



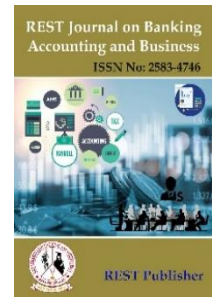
REST Journal on Banking, Accounting and Business

Vol: 3(2), 2024 (Online)

REST Publisher; ISBN: 978-81-956353-0-6

Website: <https://restpublisher.com/journals/jbab/>

DOI: <https://doi.org/10.46632/jbab/3/2/24>



A Study On E-Banking Services with Reference to Union Bank of India

* Namala Vikram, S. Malla Reddy

Aristotle PG College, Hyderabad, Telangana, India.

*Corresponding Author Email: namalavikram3668@gmail.com

Abstract: The customer visits the financial institution's secure website, and enters the E-banking facility using the customer number and credentials previously set up. The types of financial transactions which a customer may transact through E-banking are determined by the financial institution, but usually includes obtaining account balances, a list of the recent transactions, electronic bill payments and funds transfers between a customer's or another's accounts. Most banks also enable a customer to download copies of bank statements, which can be printed at the customer's premises (some banks charge a fee for mailing hard copies of bank statements). Some banks also enable customers to download transactions directly into the customer's accounting software. The facility may also enable the customer to order a cheque book, statements, report loss of credit cards, stop payment on a cheque, advise change of address and other routine actions. Today, many banks are internet-only institutions. These "virtual banks" have lower overhead costs than their brick-and-mortar counterparts. In the United States, many online banks are insured by the Federal Deposit Insurance Corporation (FDIC) and can offer the same level of protection for the customers' funds as traditional banks.

Keywords: e-banking, financial transactions, accounting software, financial services

1. INTRODUCTION

E-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 E-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 be a borderless entity permitting anytime, anywhere and anyhow banking. The delivery channels include direct dial up 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.

2. REVIEW OF LITERATURE

Rakesh H M & Ramya T J (2015) In their research paper titled "A Study on Factors Influencing Consumer Adoption of Internet Banking in India" tried to examine the factors that influence internet banking adoption. Using PLS, a model is successfully proved and it is found that internet banking is influenced by its perceived reliability, Perceived ease of use and Perceived usefulness. In the marketing process of internet banking services marketing expert should emphasize these benefits its adoption provides and awareness can also be improved to attract consumers' attention to internet banking services.

3. OBJECTIVES OF THE STUDY

- To study the existing transaction system
- To study all dependent parameters
- To study of feedback of implemented technology
- To study awareness about E-Banking
- To find out the major problems faced by the customers while using E-Banking services
- To study the interest of customer in availing E-Banking service
- To know the customers perception towards the E- Banking services in Union Bank Of India

4. SCOPE OF THE STUDY

Today the customer demands the services of banks 24 hours where he lives even he is in the aeroplane. Now in this modern age the entire banking structure has been changed due to widespread internet technology. Now all the business like commerce, trade, import, export, purchase and sale of goods is relying upon electronic banking. By using the advance electronic technology the banking services are fast and economical. There is a saving time and saving of money in the use of E-banking. If any country wants to work in the world market, it will have to improve the banking services at international level because old traditional banking is not acceptable in the changing global economy. The online banking facility has been provided by the large number of commercial banks. On other hand credit card facility is also available in the various commercial banks.

5. RESEARCH METHODOLOGY

Primary Data:

In this research with a sample size of nearly 120 customer's data will be available in form of questionnaire collected in terms of different questions influencing the use of internet banking. Internet banking is considered as dependent on awareness among customers which will be studied with help of different independent variable. Only the customers of UNION BANK OF INDIA bank are taken as samples for study.

Secondary data:

Collection of information from different kind of books the data of the company what they maintained.

Methodology

Once the findings are finalized by a research, suggestions should be made for the betterment of enterprise. The data collected from questionnaire will be tabulated and analyzed so that the result can be presented as simple as possible. There are a number of ways like

- Pie-chart
- Graphs
- **Benefits of Study**
- Organizing Educational Campaign to Create Goodwill Of Company.
- Services It Effectively valuable to Create Place in the Minds of Customer.
- Availability should be increased by using various services Strategy.
- Company should make service equal to or better than Competitive Brands By All Means.
- Find the customer satisfaction relating to E-banking service.
- To study the awareness of internet banking among the customers of UNION BANK OF INDIA.

