

# Dimensions of E-Banking Services in India

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**Abstract – In today's business, technology has been on the predominant indicators of growth and competitiveness. The banking industry today is in the industry of its revolution. Information technology has basically been used under two different avenues in banking. One is communication and connectivity and other is business process. Today, banks have welcomed wireless and mobile technology into their boardroom to offer their customers the freedom to pay bills, planning payments while stuck in traffic jams, to receive updates on the various marketing efforts while present at a party to provide more personal and intimate relationships. Mobile phones have immense potential of conducting financial transactions thus leading the financial growth with lot of convenience and much reduced cost. The main objective of this study is to finding out customers' perception and awareness towards service of mobile banking or phone banking in banking sector. The study is primary containing structured questionnaire with sample size 100.**

**Key Words: - E-Banking, ATM, Perception, Technology**

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## INTRODUCTION

The mobile banking is defined as "the provision of banking services to customers on their mobile devices": specifically the operation of bank current and deposit or savings accounts. Mobile Banking provides a system for the user to access his bank account through his Mobile. The system also enables the user to pay his EB Bill, Telephone Bill through his mobile as well as pay for some other services, which he has availed. The Mobile banking system is not just for payment but a user of the system can also transfer money to another account holder through this system. He can receive from his bank or from his business associates or friend or other person who is also connected to the system. After Internet Banking, Mobile Banking or M-Banking has become the buzz word in the industry. It's a fact that Internet Banking has given a boost and has shown a successful way to consider it as a good alternative procedure against physical branch banking. Now where ever you are, you can access your bank account and you can do lot more things like checking your account balance, transfer money to some other account, pay your utility bills online and so on, just by comfortably sitting at your home or office. But, the technical disadvantage of Internet Banking is, you have to have internet connectivity and a computer. Definitely it's not a big hindrance in US or Europe or in the other developed countries, but if one considers the developing economies, then it's a genuine problem and more specifically in the tier II cities. Mobile Banking comes into the picture to address the basic limitation of Internet Banking. If we only consider Asian developing countries, the availability

of mobile connectivity is really huge. Where one may not find out a landline telephone or an internet connection, but still in those remote places getting mobile connectivity is not a major issue today.

## MOBILE BANKING IN INDIA

In India, the situation of the banks is quite different from the banks overseas particularly in developed markets. Indian banks are not facing huge write downs or losses and are still quite well capitalized. Globally, the IT spends of financial institutions are expected to go down drastically in 2009-10. In India, however, this could be an opportune moment for banks to focus on the internal processes and consolidate their IT platforms across functionalities to use technology as an effective strategic tool. The use of technology in India has undergone rapid transformation. The last two decades have witnessed a sea change in the nature of services offered by not only banks but also the financial sector and even the Government - all of which have had a positive impact on the customers of these organizations and the general public at large.

Financial Services are generally complex and need a lot of trust for the consumer to use technology. Banks have changed from paper-based banking solutions provider to the latest of the technologies like online-banking, mobile-banking, etc. It is surprising to know as to why most of the Indian customers have not welcomed this up gradation. Customers across the world, even technologically optimists, have refrained from using technology aided solutions. There are many reasons why

technology has not been able to ride the acceptance wave and cross the hurdle and become an acceptable feature in banking. As today's banking has redefined itself as customer centric, it becomes more important that the customer is happy with the services being provided. Unfortunately, the acceptance and adoption rates are very low even in the case of educated customers. The paper looks at various factors which explain why consumers are not using mobile banking and other technologies in banking. It would also try to suggest why people are not currently using mobile banking and try to suggest how to overcome this problem and increase the acceptance levels.

## REVIEW OF LITERATURE

**Abhay Jain and B.S. Hundal (2006)** observed that Rapid changes in the financial services environment, increased competition by new players, product innovations, globalization and technological advancement have led to a market situation where battle for customers has become intense. In order to rise up to the challenges, service providers are even more interested to enhance their understanding of consumer behavior patterns.

**Farhat Shaista Waris (2007)** concluded that the purpose of this research report is to analyze the mobile payment market size and its revenue basis, as well as adoption bottlenecks, in view of establishing the adoption and deployment of mobile banking services in The Netherlands. The research report describes various aspects with regard to mobile payments/mobile banking in The Netherlands. Issues like implementation, regulatory framework, estimated business case, deployment scenarios, recommended business model, a SWOT analysis of the technical solutions, organizational bottlenecks, an analysis of the reasons for success and failures, and open issues and challenges are addressed.

**Joanna Siwinska (2009)** concluded that the financial innovations and increased integration of capital markets have made the nature of balance of payments turmoil much more complex, than described by first generation models. The severe financial crises, which erupted in 1990 in many seemingly "invulnerable" economies that in most cases were characterized by a balanced budget and a modest public debt, have turned away the attention of analysts and policymakers from fiscal variables towards other determinants. The fiscal factors, nonetheless, still remain among important causes of financial turbulences, especially in emerging markets, what has been manifested by the 1998-1999 crises of FSU (Former Soviet Union) economies.

**Bamoriya and Singh (2011)** found that the mobile banking has the issues and challenges like mobile handset compatibility, standardizing, software downloading, privacy & security.

## RESEARCH METHODOLOGY

### Objectives

1. To finding out customers' perception and awareness towards service of mobile banking or phone banking in banking sector.
2. To give suggestions to improve mobile banking.
3. To find out the benefits of that service.
4. To find what are the problems faced while using mobile banking.

