

STUDY ON EFFECTIVENESS OF E-BANKING WITH SPECIAL REFERENCE TO PATTAMBI MUNICIPALITY

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ABSTRACT

Internet banking (or E-banking) means any user with a personal computer and a browser can get connecter to his banks 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. It would a borderless entity permitting anytime, anywhere and anyhow banking. Internet is increasingly used by banks as a channel for receiving instruction and delivering their product and services to their customers. This form of banking is generally referred to as internet banking. Although the range of product and services offered by different banks vary widely both in their content and sophistication.

key words: *E-Banking, facilities, satisfaction*

1. INTRODUCTION

Indian banks are working under intense competition from new generation banks and foreign banks. Banks are embracing new and cost effective delivery channel. Offering attractive value added services is the only way to retain attract the customers. Banking industry is experiencing rapid changes due to availability and usage of alternative channels. Technology plays a major role in the development of alternate channels and interactions between customers and banks. The internet is revolutionizing the banking industry to conduct its business through only familiarly called as internet banking or online banking. It offers personalized services through the web portals. Internet banking involves use of internet for delivery of banking products and services. It provides enormous benefits to consumers like access his accounts at any time and from any location with ease and least cost. To access a financial institution's online banking 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 customer verification. The credentials for online banking is normally not the same as for telephone or mobile banking.

Banking is a customer oriented service industry, where the customer is in focus and customer service is a differentiating factor. The traditional functions of banking are very limited one. Economic reforms initiated by the government of Indian the early 1990's have brought about a sea change in the operational environment of the financial sector and the functioning outlook of Indian banks. Customer expects many services with the various deliver mode in the speedy and economically. Modern World Bank is fully based on computerization connected with the Internet. Internet banking provides new opportunities for banks to expand their markets and services not only in the local level but also into the world level. The internet banking revolution has made it possible to provide ease and flexibility in banking operations to the benefit of customers. The e-banking has made the customer say good bye to

limited time banking and local area operation. Due to the enormous benefits of internet banking most of the customer option for internet banking services.

1.1 OBJECTIVES OF THE STUDY

- To know about the current concerns in the internet banking.
- To know how challenging internet banking as become and how the banking sector applies different strategies to cope up with the challenging environment.
- To know how to use internet banking revolutionized the banking sector.
- To find the out the reasons for preferring internet banking services.
- To find out the customer satisfaction relating to E-banking service.

1.2 SCOPE OF THE STUDY

Traditional branch based retail banking remains the most wide spread method for banking transactions. The internet technology rapidly changing the way of designing and delivering the personal services. Commercial banks are introduce internet based E-banking system to improve their operations and to reduce the cost. All their efforts aimed at developing better and easier internet banking system, these system remain unnoticed by the customer. This study conducted to know the effectiveness of e-banking with special reference to pattambi municipality.

1.3 COLLECTION OF DATA

The data is collected through primary and secondary sources.

1.3.1 Primary data

Primary data was collected from the respondents using structured questionnaires, which was prepared in such a way that, it enables the respondent to express their opinion freely and frankly and collect data from 50 respondents.

1.3.2 Secondary data

Secondary data was collected from different published and unpublished research reports, text books, magazine, journals, articles, website etc.

E-banking refers to system that enables bank customers to access accounts and general information on bank products and services through personal computers or other intelligent device.

2.1 INTERNET BANKING AND CUSTOMER PERCEPTION

Internet banking services on the effective delivery of banking services. They discovered several dimensions of service quality of internet banking such as accuracy, convenience, quality, complaint management, feedback, efficiency, customization, accessibility and queue management. All these service dimensions influence the acceptability of internet banking services by the customers. Regarding the need of internet banking, Alsajja and Dennis (2010) suggested that it has become 'need to have' service. In the current area, because of fast changing world internet banking has become the most important and recent technological innovation in the banking field. For delivering different types of services, internet media are used under this paradigm of banking. Because of evolution of internet, banking has evolved from physical branches to mobile phones of customers through which customers can withdraw their cash or check their bank balances.

2.2 BENEFITS OF E-BANKING FOR BANKS

Price : - In the long run a bank can save on money by not paying for teller or for managing branches. It's cheaper to make transactions over the internet.

Customer base : - The internet allows banks to reach a whole new market- and a well off one too, because there are no geographic boundaries with the internet. The internet also provides a level playing field for small banks who want to add to their customers base.

Efficiency : - Banks can become more efficient than they already are by providing internet access for their customers. The internet provides the bank with an almost paper less system.

Customer service and satisfaction : - Banking online internet hot only allow the customer to have a full range of services available to them but it also allows them services not offered at any of the branches. The person does not have to go to a branch where that service may or may not be offer. A person can print of information, forms, and applications via the internet and be able to search for information efficiently instead of waiting in line and asking a teller. With more better and faster options a bank will surly be able to create better customer relations and satisfactions.

Image : - A bank seems more state of the art to a customer if they offer internet access. A person may not want to use internet banking but having the service available gives a person the feeling that their bank is on the cutting image.

2.3 BENEFIT FOR CUSTOMER

Bill pay : - Bill pay is a service offered through internet banking that allows the customer to set up bill payment to just about anyone. Customer can select the person or company whom he wants to make a payment and bill pay will withdraw the money from his account and send the payee a paper check or an electronic payment.

