

# Usage Pattern of Electronic-Banking Services among Customers in State Bank of India

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**Abstract:** *The usage of e-banking by enterprises came into existence in 90's. In the present scenario E banking came into greater numbers and internet serve as a channel between customers and banks. Recently banking sectors has chosen new methods of banking based on information technology. In addition to these customers, transaction and communication abilities are fastened based on information technology. Therefore the study entitled is relevant. The study was conducted among the customers of SBI. It mainly focuses on the working group who have accounts in SBI.*

## Introduction

Banking system is an important constituent of the overall economic system. It plays an important role in mobilizing the nation's savings and in channelizing them into high investment priorities and better utilization of available resources. Hence, banking can better be described as the kingpin of the chariot of economic progress. The banking system is the fuel injection system which spurs economic efficiency by mobilizing savings and allocating them to high return investment. The banking system reflects the economic health of the country. The strength of economy of any country basically hinges on the strengthened efficiency of the financial system, which, in turn, depends on a sound and solvent banking system. A sound banking system efficiently deploys mobilized savings in productive sectors and a solvent banking system ensures that the bank is capable of meeting its obligation to the depositors. The banking sector is dominant in India as it accounts for more than half the assets of the financial sector. Banking, if equated with money lending, is perhaps as old as the civilization itself. 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. Telephone banking is relatively new Electronic Banking Product. However it is rapidly 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 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. Internet banking, sometimes called online banking, is an outgrowth of PC banking. Credit Card is an Automatic advanced card, when you used it, you can get the goods you bought without paying for it yet. Credit cards are a widely used source of convenient credit for restaurants, hotels, mail order, on-line shopping, gasoline stations, grocery stores, dental and medical care, church bazaars, as well stele phone and television advertised products. It is found that ATM was the most preferred E-Banking services followed by Credit Card, Mobile Banking and Internet Banking. The level of satisfaction of E-Banking services used by customers is moderate among individuals.

## Objectives of the study

The study is undertaking with the following end in view:

1. To examine customer's awareness regarding various e-banking services of SBI.
2. To analyse the usage pattern of e-banking services of SBI customers.
3. To evaluate the problems faced by customers while using e-banking services.

## Previous studies

Durkin and Howcroft (2003) evaluated that the banker-customer relationship was improved through mobile, phone and internet banking. The authors found that new technology has made the banks very competitive and profitable and internet has played a key role in it. Perception of bankers and customers regarding the use of internet was examined. They pointed out that as consumer usage of remote bank delivery channels increases, relationship management will become more important. Further, the combination of traditional and new delivery channels, if followed, can help to improve their productivity and profitability. Joseph and Stone (2003), in their paper, explored that customer friendly technology such as ATM, internet banking and telephone banking has been used by the banks to reduce the cost of providing services, and to increase the customer loyalty and market share. Technology plays a vital role in delivery of banking service. The study highlighted that access, location, security and ease of use of ATM machines appears to be the most important component for banking customers for the adoption of e-banking. However, banks should emphasize more on providing speedy and efficient service to the customers. Further, bank managers should conduct periodic marketing studies to understand the level of technological services by the customers so that adequate service could be delivered at the right time. Kautish (2008) described the paradigm shift of banking sector from traditional banking to online banking. The objective of the paper was to discuss the derivation of value added tool of online banking system which was used to attract new customers and retain the existing ones. It helped the banks to acquire more business from existing customers. People preferred to use online banking because of its availability, better performance, ubiquity, speed and its effectiveness. Further, the author discussed two bank models integrated banking model where the banks provide internet banking services as an extension to their basic services like ATM and phone banking. So, it is a kind of hybrid approach and the other was stand alone internet banking model, where the banks totally rely on the online channel. To improve the services through e-banking, banks should think from the customers' perspective and there should be creativity and innovation in designing and implementation of e-banking processes. The author concluded that as e-

