

A Study of Awareness of E-Banking Services in India

Krishna Yadav¹, Dr. Ruchi Atri²

¹Student , Galgotias University

²Associate Professor , Galgotias University

ABSTRACT

Ever since the nationalization of banks in India, this sector has been growing without Leaps and bounces and catering to the needs of various segments of the society. In recent times, the Banking Sector has been making rapid straights by using information technology as a platform and endeavoring to scale higher heights. An attempt has been made in this paper to examine various innovative instruments that have been introduced by Banks in recent times.

Liberalization and Information technology has attracted many foreign banks to India, thereby opening up new markets, new products and efficient delivery channels for the banking industry.

In the development of Indian Economy, Banking sector plays a very important and crucial role. With the use of technology there had been an increase in penetration, productivity and efficiency. It has not only increased the cost effectiveness but also has helped in making small value transactions viable. It also enhances choices, creates new markets, and improves productivity and efficiency.

It has been noticed that financial markets have turned into a buyer's markets in India. Commercial Banks in India are now becoming a one-stop Supermarket.

The focus is shifting from mass banking to class banking with the introduction of value added and customized products. Technology allows banks to create what looks like a branch in a business building's lobby without having to hire manpower for manual operations. The branches are running on the concept of 24 X 7 working, made possible by the use of Tele banking, ATMs, Internet banking, Mobile banking and E - banking.

INTRODUCTION

"E-banking"- The execution of financial services via internet, reducing cost and increase in convenience for the customer to access the transaction. **e- Banking** is an umbrella term for the process by which a customer may perform banking transactions electronically without visiting a brick-and-mortar institution. The following terms all refer to one form or another of electronic banking: personal computer (PC) banking, Internet banking, virtual banking, online banking, home banking, remote electronic banking, and phone banking. PC banking and Internet or online banking is the most frequently used designations. It should be noted, however, that the terms used to describe the various types of electronic banking

The ever increasing speed of internet enabled phones & personal assistant, made the transformation of banking application to mobile devices, this creative a new subset of electronic banking i.e. mobile banking. In 1999 & 2000 mobile banking as an established channels, still seems to be a distant prospect.

Banks also enables customers lifestyle needs by changing and increasing preference for speed and convenience are eroding the traditional affinity between customer and branch offices as a new technology

STATE BANK OF INDIA & ASSOCIATE
BANKS - (8)



OTHER NATIONALISED BANKS
(19)

LITERATURE REVIEW

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The internet is revolutionizing the way the financial industry conducts business online, has created new players who offer personalize services through the web portals. This increase to find new ways and increase customer loyalty to add the value to this product and services.

Banks also enables customers lifestyle needs by changing and increasing preference for speed and convenience are eroding the traditional affinity between customer and branch offices as a new technology disinter mediates traditional channels, delivering the value proposition hinges on owing or earning the customer interface and bringing the customer a complete solution which satisfies their needs. Smart card is a new trend which provides the opportunity to build an incremental revenue stream by providing an ideal platform for extended application and services. Banks are well positioned to play central role unit in future M-commerce market. Banks have strong relationships with corporate and business customers and a wide experience in providing them with corporate banking services. Bank provides a multimedia of small and large retailers with acquiring functionality in credit card transactions. Customers have trusted relationships with banks and a lower propensity to switch banking providers.

OBJECTIVES OF THE STUDY:-

The main objectives of the study are:

- To study the awareness level of service class people regarding E-Banking.
- To find out the frequency and the factors that influences the adoption of E-Banking services.
- To measure the satisfaction level of people.
- To understand the problems encountered in by service class people while using E-Banking services(ATM, Phone banking, etc.)

LIMITATIONS OF THE STUDY

Every research is conducted under some constraints and this research is not an exception.

