	698298	18489311	949019	23358047
2015-16	3465045	786692	18830227	934104	24016068
2016-17	3801670	810253	19933739	783721	25329383
2017-18	4020267	895448	23154838	1022181	29092734
2018-19	4026047	1112176	24503086	1268723	30910032
MEAN	3603736.83	833650.33	20299041.67	964642.67	25701071.5
C.V (%)	11.25	18.63	14.46	17.82	14.00
CAGR (%)	4.52	8.05	6.40	7.33	6.24

Source: SIAM (Society of Indian Automobile Manufacturers)

The annual domestic sales of different types of vehicles manufactured by the automobile industry in India during the period 2013-14 to 2018-19 have been shown in Table No.3. Domestic sales of automobiles in India followed an increasing trend over the past six years. The total domestic sales of automobiles have grown at a high CAGR of 6.09 percent during the period of study. An analysis of co-efficient variation indicates that domestic sales of automobiles have not shown high fluctuation during the above period with a moderate C.V of only 14.03 percent. Since nearly all macro-economic indicators – GDP, infrastructure, population demographics, interest rates, etc are showing a favourable trend, the domestic market for automobiles in India is expected to continue on its growth trajectory. The commercial vehicles segment showed the highest CAGR of 20.17 percent followed by three wheelers segment (14.83percent).

TABLE 3: ANNUAL DOMESTIC SALES OF AUTOMOBILES IN INDIA

YEAR	PASSENGER VEHICLES	COMMERCIAL VEHICLES	TWO WHEELERS	THREE WHEELERS	TOTAL
2013-14	2503509	632851	14806778	480085	18423223
2014-15	2601236	614948	15975561	532626	19724371
2015-16	2789208	685704	16455851	538208	20468971
2016-17	3047582	714082	17589738	511879	21863281
2017-18	3288581	856916	20200117	635698	24981312
2018-19	3377436	1007319	21181390	701011	26267156
MEAN	2934592	751970	17701572.5	566584.5	21954719
C.V (%)	12.31	20.17	14.13	14.83	14.03
CAGR (%)	5.12	8.05	6.15	6.51	6.09

Source: SIAM (Society of Indian Automobile Manufacturers)

Keeping in view the increasing importance of exports and the growing demand of Indian automobiles all over the world, the present section of the study analyses the export performance of different categories of vehicles in India during the period 2013-14 to 2018-19. The figures of annual exports of automobiles have been

shown in Table No.4. It is observed from the table that the total export of all types of vehicles have grown at a CAGR of 6.83 percent during the period of study. This is marginally higher as compared to the growth in domestic sales. This shows that Indian automobile manufacturers are no longer confined to the domestic market only but are becoming globally competitive too. Among all segments of the industry, the three wheeler segment is seen to have the highest growth potential in exports registering a CAGR of 8.22 percent in the last six years. It followed by two wheelers (7.86 percent), commercial vehicles (4.43 percent) and passenger vehicles (2.12 percent). It is further observed that the total export of automobiles has shown a rising trend during the entire study period except in 2016-17. India is the largest manufacturer of two-wheelers in the world and a significant proportion of vehicles produced are exported to international markets. Indian vehicles are becoming popular worldwide due to their reasonable price, high quality, wide variety of models and timely delivery. The figures of co-efficient of variation computed indicate that exports of three- wheelers and two-wheelers highly fluctuated during the period with a C.V. of 24.41 percent and 16.23 percent respectively. The passenger vehicles segment has been the most consistent with the lowest C.V of 9.81 percent.

TABLE 4: ANNUAL EXPORT SALES OF AUTOMOBILES IN INDIA

YEAR	PASSENGER VEHICLES	COMMERCIAL VEHICLES	TWO WHEELERS	THREE WHEELERS	TOTAL
2013-14	596142	77050	2084000	353392	3110584
2014-15	621341	86939	2457466	407600	3573346
2015-16	653053	103124	2482876	404441	3643494
2016-17	758727	108271	2340277	271894	3479169
2017-18	748366	96865	2815003	381002	4041236
2018-19	676193	99931	3280841	567689	4624654
MEAN	675637	95363.33	2576743.83	397669.67	3745413.83
C.V (%)	9.81	12.01	16.23	24.41	13.99
CAGR (%)	2.12	4.43	7.86	8.22	6.83