LIMITATIONS

- Banks are not giving me all information about e- banking services.
- They do not permit to meet any employees in their banks.
- *Security and privacy aspects are major issue in case of E-Banking transaction. Various sites are not properly locked at to ensure weather customer's money is safe in cyber world or not.*
- The infrastructural cost of providing E-Banking facility is very high.
- The banks not only have to automate front-end services but also back office services, which involve high cost.
- Another great hindrance is lack of awareness because effective and wide media efforts in publishing Internet banking need to be emphasized.

6. DATA ANALYSIS AND INTERPRETATION

TABLE 1. Awareness of people regarding e-banking service provided by the bank while opening an account

	No. of Respondents	Percentage
Fully aware	40	37%
Had an idea	49	46%
No idea	19	17%
Total	108	100%

Interpretation

As seen from **Table 1**, overall percentage of service class people having complete knowledge about e-banking services provided by the bank while opening an account in it is 37%, those having some idea about it is 46% and the percentage of people having no awareness of e-banking services provided by the bank is 17%. It can reasonably, be concluded that nearly 85% of the population is having a awareness about e-banking services

TABLE 2. Sources from which the respondents get the knowledge about the e-banking services

	No. of Respondents	Percentage
Personal Visit	17	15%
Executive from Bank	23	21%
Advertisements	37	34%
Friends /Relatives	28	26%
Others	3	2%
Total	108	100%

Interpretation

Table 2, indicates the percentage distribution of awareness avenues, the major are in favour of advertisements, which score 34% among different avenues such as personal visit, executives of the banks, advertisements and friend/relatives. While the least score is for personal visit and that of other sources.

TABLE 3. Awareness of E-Banking services

	No. of Respondents	Percentage
ATM	28	26.03%
Debit Card	19	17.75%
Credit Card	17	14.79%
Phone Banking	13	11.83%
Mobile Banking	15	14.79%
Internet Banking	16	14.79%
Total	108	100%

Interpretation

E-banking constitutes services provided in terms of ATMs, Debit Card, Credit Card, Phone Banking, Mobile Banking, Internet Banking etc. of which the first six have been covered. Amongst these ATM scores the largest used service status (26.03%) as indicated by **table 3** figures. Close on the heels is Debit card (17.75%), Credit card (14.79%), while phone banking lags behind by scoring the least ie.,11.83%.

TABLE 4. Users of E-banking services

	No. of Respondents	Percentage
Users	77	74%

Non Users	31	26%
Total	108	100%

Interpretation

Table 4 shows that among those aware (which account for 83 in number) about 74 persons use e-banking services, which is 74% of total population studied.

TABLE 5. Representation of frequency of usage

	Day Wise	%	Week wise	%	Fortnightly	%	Monthly	%	Infrequently	%
ATM	4	36.36	31	55.36	13	37.14	11	25.58	9	13.85
Debit card	2	18.18	11	19.64	7	20	10	23.26	8	12.31
Credit card	1	9.09	5	8.93	6	17.14	6	13.95	18	27.69
Phone Banking	0	0	2	3.57	3	8.57	7	16.28	13	20
Mobile Banking	0	0	4	7.14	4	11.43	2	4.65	9	13.85
Internet Banking	4	36.36	3	5.36	2	5.71	7	16.28	8	12.31
	11	100	56	100	35	100	43	100	65	100

TABLE 6. Representation of frequency of usage

	Strongly	More than average	Average	Less than average	Not at all	Total
All time availability	56	8	11	1	3	79
Ease of use	32	22	7	2	1	64
Nearness	21	18	14	5	0	58
Security	12	10	13	4	1	40
Direct access	32	12	7	2	0	53
Friends/ Relatives	3	8	14	7	8	40
Status symbol	7	11	14	7	10	49

Interpretation

A study of the factors, **table 6**, influencing the usage was made by listing out various factors such as alltime availability, ease of use, nearness etc., and from which it came to fore that amongst the various factors all time availability is ranked as the major motivating factor, followed by ease of use, direct access, nearness, security in decreasing order of importance. Quite interestingly friends and relatives, status symbol scored the least motivating factors.

TABLE 7. Various benefits accruing from E-Banking services to its users

	No. of Respondents	Percentage
Time Saving	45	42.42%
Inexpensive	14	12.72%
Easy Processing	26	24.24%
Easy Fund Transfer	18	15.75%
Others	5	4.85%
Total	108	100%

Interpretation

When asked to list various benefits accruing from the usage of e-banking, time saving received highest percentage score at 42.42% among different benefits such as time saving (42.42%), inexpensive (12.72%), easy processing (24.24%), easy fund transfer(15.75%). Quite interestingly, easy processing feature scored more than the inexpensiveness of the e- banking services. The other benefits accruing to the people include ready availability of funds, removal of middlemen and no rude customer relation executives.

