

PERFORMANCE EVALUATION OF E-BANKING-A STUDY OF BANKING IN PANIPAT, HARYANA

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INTRODUCTION

Earlier people would be tired standing in along queue waiting for a passbook to be updated or they would wait for the next day for the demand draft to be prepared but now Internet Technology has invaded the portals of our banking institutions and as the cliché goes everything will just be a click away. No doubt, innovations like telebanking and automated teller machines (ATM's) have considerably put customers at ease on the recent past. But with net banking the customer will be able to transact with the help of a mouse and his visits to the neighbourhood bank will become a thing of the past.

In the age of electronic technology the regular application of computing, wireless communication, networking, etc, in the banking field has brought revolutionary change in the traditional ways banks do business. Today, your bank can serve you at home, or allow you to serve yourself from anywhere. You can draw your money from ATM's, you can check your accounts through the Internet, and you can phone the bank to send you a representative. Not only that, your physical bank which is still around-suddenly seems to be doing a lot more things than just banking. It is technology that is making all this possible. Internet banking has gained wide acceptance internationally and seems to be fast catching up in India with more and more banks entering the fray. This is why, most, most modern banks instead of merely dealing with financial deposits and loan apply promote, and distribute the want-satisfying products, services and ideas to start its journey towards development of computer and other technology based digital economy since 1960 to ensure quality service to its customers.

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OBJECTIVE OF THE STUDY

1. To access the present scenario of the services of Internet Banking.
2. To study the scope of Internet Banking in future.
3. To study the problems faced by the consumers in availing the Internet Banking Services.
4. To access the satisfaction level experienced by the users of Internet Banking Services.

RESEARCH METHODOLOGY

Problem Defining: The project was mainly concerned with evaluating the performance of Internet Banking Services and finding out the scope of Internet Banking Services by doing a comparative analysis of the Internet Banking Services provided by ICICI BANK, SBI BANK, HDFC BANK.

Sample Unit: Individuals who are availing Internet Banking Services.

Sample Size: 40 respondents

Sampling Method: Non-Probabilistic convenience sampling.

Sampling Area: Panipat

Sources of Data: The data was collected from both primary and secondary sources.

Primary Data: The primary data collection was done through the survey method. The survey was conducted using the questionnaire method.

Secondary Data: Secondary data was collected from the following sources:

- a) Books on Internet Banking
- b) Internet

c) Journals

E-BANKING SERVICES PROVIDED BY VARIOUS BANKS

E- Banking Services provided by STATE BANK OF INDIA:*

1. BILL PAYMENT

About Bill Payment

SBI e-PAY - A simple and convenient service for receiving and paying the customer's bills online

- No more late payments
- No more queues
- No more hassles of depositing cheques

Online Pay: Using SBI e-PAY the customer can 'see and pay' his/her various bills online, directly from his/her SBI Account. The customer can pay telephone, electricity, insurance, credit card and other bills - from the comfort of his/her house or office, 24 hours a day, 365 days a year! He/she will simply have to logon to <http://www.onlinesbi.com/> to 'see and pay' their bills. The customer can also get an electronic acknowledgment for every bill paid by him/her using e-PAY.

Auto Pay: The customer can also set up Auto Pay instructions with an upper limit to ensure that his/her bills are paid automatically whenever they are due. The upper limit ensures that only bills within the specified limit are paid automatically, thereby providing the customer complete control over these payments.

The e-PAY service is available in various cities across the country and the customer can now make payments to several billers in his/her region.

To start receiving and paying their bills online, the customers will simply have to login to <http://www.onlinesbi.com> and use the 'Add Biller' feature to select the billers they wish to make payments to. Alternately, the customers can also fill out the SBI e-PAY Registration Form (SeRF) available at their SBI branch, complete it and submit it to the branch.

2. ONLINE BOOKING OF RAILWAY TICKETS

The customer should follow under noted process for booking of railway tickets.

- Logon to the site of IRCTC www.irctc.co.in
- Register yourself on the site (if first time user) or log on with Username and Password (meant for IRCTC site).
- Provide the requisite information i.e. stations (departure & arrival), date and class of the journey under option of "Plan My Travel and Book Ticket"
- Select your train from the list of trains displayed by IRCTC and click on "Book Ticket"
- Provide passenger details and confirm your address for getting delivery of tickets . The amount of ticket will be displayed for payment.
- Choose payment option "State Bank of India". You will be taken to our site online SBI.
- Log in with Username and Password (meant for online SBI) and confirm the payment.

E- BANKING SERVICES PROVIDED BY ICICI BANK

1. BILL PAYMENT

ICICI Bank Internet Banking is the most convenient channel to manage and pay the bills anytime, anywhere. No more hassles of personally visiting the Biller to pay the bills. Its free for all the Customers.

