



A STUDY ON E-BANKING SERVICES WITH REFERENCE TO SELECTED PRIVATE SECTOR BANK

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ABSTRACT

The e-banking services have been analyzed by analyzing the services of Axis Bank. It is a private banks which offers many financial products to the customers. It is understood from this study Axis Bank had always updated its self by adopting information technology for its banking services. The financial performance of the organization had constantly increased with its e-banking initiatives. The results of this study are useful for professionals in banking sector.

KEYWORDS : Banking, private banks, e-banking, financial products, information technology.

INTRODUCTION

Indian banking sector had tremendously changed after liberalization and it had adopted itself to sustain in the global competitive banking industry. Private sector banks in India like Axis Bank had offered electronic banking (E-banking) services for providing best services to customers. Axis Bank had updated itself with technology and provided e-banking services for its customers. From the view point of promotions private banks are using all kinds of channels to promote their product in more customized way. Competition is the primary reason for banks in India to adopt e-banking services. Some of the methods of e-banking are internet banking, mobile banking, tele banking, credit card and electronic fund transfer. In this regard the performance of e-banking services of Axis banks had been analyzed in this research paper.

About Axis Bank

In Indian banking industry Axis Bank is the third largest private bank which offers large spectrum of services to variety of consumer segments like large corporate organizations, medium size corporate organizations, micro businesses, retail businesses and agricultural businesses. Axis Bank had more than four thousand branches and approximately 11,800 ATMs (AXIS, n.d.). The core values of Axis Bank are giving importance to ethics, customer centricity, teamwork, transparency and ownership. The vision of Axis Bank is smart use of technology for empowering employees and which leads to delivery of services to customers at the end. The journey of Axis bank had started in the year 1994 it had experienced consistent growth from then onwards. Axis Bank had approximately 59, 600 employees with is present in more than 2000 cities and towns across India.

E-Services by Axis Bank

- Built a strong technology platform and developer-friendly APIs that allow partners/start-ups to plug-and-play Axis UPI on their mobile applications; the platform is available to Google Tez, Uber, Samsung Pay, LIC, IRCTC and Big Bazaar (ANNUAL REPORT, 2017-18).
- On boarded over eleven and half million UPI IDs of which sixty four percent were non-Axis Bank customers, which led to the Bank's share of seventeen percent in UPI transactions.
- Axis Bank had been using more than twenty thousand biometric readers for leveraging electronic Know Your Customer (e-KYC) for enabling Aadhaar based services and other banking services.

OBJECTIVES

1. To described the e-banking services of Axis Banks.
2. To know the financial performance of Axis Bank for a selected period.

3. To know the impact of internet technology on performance of Axis Bank.

Scope

There are many private sector banks in India like Axis Bank, ICICI Bank, IDBI and HDFC Bank. But this study is confined to Axis Banks. There would be many factors for assessing performance of banks but in this paper only e-banking services from the perspective of financial management had been explained.

Literature Review

Chaudhary and Sharma (2011) had explained that a situation had developed for public sector banks to formulate strategies to overcome the competition from private and foreign banks in India. The private sector banks had identified the needs of modern customers and adopted technology to provide them premium services in the recent two decades. At a particular point of time the banking professionals had visited customers to open a bank account instantly but till now it is mandatory for an individual to visit public sector banks for accessing various services.

Hossian (2008) had explained about mandatory disclosure of Indian banks and how they follow the regulatory norms through case study approach. The factors influence the amount of information mandatory disclosed are age of bank, size of operations, assets in place, board composition and market discipline. According to Malhotra and Singh (2010) with support of internet technology the private banks in India are providing large variety of services to customers. Every bank is maintaining website to interact with the customers. Now many traditional banking processes have been conducted by the customers like transfer of funds and payment for bills.

Mondal and Ghosh (2012) had explained about the relationship between financial performance and intellectual capital in banking sector. Deregulation and globalization had created new business scenario for Indian banks in the recent years. Along with profit growth and assets growth it is important for banks to adopt new technology to attain customer retention. Banks with intellectual capability perform much better compared to banks without intellectual capital. Bapat (2012) had studied the impact of global financial crisis on Indian banks during 2008-2009 and stated that there is some impact on banking sector performance in India. Some of the most important factors considered by customers while opting for e-banking services are credibility, reliability, security, responsiveness and competency.

RESEARCH METHODOLOGY

Secondary data had been used for this study. The information

related to Axis Bank had been accessed from reliable electronic sources. Profitability ratio had been calculated by using income statement of Axis Bank for three years from 2016 to 2018. The usage pattern of technology by customers of Axis bank had been collected from annual reports of Axis Bank and the same had been explained in data analysis section of this research study.

DATA ANALYSIS

Axis Bank had invested huge funds in technology and it had increased the risk management architecture. The company had implemented digital analytics techniques for analyzing the performance of banks from the view point of customers. It had used its data and analyzed it with modern tools for effective decision making. The customers can use smart phones for accessing variety of services along with financial services like shopping, travelling, lifestyle products and sending gifts. Axis bank had also increased its security for data through blockchain technology for its international payment services. Axis Bank strongly believes that use of latest technology is very important for meeting the expectation of customers.

Table 1: Usage of technology by Axis Bank and its customers

MOBILE APP USERS	6.8 Million
FREECHARGE MONTHLY ACTIVE USERS	3.7 Million
VALUE OF MOBILE TRANSACTIONS	192,735 CRORES
VALUE OF DIGITAL CHANNEL TRANSACTION	429,700 CRORES
EDC MACHINES NETWORK	5 Plus Lakhs

(<https://www.axisbank.com/docs/default-source/annual-reports/for-axis-bank/annual-report-for-the-year-2017-2018.pdf>)

From Table 1 it is evident that many customers have adopted smart use of technology which is offered by Axis bank. The customers are supported by internet infrastructure to access banking on their electronic gadgets. The support of government through internet infrastructure had played a vital role. From Table 2 it is observed that there is significant profitability margin for Axis Bank. The information from Axis Bank income statement had been accessed through Yahoo Finance website for calculating profitability margin. The profitability margin is the ration between net income by revenue.

Table 2: Profitability Ratios of Axis Bank

Year	2018	2017	2016
Revenue	153542472	186793000	233013352
Gross Profit	153542472	186993000	233013352
Net Income	4558165	39530000	83496657
Profitability Margin	2.97%	21.16%	35.83%

(Source: Prepared by the researcher)

DISCUSSION AND CONCLUSION

Axis Bank had been proactive in adopting new technology for its e-banking services. The bank had been updating itself with latest technology like blockchain for providing secure transactions for their customers. In spite of investing in technology the bank financial performance is consistent in the last few years. In the year 2017, Axis bank got award in the category of digital banking in the segment of large banks. In the financial services industry e-banking had become most pioneering trend and it has been more beneficial for various stakeholders of the industry. The traditional banking system had drastically changed with the advent of e-banking services.

Future Research

In this paper only financial perspective had been considered

but future researchers can consider marketing perspective for analyzing the performance of private banks with regard to e-banking facilities. The problems for rural people to access e-banking services need to be studied. There is also usage charge for accessing variety of e-banking services therefore it is important to know whether customers are ready to use it when charges are collected for some electronic banking transaction.

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