

INFLUENCE OF GENDER SPECIFIC LIQUIDITY PERCEPTION REGARDING E BANKING ON SAVING BEHAVIOR

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Abstract

This paper examines whether gender influence liquidity perception of e-banking users. The study also analyse the significance of liquidity perception regarding e banking in determining the saving. The study analysed data collected from 305 respondents to make interpretations regarding gender specific financial perception and e-banking based financial behaviour. The study finds that gender of an e banking user and his perception regarding liquidity of money in e-banking enabled bank account is not associated. Further the study reveals that monthly savings and perception regarding liquidity of money in e banking enabled bank account are associated. The study hence manifests the significance of behavioural factors in financial decision making in e banking environment.

Keywords: liquidity, e-banking, saving,

Introduction

Banking transactions done through electronic devices and platforms is known as e-banking. It can be defined as the deployment of banking services and products over electronic and communication networks directly to customers. Electronic banking is changing the banking industry and is having the major effects on banking relationships. With the introduction and upgradation of technology in banking there is a revolutionary change in the pattern of doing banking transactions. Technology also brings about changes in- mobility, connectivity, dropping costs and helps in inclusive banking. The financial perception and evaluation of the e banking users differ across the banking platforms because the features like speed ,convenience, easiness etc offered by e banking channels and traditional banking channels differs. E-banking have multidimensional implications in personal finance and society. The use of e-banking have resulted in changes in financial behaviour and perceptions of e banking users with respect to saving habit, spending habit, investing

habit and psychology governing financial decision .Soci- economic features like age ,gender ,occupation etc of an e banking user also have a role in determining the e banking usage behaviour . Liquidity and vividness of money transacted in e banking channels is also different from cash transactions and these changes are capable of influencing the financial behaviour of e banking users. Cash transactions leave a vivid memory and the pain of payment is severely felt every time when a cash transaction is done. Changing contexts can also have a powerful effect on financial behavior . Money in bank account are now easily accessible through e banking channels and hence the liquidity perception of money in e banking enabled bank account of e banking users also have undergone changes. It is obvious that liquidity of money determines the saving and spending of a person. When money is liquidly available the temptation for spending increases and on the other hand when money is not liquidly available the scope for spending decreases and money will be saved by default. Human behavior is guided not only by rationality but it is guided by a sociable and emotional brain that some times makes irrational decisions. The most effective and sustainable changes in behavior may sometimes come from the integration of cultural, regulatory and individual change. Gender plays different roles in the relationship with e-banking dimensions .

There are many prior studies that reports changes in financial behaviour with respect to payment channel and gender. (Prelec and Loewenstein 1998) proposed an important concept related to changes in financial behaviour with respect to the e banking usage is the “pain of payment”.

In cash transactions, parting money is vividly felt, which induces a high pain of paying (Prelec and Simester 2001; Soman 2003; Thaler 1999). As a result, consumers spend less when paying with cash than when using other means of payment (Feinberg 1986; Prelec and Loewenstein 1998; Runnemark et al. 2015). Savings decisions might equally be affected by cash transactions as the money saved is not physically present anymore

Soman (2001) explored the spending effects of different payment mechanisms by attributing them to memory processes .Hirschman (1979) reported a significant difference in the spending amounts when the preferred mode of payment changes. (Hansen,Kutzner, Wanke, 2013) has shown that priming concept of money can generally lead people to think more abstractly than they otherwise would .Ananthapadhmaabha Achar (2012) found that age, gender, marital status, and lifestyle determined the savings and investment behaviour.

The present study tries to analyse whether there is any relation between the gender, liquidity perception and saving behaviour of the e banking user who makes financial decisions through e banking channels .In this study a customer centric evaluation of differences in e banking based financial perception across different

genders is attempted. The study also analyse the impact of e banking based financial perception on the saving behaviour

Objectives

1. To evaluate the association of liquidity perception of e banking users with respect to their gender.
2. To analyse the significance of liquidity perception of e banking users in determining their saving behaviour.

Analysis and Discussions

Objective 1 - To evaluate the association of liquidity perception of e banking users with respect to their gender.

Table 1. Analysis of liquidity perception of e banking users with respect to their gender.

