Research Paper COMMERCE

Content Analysis of Internet Banking Websites

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ABSTRACT

Over the last decade India has been one of the fastest adopters of information technology. This capability has provided tremendous impetus to the domestic banking industry in India, particularly in the Internet banking arena. Electronic Banking is defined as the automated delivery of new and traditional banking products & services directly to customers through electronic, interactive communication channels. The present study is based on evaluating the potential of e-banking web sites by examining their content. For this purpose, various banking websites (20 websites of public sector, private sector & foreign banks) formed the primary source and various research papers formed the secondary source of data. Significant differences between public, private and foreign banks have been highlighted. Finally, an analysis of factors of each bank was done, in order to help banks of all sectors to decide the features they should invest upon.

KEYWORDS Content analysis; Internet Banking; e-Commerce; India.

Introduction

Web technology is transforming all business into information-based activities. The rate of technological change is so high that emerging electronic commerce is already making fundamental changes in the economic landscape, affecting every aspect of how business is and will be conducted. Technology is playing a major role in increasing the efficiency, courtesy and speed of customer service. Today can rightly be said to be the 'Age of E-banking'. There are two different strategies for Internet banking: **First**, an existing bank with physical offices can establish a web site and offer Internet banking to its customer as an additional delivery channel. A **second** alternative is to establish an Internet-only bank or virtual bank, almost without physical offices. Recent years have seen the industry rapidly moving towards a "bricks and clicks" strategy that emphasizes an online supplement to the conventional banking services. Banking institutions are using their web sites not only to provide classical operations such as fund transfer or accounts information, but also to provide stock trading, bill payments, credit card request and pre-paid mobile recharge.

The purpose of this study is to analyze the content of various banking websites. The study begins by identifying the main factors considered as determinants of web site quality, as outlined further in the study. Then, the web sites of selected banks are subsequently analysed using these factors.

Objectives of the study

- To examine the various features available to customers while using internet banking.
- To scrutinize the level of services the various internet banking websites offer.
- To compare the various facilities which the public, private and foreign banks are providing on their websites.
- To assess the overall quality of the selected internet banking websites under the purview of our research study.

Review of Literature

Diniz (1998) reported that banks use the web to achieve three main objectives: market information, to deliver banking products & services and finally as a tool to improve customer relationship. Based on the extent to which the banks have exploited these three functional opportunities in their web sites, they can be described as informational, transactional, or beyond transactional.

Information technology (IT) developments in the banking industry have sped up communication and transactions for customers (Giannakoudi, 1999). The evolution of internet banking has many advantages over traditional banking channels. This includes an increased customer base, cost savings, mass customization & product innovation, marketing & communications, development of non-core businesses and the offering of services regardless of geographic area and time.

Most of the previous approaches of content analysis have focused either on basic content management or a specific set of web site outcomes. The web site quality evaluation method (QEM) proposed by Olsina et al. (1999) can be considered as one of the main approaches. Amongst the main factors analysed in this study are: functionality (global search, navigability & content relevancy), usability (site map, addresses directory), efficiency and site reliability. Although some researchers have tried to provide ways of evaluating business web sites specifically (Boyd, 2002; Merwe and Bekker, 2003), the selection of evaluation criteria still requires more theoretical justification.

Research Methodology

Outline of the study

This exploratory study is an attempt to present the present status of Internet banking websites in India and the extent of Internet banking services offered by Internet banks. Each website was analysed on the following 30 basis:

1. Branch/ATM Locator
2. News Updates
3. Terms & Conditions
4. Personal & Corporate Banking
5. e-Statement
6. Cheque book request
7. Stop payment option
8. Online bill payments
9. Mobile Banking & alerts
10. Phone Banking
11. SMS Banking
12. Search Option
13. Funds transfer
14. TV Banking
15. Interactive Voice Response (IVR) Banking
16. e-Cheque option
17. Cheque status option
18. Online Tax Payment
19. Online Shopping
20. Automatic Time-out
21. Automatic Lock-out
22. Digital Certificate
23. Virtual Keyboard Log-in
24. Recharge Prepaid Mobile

25. Online Trading
26. Online Travel Booking
27. Helpline Number
28. Hindi Language Option
29. International Banking
30. National Electronic Fund Transfer / Real Time Gross Settlement (NEFT / RTGS)

Universe of the study
This study analyzes the Internet Banking websites of 20 leading Public, Private & Foreign Banks. For integrated banking groups with multiple websites, those websites which offered explicit information were chosen. Websites that can be used only by existing Private Banking clients and which require a login were not evaluated. The 20 banks are as follows:

(A) PUBLIC SECTOR BANKS
1. Allahabad Bank
2. Canara Bank
3. Central Bank of India
4. Dena Bank
5. Indian Overseas Bank
6. State Bank of India
7. Oriental Bank of Commerce
8. Punjab National Bank
9. Union Bank of India
10. Industrial Development Bank of India

(B) PRIVATE SECTOR BANKS
1. Axis Bank Ltd.
2. HDFC Bank Ltd.
3. ICICI Bank Ltd.
4. IndusInd Bank Ltd.
5. Kotak Mahindra Bank Ltd.
6. Yes Bank Ltd.

