

Study the E-Banking Success Factors in Iran

Mohammad Ahmari¹, Hoseinali Bahramzadeh²,

1-Islamic Azad University, Bojnourd Branch, Department of Educational Management, , Bojnourd, Iran

2- Islamic Azad University, Bojnourd Branch, Department of Educational Management, Bojnourd, Iran

Abstract

Implementation of Electronic banking in different countries needs co-ordination and cooperation of related executive and juridical organizations with banking systems, without which banks are incapable of using new technologies in their affairs, appropriately. The present research considers the factors in successful implementation of Electronic Banking in Melli Bank of Golestan province, and analyzes all related systems. In the research, the roles of factors such as technological-professional factors, social-cultural factors, strategic-managing factors, and financial-economical factors, effective in successful implementation of Electronic Banking systems, were studied. Identifying the factors in successful implementation of Electronic Banking, some functional proposals are provided for the development of Electronic Banking, and also for future studies. The results indicate that technological-professional factors, social-cultural factors, strategic-managing factors, and financial-economical factors were effective in implementation and development of Electronic Banking in Golestan province.

Keywords: banking, electronic banking, modern banking, Melli Bank of Iran

Introduction

The 21st century has been called the age of information and knowledge which information technology (IT) plays a key role in this new era. The introduction of this technology into the field of financial transactions in addition to facilitating these transactions has noticeably reduced the cost of financial services. Increasingly, economic professionals all over the world specially in developed and developing countries expand their e-commerce transactions using the latest technology findings such as information and communication technology (ICT).

Some economic enterprises such as banks managed to retain and then increase their market share in global markets through re-engineering their management, production and service activities and also by using electronic business methods. Users in different countries have shown widespread interest in conducting transactions in electronic form. Cost reduction, increase in the speed of access to the Internet and the socio-economic benefits of e-commerce and e-banking are among the main reasons why people pay special attention to these types of transactions (Yousefzai et al., 2005).

The technological revolution in the banking industry was begun in 1950 when the first Automated teller machines (ATMs) were used for bookkeeping in some American banks. Automation in banking was initiated in the next decade and the second revolution in the banking industry occurred in 1970 by inventing electronic payment technology. In the old banks which were primarily considered as deposit-taking institutions, a safe place was designated for the customers to keep money, gold and other valuable things. By the advent of

1 .M.A Student, Corresponding Author, Ahmari_m@yahoo.com

2 .Assistant Professor, Bahramzadeh_hosein@yahoo.com

the cheque in 1865, this role extended to include other functions related to the clearing house. In the early 1960s, another type of banking services called credit card was made available to the public.

By establishing automated clearing houses that used Electronic Funds Transfer (EFT) systems, the structure of the banking system again was greatly transformed and consequently the use of electronic payment systems and also automated teller machines continued to grow so quickly in 1990s (Rabiee,2001).

Methodology

This research seeks to identify the contributing factors in the implementation, development and degree of importance of electronic banking by gathering real and extensive data. So it can be said that the research method is in the form of descriptive /survey research carried out in the field- in other words, it is included in the framework of applied research.

In this study, the needed data was collected by referring to library resources including monthlies, quarterly journals, publications of research centers, academic theses and searching on the internet and the website of Golestan province Bank Melli and Questionnaire was used as the main tool for information gathering. The population of the research includes all the managers of Golestan province Bank Melli which the number of them is 300. In this research, concerning that Golestan province Bank Melli is classified into different areas, thus the statistical population first is classified into the defined areas and then with regard to the limitations of the questionnaires distribution and response, the research samples were selected according to the availability in each area.

Results and Discussion

The first hypothesis said that the technological and specialized factors are not the success factors in implementing E – banking in Golestan province Bank Melli .

Technological / Specialized factors are the success factors in implementing E – banking in Golestan province Bank Melli.

The one sample t-test was used to examine this hypothesis and the results obtained from the test are shown in Table one.

Table 1: The results of t – test for Hypothesis 1 and its variables .

Levels of tabulated X=0.05	Degree of freedom	Calculated t	Test value	Standard deviation	Mean	number	variables
1.671	72	23.678	3	0.57	4.59	73	x1
	72	14.940		0.77	4.34	73	x2
	72	21.664		0.64	4.62	73	x3
	72	23.980		0.57	4.60	73	x4
	72	19.063		0.67	4.49	73	x5
	72	14.246		0.73	4.22	73	x6
	72	15.469		0.67	4.21	73	x7
1.671	72	34.233	3	0.36	4.44	73	H1

As Table 1 shows, the mean of technological / specialized factors is 4.44 which exceeds the value of 3 as the test value. Because the calculated t value (34.233) is greater than the value t given in the table (1.671), and consequently the test statistic falls within the acceptance region of the first Hypothesis. Therefore, it can be said at %95 confidence level that the first

hypothesis that technological and specialized factors are the success factors in implementing E-banking in Golestan province Bank Melli is quite acceptable.

