



Internet banking

Dr. V Lalitha

Associate Professor and HOD, Department of Management, Aradhana School of Business Management, Hyderabad, Telangana, India

Abstract

This paper deals with Services provided by the bank through E-Banking in India. The objectives are to find the customer satisfaction relating to E-banking service and to study the awareness of internet banking among the customers of ICICI bank. In this paper with a sample size of nearly 20 customer's data were collected in form of questionnaire collected in terms of different questions influencing the use of internet banking.

Keywords: internet banking, services, customers

Introduction

E-banking

Internet banking (or E-banking) means any user with a personal computer and a browser can get connected to his bank -s 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. Once the branch offices of bank are interconnected through terrestrial or satellite links, there would be no physical identity for any branch. It would a borderless entity permitting anytime, anywhere and anyhow banking.

The delivery channels include direct dialup connections, private networks, public networks, etc. with the popularity of computers, 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.

Meaning of E-banking

E-bank is the electronic bank that provides the financial service for the individual client by means of Internet.

Scope of the study

The scope of this project is limited to the activities of the operations unit of the banking system which include opening of Account, Deposit of funds, Withdrawal of funds and transfer.

Equal to or better than Competitive Brands By All Means.

Objective of the study

- Find the customer satisfaction relating to E-banking service.
- To study the awareness of internet banking among the customers of ICICI and HDFC banks.

Limitation of the study

- Banks are not giving me all information about E-banking services.
- They do not permit to meet any of the employees in their bank.

Purpose of internet banking

The main purpose that banks have been serving since their inception is keeping our money safe for us. While keeping our money safe, they also let us earn a certain amount of interest on the money deposited with them. Traditional banks have been doing this, and internet banks continue the same function. The only difference is in the way the transactions are made.

We all know about internet banking and most of us use it quite often as well, but few of us actually understand about the history of internet banking and how it all came out. Knowing the history of internet banking can be incredibly useful, especially since it will allow us to have more respect for the little things that we take for granted.

Computers themselves have really come an enormous way since their initial establishment, as the earliest electronic computers were so large that they would take up the entire area of a room, while today some are so small that they can hardly be seen at all.

In today's world, computers play an incredibly large role in the way the world exists in general, and the majority of tasks could actually not be completed if not for the use of computers. Although there are certainly some areas and jobs that cannot yet be completed solely by computers and which thus still require actual manpower, for the most part, computers have helped to make life significantly easier, productive, and more convenient for us all.

Internet banking has been around for quite a few years now, but has really only become prominent over the past year or so in particular. Internet banking offers an array of different advantages to the user, including: account balances and history including year-to-date information, the ability to transfer money from one account to another and to payees for bill payments, check history, reorders, and stop payments, check credit card balances and statements, complete online loan applications, secure interactive messaging with staff, and much more.

Internet banking basically allows you to be able to do everything that you can in your regular banking institution, only with the benefit that you can do it all right from the convenience of your own home. Not only is this great because you can be comfortable and have peace of mind knowing that you can keep track yourself of all your banking issues, but as well it allows for more ease because you never have to worry about rushing out and making it to the bank.

Statement of the problem

With the problems and limitations associated with manual banking procedures as witnessed in most parastatals today, complied with the problems associated with the existing application programs even much more in the presence of serious technological advances aimed at improving information system. This is activities aimed at shedding light upon the need for improvement in accounting activities and the means of achieving its efficiency, effectiveness, reliability and success promising future through computer intervention.

Internet banking identifies a particular set of technological solutions for the development and the distribution of financial services, which rely upon the open architecture of the Internet.

Importance of the study

The aim of this project is to develop a secured online banking system with the following objectives:

- Create a banking system that is easily accessible by customers from the comfort of their homes, offices etc.
- Reduce the flow of human traffic and long queues at banks
- Reduce the time wasted in going to banks to stay on queues.
- Promote efficient and effective banking for the banks by focusing on those services that still require physical presence at the banking hall.

