



Customer Awareness About E-Banking- A Case study of Dharamshala City

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Abstract

The term E-Banking covers both computer and telephone banking. These two types of banking involve the usage of passwords. It came into existence due to Innovation in Technology and competition among the existing banking organizations, who displays their banking products and services for easy accessibility to the customers which can be delivered through the internet. The rapid development of E-banking services carries risks as well as benefits. Hence, it is the responsibility of the bankers to recognize, manage and to address banking institutions in cautious and sensible way according to the fundamental characteristics and challenges of E-Banking services. Electronic banking and finance is the penetrating mechanism with a variety of services especially in the banking sector. Globalization and technological advancement like kiosks and internet brought many products and services like ATMs, Smart cards, Online Banking which is facilitating electronic payment, Plastic money services, Brokerages and foreign exchange transactions, which automatically leads to wide access of B2B and B2C business domains. The website technology has totally transformed the banking business. The success of Internet banking depends upon the well designed website of a bank.

Key Words: Innovation, recognize, mechanism, globalization.

Introduction:

Now a day's information technology plays a vital role in banking sector. Day by day increasing change in technology world, it leads to improve E-Banking services of various banks. In banking industry in the past, large queues could be observed for payment utility bills or for cash withdrawals/deposits. The banks are succeeded to reduce this queue through uses of latest technology, but still busy common people are demanding less time methods for banking transactions. In this regard, banks are going utilize internet facility for customer's transactions. This method will reduce paper work, and will give quick response to customer while they remain in their office or at home. It provides various advantages to customers of various banks. Now a day's people are educated more than older days, today human lives become machine oriented and they don't have enough time to visit bank branch than even before. E-Banking means providing banking products and services through electronic delivery channels like ATM, internet banking, telephone banking and other electronic delivery channels. Internet banking highly useful to the customer one who have computer with internet connection, they need not visit bank branch for their business transactions. Simply they can transact anywhere, anytime if they have internet connection. By dialling the telebanking number customer can get various facilities like cheque book request, balance enquiry etc. E-Banking includes the system that enables the financial institution customers, individual or business, to access accounts, transact business, or obtain information on financial

products and services through a public or private network, including the internet. Customers access E-Banking services using an intelligent electronic device, such as personal computer (PC), automated teller machine (ATM), kiosk or mobile phone. Electronic banking is a high-order construct, which consists of several distribution channels. It should be noted that electronic banking is a bigger platform than just banking via the internet. The term electronic banking can be described in many ways. In a very simple form, it can mean the provision of information or services by a bank to its customers, via a computer, television, telephone, or mobile phone. Electronic banking has different types of delivery channels: telephone, PC, mobile and the internet. Moreover, Personal Computer allow customer to use all E-Banking facility at home without go to bank. It gives customers a variety of services so they can move money between accounts, pay bills, check balances, and buy and sell mutual funds, securities and also submit electronic loan applications through PC Banking. A mobile banking service is the newest service in electronic banking Customers can check their balance and make adjustments between accounts, account transactions, payments etc. Internet is the interconnection of computer communication networks which enable the customer to perform all the banking activities over the internet. It is the latest wave in the information technology. The NET is changing everything, from the way of conduct commerce and the way of distribution of information. Several benefits of strong electronic service have also been identified as including satisfied and retained customers, attraction of new customers, development of customer relationships, increased sales and market shares, enhanced corporate image, reduced costs and increased profit margins and business performance. The main advantage regarding E-Banking is that is availability 24 hours a day and 7 days a week. Customer's perception and life style plays important role in growth of E-Banking system.

The fact is that the customers are even not using all of E-Banking products and services offered by the bank. So there arise the necessity for the study of customer's awareness and perception towards E-Banking services.