Source: SIAM (Society of Indian Automobile Manufacturers)

FINDINGS OF THE STUDY

The physical performance of Indian automobile industry as measured in terms of trends of production, domestic sales, exports, etc. reveals the following:

- The annual production of all the four segments of Indian automobile industry marked a rising trend throughout the study period except in the three wheeler segment where the production dipped in the year 2016-17. The annual production of automobiles in India has grown at a CAGR of 6.24 percent in the last six years. Highest growth is observed in case of commercial vehicles followed by the three wheeler segment.
- The average production was highest in case of two-wheelers, followed by passenger vehicles, three-wheelers and commercial vehicles. This reflects the relative importance of two-wheelers in the Indian automobile sector.
- The annual domestic sales of all categories of automobiles have grown at a CAGR of 6.09 percent during the study period with highest growth in commercial vehicles segment followed by three wheelers. The annual domestic sales figures showed moderate fluctuations with rising trend in almost all the years.
- The annual exports of automobiles from India have grown at a CAGR of 6.83 percent in the last six years led by three-wheelers and two-wheelers. These two segments have shown rising trend throughout the entire period. However, high rates of fluctuations are observed in exports of all types of vehicles.
- Increasing export figures and growth in exports as a percentage of production indicates that Indian vehicles are in demand all over the world and they meet international standards.

RECOMMENDATIONS/SUGGESTIONS

Keeping in view the above observation relating to the performance of Indian automobile industry, the following measures are suggested which will help in improving the overall performance, enhance the competitiveness and establish a strong foothold in the international automobile market:

- The automobile manufacturers should adopt appropriate strategies to tackle with the problem of rising cost of inputs so as to enhance their competitiveness.
- The Govt. should encourage more expenditure on Research & Development (R&D) both in private and public sector by allowing certain additional concessions for R&D expenditure in the corporate tax structure.
- Continuous efforts need to be made towards incessant modernisation of the industry by facilitating indigenous design, research and development and to develop vehicles propelled by alternate energy sources.
- Development of human resources is an important criterion for enhancing the efficiency and competitiveness of Indian automobile firms.
- It is imperative for the government to encourage exports of automobiles by means of higher Market Development Assistance (MDA) grants and by further strengthening the provisions under different promotional schemes.
- Cost efficiency is very necessary for Indian automobile manufacturers to enhance their competitiveness in the global automobile market and it is considered the only real means in as mature an industry as automobiles to retain or improve market share.
- There is a lot that needs to be done by the Govt. regarding the laying and maintenance of roads. Better roads lead to faster turnaround of vehicles and more tone kilometres of haulage for the operator.
- The enhanced use of IT in the automobile industry is very important for improving the productivity, growth and competitiveness of the industry and in achieving its global aspirations.
- The automobile industry being highly price sensitive; efforts should be taken by the firms to reduce the cost of production. In the value of a vehicle, material cost alone comprises of 75 percent. Technology up gradation is likely to push down the material cost.

CONCLUSION

The Indian automobile industry has the potential to emerge as one of the largest in the world. It may be mentioned that the automobile industry in India holds significant scope for expansion, both in the domestic market, where the vehicle penetration level is on the lower side as compared to world average, and in the international market, where India could position itself as a manufacturing hub. In the presence of global competitors and a global market, the Indian companies would be able to acquire most of the share of the automobile market and establish a strong foothold in the global market by following sound business strategies. The industry may take necessary steps to upgrade the skills of the employees and enhance the focus on market research, product development and customer interactions. Considering the growing demand for automobiles in India and higher capacity utilisation over the years, key Indian automobile manufacturers have already begun to revisit their strategies to enhance their competitive position. While the industry has much to look forward to, by way of steady growth in both domestic and export markets, there are some clear challenges accompanying the opportunities in various segments. In this context, it may be stated that the automobile industry in India has survived many vicissitudes over the last six decades of its existence and the resilience developed should stand it in good stead to handle any challenge which the future may throw at it.

LIMITATIONS

The research study suffers from the following limitations:

- The study is based on secondary data and as such its findings depend entirely on the accuracy of such data.
- The study covers only a period of 6 years i.e., from 2013-14 to 2018-19.
- Various statistical tools used in the study to interpret the analysed data and to generalise the findings of the study have got their own limitations.
- The present study mainly analyses the physical performance of Indian automobile companies ignoring other aspects of performance.

