

# Progress Of Internet Banking In India: Customer Perspective

Navin H. Sapariya

Viral A. Chauhan

Asst. Professor  
Vidyabharti Trust College Of BBA & BCA,  
Umrakh. Bardoli

**Abstract:** *The present paper is concerned with the various ways of doing banking electronically. This paper has been divided into four sections dealing with four aspects of e-banking i.e. ATM, Internet Banking, Mobile Banking and Credit Cards. Paper is basically concerned with the customer aspect of banking searching for customer satisfaction level. This is a comparative study of public sector banks, private sector Indian banks and private sector foreign banks. Internet banking is still at infancy stage in the world. Many studies focused on usage of internet banking but many factors on non-usage were overlooked. This research was carried out to validate the conceptual model of internet banking. The causes were identified and researched through correcting the causative factors so that internet banking can be used by more people. This will help the banking operations to be more cost effective.*

## I. INTRODUCTION

Banking has come a long way from the time of ledger cards and other manual filing systems. Most of the banks today have electronic systems to handle their daily voluminous tasks of information retrieval, storage and processing. Irrespective of whether they are automated or not, banks by their nature are continually involved in all forms of information management on a continuous basis. The computer is, of course, an established tool for achieving a competitive edge and optimal resource allocation. Competition and the constant changes in technology and lifestyles have changed the face of banking. Nowadays, banks are seeking alternative ways to provide and differentiate amongst their varied services. Customers, both corporate as well as retail, are no longer willing to queue in banks, or wait on the phone, for the most basic of services. They demand and expect to be able to transact their financial dealings where and when they wish to. With the number of computers increasing every year, the electronic delivery of banking services is becoming the ideal way for the banks to meet their clients' expectations.

E-banking refers to the effective deployment of IT by the banks. It is about using the infrastructure of the digital age to create opportunities- both local and global. It enables the dramatic lowering of transaction costs and the creation of new

types of banking opportunities that address the barriers of time and distance. Banking opportunities are local, global and immediate in e-banking. The current web-based variant of banking is the latest of several generations of systems: ATM was the first well-known machines to provide electronic access to customers of retail banks. With advent of ATM, banks are able to serve customers outside the banking hall. Next came phone banking where user call their bank's computer system on their ordinary transactions. PC banking superseded phone banking and allowed users to interact with their bank by means of a computer with a dial-up modern connection to the phone network. PSBs, which are the foundation of the Indian banking system, account for more than 78 per cent of the assets of total banking industry. Unfortunately, they are burdened with excessive NPAs, massive manpower and lack of modern technology. On the other hand, the PSIBs and PSFBs in India are witnessing immense progress. They are leaders in internet banking, mobile banking, phone banking, ATMs.

## WHAT IS INTERNET BANKING?

"A system which allowing individuals to perform banking activities at home, via the internet is known as Internet Banking".

The automated delivery of new and traditional banking products and services directly to customers through electronic, interactive communication channels.

Electronic banking is one of the truly widespread avatars of E-commerce the world over. Various authors define E-Banking differently but the most definition depicting the meaning and features of E-Banking are as follows:

- ✓ Banking is a combination of two, Electronic technology and Banking.
- ✓ Electronic Banking is a process by which a customer performs banking Transactions electronically without visiting a brick-and-mortar institutions.
- ✓ E-Banking denotes the provision of banking and related service through Extensive use of information technology without direct recourse to the bank by the customer.

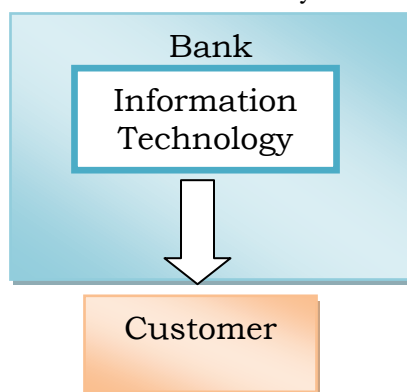


Figure 1

## NEED FOR E-BANKING

One has to approach the branch in person, to withdraw cash or deposit a cheque or request a statement of accounts. In true Internet banking, any inquiry or transaction is processed online without any reference to the branch (anywhere banking) at any time. Providing Internet banking is increasingly becoming a "need to have" than a "nice to have" service. The net banking, thus, now is more of a norm rather than an exception in many developed countries due to the fact that it is the cheapest way of providing banking services.

Banks have traditionally been in the forefront of harnessing technology to improve their products, services and efficiency. They have, over a long time, been using electronic and telecommunication networks for delivering a wide range of value added products and services. The delivery channels include direct dial – up connections, private networks, public networks etc and the devices include telephone, Personal Computers including the Automated Teller Machines, etc. With the popularity of PCs, easy access to Internet and World Wide Web (WWW), Internet is increasingly used by banks as a channel for receiving instructions and delivering their products and services to their customers. This form of banking is generally referred to as Internet Banking, although the range of products and services offered by different banks vary widely both in their content and sophistication.

## HISTORY OF E- BANKING

The precursor for the modern home online banking services were the distance banking services over electronic media from the early '80s. The term online became popular in the late '80s and refers to the use of a terminal, keyboard and TV (or monitor) to access the banking system using a phone line. 'Home banking' can also refer to the use of a numeric keypad to send tones down a phone line with instructions to the bank. Online services started in New York in 1981 when four of the city's major banks (Citibank, Chase Manhattan, Chemical and Manufacturers Hanover) offered home banking services using the videotex system. Because of the commercial failure of videotex these banking services never became popular except in France where the use of videotex (Minitel) was subsidized by the telecom provider and the UK, where the Prestel system was used.

The UK's first home online banking services were set up by the Nottingham Building Society (NBS) in 1983 ("History of the Nottingham" Retrieved on 2007-12-14.). The system used was based on the UK's Prestel system and used a computer, such as the BBC Micro, or keyboard (Tandata Td1400) connected to the telephone system and television set. The system (known as 'Homelink') allowed on-line viewing of statements, bank transfers and bill payments. In order to make bank transfers and bill payments, a written instruction giving details of the intended recipient had to be sent to the NBS who set the details up on the Home link system. Typical recipients were gas, electricity and telephone companies and accounts with other banks. Details of payments to be made were input into the NBS system by the account holder via Prestel. A cheque was then sent by NBS to the payee and an advice giving details of the payment was sent to the account holder. BACS was later used to transfer the payment directly. Stanford Federal Credit Union was the first financial institution to offer online internet banking services to all of its members in Oct, 1994.

## EVOLUTION OF E-BANKING

The story of technology in banking started with the use of punched card machines like Accounting Machines or Ledger Posting Machines. The use of technology, at that time, was limited to keeping books of the bank. It further developed with the birth of online real time system and vast improvement in telecommunications during late 1970's and 1980's. It resulted in a revolution in the field of banking with "convenience banking" as a buzzword. Through Convenience banking, the bank is carried to the doorstep of the customer.