Limitations of this study are as follows:-

1. There were several time constraints.
2. The study is limited to areas of service class people only.

3. The sample size of only 100 was taken from the large population for the purpose of study, so there can be difference between results of sample from total population.
4. The study is related to service class people only.
5. People were reluctant to go in to details because of their busy schedules.
6. Merely asking questions and recording answers may not always elicit the actual information sought.
7. Due to continuous change in environment, what is relevant today may be irrelevant tomorrow.

E-banking services

1. Bill payment service

Each bank has tie-ups with various utility companies, service providers and insurance companies, across the country. It facilitates the payment of electricity and telephone bills, mobile phone, credit card and insurance premium bills. To pay bills, a simple one-time registration for each biller is to be completed. Standing instructions can be set, online to pay recurring bills, automatically.

One-time standing instruction will ensure that bill payments do not get delayed due to lack of time. Most interestingly, the bank does not charge customers for online bill payment.

2. Fund transfer

Any amount can be transferred from one account to another of the same or any another bank. Customers can send money anywhere in India. Payee's account number, his bank and the branch is needed to be mentioned after logging in the account.

The transfer will take place in a day or so, whereas in a traditional method, it takes about three working days. ICICI Bank says that online bill payment service and fund transfer facility have been their most popular online services.

3. Credit card customers

Credit card users have a lot in store. With Internet banking, customers can not only pay their credit card bills online but also get a loan on their cards. Not just this, they can also apply for an additional card, request a credit line increase and God forbid if you lose your credit card, you can report lost card online.

4. Railway pass

This is something that would interest all theaamjanta. Indian Railways has tied up with ICICI bank and you can now make your railway pass for local trains online. The pass will be delivered to you at your doorstep. But the facility is limited to Mumbai, Thane, Nasik, Surat and Pune. The bank would just charge Rs 10 + 12.24 percent of service tax.

5. Investing through Internet banking

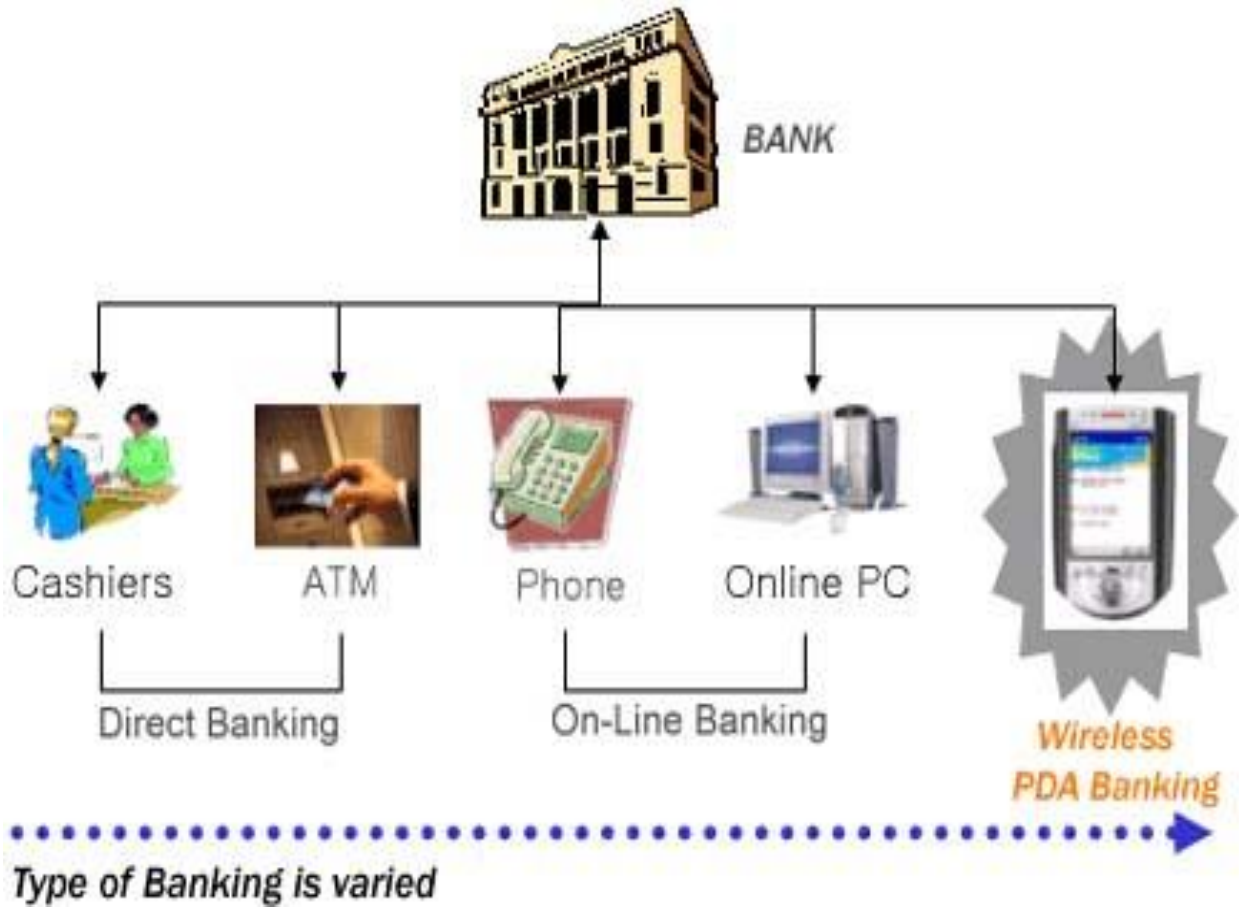
Opening a fixed deposit account cannot get easier than this. An FD can be opened online through funds transfer. Online banking can also be a great friend for lazy investors.

