

A Study on E-Banking Usages of the State Bank of India (With Special Reference to SBI, Tiruchirappalli District)

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Abstract— Nowadays, the Internet is a relatively new channel for delivering banking services. Its early form ‘online banking services’, requiring a PC, modem and software provided by the financial services vendors, were first introduced in the early 1980s. However, it failed to get widespread acceptance and most initiatives of this kind were discontinued. With the rapid growth of other types of electronic services since mid-1990s, Banks renewed their interest in electronic modes of delivery using the Internet. The bursting of the Internet bubble in early 2001 caused speculation that the opportunities for Internet services firms had vanished. The “dot.com” companies and Internet players struggled for survival during that time but e-commerce recovered from that shock quickly and most of its branches including e-banking have been steadily, and in some cases dramatically, growing in most parts of the world. One survey conducted by the Tech Web News in 2005 (Tech Web News, 2005) found e-banking to be the fastest growing commercial activity on the Internet. In its survey of Internet Users, it found that 13 million Americans carry out some banking activity online on a typical day, a 58 percent jump from late 2002. In this research article study about the usages of E-Banking and demographic factors of the customers of SBI in Tiruchirappalli District.

Keywords— *E-Banking, E-Services, Quality of the E-Banking,...*

INTRODUCTION

The past years have seen substantial changes in banking. Advances in computing and telecommunications have driven these global changes. Since the mid-1990s, development has been a fundamental shift in banking delivery channels toward using self-service channels such as online banking services (Pikkarainen 2004). The first appearance of online banking was in USA 1995. In general, Europe has been and still their leader in online banking technology and usage (Schneider, 2001). The acceptance of online banking services has been rapid in many parts of the world. Therefore, bank web sites that offer only information on their pages without possibility to do any transactions are not qualified as online banking services. The measure of this online service is this system satisfies customers need or not? If it's satisfy then we can call that this system success. For years, financial institutions have used powerful computer networks to automate millions of daily transactions; today, often the only paper record is the customer's receipt at the point of sale. Now that its customers are connecting to the Internet via personal computers, banks envision similar economic advantages by adapting those same internal electronic processes to home use. Today, most large national banks, many regional banks and even smaller banks offer some form of online banking, variously known as

PC banking, home banking, electronic banking or Internet banking. Online banking (or Internet banking) is a term used for performing transactions, payments etc. over the Internet through a bank, credit union or building society's secure website. This allows customers to do their banking outside of bank hours and from anywhere where Internet access is available. In most cases, a web browser utilized and any normal Internet connection is suitable. No special software or hardware usually needed. Actually online banking included various technology such as telephone banking (landline, mobile phone), direct bill payment; electronic funds transfer (EFT), and internet banking. There are five basic services for online banking according to Chou and Chou (2000).

- View account balance with transaction history
- Paying bill
- Transferring funds between accounts
- Request credit card advances
- Ordering check

Other services of bank are opening account, deposit and withdrawals, rate and fees, security. Among other things, banks must understand whose specially adopting commercial technology and why.

There are three categories related to online banking:-

- 1- Customer service quality
- 2- Online system quality
- 3- Banking service product quality

1) **STATEMENT OF THE PROBLEM**

In this internet age, when the customer is having access to a variety of products and services it is becoming very difficult for banks to survive. In this situation, when customer inquiries are not met easily or transactions are complicated, the customer will ask for new levels services, and only those those institutions who are making a real effort to provide a high level of quality, fast and efficient service through all the banks touch points, call centers, ATMs, voice response systems, internet and branches (Puccinelli 1999).

Managers really need to look at areas where opportunities lie because industry consolidation, virtual delivery channels and the ability to move money around at the click of a mouse are making it easier for customers to pack their bags and say by to the bank (Puccinelli 1999). Of course, only depending on technological capabilities cannot insure customer service (Dyche 2001). Company need to analyses the business situation and understands the real requirement for automation (Xu 2005).