The 1990's saw the birth of distributed computing technologies and Relational Data Base Management System. The banking industry was simply waiting for these technologies. Now with distribution technologies, one could configure dedicated machines called front-end machines for customer service and risk control while communication in the batch mode without hampering the response time on the front-end machine.

Intense competition has forced banks to rethink the way they operated their business. They had to reinvent and improve their products and services to make them more

beneficial and cost effective. Technology in the form of E-banking has made it possible to find alternate banking practices at lower costs.

More and more people are using electronic banking products and services because large section of the banks future customer base will be made up of computer literate customer, the banks must be able to offer these customer products and services that allow them to do their banking by electronic means. If they fail to do this will, simply, not survive. New products and services are emerging that are set to change the way we look at money and the monetary system.

## USAGE OF E-BANKING

The rise in the e-commerce and the use of internet in its facilitation along with the enhanced online security of transactions and sensitive information has been the core reason for the penetration of online banking in everyday life. According to the latest official figures from the office of National Statistics (ONS 2007) indicate that subscriptions to the internet has grown more than 50% from 25 million in 2005 to 45million in 2007 in India. It has also been estimated that 60% of the population in India use internet in their daily lives. The fundamental shift towards the involvement of the customer in the financial service provision with the help of the technology especially internet has helped to reduce the costs of financial institutions as well as helped client to use the service at anytime and from virtually anywhere with access to an internet connection. The use of electronic banking has removed personnel that facilitate the transactions and has placed additional responsibilities on the customers to transact with the service. The computerization of the banking operations has made maximum impact on:-

- ✓ Internal accounting system
- ✓ Customer service
- ✓ Diversification of system

## E-BANKING PRODUCTS

### a. AUTOMATED TELLER MACHINE (ATM)

These are cash dispensing machine, which are frequently seen at banks and other locations such as shopping centers and building societies. Their main purpose is to allow customer to draw cash at any time and to provide banking services where it would not have been viable to open another branch e.g. on university campus.

An automated teller machine or automatic teller machine (ATM) is a computerized telecommunications device that provides a financial institution's customers a method of financial transactions in a public space without the need for a human clerk or bank teller. On most modern ATMs, the customer identifies him or herself by inserting a plastic ATM card with a magnetic stripe or a plastic smartcard with a chip that contains his or her card number and some security information, such as an expiration date or CVC (CVV). Security is provided by the customer entering a personal identification number (PIN). Using an ATM, customers can access their bank accounts in order to make cash withdrawals (or credit card cash advances) and check their account

balances. Many ATMs also allow people to deposit cash or checks, transfer money between their bank accounts, pay bills, or purchase goods and services. Some of the advantages of ATM to customers are:

- ✓ Ability to draw cash after normal banking hours
- ✓ Quicker than normal cashier service
- ✓ Complete security as only the card holder knows the PIN
- ✓ Does not just operate as a medium of obtaining cash
- ✓ Customer can sometimes use the services of other bank ATM's.

### b. TELE BANKING OR PHONE BANKING

Telephone banking is relatively new Electronic Banking Product. However it is fastly becoming one of the most popular products. Customer can perform a number of transactions from the convenience of their own home or office; in fact from anywhere they have access to phone. Customers can do following:

- ✓ Check balances and statement information
- ✓ Transfer funds from one account to another
- ✓ Pay certain bills
- ✓ Order statements or cheque books
- ✓ Demand draft request.

This facility is available with the help of Voice Response System (VRS). This system basically, accepts only TONE dialed input. Like the ATM customer has to follow particular process, initially account number and telephone PIN are fed for the process to start. Also the VRS system provides the users within additional facilities such as changing existing password with the new desired, information about new products, current interest rates etc.

### c. MOBILE BANKING

Mobile banking comes in as a part of the banks initiative to offer multiple channels banking providing convenience for its customer. A versatile multi functional, free service that is accessible and viewable on the monitor of mobile phone. Mobile phones are playing great role in Indian banking- both directly and indirectly. They are being used both as banking and other channels.

### d. INTERNET BANKING

The advent of the Internet and the popularity of personal computers presented both an opportunity and a challenge for the banking industry. For years, financial institutions have used powerful computer networks to automate million of daily transactions; today, often the only paper record is the customer's receipt at the point of sale. Now that their customers are connected to the Internet via personal computers, banks envision similar advantages by adopting those same internal electronic processes to home use. Banks view online banking as a powerful "value added" tool to attract and retain new customers while helping to eliminate costly paper handling and teller interactions in an increasingly competitive banking environment. In India first one to move into this area was ICICI Bank. They started web based banking as early as august 1997.

## TYPES OF INTERNET BANKING OR E-BANKING

Understanding the various types of Internet banking will help examiners assess the risks involved. Currently, the following three basic kinds of Internet banking are being employed in the marketplace.

### a. INFORMATIONAL

This is the basic level of Internet banking. Typically, the bank has marketing information about the bank's products and services on a stand-alone server. The risk is relatively low, as informational systems typically have no path between the server and the bank's internal network. This level of Internet banking can be provided by the banks or outsourced. While the risk to a bank is relatively low, the server or web site may be vulnerable to alteration. Appropriate controls therefore must be in place to prevent unauthorized alterations to the bank's server or web site.

### b. COMMUNICATIVE

There should be interaction between the bank's system and the customer. The interaction may be limited to electronic mail, account enquiry, loan applications, or static file updates (name and address change). Because these servers may have a path to the bank's internal networks, the risk is higher with this configuration than with informational systems. Appropriate controls need to be in the place to prevent, monitor, and alert management of any unauthorized attempt to access the bank's internal networks and computer systems. Virus controls also become much more critical in this environment.

### c. TRANSACTIONAL

This level of Internet banking allows customers to execute transactions. Since a path typically exists between the server and the bank or outsourcer's internal network, this is the highest risk architecture and must have the strongest controls. Customer transactions can include accessing accounts, paying bills, transferring funds etc.

## FEATURES OF E-BANKING

### a. TRANSACTIONAL

E.g. performing a financial transaction such as an account to account transfer, paying a bill or applications like applying for a loan, new account, etc.

- ✓ Electronic Bill Presentment and Payment (EBPP)
- ✓ Funds transfer between customers own checking and savings accounts, or to another customers account.
- ✓ Investment purchase or sale.
- ✓ Loan application and transactions such as repayments.

### b. NON-TRANSACTIONAL

E.g. online statements, Check links, Chat, Co-browsing etc.

- ✓ Financial Institution Administration- features allowing financial institutions to manage the online experience of their end users.
- ✓ ASP/ Hosting Administration – features allowing the hosting company to administer the solution across financial institution.

## ADVANTAGES OF E-BANKING

### a. CONVENIENCE

Unlike your corner bank, online banking sites never close; they're available 24 hours a day, seven days a week and they're only a mouse click away.

With pressures on time and longer travelling periods, more and more people find it tiresome waiting in queues. People want flexibility, and internet banking offers just that.

### b. UBIQUITY

If you're out of state or even out of the country when a money problem arises, you can log on instantly to your online bank and take care of business, 24/7.