Now investors with interlinked demat account and bank account can easily trade in the stock market and the amount will be automatically debited from their respective bank accounts and the shares will be credited in their demat account.

Moreover, some banks even give the facility to purchase mutual funds directly from the online banking system.

So it removes the worry about filling those big forms for mutual funds, they will now be just a few clicks away. Nowadays, most leading banks offer both online banking and demat account. However if the

customer have their demat account with independent share brokers, then need to sign a special form, which will link your two accounts.



RESEARCH METHODOLOGY

Research is defined as human activity based on intellectual application in the investigation of matter. The primary purpose for applied research is discovering, interpreting, and the development of methods and systems for the advancement of human knowledge on a wide variety of scientific matters of our world and the universe.

The term *research* is also used to describe an entire collection of information about a particular subject.

Methodology is the method followed while conducting the study on a particular project. Through this methodology a systematic study is conducted on the basis of which the basis of a report is produced.

It is a written game plan for conducting Research. Research methodology has many dimensions. It includes not only the research methods but also considers the logic behind the methods used in the context of the study and explains why only /a particular method or technique has been used. It also helps to understand the assumptions underlying various techniques and by which they can decide that certain techniques will be applicable to certain problems and other will not. Therefore in order to solve a research problem, it is necessary to design a research methodology for the problem as the some may differ from problem to problem.