SIGNIFICANCE OF THE STUDY

Today, when a new product hits the market every day, businesses in all industries face greater cutthroat competition than ever before. With the marketplace, changing at a herculean pace a business cannot be at an advantage for too long by just offering a service or a product. Product and service offerings are becoming more and more similar with umpteen numbers of companies targeting the same customer base. With a multitude of options to choose from, customers are increasing fickle and prone to churn. Not only do they scrutinize products and services before spending on them; with the advent of social media, they are more capable now to influence the purchasing decision of others as well. The key to stability in today's dynamic marketplace is in forging long-term customer relationships. To succeed, a company must differentiate themselves through superior service & offer a consistent, convenient customer experience to gain an edge. They must abandon the view that customers represent immediate sales transactions and a quick buck. Instead, they must view customers as long-term relationships, keeping in mind the potential business that they will bring over the years.

All service sector industries have realized that creating superior customer service is the key for their survival. Most offers across the industries are difficult to differentiate

because of offer quality, pricing, distribution or promotion for that matter. They are saturated based on certain parameters.

Gone are the days when customers needed a full day for banking activity. Today's banking rarely requires seeing the bank branch. Even if the customer is required to visit the bank branch, it is no more a workplace ghetto. E-Banking as helped to establishing relations with customers and has provided convenience to the customers by reducing time in processing and transaction. In this Internet era when the active internet user have increased over 45.3 million and when we expect India to rise to third position in Internet usage by 2013, the need to incorporate CRM in operations and in business has increased. It has been estimated that there is about 60% cost saving in E-Banking.

SCOPE OF THE STUDY

The research study gives a clear picture about the practices of Customer Relationship Management in E-Banking. It also throws light on the various usages of E-Banking services for Customers as well as Employees.

This study aimed at retaining customers by building relationship and increasing contribution. On this account, the study throws light on the elements of CRM in E-Banking.

The study would be beneficial in understanding what customer expect from their banks. The scope of this study is conducting the survey from the SBI in Tiruchirappalli District.

OBJECTIVES OF THE STUDY

1. To study the influence of demographic factors of selected banking customers in Tiruchirappalli District.
2. To study about the E-Banking services and uses for customers of SBI.

MIXED METHODOLOGY

In this research, the researcher has adopted a mixed methodology to avoid the limitation of Quantitative Research. Since human beings are emotional, it is inevitable for the researcher to ignore the feelings of the respondents. So, the researcher has framed the interview schedule and conducted Focused Group Discussion to collect the Qualitative Expression of the respondents.

Sources of Data:

The study uses both secondary data and primary data. The secondary data that are used and referred to in this study, are bank websites regarding e-banking, Secondary data includes books, journals, magazines, newspapers, research articles, websites and reports from RBI website.

Primary data were obtained through administration of a Interview schedule, to assess the extent of e-banking users of SBI customers.

HYPOTHESIS OF THE STUDY

There is no significant difference between gender of SBI of the respondents and their opinion about E-Banking usages.

STATISTICAL TOOLS APPLIED:

1. Chi-square Test
2. Student t-Test
3. One way-ANOVA Test

LIMITATIONS OF THE STUDY:

This study focus on customer of the State Bank of India in Tiruchirappalli district only. Such as generalization cannot make from the study and there is need for enough care and caution in so doing using the findings of the study.

EVOLUTION OF ELECTRONIC BANKING

The fast advancing global information infrastructure (including information technology and computer networks such as the Internet and telecommunications systems) enable the development of electronic commerce at a global level. The nearly universal connectivity, which the Internet offers, has made it an invaluable business tool. These developments have created a new type of economy, which many call the 'digital economy'. This fast emerging economy is bringing with it rapidly changing technologies, increasing knowledge

intensity in all areas of business, and creating virtual supply chains and new forms of businesses and service delivery channels such as e-banking.