### c. TRANSACTION SPEED

Online bank sites generally execute and confirm transactions at or quicker than ATM processing speeds.

### d. EFFICIENCY

You can access and manage all of your bank accounts, including IRA's, CDs, even securities, from one secure site.

### e. EFFECTIVENESS

Many online banking sites now offer sophisticated tools, including account aggregation, stock quotes, rate alert and portfolio managing program to help you manage all of your assets more effectively. Most are also compatible with money managing programs such as Quicken and Microsoft money.

### f. CHEAPER ALTERNATIVE

With increasing competition, it seems to be the cost factor that is driving banks to offer the facility. The Internet is still a very cheap alternative to opening a physical branch, and most of the push seems to be coming from the supply side. The costs of a banking service through the Internet form a fraction of costs through conventional methods.

### g. FROM SNOB VALUE TO NECESSITY

A couple of years ago, there was a belief even among bankers that customers opening new accounts wanted the online banking facility, just to "feel good" and very few of them actually used the services. Today, bankers believe that the trend from 'nice to have' is changing to 'need to have'. The



"snob value" of banking with an organization that could offer service on the Internet has given way to a genuine necessity, he feels. "It all depends on how busy a person is."

#### DISADVANTAGES OF INTERNET BANKING

##### a. *START-UP MAY TAKE TIME*

In order to register for your bank's online program, you will probably have to provide ID and sign a form at a bank branch. If you and your spouse wish to view and manage their assets together online, one of you may have to sign a durable power of attorney before the bank will display all of your holdings together.

##### b. *LEARNING CURVES*

Banking sites can be difficult to navigate at first. Plan to invest some time and/or read the tutorials in order to become comfortable in your virtual lobby.

##### c. *BANK SITE CHANGES*

Even the largest banks periodically upgrade their online programs, adding new features in unfamiliar places. In some cases, you may have to re-enter account information.

## II. LITERATURE REVIEW

With the extensive technology innovation and telecommunications, we have seen new financial distribution channels increasing rapidly both in numbers and form, from ATMs, telephone banking to PC banking and internet banking is the latest in the series of technological wonders of the recent past (Mols, 1999).

Following the boom of internet, the internet can no longer be considered a "fad" or the preserve of "techies" and "computer nerds". Commercial uses of net have become the fastest growing part of the WWW. About the same time, internet banking was thought to signal revolution in banking distribution. Banks invested heavily in the development of the internet channels. Internet banking has experienced explosive growth in many countries and has transformed traditional banking practice. Inevitably, internet banking will continue to revolutionize the current traditional banking industry and offer more opportunity to meet better consumer service through enhanced interaction, data mining and customization in the internet banking service.

Online banking was first introduced in the early 1980s (Kalakota and Whinston, 1997), in which consumers were provided with an application software program that operates on personal computer which can be dialed into the bank via a modem, telephone line and operated the programs remotely on the consumer PC. However, the lack of internet users, and cost associated with using online banking, stunted its growth. It was only in the late 1990s that internet banking really caught on as the internet explosion had made consumers more comfortable with making transactions over the web.

Nevertheless the customer base for internet banking was growing steadily.

RA Gbadeyan, OO Akinyosoye, Customers preference for E-banking services: A case study of selected bank in Sierra Leone" vol 1 no 4 [108-116] July 2011, this study suggested that various measures should be placed to ensure more security such as installation of encrypted software, verification system of customer's identification cards, like that and this study shown the various benefits accruing to internet banking and that many people are increasingly using this service.

S Arun Kumar "A study on attitude and intention towards internet banking with reference to Malaysian consumers in Klang Valley Region" vol 6 no 1, this study find out that perceived enjoyment & considered as the major factors for attitude and intention.

Divya singhal V. Padhmanabhan, "A study on customer perception towards internet banking: Identifying major contributing factors" vol 5 no 1 Dec 2008 they find out that factors like convenience way of operating transaction, Real time access to information saving transaction cost which influence customer to adopt E-banking services.

## III. RESEARCH METHODOLOGY

### OBJECTIVES OF THE STUDY

The present study aims to examine the progress of e-banking in India. In this broader framework, an attempt is made to achieve the following specific objectives:

- ✓ To analyze the present e-banking scenario concerned with ATM, Internet banking, Mobile banking and Credit cards in India.
- ✓ To examine the impact of ATM, Internet banking, and Mobile banking on customer satisfaction by analyzing the problems faced by the customers.

### RESEARCH DESIGN

In this study exploratory research design is used.

### DATA COLLECTION METHOD

Both Primary and Secondary data were used.

- ✓ **PRIMARY DATA:** Data regarding the topic is collected directly by interacting with the customers by using pre-structured questionnaire and interview method.
- ✓ **SECONDARY DATA:** The secondary data was collected from the existing data sources, journals, internet and magazine.

### SAMPLE DESIGN

Convenience sampling method is used.

### SAMPLE SIZE

A sample of 50 respondent/customers is used.

## DATA ANALYSIS TOOLS

- ✓ Pie chart, Column Chart etc

## TOOL

The questionnaire was developed to get the feedback from the various respondents. The length of survey questionnaire was kept optimum to avoid the psychological burden of responding for the sampled entrepreneurs.

## DATA ANALYSIS

Both descriptive and statistical analysis of the collected data will be done to study the problem.

## IV. DATA ANALYSIS AND INTERPRETATION

### Q1. WHICH OF THE FOLLOWING E-BANKING SERVICES DO YOU USE?

RANK	ATM	INTERNET BANKING	MOBILE BANKING	CREDIT CARD	ATM CUM DEBIT CARD
1	3	3	4	3	3
2	6	5	4	8	8
3	3	13	11	11	11
4	1	13	23	6	6
5	2	15	8	3	21

Table 1

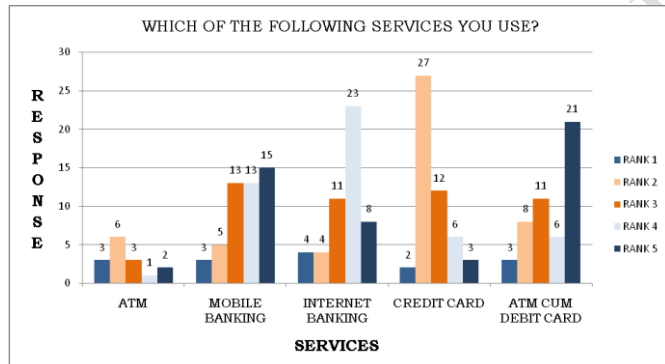


Figure 1

## INTERPRETATION

The above graph indicates that the usage of credit card is more compared to others e-banking services. The usage of ATM is very less compared to internet banking, mobile banking and ATM cum debit card. Due to easy accessibility and complete knowledge about credit card most of the respondents prefers it first.