2. ONLINE SHOPPING*

ICICI Bank has tied up with more than 75 organizations to facilitate online shopping for all its Internet Banking Customers. The customer's have to choose their products online and pay conveniently through ICICI Bank Internet Banking Service.

2. TICKET BOOKING

Ticket Booking**The customer's can now book their Railways and Air Tickets Online**

The customer's can now buy their tickets online and pay using the bank's Internet Banking Facility. ICICI Bank has tied up with IRCTC (for Railway Ticket Booking) and Air Deccan (for Air Ticket booking).

3. INSURANCE POLICIES OFFERED BY ICICI BANK *

Convenience has always been synonymous with ICICI Bank and keeping in line with this, ICICI bank now offers it's customers, the most comprehensive suite of General Insurance products from ICICI Lombard, to cater to their insurance needs and that too online.

4. ICICI BANK'S ONLINE SHARE TRADING.

ICICI bank also provides the service of online share trading to its customers through www.icicidirect.com.

E-BANKING SERVICES PROVIDED BY HDFC BANK**PROMISES OF E-BANKING**

As the potential that the internet held to transform different aspects of our lives manifested itself, it was forecast that its impact on financial services such as stock-broking and banking would be especially profound. Banking transactions could be conducted entirely in a virtual context with no physical exchange necessary.

1. No physical change

Historically, as the means of payment substituted gold by paper currency and paper currency by plastic and finally plastic by direct debits, the information intensity kept increasing. In the case of buying physical goods online, a large portion of the value to the customer is derived only after the goods are physically delivered.

2. Reduced transaction costs

Additionally various studies showed that as a delivery or distribution channel, the Internet could bring substantial cost advantages for banks. Consultants Booz-Allen & Hamilton estimated that whereas the cost of a customer walking into the branch and using a teller is USD 1.01.

3. Double-edged Sword

Reduced delivery costs and the absence of physical exchange is indicative of why the Internet held so much promise to turn banking upside down. In theory, physical branches were not required and the transaction costs over the Internet were much lower.

3. Perfect Information

One of the things that the Internet does extremely well is make perfect information available to all market participants by bringing about efficiencies in the search process. For buyers of banking services, there are sites that aggregate information on product offerings from different providers at a single location.

4. Reduced role for intermediaries

One of the most successful companies on the Internet is eBay. It offers visitors the ability to participate in online auctions hawking everything from a used car to a perfume bottle collection. More than 60 million auctions have been completed to eBay on an average basis set a new record of 1.782 million.

ANALYSIS OF THE DATA COLLECTED THROUGH THE QUESTIONNAIRE

TABLE-I: Number. of users who have availed the ATM facility of any bank

AVAILED THE FACILITY	NO.OF USERS
YES	90%
NO	10%

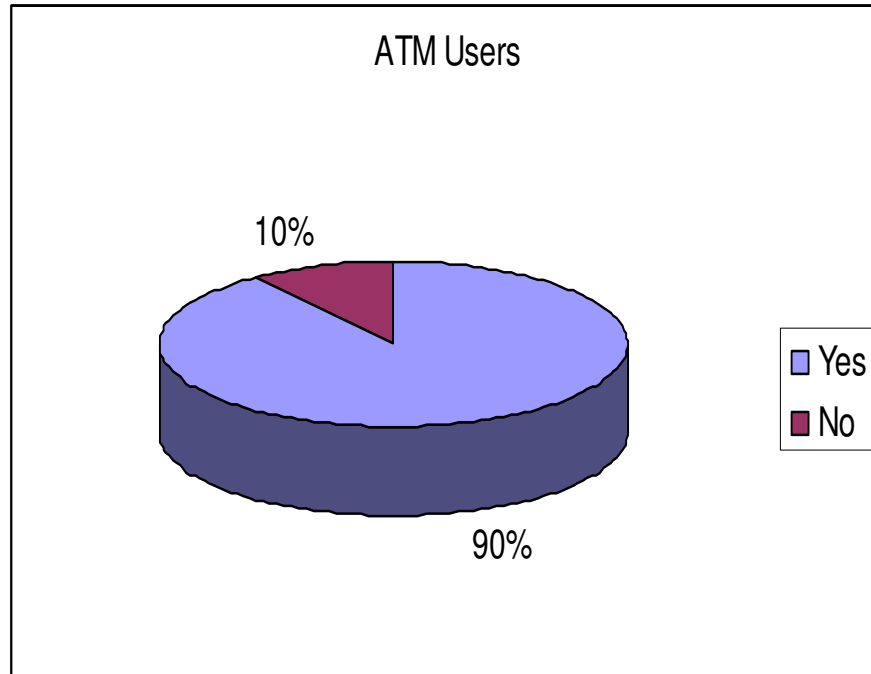


TABLE-II: The users have used the ATM facility of the following banks:

NAME OF THE BANK	NO. OF USERS IN PERCENTAGE
HDFC BANK	25
STATE BANK OF PATIALA	25
ICICI BANK	10
BANK OF PUNJAB	15
STATE BANK OF INDIA	15
NOT USED THE FACILITY OF ATM OF ANY BANK	10

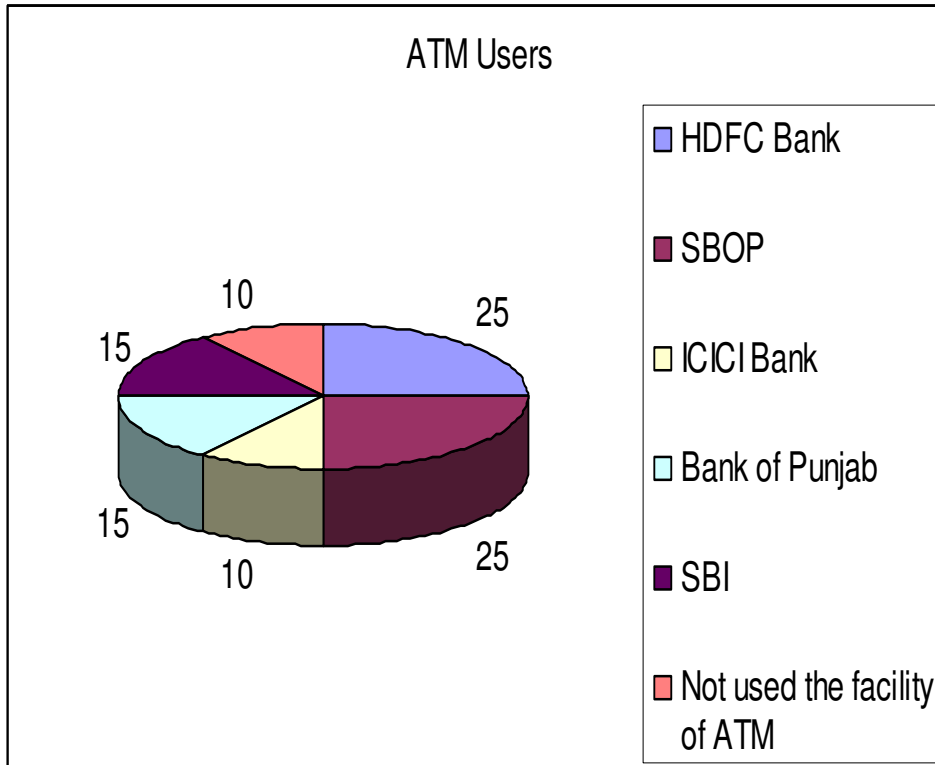


TABLE-III: The Satisfaction level Experienced by the ATM users

LEVEL OF SATISFACTION	NO. OF USERS IN PERCENTAGE
HIGHLY SATISFIED	20
SATISFIED	70
INDIFFERENT	0
DISSATISFIED	0
HIGHLY DISSATISFIED	0
USERS NOT AVAILING THE FACILITY	10

