



AN ANALYSIS OF E-BANKING – A SUSTAINABLE DEVELOPMENT IN BANKS

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ABSTRACT

Indian banks have leveraged technology and introduced innovative banking product and services to attract and retain the customer for sustainable development in Banks. E-banking is the automated delivery of new and traditional banking products, services directly to the customers through electronic, interactive communication channels, while E-banking services bring down the cost per transaction, increase efficiency by reducing workload of staff, they help to increase accuracy, speed, save time, money and effort of customers. Thus E banking services impact the customer services and leads to better customer satisfaction. They enable the bank to transact more business by offering various services in cost effective way on one side and to get more customer satisfaction on the other. To analyze the relationship between demographic variable and perception towards e banking services, a structured questionnaire used to collect the data from a random sample of 50 customers from State bank of Mysore in Bhadravathi, Percentage analysis and chi square test are applied for data analysis and interpretation. Finally, it attempts to offer suitable suggestions and conclusions to enhance the awareness of E-banking services.

KEYWORDS : Banking Premises, Customer Preferences, Technology savvy, Sustainable development etc.

INTRODUCTION

Today Indian banks are as technology savvy, technology has greatly helped the banking sector to smoothen their interaction with the customer, Banks are using the electronic technology to meet the ever increasing competition in banking which has converted the traditional brick and mortar banking into Electronic Banking with rapid advancement in information technology, alternate channels are made available to customers. E-banking is the automated delivery of new and traditional banking products, services directly to the customers through electronic, interactive communication channels. E-Banking is the electronic bank that provides the financial service for the individual client by means of internet. Now days E-banking is common trend in our country. It is help to speed transaction as well as easy transaction. E-banking is an emerging growth and exposure in the field of information and technology (IT). Now days every transaction is done electrically using the Electronic Computerized System (ECS) and through various E-Channels like Automatic Teller Machine(ATMs), credit cards, debit cards, Internet Banking, Mobile banking, Tele Banking, Electronic fund transfer(EFT), Electronic Trading.

Meaning of E banking

Internet banking or E-banking means any user with a personal computer and a browser can get connected to his bank website to perform any of the virtual banking functions. In internet banking system the bank has a centralized database that is web enabled. All the services that the bank has permitted on the internet are displayed in any information. The term Electronic Banking popularly called as internet banking. Banks are effectively doing their work without much more difficulty. In modern days most of the customers are aware of electronic banks and also E-banking delivery channels which are one of the powerful tools to the banks to satisfy the customers' needs because of their safety & security measures when a bank adopted this kind of updated technology. These banks can reach their financial goals easily.

E – Banking Services**Automated Teller Machine (ATMS)**

ATMs have become the order of the day in banking, though they were evolved as novel cash Dispensers, now they have emerged as a marketing tool to 'target the masses. There are about 9500 off-site and on-site ATM's of many banks are nothing but virtual branches, as customers, can conduct any transactions, through the touch screens, they are user friendly and they have mass Acceptability. They can effectively, reach, out a large customer base at low cost. At present, banks have started outsourcing and sharing of ATM. Services to 'reduce cost. Most banks are used to cross-sell other products also so as to nut the varied requirements of customers,

Banks have started dispensing. Railway tickets, Air tickets, m movie tickets, etc, through ATMs, Voice Activated ATMs, ATMS with finger print scanning technology. Etc, are on the move, if they become operative, they can saved the customers from the hassle of carrying a card. In future, a bank's ATM would function like round the clock Delivering more on non-cash transactions, thereby reducing fixed and operating costs.

Tele-Banking

Tele-banking is increasingly used as a delivery channel for marketing banking services. A customer can do entire non-cash related booking over the phone anywhere and at any time. Automatic voice recorders (AVR) or ID numbers are used for enduring. Tele-banking services have added convenience to customers.

Internet Banking

Internet has enabled banking of the click of a mouse. Internet banking is all poised to emerge as the most profound electronic, channel in the near future. Internet banking reduces banks operating expenses mainly due to savings on prohibitive estate costs and expensive staff salary. It is estimated that the cost per transaction in internet banking will be only one –tenth of a regular branch transactions.