banking was a relatively new concept in the global banking scenario so the best of this concept was yet to come. Singh and Malhotra (2007) made an attempt to discover factors affecting a bank's decision to adopt internet banking in India. The study was based on 88 banks comprising of public, private and foreign banks covering financial years from 1997 to 2005. The results of the study showed that large banks having high fixed expenses, high income and expenditure tend to use more technology. Banks had used internet banking as complementary channel to existing branch network. However, the private and foreign banks were quick adopter to internet banking than public sector banks. The adoption of this innovation by other banks increases the probability that a decision to adapt will be made as it has increased the profitability and productivity of banks. Suresh Chander and Rajendran (2003), in their paper, focused on investigating the important factors of customers' perceived quality in banks of developing economy like India. The authors had taken 15 public sector banks, 14 private banks and 14 foreign banks for the period under study. The researchers found that there seems to be a great variation in respect of services offered by three groups of banks. They used core services such as human element, systemization of services, tangibility of services and social responsibility as critical factors. They analyzed that three groups of banks in India seem to vary significantly in terms of service quality factors but from the customer perception of service quality, it could be acceptable only if customers' need could be satisfied at the right time in a right manner. Suresh (2008) highlighted that recently developed e-banking technology had created unpredicted opportunities for the banks to organize their financial products, profits, service delivery and marketing. The objectives of the study were to evaluate the difference between traditional and e-banking, and to identify the core capabilities for the best use of e-banking. The author analyzed that e-banking will be an innovation if it preserved both business model and technology knowledge, and disruptive if it destroys both the model and knowledge. He also differentiated e-banking from traditional banking in five ways, namely, value proportion, market scope, cost structure, profit potential and value network. However, in order to exploit technical and business capabilities of e-banking, banks should generate more customers inside and outside India so that more revenues could be generated that lead to better future of Indian economy. Talwar (1999) examined the IT Revolution in banking sector which had not only provided improved service to the customer, but also reduced the operational cost. The author brought out that computerization of banks, introduction of Real Time Gross Settlement System, setting up of Inffinet, Electronic Payment Products (such as Electronic Clearing Service) had ensured better resource management, systematic efficiency and substantially reduced inter-branch reconciliation entries. However fear of hacking, tampering of data, secrecy maintenance were certain issues which pose threats on usage of electronic banking. The challenges in banking sector were manifold but still the constitution of National Payment Council by RBI and development of the integrated payment and settlement system was a step in this direction to remove the obstacles coming in the way of using electronic banking.

### Conclusion

Findings of the study are that majority of the customers belongs to age range of 18-35. Nearly every account holders use internet banking facility through bank apps, and have access to ATM services. The e-banking technologies most preferred by the customers are ATM/Debit card service, online banking service, EFT/NEFT/RTGS and credit card service. In addition to that, people are aware of utility bill payments, ticket bookings, insurance payments, mutual fund payments, and credit card payments. The major benefit people get from the e-banking transaction is convenience, then safety and security offered by the bank, smooth banking transactions, speed transactions, 24hr service, easy maintenance and variety of services. The major problems the customers face through e-banking transaction are high service cost, inadequate information from the SBI, problems with the network connection, problems with the technical problems and are regarding unauthorised access and the data privacy and confidentiality.

Thus the suggestions are, SBI can improve customer relationship by offering adequate information regarding the queries for the customers. Service charge is yet another crucial problem the respondents face through SBI accounts. Changes can be made regarding that. Inappropriate placing of ATM's in unwanted areas can be minimised. The e-banking system should be enhanced to make the online enquiry and online payment much easier to customers. SBI should improve their e-banking in order to compete with the private sector banks. Through e-banking make transactions much easy and convenient to use. For that on-site training can be provided to bank customers who intent to use e-banking services. It is concluded from the results of the study that the usage of e-banking facilities are perceived as more important and the use of these services is associated with socio-economic characteristics of the respondents.

### Reference

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