However, all the above limitations do not affect the worth of this research work.

SCOPE FOR FURTHER RESEARCH

Due to constraints of time and data unavailability, the present study is confined to the analysis of physical performance of Indian automobile industry for a limited period of six years only ranging from 2013-14 to 2018-19. Hence there is considerable scope for further research in this field. A study of financial performance, especially in terms of effective and efficient exploitation of different determinants relating to profitability, dividend policy, and capital formation in terms of additions to fixed assets, inventory investment and flow of funds could be made. A study can also be undertaken in the area of performance appraisal comparing the automobile units in the private sector and public sector. Further, one can also make a comparative study of performance of Indian automobile companies in the pre-liberalisation and the post-liberalisation period. Therefore, research work in the above areas would be of great practical significance and would throw more light on the operation of automobile industry in India.

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SERVICE QUALITY OF INTERNET BANKING AND ITS EFFECT ON CUSTOMER SATISFACTION**MEGHA RAJU****Ph. D. RESEARCH SCHOLAR****KERALA UNIVERSITY OF FISHERIES & OCEAN STUDIES****KOCHI****ABSTRACT**

Online quality service is a fundamental concern to maintain customer satisfaction. In the current years, many banks try to provide a better quality online banking service to please their customers. These banks are introducing internet banking as a guarantee to their customers that they will be able to maintain an ambitious quality of service in the future, in efforts to avoid losing their customers (Rod et al.2009). Offering internet banking is no longer regarded as a competitive advantage but a competitive necessity. To add to the existing knowledge in the electronic banking field of study. To help the banks and policy makers have to accept the internet banking range and their part of addition towards customer satisfaction. Especially since not much research has been done in this area especially in the service quality aspect of internet banking as a whole. Design/Methodology: An exploratory and conclusive research design with the help of a Likert based questionnaire was conducted to investigate the Internet Banking service quality and customer satisfaction in Ernakulam city. Simple random sampling was used and different categories of internet banking users were approached in Ernakulam city. Data were collected from 110 internet banking users. Findings: The result shows that the service quality of internet banking and customer satisfaction are interrelated.


KEYWORDS

internet banking, customer satisfaction.

JEL CODES

O32, M30, M38.

INTRODUCTION

 Service quality is actually a research tool, mainly used to acquire consumer expectations and perceptions about a service along with the five dimensions of it that are considered, representing the service quality. SERVQUAL is built on the basis of some anticipated expectations of consumers while their going for any services. that before using a product they have some expectation on the service quality and also whether they meet the expectations. A. Parasuraman, Valarie Zeithaml and Leonard L. Berry to take a step to measure quality aspects in the service sector, the SERVQUAL model of the service quality instrument is used in preparing questionnaires and conceptual model. It has become the measurement scale in the area of service quality. Each of the dimensions of the service quality is namely efficiency, responsiveness, fulfilment, privacy, security, responsiveness and website design. Each of the elements have an effect on the overall customer satisfaction and service quality of internet banking. The paper provides an indication to show that the internet banking service quality dimensions are an important element to satisfy the customers since each of them is positively related to customer satisfaction. The paper gives an idea on how these service quality elements are correlated to customer satisfaction. The paper lays a foundation to future research which must not be limited to one geographical area of Ernakulam city but should take into study the other areas where internet banking is widely being used as globally. The research will help the managers of the banks and the policy makers to more concentrate on these service quality factors that tend to have a controlling impact on satisfying the customers, these elements will give a good quality internet banking service provided by the banks and that will help to retain the existing customers and also gaining new customers.

OBJECTIVES OF THE STUDY

1. To identify the factors affecting customer satisfaction on Internet Banking service quality.
2. To evaluate the satisfaction level of Internet Banking users.
3. To examine the major problems faced by users while using Internet Banking services
4. To identify the level of trust and awareness level on the security features of Internet Banking.

METHODOLOGY

The sample unit of the study was taken as a person who is using internet banking services less than 6 months. The total sample size was taken as 110, the sampling technique used was the multistage sampling method. After preparing the material draft of the questionnaire, a pilot study was prepared with 110 respondents were selected from the Ernakulam city. For convenience sampling the results of the pilot study helps the researcher to purify the scale item of the questionnaire and also check whether the questions are adequate for the purpose and were understood. the output from the pilot study and the researcher to reframe and made a necessary modification to the drafted questionnaire. Considering are the suggestion, a new questionnaire was developed for the purpose of data collection.