Internet banking is a platform for electronic delivery of banking services to the customers. In inherent banking, customer of a bank with ape and a borrower, can have accounts to his bank's website, and therefore, perform various banking functions. Thus, he can avail of the bank's services from anywhere and at any time. With the drastic full in cell phone tariff and emergence of some less, connectivity, between fixed, and module lines, tale banking or mobile banking is set to 'emerge' as one of the Cost effective delivery channels in the near future. The call free number would also gain popularity as an important delivery channel. Success full adoption flowered less technology would help banks to offer not only anytime, anywhere banking but also any device banking.

Real Time Gross Settlements (RTGS)

The RTGS is a new system of payments evolved in the Indian banking environment, its main objective is to enable online clearing and settlement of payment son a Real-time basis across banks in different cities, the RIGS is an upgraded technology aimed at reducing dependence on payments through cheques it is radically different form the present day paper based clearing system. It not only permits net settlements between banks but also eliminates systematic risk due to advanced technological innovations.

Credit Cards

Credit card is another facility produced by E-Banking credit card is a products with the help of which a customers can avail various facilities or buy products/services without making immediate payment & that payment could be made at later stage of time.

Electronic fund transfer (EFT)

E-Banking has given a system of electronically transferring funds i.e. electronic fund transfer which involves transfer of funds from bank account of another customer Electronically. This is done through Electronic data interchange (EDI).

Electronic Cheque

E-Cheques is a system. This provides more security & reduction in overall cost. E-Cheque facilities in online payment. It needs no clearance charges. Issue of E-cheque is more familiar on various advanced countries.

Objectives of the Study

- To study the range of value added services offered by banks through E banking channels.
- To know the reasons for opting E-banking services by customer.
- To know the perception of customers for making transactions through E-banking in State Bank of Mysore
- To offer few suggestion and measures to reap the maximum benefits from e-banking services to the customers.

Hypothesis of the Study

- H_0 : There is no positive opinion about e-banking services in state bank of Mysore.
- H_1 : There is a positive opinion about e-banking services in state bank of Mysore

Methodology of the Study

For the purpose of study both primary and secondary data has been collected .Primary data is collected through a well designed structured questionnaire and discussions with the bank customer. Sample of 30 respondents are identified randomly. Secondary data is collected from various publications, journals, books etc.

Sample Design

Sample is a small representation of population selected at random basis. For survey 30 customers are selected with the help of random sampling technique for achieving the objectives of the present study

Tools and Techniques

The present study used simple percentage tables and different statistical tools and techniques such as chi-square test for the analysis and interpretation of data.

Scope of the Study

This study will be restricted to study only electronic banking services. The geographical location for the study is restricted to State Bank of Mysore, Tumkur branch. The study mainly includes improvement of E-Banking technology and customer satisfaction about E-banking channels.

Table 1:Socio-economic Profile and Opinion of Respondents

Particular	No. of respondents	Percentage (%)
Age		
18-25	20	66.67
26-30	02	06.67
31-40	04	13.33
Above 40	04	13.33
Total	30	100
Gender		
Male	12	40
Female	18	60
Total	30	100

Education qualification		
Up to SSLC	05	16.67
PUC	10	33.33
Graduate	05	16.67
Post graduate	10	33.33
Total	30	100
Occupation		
Business men	08	26.66
Employees	14	46.67
Student	05	16.67
Other	03	10
Total	30	100
Awareness of E-banking services		
Yes	30	100
No	00	00
Total	30	100
Sources through which respondents came to know about e-banking services.		
Friends	06	20
Banker	18	60
Relative	02	6.67
Advertisement	04	13.33
Total	30	100
Opinion about e-banking services		
Strongly satisfied	11	36.67
Satisfied	09	30
Moderate	02	6.67
Dissatisfied	02	06.67
Strongly Dissatisfied	06	26.66
Total	30	100
Securities measures taken to overcome the e- banking problems		
Changing password frequently	05	16.67
Banking suggestion	16	53.33
Frequently checking of a account	08	26.67
Using demo option	01	03.33
Total	30	100
Frequent usage of respondents		
Once a day	06	13.33
Once a week	15	50
Twice in a month	08	26.67
Once a month	03	16
Total	30	100
Benefits of e-banking		
Any where any time banking	19	63.33
Time saving	03	10
Low cost services	02	06.67
Quality services	06	20
Total	30	100
Reasons for consideration E-banking as safest mode of transaction		
Hides customer identity	09	30
Avoids carrying of huge amount	10	33.33
Accessibility of information of all transaction	06	20
Password protection	05	16.67
Total	30	100
Purpose behind using e-Banking services		
Electronic fund transfer	06	20
Cash withdrawal	13	43.34
Shopping	03	10
Balance enquiry	08	26.66
Total	30	100
Reasons for facing problem while working with e-banking services		
Busy network	06	20