Electronic Banking: E-banking also known as internet banking, online banking or virtual banking is an Electronic payment system that enables customers of a bank or other financial institution to conduct a range of financial transactions through the financial institution's website. To access a financial institution's online facility, a customer with internet access would need to register with the institution for the service, and set up a password and other credentials for the verification. For other E-banking facilities, necessary procedures are to be done according to banker's instructions. For the use of ATM facility, the card must be availed. There are two ways to offer Internet banking. First, an existing bank with physical offices can establish a web site and offer Internet banking in addition to its traditional delivery channels. Second, a bank may be established as a "branch less, Internet only, or virtual bank" without any physical branch. The importance of e-banking is that under this system, the banking Services are delivered by a computer-controlled system. In India, E-banking is of fairly recent origin. In this fast moving technological world, every human activity is transforming to technology based, and the human life style also changed with this a lot of. So, a speed and convenient system is necessary in the banking sector also. Here comes the use and effectiveness of e- banking with the present world's requirements. E -banking ensures 24 hours of service to its customers. The cost of transactions and effort for the access is negligibly small compared to the traditional banking system. The Indian government has put a reasonable care to this system and announced various programs and schemes like Digital India, Jan Dhan Yojana, Adhar linking with bank accounts, cashless economy initiatives etc. It is hopeful that Indian banking sector is fairly mature and also they are trying to make innovations in this sector. The shops keepers are very willing to install the POS swiping facility to simplify the money transactions with customers and dealers.

Tools and Services of E-Banking: The various tools of E-Banking are;

Automated Teller Machine:-

The Automated Teller Machines are computerized telecommunication device that provides financial institutions customers a method of financial transactions in a public space without the need for a human clerk or bank teller. These are meant for balance enquiries, cash withdrawals and many other facilities depending upon policies of the bank. This requires a valid Customer Id and password to log in and is therefore safe to be used.

Debit Card:-

Debit Cards is another advanced technology of the electronic banking. Now-a-days, these cards are the multi-purpose cards and can be used in ATMs for balance enquiry and cash withdrawal or can be used for easy shopping at various counters. Debit Cards ensure the automatic deduction of amount from the account just by scratching it on the machine.

Credit Card:-

A credit card system is a type of retail transaction settlement and credit system, named after the small plastic card issued to users of the system. In the case of credit cards, the issuer lends money to the consumer. Credit cards become very popular in India with the introduction of foreign banks in the country.

Smart Card:-

A Smart card is a plastic card used for storing and retrieving personal information. Normally, it is the size of a credit card and contains electronic memory and possibly an embedded integrated circuit.

Kiosk Machine :-

A kiosk is a small, free structure that displays information or provides a service. Kiosks can be manned or unmanned, and unmanned kiosks can be digital or non- digital. In business, kiosks are often used in locations with high foot traffic. In shopping mall, For example an unmanned, non –digital kiosk can be placed near entrances to provide people passing by with directions or promotional messaging .manned kiosks temporarily set up in Aisels can provide businesses that have seasonal sales cycles with a cost effective way to display wares, and digital kiosks placed near movie theatres can provide online banking or ticket sales services.

E-Banking Services: The various E-Banking services are;

Online Bill Payment Service

Each bank has tie - ups with various utility companies, service providers and insurance companies, across the country. You can facilitate payment of electricity and telephone bills, mobile phone and insurance premium bills. To pay your bills, all you need to do is complete a simple one-time registration for each biller. You can also set up standing instructions online to pay your recurring bills, automatically. Generally, the bank does not charge customers for online bill payment.

Fund Transfer

You can transfer any amount from one account to another of the same or any another bank. Customers can send money anywhere in India. Once you login to your account, you need to mention the payee's account number, his bank and the branch. The transfer will take place in a day or so, whereas in a traditional method, it takes about three working days.

Internet banking

Internet banking is the use of internet as a delivery channel for the banking services, including traditional services, such as opening an account, or transferring funds among different accounts, as well as new banking services such as electronic bill presentment and payment, which allow the customers to pay and receive the bills on a bank's web site. There are two ways to offer internet banking. First, an existing bank with physical offices can establish a web site and offer internet banking in addition to its traditional delivery channels. Second, a bank may be established as a 'branchless', Internet only', or 'virtual' bank. The Reserve Bank of India constituted a working group on Internet Banking.

Mobile banking

Mobile banking is a service provided by a bank or other financial institution that allows its customers to conduct financial transactions remotely using a mobile device such as a smart phone or tablet .it uses software, usually called app, provided by the financial institution for the purpose. It is available on a 24 hour basis.

SMS banking

It is a form of mobile banking. It is a facility used by some banks or other financial institutions to send messages (also called notifications or alerts) to Customers mobile phones using SMS messaging, or a service provided by them which enables customers to perform some financial transactions using SMS.

Telephone Banking

Telephone banking is one of the most popular banking .it is a service provided by a bank or other financial institution, that enables customers to perform a range of financial transactions over the telephone, without the need to visit a bank branch or ATM . it cannot be used for cash documents (such as Cheques) for which customers must visit an ATM or bank branch.