This will cover the benefits derived in using internet banking and it's fundamental.

Online banking – how is it different?

Many consumers today are turning to the ease and convenience of Internet banking to take care of their financial needs. With the new levels of access made possible by the Internet, people can now check the status of their finances with the click of a button.

The history of Internet banking has evolved from simply allowing customers to check balances online, to now being able to trade stocks and bonds from the comfort of their own home!

Why use online banking?

Online banking services have grown from simply allowing customers to check balances, to trading assets. Today, banks like ING Direct are functioning entirely online, with no brick-and-mortar building. With the costs saved by requiring fewer employees and the lack of facility expenses, these virtual banks can often offer higher interest rates than their traditional counterparts. Internet banking gives you the power to control your finances completely. You are no longer tied down to managing your money during the hours the bank is open. If you want to transfer a balance after business hours, you can! If you have access to the Internet and have a number of recurring monthly bills, then you should use Internet banking to make your life easier.

Features of online banking

Today, online banking services are quite varied. One of the best features of online banking is putting the user in control. The user controls all bill paying, transfers, and investments from home.

There are other features, though of online banking. One of these is increased accessibility to your account information. Users of online banking services can access their account information from anywhere in the world! This is particularly helpful for businesses. Internet business banking is becoming increasingly popular, as businesses are becoming more global in their reach. Now business people can access their accounts, even when on overseas business trips. Business Internet banking is extremely popular for this reason. particularly popular aspect of online banking services is the ability to make bill payments electronically. With a minimum degree of set-up, customers can enter the amounts of their paper bills (or opt to receive electronic bills) and process all their payments at one time, from one screen

Mode of operation

WEBTRUST will contain self-explanatory hyperlinks that customers can click to make any request or perform a task.

If a customer clicks on account opening links, he is taken to page where he fills a form and clicks the submit button if he is through. A successful filling of the form gives a response that confirms the customer account is open and activated. Thus such a customer can receive money into such an account through funds transfer. Account details are sent by the bank to the customer's email box.

Registered customers or Account holders of the bank can now login using the account details posted to their email box to login before they can perform financial transactions. The system is secured such you cannot operate another mans account even if you knew his account details because a new transaction number is always sent to a customer for each login. This transaction number is what will be used to authenticate any transaction per time.

Weblinking

A large number of financial institutions maintains sites on the World Wide Web. Some websites are strictly informational, while others also offer customers the ability to perform financial transactions, such as paying bills or transferring funds between accounts.

Wireless E-banking

Wireless banking is a delivery channel that can extend the reach and enhance the convenience of Internet banking products and services. Wireless banking occurs when customers access a financial institution's network(s) using cellular phones, pagers, and personal digital assistants (or similar devices) through telecommunication companies' wireless networks. Wireless banking services in the United States typically supplement a financial institution's e-banking products and services.

Person-to-person payments

Electronic person-to-person payments, also known as e-mail money, permit consumers to send "money" to any person or business with an e-mail address. Under this scenario, a consumer electronically instructs the person-to-person payment service to transfer funds to another individual. The

payment service then sends an e-mail notifying the individual that the funds are available and informs him or her of the methods available to access the funds including requesting a check, transferring the funds to an account at an insured financial institution, or retransmitting the funds to someone else. Person-to-person payments are typically funded by credit card charges transfer from the consumer's account at a financial institution. Since neither the payee nor the payer in the transaction has to have an account with the payment service, such services may be offered by an insured financial institution, but are frequently offered by other businesses as well.

Banking services through internet

1. The Basic Level Service is the banks' web sites which disseminate information on different products and services offered to customers and members of public in general. It may receive and reply to customer's queries through e-mail.
2. In the next level are Simple Transactional Web sites which allows customers to submit their instructions, applications for different services, queries in their account balances, etc. but do not permit any fund-based transactions on their accounts;
3. The third level of Internet banking service are offered by Fully Transactional Web sites which allow the customers to operate on their accounts for transfer of funds, payment of different bills, subscribing to other products of the bank and to transact purchase and sale of securities, etc. The above forms of Internet banking service the customer or by new banks, who deliver banking service primarily through Internet or other electronic delivery channels as the value-added services. Some of these banks are known as 'Virtual' banks or 'Internet only' banks and may not have physical presence in a country despite offering different banking services.