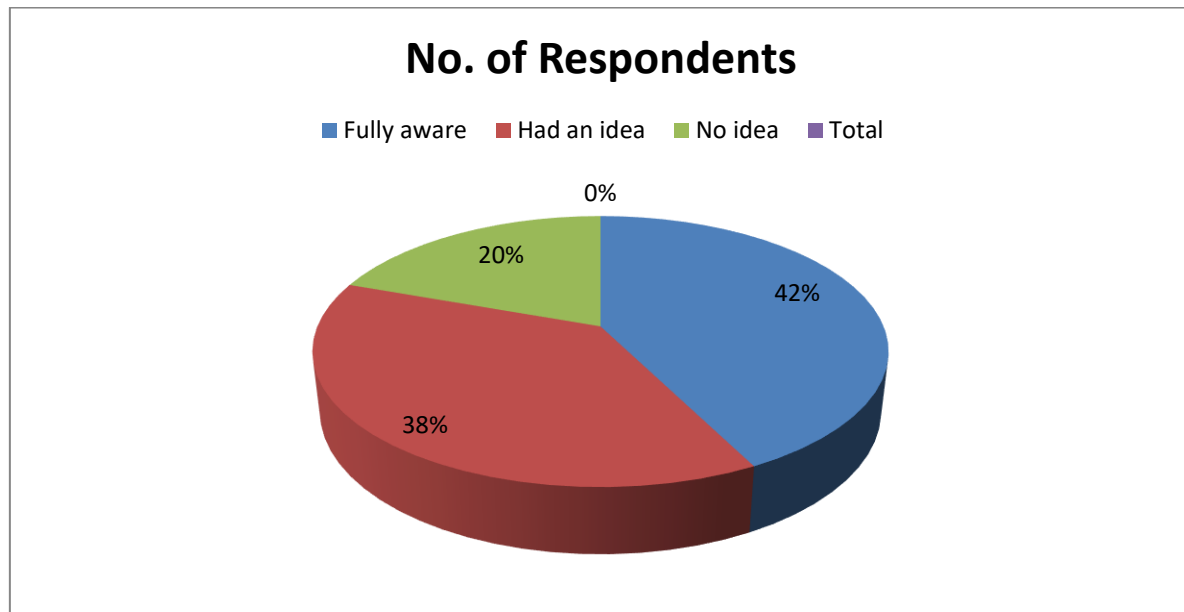
DATA ANALYSIS AND INTERPRETATION

➤ **Table 1.**

While opening up the account, were you aware of E-Banking services provided by your bank ?

	No. of Respondents	Percentage
Fully aware	37	42.53%
Had an idea	33	37.93%
No idea	17	19.54%
Total	87	100%

Figure: 1



Interpretation

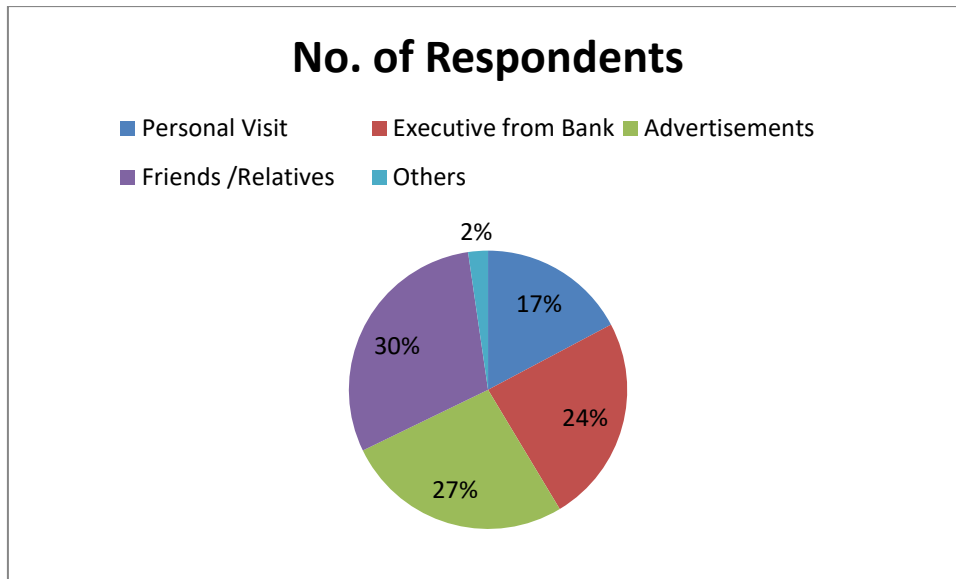
As seen from **Table 1**, overall percentage of service class people having complete knowledge about e-banking services provided by the bank while opening an account in it is 38%, those having some idea about it is 42% and the percentage of people having no awareness of e-banking

A service provided by the bank is 20%. It can reasonably, be concluded that nearly 85% of the population is having awareness about e-banking services

➤ **Table 2.**

What are the Sources from which the respondents get the knowledge about the e-banking services of the bank ?