### Q2. HOW LONG YOU HAVE BEEN USING THE FOLLOWING E-BANKING SERVICES?

	ATM	INTERNET BANKING	MOBILE BANKING	CREDIT CARDS
Less than 6 months	0	3	7	3
6 months to	1	6	5	4

1 year				
1 year to 2 year	2	7	16	4
2 year to 3 year	7	25	14	3
More than 3 year	40	5	2	36

Table 2

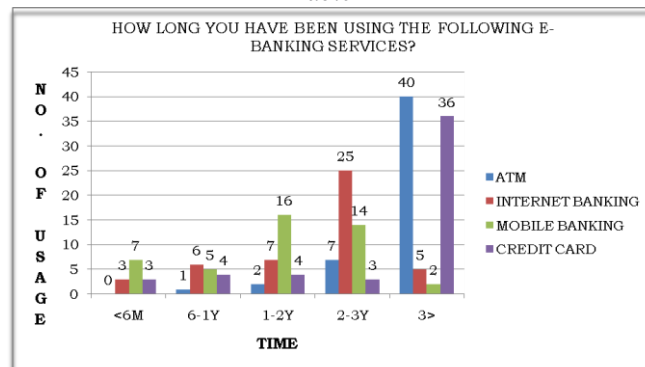


Figure 2

## INTERPRETATION

The graph shows that the ATM has been use since more than 3 years compared to other services. Due to unawareness and lack of knowledge about internet and mobile banking, most of the respondent does not use it. Only 5 and 2 respondent among 50 respondents are using internet and mobile banking more than 3 years.

### Q3. WHAT ARE THE MAIN REASONS THAT YOU HAVE NOT AVAIL THE FOLLOWING E-BANKING SERVICES?

	ATM	INTERNET BANKING	MOBILE BANKING	CREDIT CARDS
Never heard of the same	0	1	1	0
Don't have knowledge	0	2	6	5
Concerned about security	5	7	5	1
Don't have time	2	4	3	2
Don't see any real value	2	4	6	1
Too new, I would like to see how it works, than I may start this	0	1	0	0
Not available through my bank	0	1	0	0
No need felt	3	0	0	2

Table 3

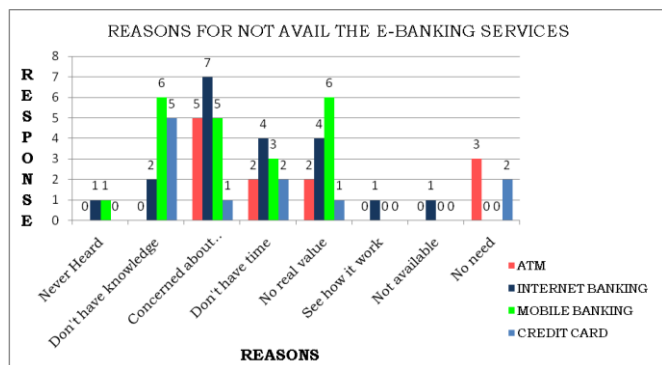


Figure 4

## INTERPRETATION

The above graph reveals that most of the respondent was not avail the e-banking services due to they don't have knowledge about the same and they are more concerned about security.

Q4. DO YOU HAVE AN ACCOUNT WITH MORE THAN ONE BANK?

	RESPONDENT
Yes	19
No	31

Table 4

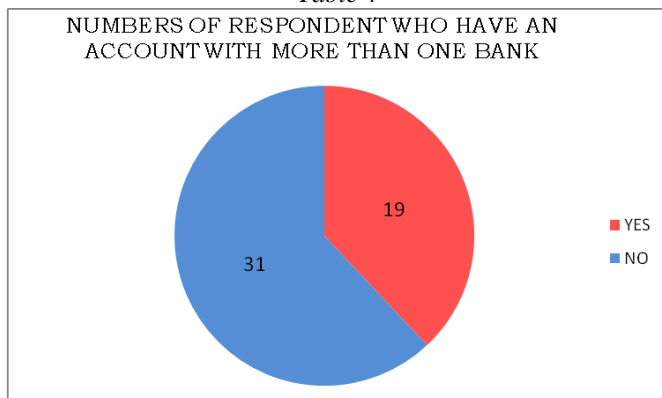


Figure 5

## INTERPRETATION

The above graph represent that most of the respondents was not have an account with more than one bank. The number of respondent who have an account with more than one bank is 19 only from 50 respondents.

If yes, rank the reasons for having more than one bank, in order of importance.

RANKS	CONVENIENCE	SERVICES	DIVERSIFICATION	COMPUSSION	DISTANCE	ORGANIZATIONAL COMPLUSSION
1	9	4	2	0	3	1
2	3	2	7	3	2	2
3	3	5	1	3	4	3
4	0	4	6	2	2	3
5	3	2	0	4	4	4

6	1	1	1	6	6	5
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Table 5

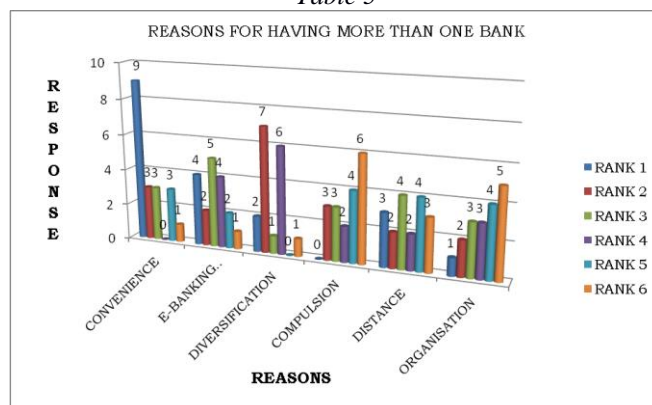


Figure 6

## INTERPRETATION

The above graph states that the respondents who have an account with more than one bank were due to the convenience of the services. Another main reason for having more than one bank was due to diversification of income in different banks to reduce risk.

Q5. TO WHAT EXTEND DO YOU AGREE THAT E-BANKING SERVICES AND PROCESS SAVE TIME?

	RESPONDENT
Highly Agree	13
Agree	30
Indifferent	6
Disagree	1
Highly Agree	0

Table 6

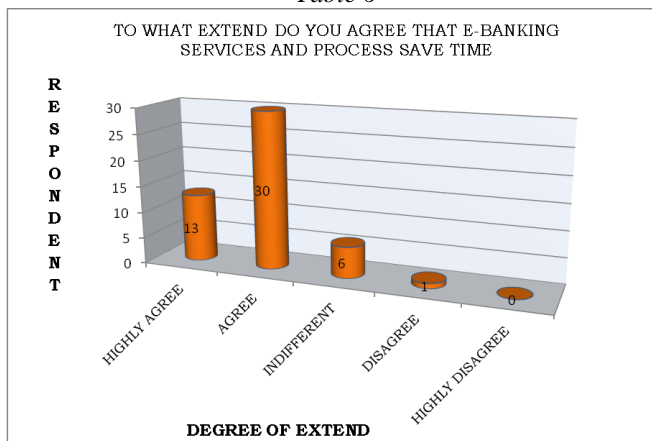


Figure 7

## INTERPRETATION

The above graph shows that most of the respondent i.e. 30 among 50 respondents was agree that the e-banking services and process save their time.