ICICI bank

ICICI Bank Online Banking Services provide the largest private bank in India right here at your desktops. Banking becomes a pleasure as the transactions and services become instant with ICICI Bank online Internet banking. The services provided are totally secure and unique. These cover online account transactions and operations, credit card and account applications and payments, share trading and investments through mutual funds, bill payments, statement generation and a virtual demo of each service. See in brief in final report.

Role of customer when using e-banking

- You can access ICICIBank.com only by using your User ID and Password. During the first login attempt, it is mandatory to change both passwords - login and transaction - which would have been mailed to you by the bank.
- If you forget your password, you will have written to us using the "Email Us" option. The Bank will then issue a new password and send it to your mailing address as per our records. Kindly check with your branch that this address is updated...
- Make sure no one can see the account login name or password you are entering when you log on to ICICIBank.com.

- Logout of ICICIBank.com before moving on to other Websites.
- Before leaving the PC please "close" the browser.
- Do not write your ICICIBank.com login name or password anywhere.
- Do not leave your login name and password such that someone sitting at your computer could see them.
- Never reveal your ICICIBank.com login name and password to anyone (no representative of ICICI Bank will ever ask you for your ICICIBank.com password).
- Notify ICICI Bank immediately if you notice any unusual account activity.
- Keep all documents that include your account information in a secure location.
- When you login you can view the date and time of your last log in.

Features offered by ICICI bank for internet banking

- Balance enquiry and statement
- Transfer fund online
- Card to card fund transfer
- Use debit card online
- Prepaid mobile recharge
- Subscribe for mobile banking
- Link bank account to ATM
- Lock / activate debit cards /ATM
- Request a cheque book
- Stop payment