LITERATURE REVIEW

S. Bhaskar (2010) now a day the banking sector also has facing higher competition. in case of service quality and product delivery etc. the commercial banks in between have higher competition and also Even though, these are so many empirical studies related online banking service quality and customer's satisfaction. Hence this study is an attempt to make a study on the area of the service quality in the banking sector study reveals that the service quality of internet banking, online website quality and banking service product quality are significantly influencing the customer satisfaction.

S. Fatemeh Sakhaei (2013) the objective behind this research is to find out the service quality and its effects on customer satisfaction. for that a study was conducted in Iran and make study of banks in that region. the service quality elements like reliability, accessibility, responsiveness, privacy/security are found out by studying various literatures.

Mohammed Sadique Khan (2009) this study is based on the customer's point of view. For that the researcher prepares a questionnaire have 44 quality items under various categories. The researcher found Seven quality aspects. Which are accessibility, user friendliness, reliability, privacy/security, efficiency, responsiveness and fulfilment, are got from the study. Demographic profile of respondents shows that gender is a hindrance for usage of internet banking because normally males are spending more time on internet banking.

Joaquin Aldas-Manzano (2009) in this paper it's all about the satisfaction, risk, privacy of the internet banking websites. When the researcher collected so many literatures and found out that all the literatures talks about the common factors of internet banking. They make a study with 254 internet users from Spanish to know about whether customer loyalty and perceived risk is affected. From the study it is clear that the Spanish people were using internet banking less frequently and perceived level of risk and loyalty is much concerned.

Hermanis Rullis and Biruta Sloka (2010): in their study they find out that the relationship between customer's loyalty and internet banking. Now a day's internet has conquered the world and all those things which we need are available either in internet or through internet. And this study is attempt to tell about the customer satisfaction and loyalty towards internet banking. If the customers are looking for service quality of internet banking, then they will have satisfied with the services they provided and the and the quality also that will lead to customer satisfaction and loyalty.

Yu-Lung Wua, Yu-Hui Taob and Pei-Chi Yang (2010): in this study the objective is to find the cultural factors affecting the internet banking usage. For that they took seven banks from seven countries. Especially to study about the usage pattern of internet banking in the Taiwan areas. for that they prepared a sample questionnaire and collected data from that and also from reviewing literatures. so the service quality and the product which the bank offers are matters but still some cultural influences also a matter while choosing internet banking.

K.T. Geetha & V.Malarvizhi (2010): in their study they said that the banking sector has a huge revolution happened. Because of that all were looking for better banking services. the competition may have started in banking sector also. in case of their services, products, online delivery channels etc. so that they need to make a lot of modification in their banking sector. in this technological era all were looking for better banking services and they have lot of expectation also if the expectations doesn't meet they will go for some other banks.

Manoranjan Dash (2014): now a day's banking sector itself creating a venture for making all the transactions electronically than manually. So the costs and efforts are to be minimised. Within one single touch all those things taken place. Today's competitive era all were educated and so much growth happened. So they will use these electronic services and also they will recommend it to others.

Mehdi Naddaf et al in this research internet banking actually time saving, cost effective, accurate and privacy & security etc. have been provided. and also the service quality elements like reliability, responsiveness, accuracy, fulfilment also matters. these service quality elements are then leads to customer satisfaction.

DATA ANALYSIS

TABLE 1: THE REGRESSION COEFFICIENTS-SERVICE QUALITY

Path	Regression coefficient	Critical Ratio (CR)	P	Variance explained
RELIABILITY → SERVICE QUALITY	0.705	9.074	<0.001	49.8
RESPONSIVENESS → SERVICE QUALITY	0.647	7.966	<0.001	41.9
FULFILMENT → SERVICE QUALITY	0.660	8.201	<0.001	43.5
EFFICIENCY → SERVICE QUALITY	0.641	7.860	<0.001	41.0
PRIVACY AND SECURITY → SERVICE QUALITY	0.685	8.673	<0.001	47.0
WEBSITE DESIGN → SERVICE QUALITY	0.627	7.618	<0.001	39.3
ACCESSIBILITY → SERVICE QUALITY	0.687	8.712	<0.001	47.1

Source: compiled by the researcher

H₁: Reliability has a significant impact on Service quality

The results show in Table 1 disclose that Reliability has significant effect on service quality as the standardised direct effect of reliability on service quality is 0.705, which is more than the recommended value of 0.4. So the hypothesis H₁ is accepted and concludes that Reliability has significant impact on service quality.