			Opinion on the liquidity of money in e banking enabled bank account.			Total
			less liquid than cash in hand	more liquid than cash in hand	same as cash in hand	
gender	male	Count	9	69	66	144
		Expected Count	8.5	74.1	61.4	144.0
		% within gender	6.3%	47.9%	45.8%	100.0%
		% within opinion on the liquidity of money in e banking enabled bank account.	50.0%	43.9%	50.8%	47.2%
		% of Total	3.0%	22.6%	21.6%	47.2%
	female	Count	9	88	64	161
		Expected Count	9.5	82.9	68.6	161.0
		% within .gender	5.6%	54.7%	39.8%	100.0%
		% within opinion on the liquidity of money in e banking enabled bank account.	50.0%	56.1%	49.2%	52.8%
		% of Total	3.0%	28.9%	21.0%	52.8%
Total	Count	18	157	130	305	
	Expected Count	18.0	157.0	130.0	305.0	
	% within .gender	5.9%	51.5%	42.6%	100.0%	
	% within opinion on the liquidity of money in e banking enabled bank account.	100.0%	100.0%	100.0%	100.0%	
	% of Total	5.9%	51.5%	42.6%	100.0%	

Source: Field Survey

The gender wise analysis of responses of e banking users on the liquidity of money in e banking enabled bank account is shown in Table.1 .

From the analysis it is clear that out of 305 respondents 144 (47.2 per cent) are male and 161 (52.8 per cent) are female.

There are 18 respondents who are of the opinion that money in e banking enabled bank account is less liquid than cash in hand. Out of these 18 respondents 9(50 per cent) are male and 9(50 per cent) are female.

There are 157 respondents who are of the opinion that money in e banking enabled bank account is more liquid than cash in hand. Out of these 157 respondents 69(43.9 per cent) are male and 88 (56.1 per cent) are female.

There are 130 respondents who are of the opinion that money in e banking enabled bank account is same as cash in hand. Out of these 130 respondents 66(50.8 per cent) are male and 64 (49.2 per cent) are female.

The table shows that out of 305 respondents 18(5.9 per cent) are of the opinion that money in e banking enabled bank account is less liquid than cash in hand , 157(51.5 per cent) are of the opinion that money in e banking enabled bank account is more liquid than cash in hand, and 130 (42.6 per cent) are of the opinion that money in e banking enabled bank account is same as cash in hand.

There are 144 respondents who are male . Out of these 144 respondents 9 (6.3 per cent) are of the opinion that money in e banking enabled bank account is less liquid than cash in hand, 69 (47.9 per cent) are of the opinion that money in e banking enabled bank account is more liquid than cash in hand and 66 (45.8 per cent) are of the opinion that money in e banking enabled bank account is same as cash in hand .

There are 161 respondents who are female . Out of these 161 respondents 9 (5.6 per cent) are of the opinion that money in e banking enabled bank account is less liquid than cash in hand, 88 (54.7 per cent) are of the opinion that money in e banking enabled bank account is more liquid than cash in hand and 64 (39.8 per cent) are of the opinion that money in e banking enabled bank account is same as cash in hand .

Chi-Square Tests

Table		Value	df	Asymp. Sig. (2-sided)	Conclusion
1	Pearson Chi-Square	1.387 ^a	2	.500	Not significant
	Likelihood Ratio	1.388	2	.500	
	Linear-by-Linear Association	.636	1	.425	
	N of Valid Cases	305			
	a. 0 cells (0.0%) have expected count less than 5. The minimum expected count is 8.50				

Chi-square test was conducted to know whether gender and opinion on the liquidity of money in e-banking enabled bank account are associated or not, and the result is found to be not significant at 5 percent level of significance. $\chi^2(2, n=305) = 1.387, p > 0.05$. This implies that gender and opinion on the liquidity of money in e-banking enabled bank account are not associated.

Objective 2- To analyse the significance of liquidity perception of e banking users in determining their saving behaviour.

Table 2 Analysis of opinion of e banking users on the liquidity of money in e banking enabled bank account to monthly saving in e banking enabled bank account.