(C) FOREIGN SECTOR BANKS
1. Deutsche Bank
2. HSBC Ltd.
3. CitiBank
4. Standard Chartered Bank

Sampling Technique
Random Sampling technique was used that assures each element in the population an equal chance of being included in the sample. **Stratified Sampling** which is a probability sampling procedure, in which simple random subsamples are drawn from within different strata that are more or less equal on some characteristic, was also used. Here, subsamples were drawn from within different strata that were more or less same on certain basis.

Sources of Data
The websites of various banks have proven to be a valuable source for the data required to analyze the content of various websites. The data has been collected first handedly forming a primary source of data for the study.

Statistical Tools
For calculating the frequencies and other descriptive statistics, Microsoft Excel software has been used. Data was entered into Excel taking 20 banks as the respondents, on the basis which have been defined earlier.

Limitations
- The unavailability of access to certain websites (like that of HDFC bank) on Sunday was a limiting factor in carrying out the study.
- There were certain operational issues like server being unavailable.
- The access was restricted to the home page and content pages of the websites, actual internet banking accounts could not be accessed for all banks due unavailability of accounts with each bank. In the absence of information for a bank, it was taken that that particular bank does not provide the specific service.
- All the data in the survey was collected from a limited number of visits to each site at a certain time, despite the fact that the web is a highly dynamic and changeable medium. Similar studies at different times are likely to show different results.

Findings/Results
According to the percentage analysis conducted, the following results were obtained:

1) Along with various differences, certain similarities were also observed in the banking websites, which are as follows:

- e-statement (93%)
- Digital Certificate (100%)
- Terms & Conditions (97%)
- Automatic Time-out (90%)
- Automatic Lock-out (93%)
- Helpline Number / Contact us (100%)

2) The public banks performed better than the private banks with regards to:

- Online tax payment (by 23%)
- Virtual keyboard login (by 30%)

3) The public banks performed better than the foreign banks in:

- ATM/Branch Locator (by 45%)
- News Updates (by 35%)
- Personal & Corporate Banking (by 50%)
- Online Tax Payment (by 40%)
- Online Shopping (by 60%)
- Online Trading (by 5%)
- Online Travel Booking (by 45%)

4) It has been observed that the performance of private sector banks has surpassed that of the public sector banks, under the following heads:

- ATM/Branch Locator (by 13%)
- News Updates (by 7%)
- Cheque Book request & Stop payment (by 40%)
- SMS Banking (by 60%)
- Search Option (by 73%)
- Funds Transfer (by 30%)
- TV Banking (by 17%)
- IVR Banking (by 7%)
- e-cheques Option (by 90%)
- Online Shopping (by 23%)
- Recharge Prepaid Mobile (by 73%)
- Online Trading (by 3%)
- Online Travel Booking (by 13%)
- Hindi Language Option (by 50%)
- NEFT/RTGS (by 30%)

5) The foreign banks are better than public sector banks under the following heads:

- Mobile Banking & Alerts (by 50%)
- Phone Banking (by 35%)
- Automatic time-out (by 30%)
- International Banking (by 40%)

Recommendations & Conclusions
Thus, it is clear from the results that private sector banks in India are the pioneers in Internet Banking. When compared with public sector banks & foreign banks, they are better both in terms of website design & functionality. The public sector banks still have a long way to match private sector banks with regards to provision of TV Banking, Interactive Voice Response Banking, e-cheques option, prepaid mobile recharge facility & Hindi language option. Even the foreign banks need to improve their online user interface and incorporate utility services like Online Shopping, Hindi Language option, TV Banking, IVR

Banking, ATM/Branch locator & News Updates.

It is worth noting that there are several limitations for this analysis. Firstly, all the data in the survey was collected from a limited number of visits to each site at a certain time, despite the fact that the web is a highly dynamic and changeable medium. Similar studies at different times are likely to show different results. Such an evaluation over time will also shed some light on whether there is a divergence or convergence of web activities. Secondly, the unavailability of data was a constraint. Missing frequencies were not taken; instead it was assumed that the bank did not provide the particular service.

While our focus was restricted to analysing the content of internet banking websites in India, further research can also explore the impact of demographic variables both on the provision (by banks) and the usage (by customers) of services under electronic banking.

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