

E-BANKING: A NEED OF TODAY'S GENERATION

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ABSTRACT

Earlier, technology was primarily employed in banks to automate back-offices. This example has been changed by a move of knowledge Technology into the front office, enabling the banks to maneuver the activities beyond branch level activities. Information Technology enabled the banks for an honest beginning of an efficient management information systems. Thus, Information Technology applications extended from back-office and front-office to other branches and even to other banks. Introduction of knowledge Technology in industry enabled the banks to access, process, storage and dissemination of knowledge electronically. To be ready to survive and grow within the changing market environment, banks opted for the newest technologies. Thus, they're ready to offer the most effective solution and supply the support required for patrons to realize maximum value from the merchandise or service. This industrial revolution in banking sector has cause a complicated development within the payments and settlement systems. The foremost striking is its extensive reach. In India, Information Technology enabled services aren't any longer confined to metropolitans or cosmopolitans only, but also at the reach of rural people. Electronic finance (E-finance) has become one among the foremost essential technological changes within the financial industry. E-finance because the provision of monetary services and markets using transmission and computation. Internet banking is changing the banking system, having the foremost effects on banking relationships. Banking is now now not confined to the branches were one has got to approach the branch head to head, to withdraw cash or deposit a cheque or request a press release of accounts. The web banking, thus, now could be more of a norm instead of an exception in many developed countries thanks to the actual fact that it's the most cost effective way of providing banking services.

KEYWORDS: *E-Banking, Virtual Banking, M-Banking, Technology, Management Application System.*

Introduction

Internet banking (or E-banking) means any user with a private computer and a browser can get connected to his bank's website to perform any of the virtual banking functions. In internet industry the bank encompasses a centralized database that's web-enabled. All the services that the bank has permitted on the web are displayed in menu. It'd be a borderless entity permitting anytime, anywhere and anyhow banking. The entry of foreign banks into the world of Indian banking opened a replacement lease of life for Indian banks and enlarged opportunity to benchmark against them in terms of quality and performance. The opening from the Indian banking sector to non-public players acted as 'the tipping point' for a metamorphosis. With the entry of personal players into retail banking and with multi-nationals that specialize in the individual customer during a big way, the industry underwent an outstanding change and also the Indian banking system learned tremendous lesson. Liberalization has brought several changes within the banking service sector in India. Competitive pressures even have forced the banks to reconsider the way they are doing business. Thus, the normal over-the-counter

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banking is being strongly challenged by self service techniques. A mix of computer, telecommunications and internet technology has paved the thanks to making online banking service offerings a reality by offering bank customers variety of the way of accessing banking services. With the utilization of the net banking channel, banks are ready to offer the majority their products and services online. This provides advantages not only to the shoppers, but also to the service providers. The rationale is to scale back their overheads and personnel costs and to achieve closer access to customers by providing the services at reduced cost with greater convenience, potential time saving and with faster response. Harnessing the facility of technology for creating the industry more efficient, could be a big opportunity and an even bigger challenge for the banks. By keeping this in mind, banks have made heavy investment in developing online capabilities. In recent years, banks have made phenomenal advances within the use of Information Technology in banking and have recognised the strategic competitive leverage that Information Technology provides. Success stories around technological banking services have taken shape through a mixture of innovation and knowledge.

Objective of Study

The present study is primarily intended to unearth the customers' perceptions in using **E-Banking** services by the bank customers. this study is an endeavor to answer such questions within the environment of newly introduced technology enabled banking services. Relatively, little inquiry has been distributed in India in respect to **E-Banking** to look at the extent of utilization, reasons for the adoption and non-adoption, level of satisfaction, problems faced by the purchasers etc. The study is conducted with the subsequent specific objectives:

- To know the needs that **E-Banking** services are used,
- To check the extent of use of **E-Banking** services,
- To spot the factors influencing the adoption of **E-Banking** Services
- To spot the pull factors which limit the utilization of **E-Banking** Services
- To check the extent of customer satisfaction on **E-Banking** services
- To delve into the issues confronted by the shoppers in using **E-Banking** Services.

Review of Litreature

Minjoon Jun & Shaohan Cai (2001) Focuses on the problems related to Internet banking service quality viz. The study reveals that, in terms of frequency of references to the size of Internet banking service quality, no substantial differences exist between Internet-only banks and traditional banks offering Internet banking service.

Suganthi, Balachandher & Balachandran (2001) focused the study to grasp the factors that affect the adoption of Internet banking in Malaysia. This study showed that Internet accessibility, awareness, attitude towards change, computer and Internet access costs, trust in one's bank, security concerns, easy use and convenience are the main reasons and contents which are having impact in adopting the E-BANKING in Malaysia.