H₂: Responsiveness has a significant effect on Service quality

Table 1 show that the Responsiveness has a significant effect on service quality as the standardised direct effect of this construct on service quality is 0.647, which is more than the recommended value of 0.4. So the hypothesis H₂ is accepted and it is concluded that Responsiveness has significant impact on service quality

H₃: Fulfilment has a positive impact on Service quality

From Table 1 it is clear that Fulfilment has a significant effect on service quality as the value of service quality is 0.660, which is more than the recommended value of 0.4. So the hypothesis H₃ is accepted and so we can tell that Fulfilment has significant impact on service quality

H₄: Efficiency has a significant impact on Service quality

From Table 1 it is concludes that Efficiency has significant effect on service quality. Because the value of service quality is 0.641, which is more than the table value of 0.4. So the hypothesis H₄ is accepted and concludes that Efficiency has significant impact on service quality.

H₅: Privacy and Security has a positive impact on Service quality

Table 1 revealed that Privacy and Security has significant effect on service quality. The value shows 0.685, which is more than the recommended value of 0.4. So the hypothesis H₅ is accepted and concludes that Privacy and Security has significant impact on service quality.

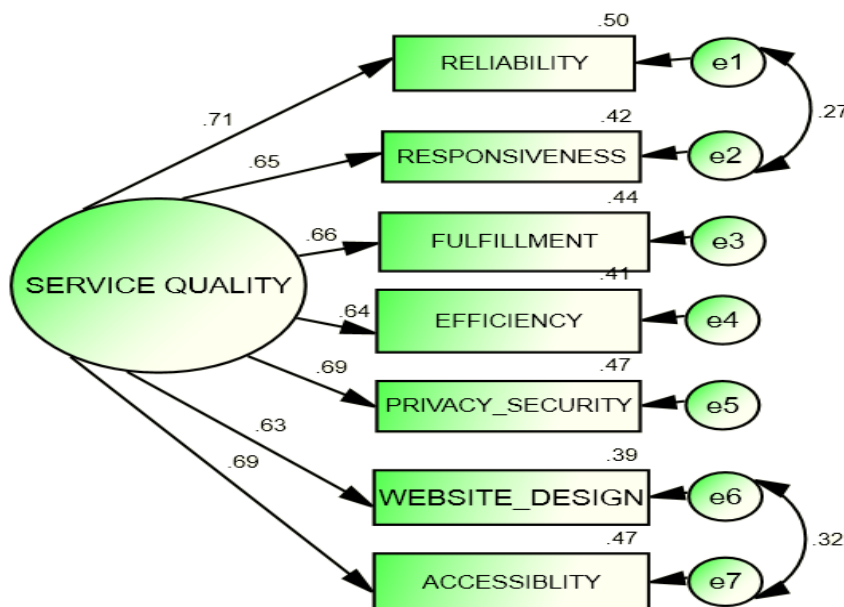
H₆: Website Design has a significant impact on Service quality

From Table 1 it is clear that Website Design has significant effect on service quality as the standardised direct effect of this construct on service quality is 0.627, which is more than the recommended value of 0.4. So the hypothesis H₆ is accepted and concludes that Website Design has significant impact on service quality.

H₇: Accessibility has a significant impact on Service quality

Table 1 disclose that Accessibility has significant effect on service quality. Because the value of service quality is 0.687, which is more than the recommended value of 0.4. So the hypothesis H₇ is accepted and concludes that Accessibility has significant impact on service quality.

MODEL 1: SHOWING FACTORS INFLUENCING SERVICE QUALITY OF INTERNET BANKING



Source: Primary Data

CONCLUSION

The researchers aim throughout the study has been to examine how far the customers are satisfied with the internet banking services offered by various banks. Now days all are looking for better service providers especially in case of their banking transactions. So within this banking sector itself competitions exist. from the customers point of it is clear that better service quality will lead to customer satisfaction also. From this it is understood that the service quality of internet banking is related to responsiveness, fulfilment, efficiency, privacy& security, website design, accessibility and reliability. When all these factors come together it has a great extent of quality in internet banking.

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