Q6. IS YOUR BANK A ONE-STOP WINDOW FOR ALL BANKING REQUIREMENTS?

	RESPONDENT
Yes	39
No	11

Table 7

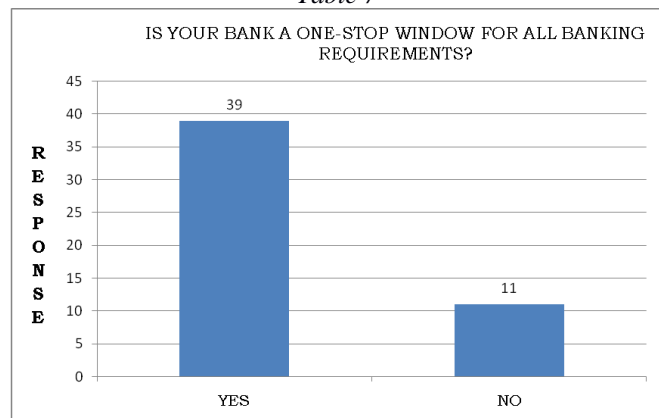


Figure 8

#### INTERPRETATION

The above graph states that 39 respondent among 50 respondents was believed that their bank is a one stop window for all the banking requirements.

IF NO, WHAT ARE THE DEFICIENCIES?

DEFICIENCIES	RESPONDENT
Lack of demat facility	10
Lack of bills	1
Lack of e-banking facilities	2
Lack of bills discounting	7
Any other	6

Table 8

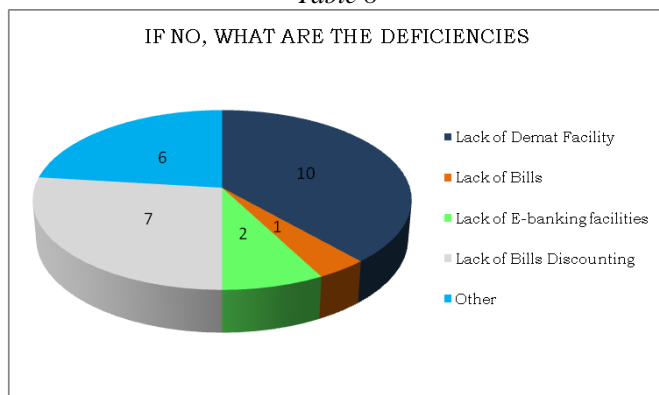


Figure 9

#### INTERPRETATION

The respondents i.e. 11 were believed that their bank is not a one stop window for all banking requirement. The main deficiency was lack of demat facility i.e. 10 because some banks are not offering this services to the customers.

Q7. HOW FREQUENTLY DO YOU HAVE COMPLAINTS AGAINST YOUR BANK WITH REGARD TO THE FOLLOWING E-BANKING SERVICES?

	ATM	INTERNET BANKING	MOBILE BANKING	CREDIT CARDS
Very Often	2	1	2	0
Often	2	3	4	1
Sometimes	2	2	3	3
Rarely	12	33	34	19
Never	32	10	6	27

Table 9

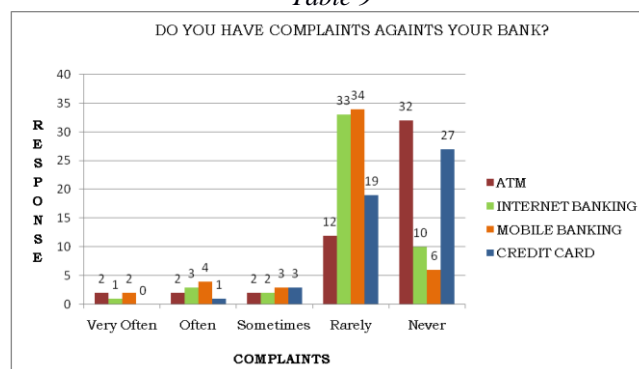


Figure 10

#### INTERPRETATION

The above graph shows that most of the respondent does not have any complaints regarding the ATM services. There were rarely some complaints in internet banking, mobile banking and credit cards.

Q8. IF SOME NEW SERVICES ARE PROVIDED OR TERM/CONDITION RELATED TO PARTICULAR SERVICES ARE REVISED, DOES YOUR INTIMATES YOU FIRST TIME?

	ATM	INTERNET BANKING	MOBILE BANKING	CREDIT CARDS
Yes	45	46	47	44
No	5	4	3	6

Table 10

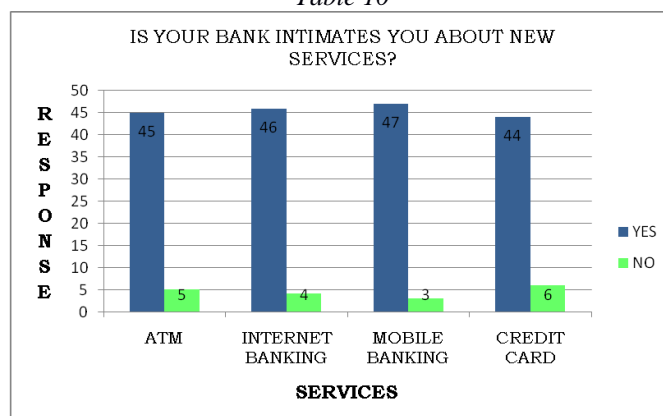


Figure 11



## INTERPRETATION

The above graph reveals that most of the respondent are agree that if some new services are provided or terms/condition related to particular services are revised, then their bank intimates them on first time.

Q9. AT WHAT LEVEL, HAVE YOUR PROBLEM BEEN OFTEN RESOLVED IN THE BANK, WITH REGARD TO FOLLOWING E-BANKING SERVICES?

	ATM	INTERNET BANKING	MOBILE BANKING	CREDIT CARDS
Head Office Level	1	1	1	1
Regional Office Level	0	0	0	0
Branch Level	45	13	16	32
Customer Care Centre	4	35	32	17
Problem Not Solved	0	0	0	0

Table 11

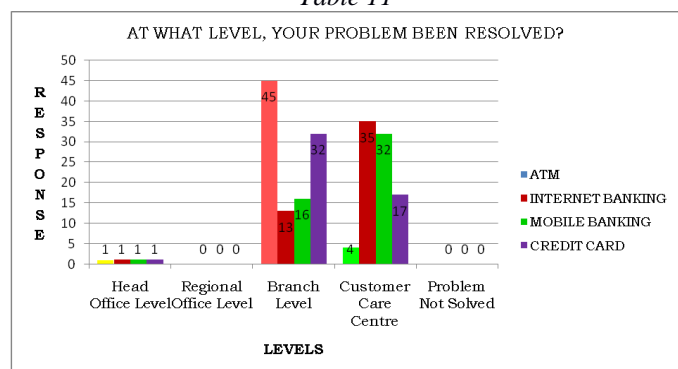


Figure 12

## INTERPRETATION

The above graph shows that most of the problems of respondents have been resolved at branch level and customer care centre regarding all the e-banking services.