Laura Bradley & Kate Stewart (2002) conducted an research which investigates the factors driving and inhibiting Internet banking. the most component of the research was a Delphi study of expert opinion. The paper concludes that Internet banking will become a very important channel within the future.

Ong Hway-Boon & Cheng Ming Yu (2003) conducted the study to work out factors that are essential for the successful implementation of e-channels by domestic commercial banks in Malaysia. Various survey has shown that it is the operational staff of the bank which actually affects the success of ATM machines or Computers as well as Branch Banking along with innovation and knowledge of Product development factors are found to possess the foremost significant effect on the success of banking kiosks and phone banking respectively.

Sureshchandar G. S., Chandrasekharan Rajendran, R. N. Anantharaman & T. J. Kamalanabhan (2002) Investigates the discrepancies among the assorted groups of banks in India with relevance the full quality service (TQS) dimensions from the attitude of the management. The study identifies the size that contribute most to discriminating between the three groups of banks in India. **Nikhil Agarwal, Ruchi Agarwal, Prasoon Sharma & Sherry A. M (2003)** has discussed the various areas of E-Banking where it could play a significant role. In step with the authors, online bill payment,

online brokerage, online account management, anywhere banking, positive identification solutions etc are the potential areas where E-Banking will be used for successful E-Governance. The authors present two case studies also supported implementation of e-banking in digital democracy. I.e., FSC (Farmer Service Centre) nourished by Government of India and eSeva, an internet community bill payment system initiated by Andhra Pradesh Government.

Sureshchandar G. S., Chandrasekharan Rajendran & Anantharaman R. N. (2003) focussed their study to analyze the critical factors of customer perceived service quality in banks of India, by comparing three groups of banks with relevancy the service quality factors from the angle of the shoppers and observed a good amount of variation with relevancy the amount of service quality offered by these three groups of banks. Customers are perceived to keep the "technological factors" of services like core service and systematization of the service delivery because the yardstick in differentiating good and bad service and therefore the "human factors" play a lesser role.

Rational of Study

Continuous innovation on the merchandise offerings by banks is paramount to confirm that their products stand out from the group. Technology, on the one hand, can simplify customers' understanding of exchange, but on the opposite hand, it can make customers' understanding tougher. Though, there are few studies conducted within the field of e-banking in India, most of them are sector specific or region-specific. No significant research studies are attempted by previous researchers exclusively on **E-BANKING** and there are not any such research works documented on the preferences of the bank customers. Therefore, the researcher felt that there's a dare must have a holistic study from the angle of bank customers using **E-BANKING** services. Therefore, this study may be a pioneering one and is meant to bridge this gap to some extent.

Hypothesis for Study

H₀₁: There is no Difference in the level of use of E-Banking for informational and transactional purposes.

H₀₂: The extent of use of E-Banking services is not at all impacted by the sector, or types of user, level of knowledge of users and their experience of banking.

Research Methodology

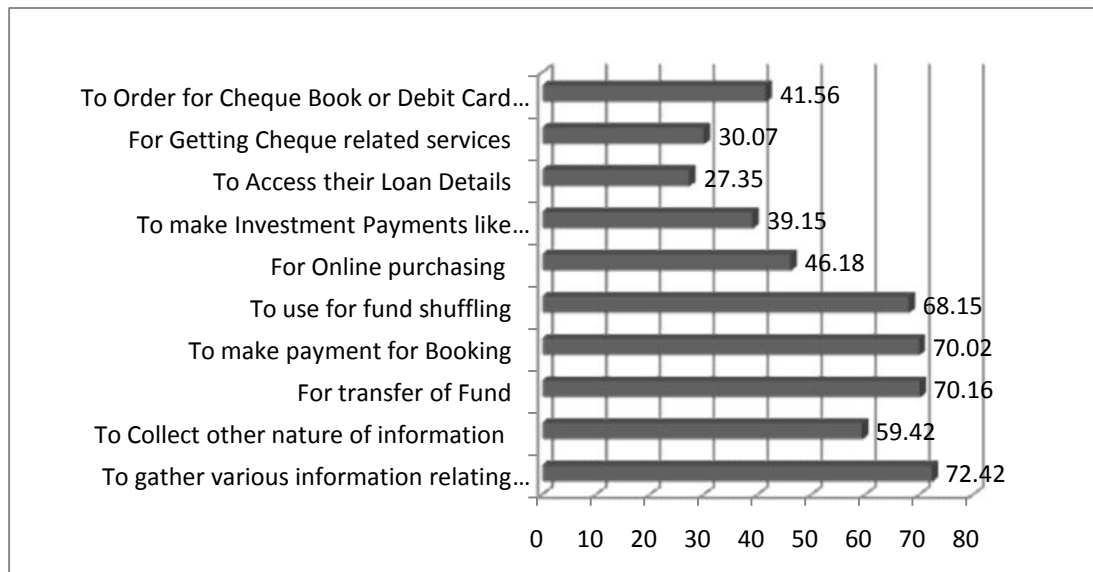
For the purpose of the above research a sample survey has been conducted using the Questionnaire Method. For the purpose of this a sample of 500 respondents has been taken who are using the internet or E Banking for the long time. The purpose of conducting this questionnaire session is to find out the answer of various questions relating to use of internet banking such as purposes for which they use internet Banking, Comfort ness of their use of Internet Banking, Ease of transaction in using E-Banking and many more. Based on responses various statistical methods have been used to find out the result in the form of standard deviation, Mean and coefficient analysis. Based on above results the final conclusions have been drawn to check the hypothesis.