Statement of the problem:

With the changing environment, banks implemented various E-Banking facilities to the consumer's one after the other. It includes internet banking, mobile banking, SMS banking and telebanking etc. According to consumer's interest and convenience they can use the – Banking transactions through online 24hrs services without hassle. Due to rapid change in technology and the delivery channels have been introduced. Despite these possibilities, there are various psychological and behavioural issues such as reluctance to change trust in one's bank, security concerns, preference of human interference and like impede the growth of E-Banking. In this regard a study has been undertaken on the topic consumer perception towards E-Banking services.

Significance of the study:

In the light of digital India and the central government's initiative on cashless transaction economy, it is relevant to study the consumer's perception towards E-Banking services. It is important to be aware of the facilities and its usage and what are their concerns for not using E-Banking. This is an attempt to know the consumer perception towards E-Banking services.

Scope of the study:

Today the customer demands the bank's services for 24 hours. Now in the modern age entire banking structure has been changed due to widespread internet technology. Now all businesses like commerce, trade, import, export, purchase and sale of goods is relying upon electronic banking by using advanced electronic technology the banking services are fast and economical.

Objectives of the study:

The various objectives of the study are;

- To identify the awareness of E-Banking services.
- To know the perception towards E-Banking services.
- To study various services of E-Banking.
- To understand various problems faced by consumers while using E-Banking services.
- To obtain suggestions for the improvement of E-Banking services.

Limitations of the study:

The various limitations of the study are;

- The study is limited to Dharamshala alone.
- Accuracy of data depends upon the information's provided by the respondent
- Respondents were reluctant to respond.
- Incomplete information from the respondents.

Customer awareness about E-Banking in Dharamshala City:

It is found that majority of the respondents are aware about E-Banking services provided by the BANK. But only some of the respondents are using these services. Major findings are;

- ATM is the most preferred E-Banking service to the respondents.
- 80% of the respondents are using savings bank deposit of the bank.
- 47% of the people are started to using E-Banking services from more than 3 year. This is because most of the people are using at least ATM facility provided by the bank.
- Majority of the respondents are aware the E-Banking services from their friends and relatives.
- 87% of respondents are aware about recharging service provided by the bank. 80 % of the respondents is more familiar with UPI.
- 21% of respondents using E-Banking service in often.
- Only some respondents are using internet banking and mobile banking facility. Most of them aware about mobile banking and internet banking even though they are not using such facilities.
- The limiting factors faced by consumers while operating E-Banking services are fear about security and networking problem.
- The opinion about E-Banking services by the respondents is 24 hours service, and trust in technology.
- The educational qualification and level of awareness of E-Banking services are dependent. Because they can know more about E-Banking services.

Conclusion and Suggestions:

E-Banking has become a necessary survival weapon. Today, the click of the mouse offers customers banking services at a much lower cost and also empowers them with unprecedented freedom in choosing vendors for their financial service needs. Banks have to upgrade and constantly think of new innovative customized packages and services to remain competitive. Banks have come to realize that survival in the new E-Economy depends on delivering some or all of their banking services on the internet while continuing to support to support their banking traditional infrastructure. The rise of E-Banking is redefining business relationships and the most successful banks will be those that can truly strengthen their relationship with their customers. Without any doubt, the international scope of E-Banking provides new growth perspectives and internet business is a catalyst for new business processes. Most of the customers are aware about E-Banking services but they hesitate to use it and some customers are unaware about all E-Banking services provided by the bank. So the bank should take some measures for removing such hesitation of customers and for increasing awareness among public about the E-Banking products and services. The various suggestions of the study are;

- Bank should give awareness to their customers to use more of E-Banking services.
- Motivate the customers to use E-Banking services.
- Make the site more users friendly.
- Create a trust in the minds of consumers towards the security issues.
- Avoid networking problem with proper technologies as it creates delay in transactions.
- E-Banking system should be enhanced to make the online enquiry and online payment much easier to consumers.

- Promote the use of fund transfers as many of them are aware of it.
- Reduce the charges levied for the use of E-Banking services.
- Bring innovative developments into E-Banking so that it creates an interest to use E-Banking services.
- Provide more offers and discounts for all products by the use of cards.
- More advertisement should be made in print Medias, television channels etc.to aware general public.
- The bank should take necessary steps of create awareness among rural people about the advantages of E-Banking.

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