



IMPACT OF E- BANKING ON UNORGANISED SECTOR AND THEIR PERSPECTIVES WITH SPECIAL REFERENCE TO MANGALURU CITY.

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ABSTRACT

Banking is the hub of financial institutions. It works as a functional vehicle for the economic transformation as well as for the development of the nation. This is impacted by the new technology in the life of majority population. This advancement has made our life much easier than before. Technology innovations and its use in banking activities have been revolutionised the banking industry all over the world. The paper based traditional banking has gradually given way to modern and innovation driven paperless E-Banking services. It refers to electronic Banking. It is like E-business in banking industry. E-banking is also called as virtual banking or online banking. It is basically the result of growing expectations of bank's customers. These new banking products have been proved cost effective, profitable convenient to customers and also environment friendly. This paper tries to focus on public, private, nationalized, and foreign e-banking services. And the different forms of in Indian scenario. Finally paper concludes technology changes and making trends in E-banking which helps for the development. The fast emerging economy is bringing with it rapidly changing technologies, increasing knowledge intensity in all areas of business and service delivery channels to the customers such as e-banking. The rapid improvement in E-Banking services carries risks as well as benefits. The objective of this study is to know the impact of it on the common people and how they can improve the E-banking literacy.

KEYWORDS : E-Banking, Technological Innovation, environment friendly, Knowledge intensity, Economic transformation.

INTRODUCTION:

Banking is the hub of financial institutions. It works as a functional vehicle for the economic transformation as well as for the development of the nation. This is impacted by the new technology in the life of majority population. This advancement has made our life much easier than before. Technology innovations and its use in banking activities have been revolutionised the banking industry all over the world. The paper based traditional banking has gradually given way to modern and innovation driven paperless E-Banking services. It refers to electronic Banking. It is like E-business in banking industry. E-banking is also called as virtual banking or online banking. It is basically the result of growing expectations of bank's customers. These new banking products have been proved cost effective, profitable convenient to customers and also environment friendly. The fast emerging economy is bringing with it rapidly changing technologies, increasing knowledge intensity in all areas of business and service delivery channels to the customers such as e-banking. The rapid improvement in E-Banking services carries risks as well as benefits. The objective of this study is to know the impact of it on the common people and how they can improve the E-banking literacy. Today E-banking is known as smart banking, touch banking, 360 degree banking, innovative banking, virtual banking and 24X7 banking. Banks are playing an important role in the economic development country. Economic development of a country involves investment in various sectors of the economy. The bank collects small savings from the public for investment in various projects. Present banking scenario has come up with a lot of new initiatives which are oriented to provide a better customer service and facilities with the help of information technology. One of these reasons is the inherent benefit of e-banking to saving time and speed in the transaction of banking activities and consequently enhancing the performance of banks.

The paper tries to focus on the different forms of in Indian scenario. Finally paper concludes technology changes and making trends in E-banking which helps for the development. The fast emerging economy is bringing with it rapidly changing technologies, increasing knowledge intensity in all areas of business and service delivery channels to the customers such as e-banking. E-banking often attracts high

profit customers with higher than average income and education levels, which helps to increase the size of revenue streams. For a retail bank, e-banking customers are therefore of particular interest, and such customers are likely to have a higher demand for banking products. Technology is playing a major role in improving the standards of service delivery in financial institution sectors. Technology has touched every aspects people's life including banking. Day is long gone when customers would queue in the bank waiting to pay their utility bills, fees and other transactions. This has become easier by using their ATM cards or over the internet from the comfort of the customer. This motivates the customers utilize the services of bank. It also results banks to spend more on technology and information to achieve maximum returns. E-banking (Electronic Banking) or online banking means any user with a personal computer and a browser can get connected to his bank by 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 menu. Any service can be selected and further interaction is dictated by the nature of service. The traditional branch model of bank is now giving place to an alternative delivery channels with ATM network. Once the branch offices of bank are interconnected through terrestrial or satellite links, there would be no physical identity for any branch. It would be a borderless entity permitting anytime, anywhere and anyhow banking. The network which connects the various locations and gives connectivity to the central office within the organization is called intranet. These networks are limited to organizations for which they are set up. SWIFT is a live example of intranet application. Any customer can use number of facilities by e-banking. It can be Operative Account Statement D-MAT, VISA Transfer, Fund Transfer, RTGS, NEFT, Mobile Recharges, and Portfolio Management. The main objective of study is to know whether customer are aware about this facilities, how it more convenient than branch banking, what type of services are provided by banks

TECHNOLOGY UPGRADATION IN E-BANKING:

FULL BRANCH COMPUTERISATION (FCBs): All the branches of the Bank are now fully computerized. This strategy has contributed to improvement in customer service.