In its very basic form, e-banking can mean the provision of information about a bank and its services via a home page on the World Wide Web (WWW). More over sophisticated e-banking services provide customer access to accounts, the ability to move their money between different accounts, and making payments or applying for loans via e-Channels. The term e-banking will be used in this book to describe the latter type of provision of services by an organization to its customers. Such customers may be either an individual or another business. To understand the electronic distribution of goods and services, the work of Rayport and Sviokla (1994; 1995) is a good starting point. They highlight the differences between the physical market place and the virtual market place, which they describe as an information-defined arena. A large number of organizations from within and outside the financial sector are currently offering e-banking which include delivering services using Wireless Application Protocol (WAP)phones and Interactive Television (iTV). Many people see the development of e-Banking as a revolutionary development, but, broadly speaking, e-banking could be seen as another step in banking evolution. Just like ATMs, it gives consumers another medium for conducting their banking. The fears that this channel will completely replace existing channels may not be realistic, and experience so far shows that the future is a mixture of "clicks (e-banking) and mortar (branches)". Although startup costs for an internet-banking channel can be high, it can quickly become profitable once a critical mass is achieved.

THE TECHNOLOGICAL EVENTS OF E-BANKING

Year	Technological Events	Usages
1965	Processors to Database	The Cheque Guarantee Card
1965	Magnetic Stripe	The first Automated Bank statements are printed
1966	First Credit card in U.K. offered by	Money transfer is automated
1967	Database Management Systems	New Professional skill software developed.
1968	Automated Machines Arrive	Used for branch retail distribution
1969	Operating system with multitasking	Branches become automated
1971	Arrival of microprocessor	Real time operations at branches become a reality
1973	Microchip is integrated in a plastic cards	Customers can sort transactions in any branch of their own
1980	Telephone Banking	CRM Systems are developed
1982	Introduction of Debit Card	Expand the distribution channels
1985	File Transfer Protocol (FTP)	Non-Payment services are introduced
1990-2000	Introduction of Internet Banking	New issues such as privacy, security and reliability of information processing become more prominent.

Due to these technological changes, the term which gains the utmost importance is “Electronic Banking”. E-banking is defined as the automated delivery of new and traditional banking products and services through electronic, interactive communication channels. Through e-banking individuals and corporate customers can access accounts, transact business, transfer funds or obtain information on products and services through the electronic media without any paper transactions. For many customers e-banking means 24 hours access to cash through ATM or direct deposit of pay cheques into savings account but electronic banking involves different types of transactions. E-banking also means transferring of funds electronically with the use of computer and other electronic modes. It allows customers to automate cash receipt payment. Increased productivity and cutting of transaction costs are the most obvious benefits of e-banking. The dramatic difference in cost and speed between traditional ‘brick-to-brick’ banking and Internet-mediated financial ‘brick-to-click’ banking services and related information delivery has led to rapid growth of online payments, e-banking and online credit risk management. However, the Indian banking industry is expected to be a leading player in e-business while the banks in developed countries are working primarily via internet as non-branch banks.

REVIEW OF LITERATURE

1. **Dannenberg and Kellner (1998)**, in their study, overviewed the opportunities for effective utilization of the Internet with regard to the banking industry. The authors evaluated that appropriate application of today’s cutting edge technology could ensure the success of banks in the competitive market. They evaluated the services of banks via internet as websites provide sophisticated line of products and services at low price. The authors analyzed that transactions via internet reduce the risk of data loss to customers, chance to cut down expenses, higher flexibility for bank employees, re-shaping the banks’ image into an innovative and technologically leading institutes, etc. The researchers found that bank could move one step further by entering into a strategic alliance with internet service provider. So, the bank of tomorrow stands to be feasible with today’s technology.
2. **Afuah, 1998**, Innovation is defined as the use of new knowledge to offer a new product or service that customers want. The new knowledge here refers to technological or market knowledge. Technological knowledge is knowledge of components, linkages between components, methods, processes and techniques that go into a product or service. Market knowledge is knowledge of distribution channels, product applications and customers’ expectations, preferences, needs and wants (Afuah, 1998). No matter how the paradigm shifts due to external factors like technology and environment, the process of innovation cannot be separated from a firm’s strategic and competitive context.
3. **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 innovative in designing and implementation of e-banking processes. The researcher 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.
4. **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
5. A study on electronic banking and customer satisfaction”, BismarckAmiya and Eric Ashley (2015), E-banking encompasses the provision of banking services and products by banks to their customers through electronic medium. E-banking covers both computer and telephone banking. For many banks, inclination to e-banking services improves customers to the bank. The adoption of e-banking is also seen as a new method of expanding customer base and to also counteract the aggressive

effort made by traditional banking institution. E-banking allows customers to inquire information and carry out most banking services such as account balance inquiry, bill-payments and inter-account transfers through the internet. E-banking availability is recognized as the ability of users to access banking information and services from the web. Customers can access e-banking services only when the service is available.