	No. of Respondents	Percentage
Personal Visit	15	17.24
Executive from Bank	21	24.14
Advertisements	23	26.44
Friends /Relatives	26	29.89
Others	2	2.30

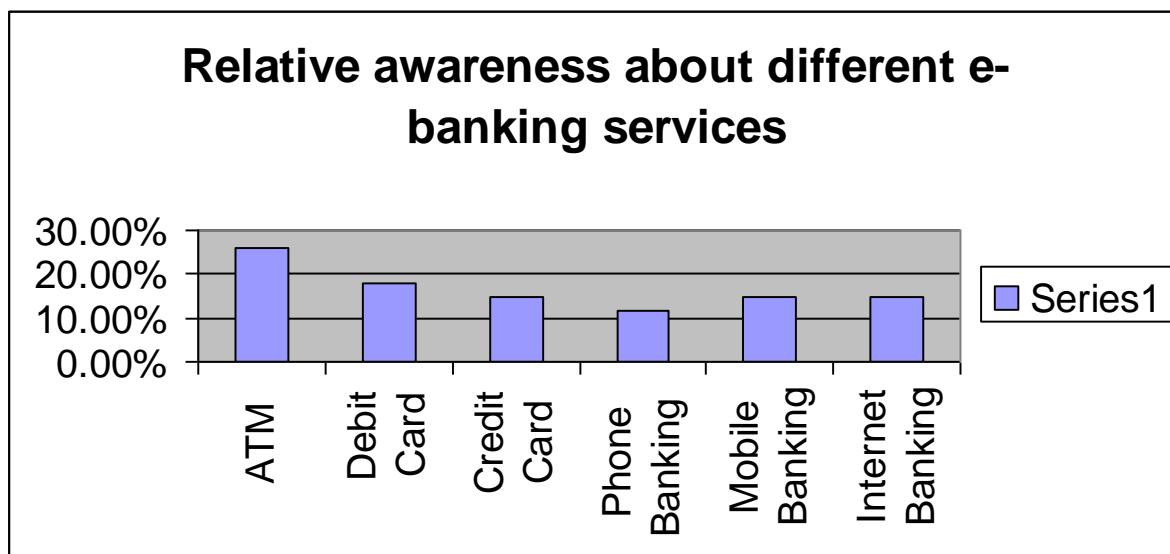


Interpretation

Indicates the percentage distribution of awareness avenues, the major are in favor of advertisements, which score 34% among different avenues such as personal visit, executives of the banks, advertisements and friend/relatives. While the least score is for personal visit and that of other sources.

Table 3.How many customer aware of E-Banking services of bank ?

	No. of Respondents	Percentage
ATM	88	26.03%
Debit Card	60	17.75%
Credit Card	50	14.79%
Phone Banking	40	11.83%
Mobile Banking	50	14.79%
Internet Banking	50	14.79%
Total	338	100%



Interpretation-banking constitutes services provided in terms of ATMs, Debit Card, Credit Card, Phone Banking, Mobile Banking, Internet Banking etc., of which the first six have been covered. Amongst these ATM scores the largest used service status (26.03%) as indicated by Close on the heels is Debit card (17.75%), Credit card (14.79%), while phone banking lags behind by scoring the least i.e. 11.83%.

CONCLUSION

The usage of E-banking is all set to increase among the service class. The service class at the moment is not using the services thoroughly due to various hurdling factors like insecurity and fear of hidden costs etc.

So banks should come forward with measures to reduce the apprehensions of their customers through awareness campaigns and more meaningful advertisements to make E-banking popular among all the age and income groups. Further, with increasing consumer demands, banks have to constantly think of innovative customized services to remain competitive.

E-Banking is an innovative tool that is fast becoming a necessity. It is a successful strategic weapon for banks to remain profitable in a volatile and competitive marketplace of today.

In future, the availability of technology to ensure safety and privacy of e-transactions and the RBI guidelines on various aspects of internet banking will definitely help in rapid growth of internet banking in India.

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