TABLE 8. Problems identified by the users of E-Banking service

	Factors	No. of Respondents	Percentage
A	Time consuming	16	14.82%
B	Insecurity	13	11.31%
C	ATM out of order	17	15.58%
D	Amount debited but not withdrawn	11	9.80%
E	Problem of change in mobile number	12	10.555
F	Password forgotten	14	14.57%
G	Card misplaced	13	12.56%
H	Card misuse	12	11.81%

Interpretation

Most of the users face the problem of ATM out of order (15.58%), followed by time consuming (14.82%), password forgotten (14.57%) and then other problems as card misplaced, card misuse, insecurity,etc

Findings Of the Study

- The overall percentage of servicemen having complete knowledge about e- banking services provided by the bank while opening an account in it is 37%, those having some idea about it is 46% and the percentage of people have no awareness of e-banking services provided by the bank is 17%. It can reasonably, be concluded that nearly 85% of the population is having a awareness about e-banking services.
- The percentage distribution of awareness avenues, the major skewness is in favor of advertisements, which score 34% among different avenues such as personal visit, executives of the banks, advertisements and friend/relatives. While the least score is for personal visit.
- Among those aware (which account for 83 in number) about 74 persons use e-banking services, which is 74% of total population studied.
- E-banking constitutes services provided in terms of ATMs, Debit Card, Credit Card, Phone Banking, Mobile Banking, Internet Banking etc, of which the first six have been covered. Amongst these ATM scores the largest used service status (26.03%) Close on the heels is Debit card (17.75%), Credit card (14.79%), while phone banking lags behind by scoring the least ie.,11.83.
- To find out the level of usage amongst the service class, percentage has been calculated from the total completely filled in questionnaires and the incomplete questionnaires were discarded. The frequency of usage of ATM is highest followed by debit card.
- A study of the factors, influencing the usage was made by listing out various factors such as all-time availability, ease of use, nearness etc., and amongst the various factors all time availability is ranked as the major motivating factor, followed by ease of use, direct access, nearness in decreasing order of importance. Quite interestingly friends and relatives, status symbol scored the least motivating factors.

SUGGESTIONS

Internet banking would drive us into an age of creative destruction due to non-physical exchange, complete transparency giving rise to perfectly electronic market place and customer supremacy. The question to be asked right now is "What the Indian Banks should do" Whatever is the strategy chosen and options adopted, certain key parameters would determine the bank's success on web. It helped the people to transfer the money with contactless manner during pandemic period of 2019-2020.

7. CONCLUSION

The usage of E-banking is all set to increase among the service class. The service class at the moment is not using the services thoroughly due to various hurdling factors like insecurity and fear of hidden costs etc. So, banks should come forward with measures to reduce the apprehensions of their customers through awareness campaigns and more meaningful advertisements to make E-banking popular among all the age and income groups. Further, with increasing consumer demands, banks have to constantly think of innovative customized services to remain competitive. E-Banking is an innovative tool that is fast becoming a necessity. It is a successful strategic weapon for banks to remain profitable in a volatile and competitive marketplace of today. In future, the availability of technology to ensure safety and privacy of e-transactions and the RBI guidelines on various aspects of internet banking will definitely help in rapid growth of internet banking in India.

REFERENCES

- [1.] Annals of the University of Petroşani, Economics, 49 E-Banking Services – Features, Challenges and Benefits Imola Drigă, Claudia ISAC. 2014; 14(1):49-58.
- [2.] Ansari, Seharish J & Khan, Nisar A (2017). E-Banking in India: Progress and Challenges. International Journal of Innovative Research and Advanced Studies, Volume 4, Issue 8, pp 334-340.
- [3.] BIS Report Management and Supervision of Cross-border Electronic Banking Activities. 2003-2015. <http://www.bis.org/publ/bcbs99.pdf>.
- [4.] Chauhan, V and Chaudhary, V (2015). Internet Banking in India: Challenges and Opportunities in Indian Context. Journal of Management Sciences and Technology, Vol.2(3), pp 29-40.
- [5.] Dangwal.R.C., K. S. (January 2010). The upcoming Technology and the associated innovations. sfo, ca: The ICFAI University Press.