

# Concept of E-Banking Approach as Per Bankers

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## ABSTRACT

In Today's era, many of the banking activities are happening while one is sipping tea just at a tip of finger. Also we find ATMs are at our own doorstep. Banking services are accessible 24x7. We also find more plastic cards than currency notes in your wallet. This change is due to advent of IT. Banks today operate in a highly globalized, liberalized, privatized and a competitive environment. But there is one disadvantage in it that is security because financial institutions are going to deal with ultimately customers' money. Especially regarding authentication and validation of

customers' access to internet banking is the major task of banking system. In this paper I have taken into consideration the opinions regarding internet banking from different levels of bank employees in different banks both public sector as well as private sector. When asked about E - Banking facilities provided by their respective banks, most of them have told that they provide ATM, Debit and credit cards, NEFT and also M Banking for this purpose. Most of the banks advertise their products their online as well as print media. In order to prepare their customers for E banking financial institutions use demo technique to make understand the concept more clearly. When asked about the challenges which banks are facing most of the respondents have told that customers demand for face to face interaction because they fear of security. Bank employees have also strongly agreed that internet banking is much faster than traditional banking. Regarding acceptance of the fact that ATM acting as a media for internet banking most of the bank employees agree that their customers demand for ATM which saves their time a lot and it is also easy to install the system for financial institutions.

**Keywords:** Internet banking, challenges for adoption, importance of adoption, bankers

## I. INTRODUCTION

The term “Banking Technology” refers to the use of sophisticated information and communication technologies together with computer science to enable banks to offer better services to its customers in a secure, reliable and affordable manner and sustain competitive advantage over other banks. From theoretical perspective, banking technology is not a single, stand-alone discipline, but a combination of several fields such as finance, information technology, communication technology, computer science and marketing science. A number of authors and experts have defined e-banking services as a contemporary facility that provides conventional bank products and services through a new medium i.e. IT. The benefits provided by e-banking medium have resulted into swift growth of banking sector worldwide. E-Banking concept has developed and all banks have started enjoying their various advantages as reduced per transaction cost, enhanced customer service, raised long term returns by providing ‘anytime anywhere’ banking to the banking customers. The evolution of banking technology has been mainly driven by changes in distribution channels as automated teller-machine (ATM), phone-banking, mobile-banking, pc-banking and most recently internet banking etc. The manual updates of statements were replaced by printing machines. After this there were advents of ATM’s for the purpose of withdrawals, deposits and even transfers. Phone banking has become a revolutionary concept in banking since it made banking accessible from anywhere as long as phones were available. So in this study we have taken into consideration bankers’ perspective regarding E Banking, facilities provided by various banks,

challenges faced and importance of adoption of E Banking.

## II. Indian Scenario

The traditional banking was always been through branch banking. To cope with the pressure of growing competition, Indian commercial banks have adopted several initiatives and e-banking is one of them. The competition has been especially tough for the public sector banks, as the newly established private sector and foreign banks are leaders in the adoption of e-banking.

## III. Objectives

- 3.1 To study the concept of internet banking
- 3.2 To highlight the facilities given by various banks
- 3.3 To study challenges faced by bankers’ for promoting E Banking
- 3.4 To know the importance of adoption of E banking

## IV. FIGURES AND TABLES

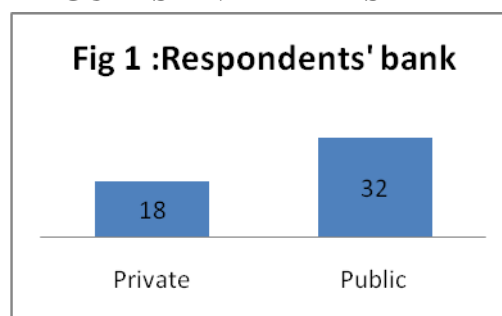


Fig 1 depicts bank of the respondents. 18 of the respondents are from private sector bank and 32 of the respondents are from public sector banks.

**Fig 2 :Position of respondents**

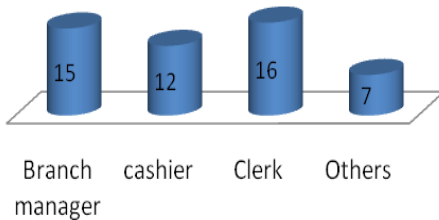


Fig 2 depicts the position of respondents in their banks. 15 of the respondents are branch managers. 12 of the respondents are cashier. 16 of the respondents are clerks. 7 of the respondents are assistant managers, attenders.