		opinion on the liquidity of money in e banking enabled bank account			Total
		less liquid than cash in hand	more liquid than cash in hand	same as cash in hand	
up to 2500	Count	2	51	41	94
	Expected Count	5.5	48.4	40.1	94.0
	% within the amount of money you save in your e banking enabled bank accounts during a month.	2.1%	54.3%	43.6%	100.0%
	% within opinion on the liquidity of money in e banking enabled bank account.	11.1%	32.5%	31.5%	30.8%
	% of Total	0.7%	16.7%	13.4%	30.8%

saving in e banking enabled bank accounts during a month.	2501-5000	Count	10	49	32	91
		Expected Count	5.4	46.8	38.8	91.0
		% within the amount of money you save in your e banking enabled bank accounts during a month	11.0%	53.8%	35.2%	100.0%
		% within opinion on the liquidity of money in e banking enabled bank account.	55.6%	31.2%	24.6%	29.8%
		% of Total	3.3%	16.1%	10.5%	29.8%
	5001-7501	Count	0	14	24	38
		Expected Count	2.2	19.6	16.2	38.0
		% within amount of money you save in your e banking enabled bank accounts during a month.	0.0%	36.8%	63.2%	100.0%
		% within opinion on the liquidity of money in e banking enabled bank account.	0.0%	8.9%	18.5%	12.5%
		% of Total	0.0%	4.6%	79%	12.5%
	7501-10000	Count	3	23	13	39
		Expected Count	2.3	20.1	16.6	39.0
		% within amount of money you save in your e banking enabled bank accounts during a month.	7.7%	59.0%	33.3%	100.0%
		% within opinion on the liquidity of money in e banking enabled bank account.	16.7%	14.6%	10.0%	12.8%
		% of Total	1.0%	7.5%	4.3%	12.8%
	above 10000	Count	3	20	20	43
		Expected Count	2.5	22.1	18.3	43.0
		% within amount of money you save in your e banking enabled bank accounts during a month	7.0%	46.5%	46.5%	100.0%
		% within opinion on the liquidity of money in e banking enabled bank account.	16.7%	12.7%	15.4%	14.1%
		% of Total	1.0%	6.6%	6.6%	14.1%

Total	Count	18	157	130	305
	Expected Count	18.0	157.0	130.0	305.0
	% within the amount of money you save in your e banking enabled bank accounts during a month.	5.9%	51.5%	42.6%	100.0%
	% within opinion on the liquidity of money in e banking enabled bank account.	100.0%	100.0%	100.0%	100.0%
	% of Total	5.9%	51.5%	42.6%	100.0%

Source: Field Survey

The analysis of opinion on the liquidity of money in e banking enabled bank account of e banking users with respect to their monthly saving in e banking enabled bank account is depicted in Table.2.

From the table it is clear that out of 305 respondents 18(5.9 per cent) are of the opinion that money in e banking enabled bank account is less liquid than cash in hand , 157(51.5 per cent) are of the opinion that money in e banking enabled bank account is more liquid than cash in hand and 130 (42.6 per cent) are of the opinion that money in e banking enabled bank account is same as cash in hand.

There are 94 respondents who have monthly saving upto ₹2500 in e banking enabled bank account.Out of these 94 respondents 2(2.1 per cent) are of the opinion that money in e banking enabled bank account is less liquid than cash in hand , 51 (54.3 per cent) are of the opinion that money in e banking enabled bank account is more liquid than cash in hand and 41 (43.6 per cent) are of the opinion that money in e banking enabled bank account is same as cash in hand.

There are 91 respondents who have monthly saving of ₹2501 to ₹5000 in e banking enabled bank account. Out of these 91 respondents 10(11 per cent) are of the opinion that money in e banking enabled bank account is less liquid than cash in hand , 49 (53.8 per cent) are of the opinion that money in e banking enabled bank account is more liquid than cash in hand and 32 (35.2 per cent) are of the opinion that money in e banking enabled bank account is same as cash in hand.

There are 38 respondents who have monthly saving of ₹5001 to ₹7500 in e banking enabled bank account. Out of these 38 respondents none of the respondents are of the opinion that money in e banking enabled bank account is less liquid than cash in hand , 14 (36.8 per cent) are of the opinion that money in e banking enabled bank account is more liquid than cash in hand and 24 (63.2 per cent) are of the opinion that money in e banking enabled bank account is same as cash in hand.

There are 39 respondents who have monthly saving of ₹7501 to ₹10000 in e banking enabled bank account. Out of these 39 respondents 3(7.7 per cent) are of the opinion that money in e banking enabled bank account is less liquid than cash in hand , 23(59 per cent) are of the opinion that money in e banking enabled bank account is more liquid than cash in hand and 13(33.3 per cent) are of the opinion that money in e banking enabled bank account is same as cash in hand.