Data analysis

1. Users of E-banking

Table 1

Yes	65%
No	35%

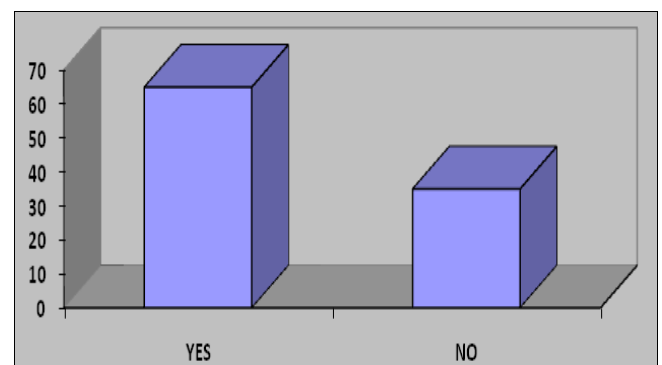


Fig 1

2. No. of user of the banks

Table 2

Icici	20%
Sbi	30%
Sbh	20%
Axis	10%
Union	8%
Hdfc	12%

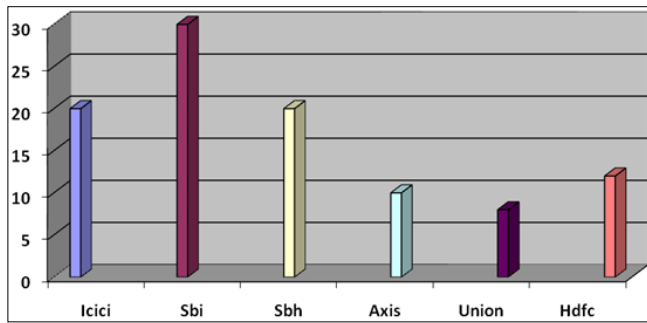


Fig 2

3. Preference for online bill payment services

Table 3

Yes	60%
No	40%

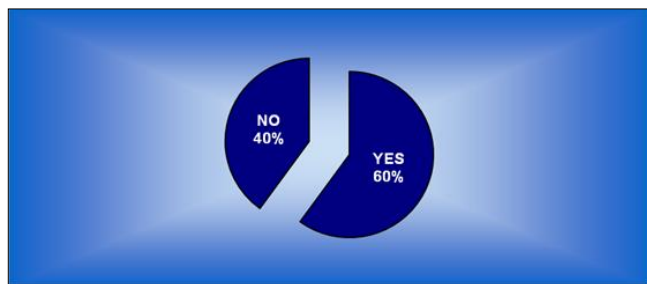


Fig 3

4. Reference for online fund transfer

Table 4

Yes	35%
No	65%

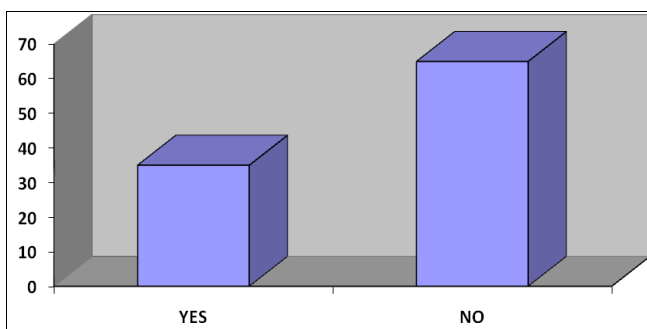


Fig 4

5. Spend per bill for on line bill payment

Table 5

ABOVE Rs.10	21
BETWEEN RS.5-10	11
BELOW RS.5	32
NOTHING	36

6. Use of e-banking in India from last few years

Table 6

Year	2011	2012	2013	2014	2015	2016	2017	2018
Incr.%	9	12	15	20	25	32	40	50

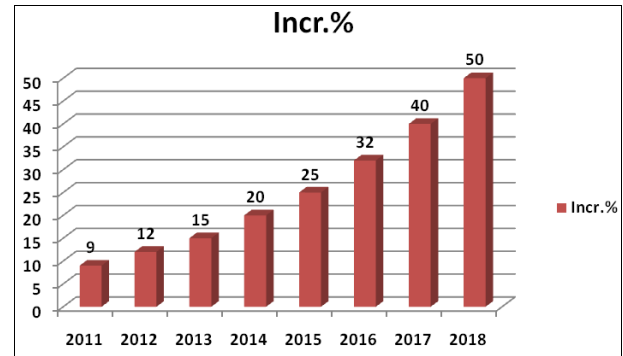


Fig 5

In 2014-2018 the user of the E-banking is increase in more in every year.

Findings

1. In the user’s ratio of internet banking 65% of customers are using this service.
2. More banks are connecting to the any software co. to running the E-banking service. In these services the Sbi banks is top in service of E-banking.
3. The services that are mostly used by maximum customers are transactions, online trading, bill payment, shopping etc.
4. The mode of the cash deposit in bank is for use to online truncation cash, cheque & e-banking.
5. Different banks different charge for online service

Suggestions

1. To prevent online banking from remaining customers to prompt this service through advertising co.
2. After repairing this basic deficiency, banks must ensure that there services is competitive.
3. Banks is not take more charge from there customers.

Conclusion

The basic objective of my research was to analyze the awareness among customers for internet banking in INDIA. It gives direction to research tools, research types and techniques. Although the findings reveal that people know about the services but still many people are unaware and many of them are non – users so the bank should by promotion try to retain the customers. Banks should look forward to have some tie – ups with other financial institutions to increase the service base.

References

1. E-banking in India
2. Banking service operation (ICFAI)
3. Indian Banking
4. Money & Banking
5. www.google.com
6. www.icici.com
7. www.hdfc.com
8. www.wikipedia