No internet connection	12	40
Lack of infrastructural facility	07	23.33
Frequent forgetting of password	05	16.67
Total	30	100
E-banking services use for their requirements		
ATMs	15	50
Internet banking	07	23.33
Telephone banking	05	16.64
E-payments	03	10
Total	30	100
Opinion of customer towards sustainable development		
Yes	27	90
No	03	10
Total	30	100

Sources: Field survey

The above table reveals the profile and opinion of the respondents. Out of 30 respondents, 66.67% belongs to the age group of 18 to 25 years, 60% of the respondents are female, 46.67% are employees, 60% are come to aware about e-banking services through banker, 36.67% opinions that services of E-banking is highly satisfied, majority of the respondents use e banking services twice in a month, 63.33% says that benefits of e- banking is anywhere and anytime banking, 33.33% considers the e-banking is the safest mode because it avoids carrying huge cost, 43.34% use e-banking services only for cash withdrawal, 40% face internet connection problem while doing transaction in e- banking channel , 50% of the respondents prefer ATM among various e-banking channels. 90% of the customer opined that e banking provides for sustainable development.

Testing of Hypothesis

H₀: There is no positive opinion about e-banking services in state bank of Mysore.

H₁: there is a positive opinion about e-banking services in state bank of Mysore

Table 2: The Satisfaction level of respondents of E banking services

Satisfaction level	No. of Respondents	Percentage (%)
Strongly satisfied	11	36.67
Satisfied	09	30
Moderate	02	06.67
Dissatisfied	02	06.67
Strongly Dissatisfied	06	26.66
Total	30	100

Table 3: Showing Chi-square (x²) value

Scale	Observed frequency	Expected frequency	Residual	(Of-Ef) ² /Ef
Strongly satisfied	11	5	6	7.2
Satisfied	09	5	4	3.2
Moderate	02	5	-3	1.8
Dissatisfied	02	5	-3	1.8
Strongly Dissatisfied	06	5	1	0.2
(Of-Ef)²/Ef				14.2

Degree of freedom = n-1 = 5-1 = 4

Interpretation

The table value of x² for the degree of freedom at 5% level of the significance is 9.488. The calculated value of x² is much higher than the table value and hence the result of the experiments does not support the hypothesis. Thus we can say that there is a positive opinion on e-banking services in SBM. The hypothesis is rejected.

Findings

1. E-Banking service attracting more number of young users

2. E-Banking major customers are educated peoples. It is difficult for uneducated customer for operate.
3. Majority of the user using E-Banking for amount transfer and other purpose.
4. In recent days internet connections problems and network problem are become major problem.
5. Majority of the respondents prefer ATM to do the banking transaction.
6. The customer perception towards the e-banking services are positive, as they felt it is the safest mode of transaction..
7. Majority of the respondents using E-Banking services to save time and for easy accessibility.

Suggestions

1. Bank should an Electronic Banking group to provide guidelines for risk management in E-Banking activities.
 2. Bank should provide awareness program to the customers about their innovative technical services.
 3. Bank should recruit experienced personalities to implement the electronic banking services.
- Arrange training programmes for the employees to make them efficient for providing services through E-channels
4. Adopt the new innovative techniques as a result of the social context in which the internet or E-Banking responsibility are use.
 5. Demonstration about E-Banking should be provided to the existing customers to promote E-Banking
 6. Educate the customers that E-Banking is totally safe.
 7. Provide discounts on shopping through E-Banking.

CONCLUSION

E-banking has become a necessary survival weapon and is fundamentally changing the banking industry worldwide. Banking business has been an advisable part of economy in general and business in particular as a matter of fact, banking has widened its services from traditional area to a number of sophisticated areas like E-banking, computerization, real time gross settlement, Tele-banking, ATM-Whatever may be the area, banks flourish only when their activities are customer oriented in order to achieve 100% customer orientation they should be aware of customer demands. The present study has focused on the awareness, customer's perception, and effective services provided by banks to the customers. It reveals the fact that the perception, awareness level, and use of e- banking increased in Bhadravathi. Overall this paper provides the complete information about the customer's perception and awareness about the e-banking in SBM, Bhadravathi.

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