Results and Analysis

The Below table indicates the various purposes for E-Banking is used and their mean, Standard Deviation and Coefficient of Variation along with their Mean Score.

Purpose of Using Internet Banking						
	Purpose of the Use of E-Banking	Mean	Std. Dev.	C. V.	Mean % Score	Rank
01	To gather various information relating to Account	2.49	1.33	29.08	72.42	1
02	To Collect other nature of information	3.39	1.27	46.27	59.42	5
03	For transfer of Fund	3.18	1.43	40.32	70.16	2
04	To make payment for Booking	2.52	1.41	59.46	70.02	3
05	To use for fund shuffling	3.61	3.03	85.61	68.15	4
06	For Online purchasing	2.42	1.56	57.65	46.18	6
07	To make Investment Payment like Mutual Funds	1.83	1.37	70.01	39.15	8
08	To Access their Loan Details	1.44	0.98	72.68	27.35	10
09	For Getting Cheque related services	1.37	1.00	81.18	30.07	9
10	To Order for Cheque Book or Debit Card or Bank statements	1.92	1.38	66.57	41.56	7

As we can see in the above table that maximum use of E-Banking is for the purpose of Gathering various information relating to account which could be related to varied nature of services. People also use E-Banking for Transfer of Funds and for payment of various Booking likes Train Ticket or Flight Bookings. However the least use is for Accessing the details of the Loan. But more or less the E-Banking is used by customer and users for variety of nature of services and hence this is Becoming the need of the day. Based on above conclusions it is now clearly says that both the null hypothesis i.e. There is no Difference in the level of use of E-Banking for informational and transactional purposes and The extent of use of E-Banking services is not at all impacted by the sector, or types of user, level of knowledge of users and their experience of banking are rejected. It is used by all kind of users and for all the purposes.



Conclusion and Suggestions

The study process was administered by using substantial literature on many areas covering banking, technological services, and customer satisfaction, marketing strategies etc., which were taken into consideration for the gathering, analysis and interpretation of the info. Within the conceptual framework, the researcher presented several theories supported the adoption of technological services to spot the impact of using E-BANKING services. The info gathered through sampling method, were analysed to verify the objectives and to test the acceptance or the rejections of the null hypotheses. The study acquired the fruitful findings. Despite the applying of sophisticated technology, the essential trust and confidence of the people on their bank matters, not only within the selection of a bank but also for availing of banking services. Therefore, E-BANKING poses both opportunities and challenges. So, the 000 success of a bank depends on its operational excellence and delivery of high value added and customised services in tune with the changing demands of the customer force. The foremost problem of technology-enabled services is that the banks forget the standard rules of business, like being attentive to customers and delivering the satisfaction that they're willing to get hold of. So as to understand whether there's any change within the level of personalised attention the purchasers receive from their banks, respondents were asked whether or not they felt that private attention has been reduced after the introduction of E-BANKING services. Sizable amount of ATMs, high-tech services and salary credit A/c are the principal considerations within the selection of a bank for E-BANKING services. As a part of security, customers don't take adequate precautions for safe use of ATM, IB and MB. Advertisement, friends & relatives and website of the bank are the vital sources catering to the informational needs of E-BANKING users. Though training and demo incorporates a crucial role in adoption of E-BANKING, it's being relegated to the backseat by the providers. When the ATM is that the most preferred mode for accessing accounts-related information, ATM and IB are prominent to try and do bank transactions.

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