There are 43 respondents who have monthly saving above ₹10000 in e banking enabled bank account. Out of these 43 respondents 3(7 per cent) are of the opinion that money in e banking enabled bank account is less liquid than cash in hand , 20(46.5 per cent) are of the opinion that money in e banking enabled bank account is more liquid than cash in hand and 20(46.5 per cent) are of the opinion that money in e banking enabled bank account is same as cash in hand.

From the table it is further clear that out of 305 respondents 94 (30.8 per cent) have monthly saving up to ₹2500, 91(29.8 per cent) have monthly saving of ₹2501 to ₹5000 , 38(12.5 per cent) have monthly saving of ₹5001 to ₹7500, 39(12.8 per cent) have monthly saving of ₹7501 to ₹10000 and 43(14.1 per cent) have monthly saving above ₹10000 in e banking enabled bank account.

There are 18 respondents who are of the opinion that money in e banking enabled bank account is less liquid than cash in hand. Out of these 18 respondents 2(11.1 per cent) have monthly saving up to ₹2500 , 10(55.6 per cent) have monthly saving of ₹2501 to ₹5000, none of the respondents have monthly saving of ₹5001 to ₹7500, 3 (16.7 per cent) have monthly saving of ₹7501 to ₹10000 and 3 (16.7 per cent) have monthly saving above ₹10000 in e banking enabled bank account.

There are 157 respondents who are of the opinion that money in e banking enabled bank account is more liquid than cash in hand. Out of these 157 respondents 51(32.5 per cent) have monthly saving up to ₹2500 , 49(31.2per cent) have monthly saving of ₹2501 to ₹5000, 14(8.9 per cent)of the respondents have monthly saving of ₹5001 to ₹7500, 23 (14.6 per cent) have monthly saving of ₹7501 to ₹10000 and 20 (12.7 per cent) have monthly saving above ₹10000 in e banking enabled bank account.

There are 130 respondents who are of the opinion that money in e banking enabled bank account is same as cash in hand. Out of these 130 respondents 41(31.5 per cent) have monthly saving up to ₹2500 , 32(24.6 per cent) have monthly saving of ₹2501 to ₹5000, 24(18.5 per cent)of the respondents have monthly saving of ₹5001 to ₹7500, 13 (10 per cent) have monthly saving of ₹7501 to ₹10000 and 20 (15.4 per cent) have monthly saving above ₹10000 in e banking enabled bank account.

Chi-Square Tests

Table		Value	df	Asymp. Sig. (2-sided)	Conclusion
2	Pearson Chi-Square	17.162	8	.028	Significant
	Likelihood Ratio	19.116	8	.014	
	Linear-by-Linear Association	.001	1	.970	
	N of Valid Cases	305			
a. 3 cells (20.0%) have expected count less than 5. The minimum expected count is 2.24.					

Chi-square test was conducted to know whether monthly savings and opinion on the liquidity of money in e banking enabled bank account are associated or not, and the result is found to be significant at 5 percent level of significance. $\chi^2(8, n=305) = 17.162, p < 0.05$. This implies that monthly savings and opinion on the liquidity of money in e banking enabled bank account are associated.

Symmetric Measures

Table		Value	Approx. Sig.	
2	Nominal by Nominal	Phi	.237	.028
		Cramer's V	.168	.028
		Contingency Coefficient	.231	.028
	N of Valid Cases	305		

The strength or depth of the relationship between monthly savings and opinion on the liquidity of money in e banking enabled bank account is measured by symmetric measures. Phi, Cramer's V and Contingency Coefficient are the symmetric measures for nominal data. For all symmetric measures if P there exists relationship between the variables. Higher the value of symmetric measures higher the strength of relationship between saving and spending through e banking. Similarly lower the value of symmetric measures lower the strength of relation between saving and spending through e banking. Value of Phi, Cramer's V and Contingency Coefficient range between 0 and 1. Here the values of Phi, Cramer's V and Contingency Coefficient are 0.237, 0.168 and 0.231 respectively and therefore we can interpret that the strength of the relationship between monthly savings and opinion on the liquidity of money in e banking enabled bank account is low.

Conclusion

Socio economic factors are crucial in determining the financial behaviour , but financial decisions in e banking

environment are not always influenced by socio economic factors .Financial decisions and preceptions in virtual banking arena is governed by many complex psychological and behavioural impulses rather than socio economic factors. The present study confirms that gender and opinion on the liquidity of money in e-banking enabled bank account are not associated. The study also reveals that there is low degree of association between monthly savings in e banking enabled bank account of e banking users and their opinion on the liquidity of money in e banking enabled bank account .

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