## DATA ANALYSIS AND INTERPRETATION

**Table 1:- ATM users according to age**

		Age of respondent (Years)			Total
		Below 25	25-30	30 Above	
ATM	Yes	25(33.33%)	26(34.66%)	24(32%)	75
	Total	25(33.33%)	26(34.66%)	24(32%)	75

Source: field survey

This table 1 depicts that 100 percent (all 75 respondents) of the respondents avail the facility of ATM. Maximum number of the respondents belongs to the age group of 25-30 years; there are 25 respondents below 25 years and 24 respondents of age group above 30 years.

**Table 2 -Credit card holders according to age**

		Age of respondent (Years)			Total
		Below 25	25-30	30 Above	
Credit Card	Yes	8(26.66%)	12(40%)	10(33.33%)	30(40%)
	No	17(37.77%)	14(31.11%)	14(31.11%)	45(60%)
	Total	25(33.33%)	26(34.66%)	24(32%)	75

Source: field survey

There are only 30 respondents who are availing the facility of credit card out of 75 respondents, maximum number of respondents i.e. 40 percent of respondents using this facility are of 25-30 years, 33.33 percent of respondents of age group above 30 years and rest of all fall in age group below 25 years.

**Table 3- D-mat a/c holders according to age**

		Age of respondent			Total
		Below 25	25-30	30 Above	
D-mat a/c	Yes	9(36%)	9(36%)	7(28%)	25(33.33%)
	No	16(32%)	17(34%)	17(34%)	50(66.66%)
	Total	25(33.33%)	26(34.66%)	24(32%)	75

Source: field survey

The table reveals that maximum 36 percent of respondents using this facility fall in two categories i.e. below 25 & 25-30 years each. And rest of 28 percent fall in category above 30 years. This shows that D-mat a/c is more popular in young age group.

**Table 4 - Weakness of E-banking according to age**

		Age of respondent			Total
		below 25	25-30	30 above	
Weakness of internet banking	Only one way communication	5(20%)	5(19.23%)	8(33.33%)	18(24%)
	Security	9(36%)	11(42.3%)	10(41.66%)	30(40%)
	Lack of experience gained by person visiting bank	5(20%)		2(8.33%)	7(9.33%)
	Any other	4(16%)	4(15.38%)	4(16.66%)	12(16%)
	No Weakness	2(8%)	6(23.07%)		8(10.666%)
	Total	25(33.33%)	26(34.66%)	24(32%)	75

Source: field survey

Table shows the 40 percent of the respondents states the Security is the weakness of the internet banking, only 16 percent of the respondents stated other problem than those which are in questionnaire and 10.66 percent of the respondents says that internet banking do not have any weakness.

**Table 5- Satisfaction level of credit card according to gender**

		Gender		Total
		Male	Female	
Satisfaction level of credit card	Highly Satisfied	1(25%)	3(75%)	4(13.33%)
	Satisfied	14(63.63%)	8(36.36%)	22(73.33%)
	Indifferent		4(100%)	4(13.33%)
	Total	15(50%)	15(50%)	30
	Mean	1.93	2.07	
	T-Value			-.689
	Sign. level			.497

Source: Field Survey

The table depicts that 74 percent of the respondents are satisfied with the credit card facility availed by them. Maximum number of males as well as female respondents are satisfied with the facility availed by them. 8 percent each of respondents are highly satisfied and indifferent. The mean value for male and female respondents is 1.93 and 2.07 respectively. There is a significant difference in the reply of both.

**Table 6- Satisfaction level of D-mat a/c according to gender**

		Gender		Total
		Male	Female	
Satisfaction level of D-mat a/c	Satisfied	12(100%)	0	12(48%)
	Indifferent	10(76.92%)	3(23.07%)	13(52%)
	Total	22(88%)	3(12%)	25
	Mean	2.45	3.00	
	T-Value			-1.820
	Sign. level			.082

Source: field survey

This table reveals that all the female respondents availing the D-mat facility are indifferent regarding the service availed by them, 52 percent of male respondents are satisfied with the service availed by them. The mean value for male and female is 2.45 and 3.00 respectively. There is no significant difference in both.

**Table 7- Satisfaction level of ATM according to gender**

		Age of respondent			Total
		below 25	25-30	30 above	
Weakness of internet banking	Only one way communication	5(20%)	5(19.23%)	8(33.33%)	18(24%)
	Security	9(36%)	11(42.3%)	10(41.66%)	30(40%)
	Lack of experience gained by person visiting bank	5(20%)		2(8.33%)	7(9.33%)
	Any other	4(16%)	4(15.38%)	4(16.66%)	12(16%)
	No Weakness	2(8%)	6(23.07%)		8(10.666%)
	Total	25(33.33%)	26(34.66%)	24(32%)	75

Source: field survey

The table depicts that about 60 percent of the male respondents are satisfied with the ATM facility availed by them whereas only 40 percent of male respondents are highly satisfied. In case of female respondents it is equally distributed i.e. 50 percent each are satisfied and highly satisfied. The mean for male and female respondents are 1.62 and 1.50 respectively. There is no significant difference in the response of two.

## CONCLUSION

The banking industry has been a leader in the e-business world in recent years. It must be noted, however, that while e-banking provides many benefits to customers and banks, it also aggravates traditional banking risks. So the banks should provide the adequate information and help regarding the E-Banking facilities such as ATM, Credit Cards, D-mat etc. All the ATMs should be timely check so as to avoid the problems of customers. Timely information and suggestions should be provided to the D-mat holder regarding the capital market. Bank should provide the purchase over the credit limit up to an extent to avoid the inconvenience of the customer.

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