Q10. HOW SATISFACTORY IS THE COMPLAINTS / GRIEVANCES SETTLEMENT SYSTEM OF YOUR BANK WITH REGARD TO FOLLOWING E-BANKING SERVICES?

	ATM	INTERNET BANKING	MOBILE BANKING	CREDIT CARDS
Highly Satisfactory	30	7	6	21
Satisfactory	19	34	29	27
Indifferent	1	5	9	1
Unsatisfactory	0	3	3	0
Highly Unsatisfactory	0	0	3	0

Table 12

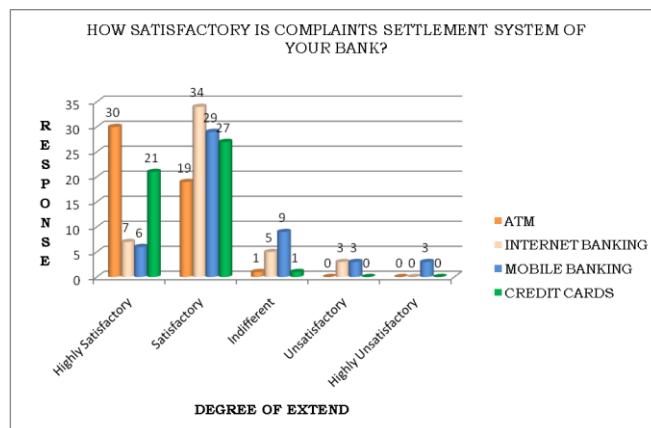


Figure 13

## INTERPRETATION

The graph states that most of the respondents i.e. 30 among 50 respondents were highly satisfied with the grievances settlement system of their bank with regard to ATM services. 34 respondents are satisfied about internet banking, 29 respondents are satisfied with mobile banking services and 27 respondents were also satisfied regarding to credit card services.

Q11. HOW RELIABLE YOU HAVE FOUND FOLLOWING E-BANKING SERVICES?

	ATM	INTERNET BANKING	MOBILE BANKING	CREDIT CARDS
Very Reliable	23	5	8	17
Reliable	27	37	34	32
Unreliable	0	4	4	1

Table 13

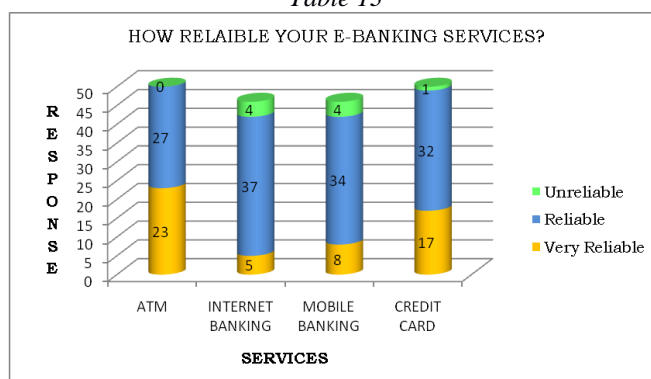


Figure 14

## INTERPRETATION

The above graph indicates that most of the respondents believed that the ATM, internet banking, mobile banking and credit card services are reliable

Q12. OVERALL HOW SATISFY ARE YOU BY USING FOLLOWING E-BANKING SERVICES?

	ATM	INTERNET BANKING	MOBILE BANKING	CREDIT CARDS
Very Satisfied	29	6	6	21
Satisfied	17	35	31	28
Neutral	3	3	9	1
Dissatisfied	1	4	2	0
Very Unsatisfied	0	1	2	0

Table 14

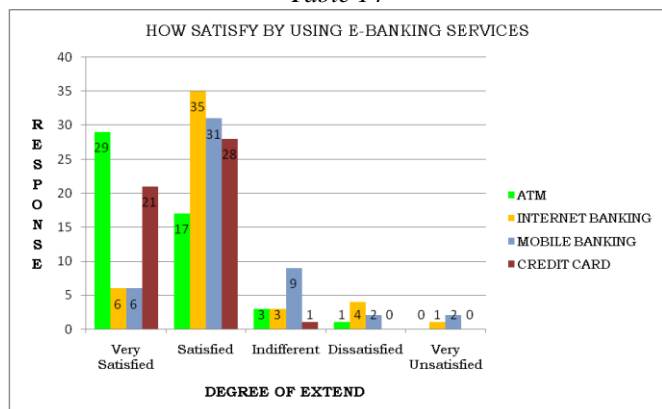


Figure 15

INTERPRETATION

The graph reveals that 29 respondents are very satisfied with ATM services, 35 respondents are satisfied and 4 respondents are dissatisfied with internet banking services, 9 respondents are indifferent and 2 respondents are very unsatisfied with mobile banking services.

Q13. GENDER

GENDER	RESPONDENT
Male	31
Female	19

Table 15

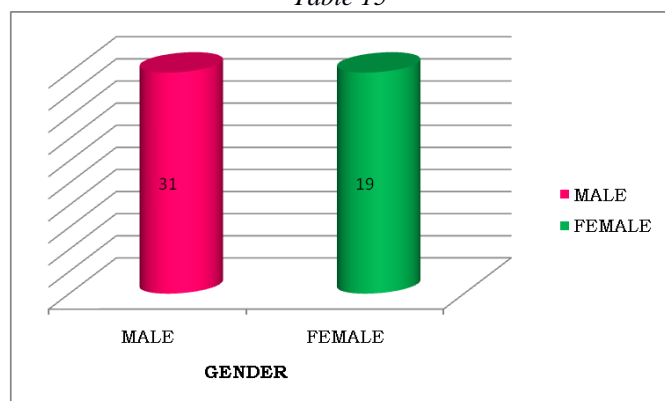


Figure 16

INTERPRETATION

The graph shows that the male respondents i.e. 31 are more than the female respondents i.e. 19.

Q14. AGE GROUP

AGE GROUP	RESPONDENT
18-24	11
25-34	28
35-49	11
50-64	0
65 and above	0

Table 16

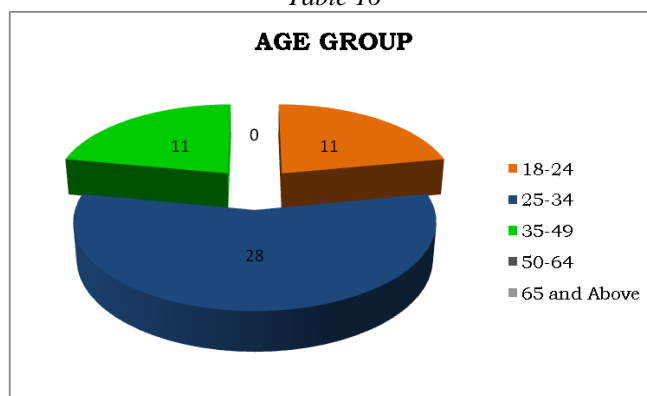


Figure 17

INTERPRETATION

The above graph indicates that the numbers of respondents i.e. 28 are greater in the age group of 25-34 as compared to the other age groups.