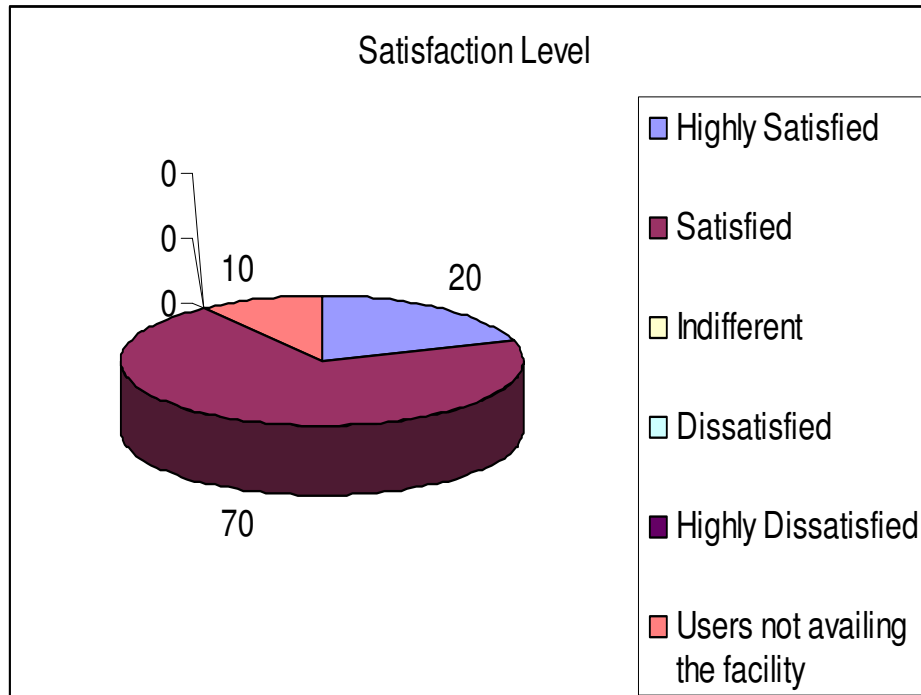
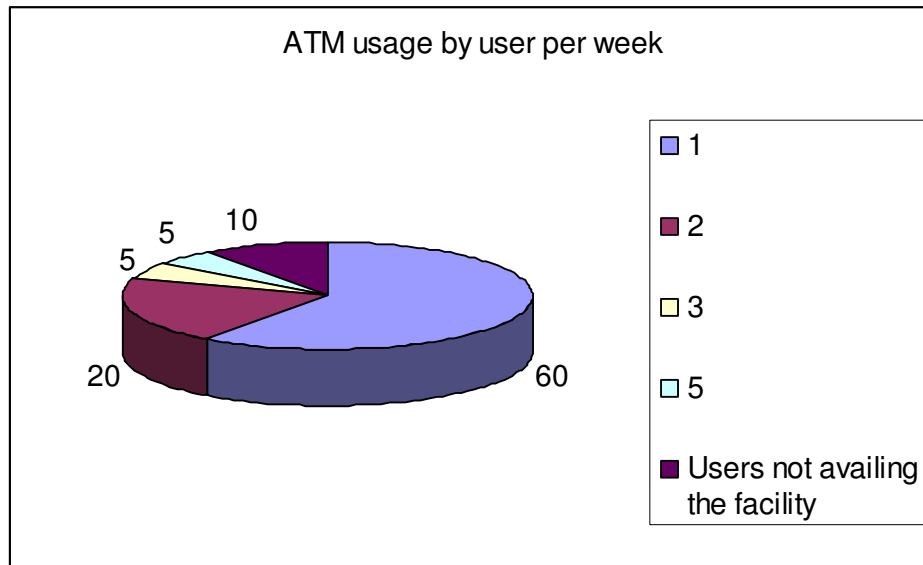


TABLE-IV: Following number of times in a week the users have used the ATM:

NUMBER OF TIMES	NUMBER OF USERS IN PERCENTAGE
1	60
2	20
3	5
5	5
USERS NOT AVAILING THE FACILITY OF ATM	10



FINDINGS EXTRACTED OUT OF THE INFORMATION COLLECTED THROUGH QUESTIONNAIRE

1. Most of the respondents used ATM facility (90% of them availed this facility.)
2. Respondents were using the ATM facility of private banks more than the public sector banks.
3. Most of the respondents were satisfied by the ATM facility being used by them.
4. Most of the respondents used ATM facility once in a week.
5. Most of the respondents feel that the benefit of the ATM card is that it comes handy when cash is needed urgently.
6. 60% of the respondents faced using the ATM faced no problem in using the ATM while 40% of the respondents faced a problem while using the ATM.
7. Major problem faced by the respondents while availing ATM card facility was that the ATM was not working and the second common problem was that the card got withheld in the machine.
8. Most of the respondents used very less Internet Banking facilities other than the ATM. Out of the other facilities, credit card was the most commonly used service and the second service used was opening a Fixed Deposit account via the internet.
9. 95% of the respondents didn't have any grievance against the bank providing them the internet services and the 5% respondents which had a grievance against bank

providing them the internet banking services were satisfied with the grievance handling procedure of the bank.

10. Most of the respondents felt that the weakness of internet banking is that it is a one way communication and the second most commonly held weakness was that it is not secure.
11. 55% of the respondents felt that Internet Banking is not secure and the reason behind this is that hackers may hack the password of one's account and this may result in huge losses to the user of Internet Banking.
12. Most of the respondents felt that the public sector banks should start providing the Internet Banking services in order to face the competition from the private banks and also because Internet Banking is time-saving and hassle-free.

CONCLUSION

E-commerce is rapidly expanding its wings across the globe and India is no exception to this phenomenon. Now, several banks have put their electronic banking facilities on the Internet and are providing many facilities like adopting ECS and EDI for knowing account-status , funds transfer between accounts , Billing payments, Web-shopping, Railway and air-ticket booking, etc to their customers at the click of a button. But since Web is a public space open to all , THESE INTERNET BASED SERVICES ALSO RAISE NEW THREATS FOR THE BANKS. Financial institutions like banks and merchant websites like Rediff, Amazon, payment sites like PayPal etc, by virtue of the value of information , their customers share with them are becoming the most lucrative target for the attackers. Attackers are formulating newer strategies for attack and one such attack is Phishing.

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