The second hypothesis indicated that cultural and social factors are not the success factors in implementing E – banking in Golestan province Bank Melli.

H1 : Cultural / Social factors are the success factors in implementing E – banking in Golestan province Bank Melli

The one sample t-test was used to examine this hypothesis and the results obtained from the test are shown in Table 2.

Table 2 – The results of t – test for Hypothesis 1 and its variables

Levels of tabulated X=0.05	Degree of freedom	Calculated t	Test value	Standard deviation	Mean	number	variables
1.671	72	13/766	3	0/78	4/26	73	x8
	72	15/657		0/69	4/26	73	x9
	72	14/064		0/71	4/16	73	x10
	72	23/386		0/55	4/52	73	x11
	72	18/853		0/60	4/33	73	x12
	72	18/543		0/64	4/38	73	x13
	72	3/152		1/08	3/40	73	x14
	72	4/102		1/06	3/51	73	x15
1.671	72	19/473	3	0/48	4/10	73	H2

As Table 2 shows, the mean of Cultural / Social factors is 4.10 which exceeds the value of 3 as the test value. Because the calculated t value (19.473) is greater than the value t given in the table (1.671), and consequently the test statistic falls within the acceptance region of H1. Therefore, it can be said at %95 confidence level that the Hypothesis H1 that Cultural / Social factors are the success factors in implementing E-banking in Golestan province Bank Melli is quite acceptable.

The third hypothesis indicated that the management/strategic factors are not the success factors in implementing E – banking in Golestan province Bank Melli .

H1: Management/Strategic factors are the success factors in implementing E– banking in Golestan province Bank Melli .

The one sample t-test was used to examine this hypothesis and the results obtained from the test are shown in Table 3.

Table 3: The results of t – test for Hypothesis 3 and its variables.

Levels of tabulated X=0.05	Degree of freedom	Calculated t	Test value	Standard deviation	Mean	number	variables
1.671	72	13/178	3	0/67	4/03	73	x16
	72	15/600		0/68	4/25	73	x17
	72	14/895		0/64	4/12	73	x18
	72	14/368		0/74	4/25	73	x19
	72	16/666		0/65	4/26	73	x20
	72	8/774		0/89	3/29	73	x21
	72	16/718		0/65	4/27	73	x22
	72	17/641		0/65	4/34	73	x23
1.671	72	22/835	3	0/44	4/18	73	H3

As table 3 shows, the mean of Management/Strategic factors is 4.10 which exceeds the value of 3 as the test value . Because the calculated t value (22.835) is greater than the value t given in the table (1.671), and consequently the test statistic falls within the acceptance region of H1. Therefore, it can be said at %95 confidence level that the Hypothesis H1 that: Management/Strategic factors are the success factors in implementing E-banking in Golestan province Bank Melli is quite acceptable.

The forth hypothesis indicated that financial/economical factors are not the success factors in implementing E – banking in Golestan province Bank Melli. Financial/Economical factors are the success factors in implementing E – banking in Bank Melli of Golestan province.

The one sample t-test was used to examine this hypothesis and the results obtained from the test are shown in Table 4.

Table 4: The results of t – test for Hypothesis 4 and its variables.

Levels of tabulated X=0.05	Degree of freedom	Calculated t	Test value	Standard deviation	Mean	number	variables
1.671	72	15/434	3	0/72	4/30	73	x24
	72	7/830		0/96	3/88	73	x25
	72	11/219		0/91	4/19	73	x26
	72	9/429		0/96	4/05	73	x27
1.671	72	14/831	3	0/64	4/11	73	H4

As above Table shows, the mean of financial/economical factors is 4.11 which exceeds the value of three as the test value . Because the calculated t value (14.831) is greater than the value t given in the table (1.671), and consequently the test statistic falls within the acceptance region of H1. Therefore, it can be said at %95 confidence level that the Hypothesis H1 that: Financial/Economical factors are the success factors in implementing E-banking in Golestan province Bank Melli are quite acceptable.

Conclusion

As it becomes clear from the research findings, the technological/specialized, social/cultural, strategic/managerial and economic/financial factors are considered as the success factors in implementing and developing E-banking in Golestan province. Therefore, in order to develop E-banking in bank Melli of Golestan province, the indexes of these factors must be created and developed according to the priority specified by the Friedman test.

It must be noted that the results of the research are compatible with the previous studies and confirm them. In general, three fundamental elements, that is, government, university and bank can be identified and addressed in relation to the development of E-banking Government will be responsible for proposing the required regulations and rules and also other legal matters, offering financial helps and tax cuts and finally taking necessary measures to support and facilitate E-banking . University is also actively involved as a source providing the theoretical discussions in relation to E-banking and can formulate and develop new theories and findings on the subject of E-banking to be implemented in the form of research projects by the related industry. Bank is considered as the practical utilize and E-banking laboratory that the systems presented by university are implemented in this sector.

Resources

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