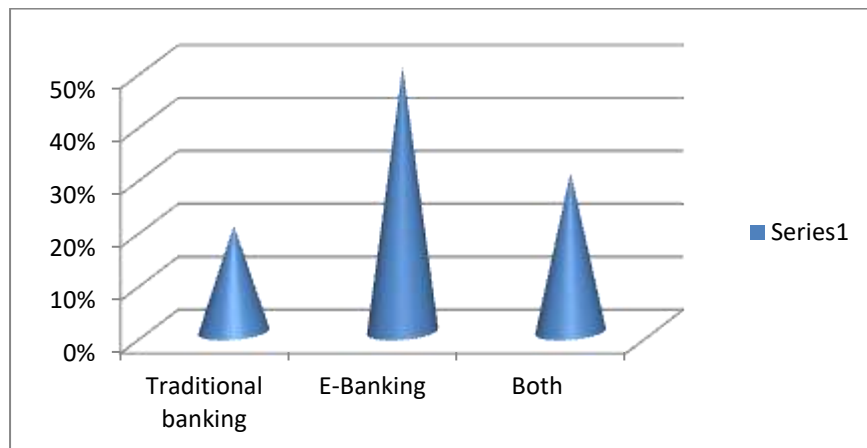
Other important facility : - E-banking gives customer the control over nearly every aspect of managing his banks accounts. Besides the customer can, Buy and sell securities, stock market information, check currency rates, check balances, see which checks are cleared, transfer money, view transaction history and avoid going to an actual bank. The best benefit is that internet banking is free. At many banks the customer doesn't have to maintain a required minimum balance. The second big benefit is better interest rates for the customer.

DATA ANALYSIS AND INTERPRETATIONS

Table 1: showing Customer preference of banking system

Approach	No of respondent	Percentage
Traditional banking	10	20%
E-Banking	25	50%
Both	15	30%
Total	50	100

Chart1: showing customer preference of banking system



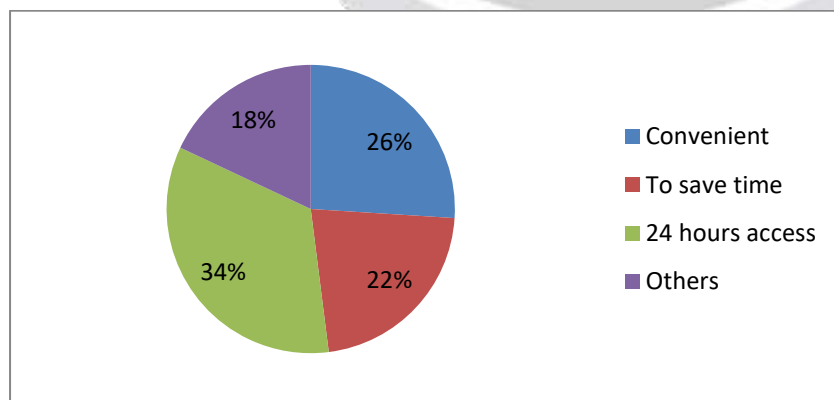
INTERPRETATION

In the above analysis depicts that 50% of the respondents are prefer the e-banking services provided by the banks. So they are high perception.

Table 2 : showing Reasons for e-banking services.

Reason	No of respondent	Percentage
Convenient	13	26%
To save time	11	22%
24 hours access	17	34%
Others	9	18%
Total	50	100

Chart2: showing Reasons for e-banking services.



INTERPRETATION: The above table shows reasons for e-banking services of respondents. More respondents are 24 hours access to accounts are prefer i.e. 34% and only 18% Of respondents are selected others option.

FINDINGS

- Majority of the E-banking customers are government employees.
- Majority of the customers used e-banking services other than traditional banking system.
- The customers are using e-banking services frequently and festival season.
- Majority of the customers are using ATM. They have high level of perception towards ATM services. Mostly of the customers are uses ATM for withdrawing the cash at any time. Majority of the customers are satisfied with the experience of e-banking.
- Majority of the customers are said that mobile banking is useful electronic channel.

SUGGESTIONS

- To provide online banking from remaining customers to prompt this service through advertising company.
- Banks reduce charge from their customers.
- The bank should install system supported by software and firewalls. It should be configured the highest security setting with the level protection according to the customer needs.
- Bank should implement more security to minimize the risk and increase customer authentication such as Personal Identification Number, Digital signature, Audit trail for transaction, etc.

CONCLUSION

As the group's final conclusion, e-banking has its own advantages and disadvantages. The main advantage of implementing e-banking is an increase in customer satisfaction. This is because customers do not have to go to the branches in order to access their accounts, make withdrawals and deposits. They can also check it any time of the day, a feature that physical branches do not offer thus creating a good relationship with the bank and the customers. E-banking is also advantageous not only for customer but also for the bank because it reduces costs in setting up a branch and the resources to process transactions. They can also service more people than ever before. All these benefits are the reasons why many banks are already investing in e-banking.

The main disadvantage of e-banking is the security problems that surround it. It's a fact that making transactions online poses a much bigger risk compared to making transactions in a physical branch. This is due to the hacking problems and identifies theft. Addition to these risks technical difficulties could also arise.