ATM SERVICES: There are 4633 ATMs on the ATM Network including 3181 ATMs of SBI and 1452 from the 7 Associate Banks and Subsidiaries. These ATMs are located in 1521 centre spread across the length and breadth of the country, thereby creating a truly national network of ATMs with an unparalleled reach. Value added services like ATM locator, payment of fees for college students, multilingual screens, voice over and drawl of cash advance by SBI credit card holders have been introduced.

INTERNET BANKING (INB): This on-line channel enables customers to access their account information and initiate transactions on a 24x7, boundary less basis. 1994 branches, covering 555 centres, are extending INB service to their customers. All functionalities other than Cash and Clearing have been extended to individual retail customers. A separate Internet Banking Module for Corporate customers has been launched and available at 1305 branches. Bulk upload of data for Corporate, Inter-branch funds transfer for Retail customers, online payment of Customs duty and Govt. tax, Electronic Bill Payment, SMS Alerts, E-Poll, IIT GATE Fee Collection, Off-line Customer Registration Process and Railway Ticket Booking are the new features deployed.

NET BANKING FEATURES

1. Credit card Payment : Customers can pay their Credit card dues through this option.

2. Statement Download: The customers can download their account statement onto their PC for the period of 5 months from the given date.

3. Change Customer profile: The customers can update their mailing address and all their communication from bank will go to this new address.

4. Funds Transfer : The customers can transfer funds between their accounts, even if they are in different branches/cities. The customer can also transfer funds to any person having a Bank account anytime, anywhere, using Third Party Funds Transfer option. To avail of TPT facility, customer will have to sign the declaration form, which is available on the Net or at any of the bank's branches.

5. New Fixed Deposit Request: The customer can open a Fixed Deposit Account on the Internet. He will just have to give details regarding the account from which he/she wants to transfer funds, the amount and terms for the Fixed Deposit, the branch and the relevant maturity instruction

6. Fixed Deposit Inquiry: The customers can access details of their Fixed Deposit Account such as Principal Balance, Term of Deposit, Rate of Interest, Maturity Date, Maturity Amount and Instructions for Payment.

7. Demand Draft: The customers can issue a DD from their account at special rates. They will just have to select the account to be debited from and give the bank details of the amount, location and beneficiary. The bank will even have the Demand Draft couriered to the customer's mailing address. (DDs will be issued only where the bank has a branch or has an arrangement with a local bank).

8. Demand Draft Request at Beneficiary's address: Net Banking offers a new facility to all its customers. The customer can issue a Demand Draft on the Beneficiary's name and address of his/her choice. He/she will just have to select the account to be debited from and give the bank the details of the amount and beneficiary's name & address where the customer wants the Demand Draft to be delivered. The Demand Drafts would only be delivered within India. (DDs will be issued only where the Bank has a branch or has an

arrangement with a local Bank).

Note: 1) This facility is only open to users who have registered for Third Party Transfer (TPT).

9. TDS: Inquiry the customer can access information on Tax Deducted at Source for all their deposits for the current or previous financial year.

10. Stop Payment Request: The customer can request Stop Payment on a cheque or series of cheques online by just entering the cheque number and the reason for stopping payment.

11. Cheque Status Inquiry: The customer can view the status of a specific cheque issued on any of his/her accounts.

12. Cheque Book Request: The customer can request for a new cheque book online. His/Her cheque book will be couriered to the address on the bank's records.

13. Account Balance Inquiry: The customer can check his/her savings or current account balance, including information regarding Unclear Funds, Ledger Balances, Overdraft Limits and Sweep-In Amounts.

14. Account Statement Inquiry: The customer can view all the transactions on his/her account for either the current period (i.e. from date of last statement mailed to him/her), or a specific period determined by him/her/. The customer can also request his/her statement via mail (mailing address will be as per bank

OBJECTIVES OF THE STUDY:

1. To determine the use of various e-banking applications
2. To build up various solutions among common man especially in rural area or in unorganised sector.
3. To understand the perceptions of rural masses towards it.
4. To study the recent trends and risk involved in E-Banking
5. To analyse the technical literacy among people in using e-banking facility.

REVIEW OF LITERATURE

According to Dr. Hajera Fatima Khan in American Research Journal of Business & Management Vol3, Issue , (2017) – E-banking is easily accessible anywhere to a PC, PDA, mobile device, with an internet connection. It also enables the customer to conduct financial transactions on the website of the Institute such as virtual bank, retail bank, a credit union etc., But despite of many benefits of E-Banking there are some factors which affect its usage.

Elisa DiFebo & Elaina Angelini- The IUP Journal of Bank Management (2017) – In this study it is said that in accordance with co-operative banks, they are able to bring banking and financial services to places whose small size or the insufficient presence of production units did not justify the cost of a branch. Moreover, their customers use internet banking only to conduct daily operations and they go in for all operations like investments or trading.

According to Sharma, Gopal et al (2014) attempt to study the level of consumal awareness of e-banking initiative in India with special reference to Mumbai.