**Fig 3: Opinion about E banking**

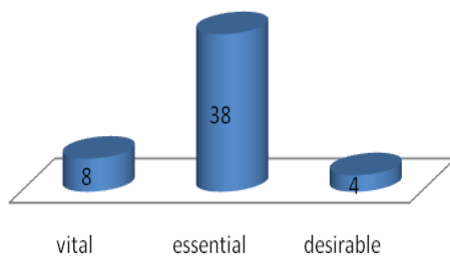


Fig 3 shows opinion of respondents about E Banking. 8 of the respondents say that it is vital. 38 of them say that it is essential. 4 of the respondents say that it is desirable.

**Fig 4 : E banking services provided by banks**

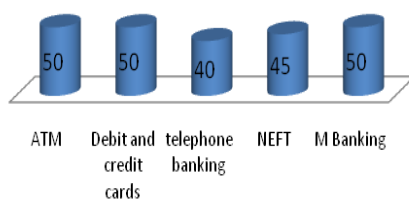


Fig 4 shows E banking services provided by banks. All that is 50 of the respondents say that they have got ATM, Debit and Credit card, M Banking facilities in their banks as a factor of E Banking. 40 of the respondents say that they have telephone banking and 45 of the respondents say that they have NEFT as a factor of E banking.

**Fig 5 : Advertising for E Banking**

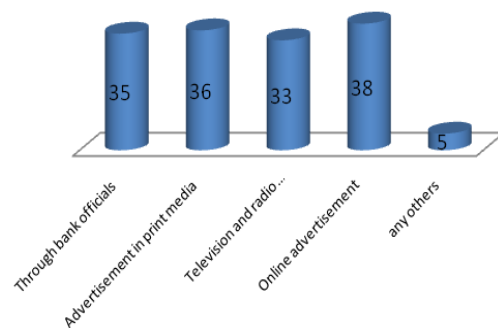


Fig 5 shows how the respondents' bank is preparing its customer or advertising about E Banking facilities. 35 of the respondents say that they prepare their customer through sending their bank officials to their customers in a particular location. 36 of the respondents' bank advertise in print media. 33 of the respondents advertise through television and radio. 38 of the respondents' bank advertise through mails, websites. 5 of the respondents say that advertising can also be done through SMS alerts as well as customer references

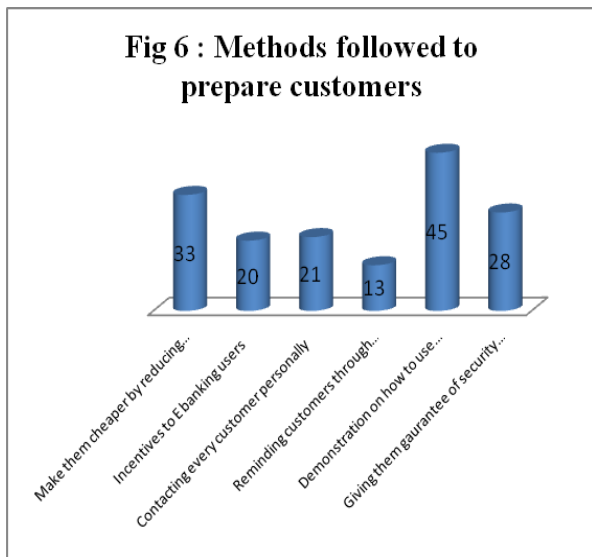


Fig 6 represents methods followed to prepare customers for E Banking. 33 of the respondents say that reducing charges and fees charged can attract customers. 20 of the respondents say that giving incentives to E Banking users can attract E Banking. 21 of the respondent banks contact every customer personally to attract them towards E Banking. 13 of the respondents say that their banks still write a written communication regarding E banking. 45 of the respondents say that Demo technique works well with their customers. 28 of the respondents say that giving security to the customers while dealing with their transactions will attract customers.