Q15. EDUCATIONAL QUALIFICATION

EDUCATIONAL QUALIFICATION	RESPONDENT
Below Metric	2
Metric and Senior Secondary	13
Graduate	26
Post-Graduate and Above	9

Table 17

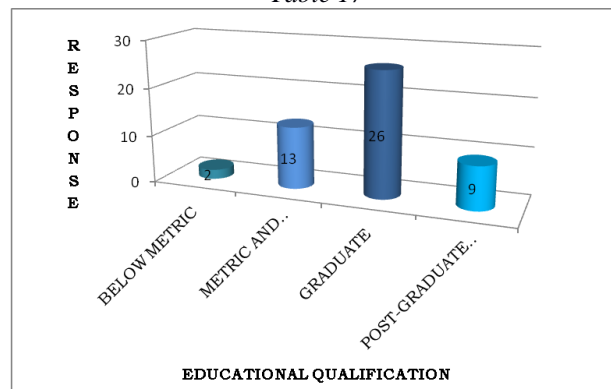


Figure 18

## INTERPRETATION

The above graph reveals that most of the respondents i.e. 26 among 50 respondents were graduated. There were only 2 respondents who are below metric.

### Q16. OCCUPATION

OCCUPATION	RESPONDENT
Business	12
Services	9
Professional	11
Others	18

Table 18

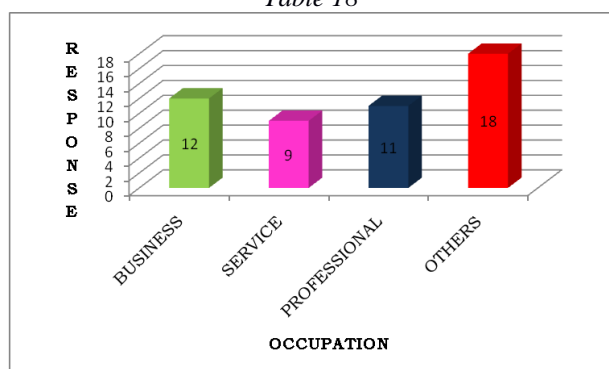


Figure 19

## INTERPRETATION

The above graph shows that 18 respondents belong to other category i.e. it may be farmers, housewives or others. 12 and 11 respondents are from business and professional occupation and only 9 respondents are from service occupation.

### Q17. INCOME GROUP

INCOME GROUP	RESPONDENT
Less than Rs. 2,00,000	23
Rs. 2,00,000-Rs. 5,00,000	15
Rs. 5,00,000-Rs. 10,00,00	5
Above Rs. 10,00,000	1

Table 19

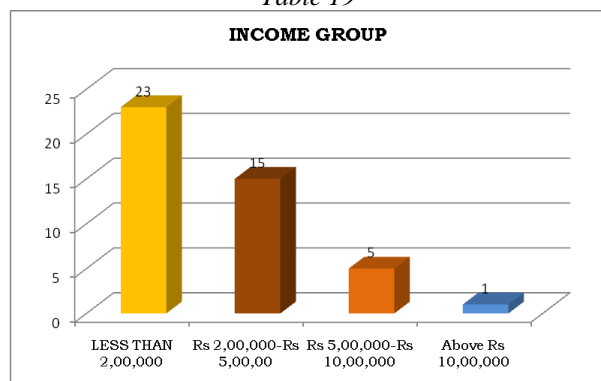


Figure 20

## INTERPRETATION

The graph indicates that the income group of most of the respondent was less than Rs. 2 lakh. Only 1 respondent have more than Rs. 10 lakh income.

### Q18. MARITAL STATUS

MARITAL STATUS	RESPONDENT
Married	34
Unmarried	16

Table 20

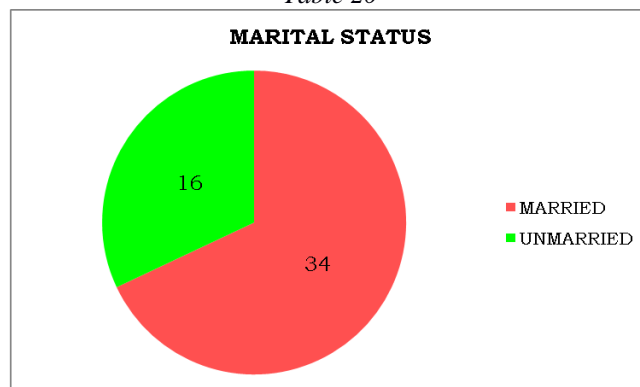


Figure 21

## INTERPRETATION

The graph shows that the 34 respondents were married and 16 respondents were unmarried.

## V. FINDINGS

*"FINDING STATES THE FACTS ABOUT THE RESEARCH".*

From this research, I have find out some various parameters about the e-banking services and how much progress is done in the internet banking as per the customers by conducting a survey of 50 respondents regarding it.

Following are the finding:

- ✓ The usage of credit cards by respondents is more i.e. 27 among 50 respondents compared to other e-banking services. It may be due to complete knowledge and easy accessibility about the credit cards.
- ✓ Since more than 3 years 40 respondents were using ATM services compared to other e-banking services. Due to unawareness and lack of knowledge about internet and mobile banking most of the respondents does not use it.
- ✓ From the analysis, it also known that some respondents were not avail the e-banking services, due to security concerned, lack of knowledge, no any real value seen in it etc.
- ✓ It was also known that 31 respondents does not have an account with more than one bank, only 19 respondents have an account with more than one bank.
- ✓ Those respondents who have an account with more than one bank was due to conveniences of the services, for

diversification of their income, organization compulsion etc.

- ✓ Most of the respondents i.e. 30 were agree that the e-banking services and process save their time.
- ✓ The 39 respondents among 50 respondents were believed that their bank is a one stop window for all the banking requirements. While 11 respondents believed that their bank is not a one stop window due to some deficiency of the bank.
- ✓ From the analysis, it was known that most of the respondents do not have any complaints regarding the ATM services. Rarely some have complaints regarding the internet banking, mobile banking and credit cards.
- ✓ Almost all the respondents are agreed that their bank intimates them on first time, if some new services are provided or when some services are revised.
- ✓ At the branch level and customer care centre, most of the problems of respondents have been resolved regarding any e-banking services.
- ✓ From the analysis, it was known that most of the respondents were satisfied regarding the grievances settlement system of their banks.
- ✓ Almost all the respondents were believed that the e-banking services are reliable.

From the analysis, it was known that by using the e-banking services most of the respondents were satisfied.

## VI. CONCLUSION

From this project I came to know that Internet banking is clearly the way forward for the Indian banks. It provides comfort to customers at the same time it provides cost cutting to the banks by eliminating physical documentation. Internet banking saves time of bank as well as those of customers.