In this study it is known that from the facilities provided by their bank nearly three fourth of them are unaware of the term E-Banking. Only few systems they know about it and rest are not aware of it. The researcher states that the major obstacle in E-Banking is the technical issues involved, as they are illiterates.

And Suhas D, H.N Ramesh (2018), explains that Technology-enabled services are replacing the traditional method of service. In the recent days are concentrating on value based service through E-Banking and its product which are used in the banking sector.

RESEARCH METHODOLOGY:

The primary data for the present study was collected from common people, Bank employees, customers. Internet journals, books, magazines and newspaper in addition to the secondary data. The study highlights on the "Impact of E-Banking on unorganised sector common people and their perspectives". The study lies on sampling of street vendors included in unorganised sector with special reference to Mangaluru City. There are total 50 respondents. Due to time constraint only 50 people are taken as sample respondents. These respondents were selected on the basis of convenience sampling method. The ideas drawn from these sources have been incorporated wherever necessary to substantiate the primary data.

LIMITATIONS OF THE STUDY:

- Considered sample survey
- Time constraints were the problem to conduct the detailed study.

DATA ANALYSIS AND INTERPRETATION:

• GENDER WISE CLASSIFICATION:

Gender	Respondents	Percentage
Male	32	64
Female	18	36
Total	50	100

Source: Survey data

Interpretation: This shows that most of the street vendors in this sector are male, i.e., there male plays the dominant role.

• AGE WISE CLASSIFICATION:

Age wise class	Respondents	Percentage
Below 20	8	16
20-30	24	48
30-40	12	24
40 and above	6	12
Total	50	100

Source: Survey data

Interpretation: Here we find that because of the interest or eager, to satisfy daily needs and for fulfilling family needs and for fulfilling family needs, the people of age between 20- 30 years work compared to others.

EDUCATIONAL QUALIFICATION:

Qualification	Respondents	Percentage
No formal education	5	10
Below SSLC	7	14
SSLC	28	28
PUC	10	10
Total	50	100

Source: Survey data

Interpretation: Majority of respondents possess basic education and schooling in and below SSLC.

• STATUS OF INCOME:

Income	Respondents	Percentage
Below 5000	18	36
5000-10000	23	46
10000-15000	7	14

15000-25000	2	4
Above 25000	-	-
Total	50	100

Source: Survey data

Interpretation: Majority of them's earning capacity of Income lies between 5-10k.

• BANK VISIT

Bank visit	Respondents	Percentage
Daily	4	8
Twice a week	5	10
Weekly	7	14
Once in 15 days	30	60
Monthly	4	8
Total	50	100

Source: Survey data

Interpretation: Majority of them visit bank once in 15 days. Here we conclude that as they are in need to meet day today expenses from their earnings the saving habit is less, but still we find that more than 50% visit the bank once in 15 days.

• AWARENESS ABOUT E-BANKING:

Awareness	Respondents	Percentage
Yes	42	84
No	8	16
Total	50	100

Source: Survey data

Interpretation: majority of them are aware about this internet banking. But few are unaware as they belong to above 40 years and illiterates are much scared to use this method of handling bank transaction

• SOURCE OF KNOWLEDGE ACQUIRED:

Particulars	Respondents	Percentage
Friends	10	20
Mobile	30	60
Newspaper	2	4
Bank	3	6
Any other	5	10
Total	50	100

Source: Survey data

Interpretation: Here we came to the conclusion that technical knowledge of mobile is known to majority as they have educated upto that range and using of mobile phones is common and as their friends are also belong to this same category as street vendors they keep on transferring the information to each other.

• BANK FACILITIES USED BY:

Particulars	Respondents	Percentage
Savings	30	60
Loan	4	8
ATM	16	32
Total	50	100

Source: Survey data

Interpretation: Here we conclude that as they are using savings and ATM they are aware but are scared to use. And as they are earning very small income they prefer loan from micro finance.

FINDINGS:

- It is difficult for X generation to get update with

technologies.

- Majority respondents are male.
- A large number of respondents use SB account for savings
- Most of them came to know by mobile and friends but only few are using benefits.
- More awareness programmes are not found
- Aware about the term but not familiar with this system.

SUGGESTION:

- Y generation is familiar with technology so they can adopt but others for X generation should be trained to use them easily.
- For the development of the nation it is necessary to use this process by each citizen.
- Proper guidelines should reach all the sectors.
- Advertisement should be given more in newspaper , television, F.M. radio. So that everyone will be aware.
- Proper demonstration about method of application should be given to the common people.

CONCLUSION:

The message must spread over to all part of the sector regarding the modern advanced emerging trends to technology of banking system, various facilities available ,procedures are to made familiar to each person including a common man. Street vendors are an integral part of urban economies around the world, offering easy access to wide range of goods and services in public spaces. There is a need for development of citizen .

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