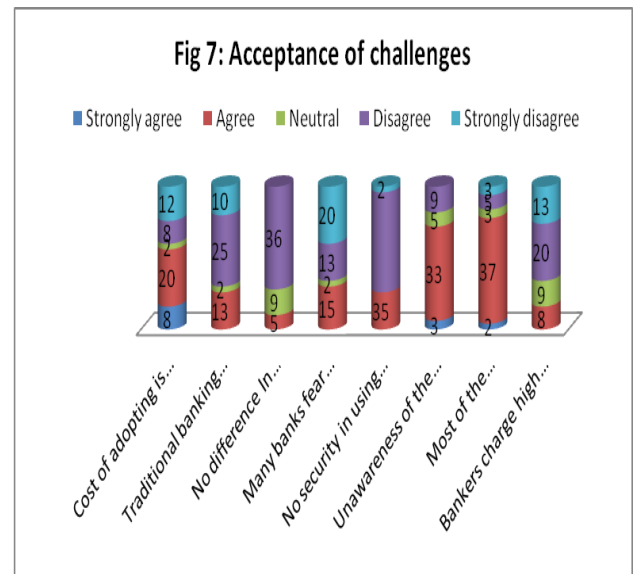


Chart 7 shows the acceptance of few challenges. 20 of the respondents agree with the fact that cost of adopting E banking is very high. 25 of the respondents say that they disagree with the fact that traditional banking is still the best option for their customers. 36 of the respondents disagree with the fact that there is no difference in profitability as compared to traditional banking. 20 of the respondents say that banks fear that there are no proper laws for it. 35 of the respondents agree that there is no security in using internet for E banking. 33 of the respondents agree that their customers are not aware of the proper usage of Internet banking. 37 of the respondents agree that most of the customers prefer face to face conversation. 20 of the respondents disagree with the fact that bankers charge high fees for E banking.

**Table 1:Importance of acceptance of E banking concept**

	Strongly agree	Agree	Neutral	Disagree
E Banking services are faster than traditional banking	35	15	0	0

Access E banking services from anywhere	30	13	0	7
More prestigious	20	15	15	0
Avoiding many risks like robbery in physical handling of large amount of cash	25	25	0	0

Table 1 represents the importance of acceptance of E banking concept. 35 of the respondents strongly agree that E banking services are faster than traditional banking. 30 of the respondents strongly agree that E Banking services can be accessed from anywhere. 20 of the respondents say that customers can feel that it is more prestigious using E banking. All the respondents agree that robbery risks can be avoided.

#### Findings of the study

- ❖ Most of the respondents that is 32 were from public sector banks
- ❖ 35 of the respondents banks are large size banks
- ❖ 50% (25) of the respondents are working for their banks for more than 16 years
- ❖ 15 of the respondents are branch managers. 12 of the respondents are cashier. 16 of the respondents are clerks. 7 of the respondents are assistant managers, attenders.
- ❖ 38 of the respondents say that it is essential to adopt E banking concept
- ❖ All the respondents are already providing services of ATM, NEFT, all cards M banking
- ❖ ATM is used by few banks for paying utility bills, depositing of cash and cheque other than withdrawal of cash and checking balance.
- ❖ 38 of the respondents use online advertisement technique to attract customers.
- ❖ 5 of the respondents say that they use SMS alerts and other customer references to advertise their products.
- ❖ Most followed method to prepare customers for E banking operation is demonstration

through banking officials which becomes more effective.

- ❖ 36 of the respondents disagree with the fact that there is no profit that is they are saying that there is profit from adoption of E banking technique
- ❖ Most accepted importance of E banking is it is much faster than traditional banks and it can be accessed anywhere and it avoids risk of robbery while handling with large amount of cash
- ❖ More customers demand ATM for the E banking transactions

#### V. CONCLUSION

Internet banking system is considered as the one of the great tools which is supporting many financial institutions and customers to make many banking activities through online. Every day banks will perform many activities regarding users which needs huge infrastructure with more number of staffs in all levels. But internet banking has made the process simpler when compared to the traditional banking without involving major portion of the staff. Security measure has to take as this becomes a main disadvantage for E Banking. ATM is used by few banks for paying utility bills, depositing of cash and cheque other than withdrawal of cash and checking balance. So if banks are going to make provisions for paying utility bills etc, it will be a quite successful one. It is the duty of all bankers to make understand all their customers the importance of complete adoption of internet banking. Primary data was collected using questionnaire within the

geographical location of Karnataka. Respondents were from Bangalore, Mangalore and Tumkur. Secondary data was collected from journals and newspapers. Due to time constraint we have taken only 50 respondents. Few public and few private sector bankers were taken into consideration as respondents. As the respondents were only 50 in number the study cannot be generalised.

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