This study states that internet banking provides greater reach to customers. Feedback can be obtained easily as internet is virtual in nature. Personal attention can be given by bank to customer and also quality service can be served. Bank should know that no system is perfect; however a system of such a type will need to be very secure. This is a system which holds account details and customers wealth. If such a system was not trusted and not reliable, then bank would face serious laws and would lose business.

It can be easily conclude that technological development in banking industry positively improves the services, competitiveness, branding and also loyalty of banks.

From this analysis, I came to know that most of the customer i.e. respondents were satisfied with the e-banking services and agreed that it is reliable and time saving than the traditional banking services.

Thus, I can conclude that there was more improvement and rapid progress in the internet banking.

## VII. RECOMMENDATION

- ✓ E-banks should create awareness among people about e-banking products and services.

- ✓ Special arrangements should be made by banks to ensure full security of customer funds. Technical defaults should be avoided by employing well trained and expert technicians in field of computers, so that loss of data can be avoided.
  - ✓ Employees of banks should be given special technical training for the use of e-banking so that they can further encourage customers to use the same.
  - ✓ Seminars and workshops should be organized on the healthy usage of e-banking especially for those who are ATM or computer illiterate.
- E-banking services should be customized on basis of age, gender, occupation etc so that needs and requirements of people are met accordingly.

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## QUESTIONNAIRE

"A STUDY ON PROGRESS OF INTERNET BANKING IN INDIA: CUSTOMER PERSPECTIVE"

Dear Sir/ madam,

Electronic banking is a process by which a customer performs banking transaction electronically without visiting a bank. Electronic banking deliver the product or services through ATM, Mobile Banking, Telephone Banking etc.

In this context, we are conducting research on "A STUDY RELATED TO PROGRESS OF INTERNET BANKING IN INDIA: CUSTOMER PERSPECTIVE". Kindly spare some of your valuable time to fill up the questionnaire. The information collected shall be used for academic purposes only.

Looking forward to your kind help.

1. WHICH OF THE FOLLOWING E-BANKING SERVICES DO YOU USE? (PLEASE RANK 1,2,3.... IN ORDER OF FREQUENCY OF USE)

E-Banking Service	Rank
ATM	
Mobile Banking	
Internet Banking	
Credit Card	
ATM cum Debt Card	

2. HOW LONG YOU HAVE BEEN USING THE FOLLOWING E-BANKING SERVICES? (PLEASE TICK)

	ATM	Internet Banking	Mobile Banking	Credit Cards
Less than 6 months				
6 months to 1 year				
1 year to 2 year				
2 year to 3 year				
More than 3 years				

3. WHAT ARE THE MAIN REASONS THAT YOU HAVE NOT AVAIL THE FOLLOWING E-BANKING SERVICES? (PLEASE TICK)

	ATM	Internet Banking	Mobile Banking	Credit Cards
Never heard of the same				
Don't have knowledge				
Concerned about security				
Don't have time				
Don't see any real value in this				
Too new, I would like to see how it works, than I may start this				
Not available through my bank				
No need felt				

4. DO YOU HAVE AN ACCOUNT WITH MORE THAN ONE BANK? (PLEASE TICK)

- ☐ Yes  
☐ No

IF YES, RANK THE REASONS FOR HAVING MORE THAN ONE BANK, IN ORDER OF IMPORTANCE. (PLEASE RANK 1,2,3....)

Reasons
Convenience
To obtain e-banking services like D-mat, Internet Banking etc
Diversification of income in different banks to reduce risk
Compulsion due to being at distance
House and office being at distance
Due to organizational compulsion (Salary etc)

5. TO WHAT EXTEND DO YOU AGREE THAT E-BANKING SERVICES AND PROCESS SAVE TIME? (PLEASE TICK)

Highly Agree	Agree	Indifferent	Disagree	Highly Disagree

6. IS YOUR BANK A ONE-STOP WINDOW FOR ALL BANKING REQUIREMENTS?

- ☐ Yes  
☐ No

IF NO, WHAT ARE THE DEFICIENCIES? (PLEASE TICK)

Deficiencies	
Lack of D-mat facility	
Lack of bills (Telephone, Insurance etc) deposit facility	
Lack of e-banking facilities	
Lack of bills discounting	
Any other (Please specify)	

7. HOW FREQUENTLY DO YOU HAVE COMPLAINTS AGAINST YOUR BANK WITH REGARD TO FOLLOWING E-BANKING SERVICES? (PLEASE TICK)

	ATM	Internet Banking	Mobile Banking	Credit Cards
Very often				
Often				
Sometimes				
Rarely				
Never				

8. IF SOME NEW SERVICES ARE PROVIDED OR TERMS/CONDITION RELATED TO PARTICULAR SERVICE ARE REVISED, DOES YOUR BANK INTIMATES YOU FIRST TIME? (PLEASE TICK)

	ATM	Internet Banking	Mobile Banking	Credit Cards
Yes				
No				

9. AT WHAT LEVEL, HAVE YOUR PROBLEMS BEEN OFTEN RESOLVED IN THE BANK, WITH REGARD TO FOLLOWING E-BANKING SERVICES? (PLEASE TICK)

	ATM	Internet Banking	Mobile Banking	Credit Cards



Head office level				
Regional office level				
Branch level				
Customer care centre				
Problem not solved				

10. HOW SATISFACTORY IS THE COMPLAINTS / GRIEVANCES SETTLEMENT SYSTEM OF YOUR BANK WITH REGARD TO FOLLOWING E-BANKING SERVICES? (PLEASE TICK)

	ATM	Internet Banking	Mobile Banking	Credit Cards
Highly satisfactory				
Satisfactory				
Indifferent				
Unsatisfactory				
Highly unsatisfactory				

11. HOW RELIABLE YOU HAVE FOUND FOLLOWING E-BANKING SERVICES? (PLEASE TICK)

	ATM	Internet Banking	Mobile Banking	Credit Cards
Very reliable				
Reliable				
Unreliable				

12. OVERALL HOW SATISFY ARE YOU BY USING FOLLOWING E-BANKING SERVICE? (PLEASE TICK)

	ATM	Internet Banking	Mobile Banking	Credit Cards
Very satisfied				
Satisfied				

Indifferent				
Dissatisfied				
Very unsatisfied				

13. GENDER

- ☐ Male
- ☐ Female

14. AGE GROUP

- ☐ 18-24
- ☐ 25-34
- ☐ 35-49
- ☐ 50-64
- ☐ 65 and above

15. EDUCATIONAL QUALIFICATION

- ☐ Below Metric
- ☐ Metric and Senior Secondary
- ☐ Graduate
- ☐ Post-graduate and above

16. OCCUPATION

- ☐ Business
- ☐ Service
- ☐ Professional
- ☐ Others

17. INCOME GROUP

- ☐ Less than Rs. 2,00,000
- ☐ Rs. 2,00,000-5,00,000
- ☐ Rs. 5,00,000-10,00,000
- ☐ Above Rs. 10,00,000

18. MARITAL STATUS

- ☐ Married
- ☐ Unmarried