ANALYSIS AND INTERPRETATION

Table-1

Gender wise Classification of the Respondents

Sl.No	Gender	Number (480)	Percent (100)
1	Male	308	64.2%
2	Female	172	35.8%

Source: Primary Data

The above table reveals that majority (64.2 percent) of the respondents were female customers in SBI.

Table-2

Age wise Classification of the Respondents

Sl.No	Age (in years)	Number (480)	Percent (100)
1	Below 30 years	142	29.6%
2	31 to 40 years	182	37.9%
3	41 to 50 years	89	18.5%
4	51 to 60 years	35	7.3%
5	61yrs and above	32	6.7%

Source: Primary Data

The above table shows that age wise classification of the respondents. Nearly half percent of the respondents were between the age group of 31-40 years in both banks i.e., 37.9 percent in SBI.

Table -3

Classification on the basis of Education

Sl.No	Education	Number (480)	Percent (100)
1	Illiterate	46	9.6%
2	Below HSC	80	16.7%
3	UG	128	26.7%
4	PG	124	25.8%
5	Professional	72	15.0%
6	Others	30	6.3%

Source: Survey Data.

The table indicates that the educational qualification of the customers surveyed in selected banks. 26.7 percent customers in SBI having the under graduate level qualification.

Table -4

Classification based on customers' occupation

Sl.No	Occupation	Number (480)	Percent (100)
1	Agriculturist	60	12.5%
2	Businessman	120	25.0%
3	Govt. Employee	146	30.4%
4	Private Employee	118	24.6%
5	Professional	36	7.5%
	Total		

Source: Survey Data.

One-third (30.4 percent) of the selected customers in SBI are Government employee. Because most SBI customers pensioner or government salaried persons.

Table-5

Classification on the basis of customers' Annual Income

Sl.No	Annual Income	Number (480)	Percent (100)
1	Below 1 Lakh	153	31.9%
2	1 to 3 Lakhs	156	32.5%
3	3 to 5 Lakhs	150	31.3%
4	Above 5 lakhs	21	4.4%

Source: Survey Data

The above table shows that annual income of the selected bank customers. 32.5 percent customers earn 1-3 lakhs in yearly basis in SBI.

Table -6

Classification based on customers' type of account

Sl.No	Type of Accounts	Number (480)	Percent (100)
1	Savings Bank A/c	357	74.4%
2	Fixed Deposits	107	22.3%
3	Other A/C	16	3.3%

Source: Survey Data

Majority (74.4 percent) of the customers is having saving account in SBI. 3.3% of the respondents are having other type of accounts like., RD, Current account etc...

Table-7

Classification on the basis of using of E-Banking

Sl.No	Age	Number (480)	Percent (100)
1	Below 1year	172	35.8%
2	1 to 2 Years	129	26.9%
3	2 to 3 Years	108	22.5%
4	More than 3 Years	71	14.8%

Source: Survey Data

The above table shows those years of usage of E-Banking account in selected banks. In SBI, the selected customers are using E-Banking services below one year.

II. USES OF E-BANKING TO THE CUSTOMERS

The following table indicates the list uses of E-Banking services to the surveyed customers in selected

bank customers. The criteria for the measurement of E-Banking services are follows:

1. Relevant and detailed information on time (**EBU1**)
2. Convenient way to manage services and finance (**EBU2**)
3. Less risk and greater security (**EBU3**)
4. Bring down the cost of banking (**EBU4**)
5. Fastest mode of banking transactions (**EBU5**)
6. Quick movement of funds (**EBU6**)
7. Easy to access the website links (**EBU7**)
8. Easy to maintain the accounting information (**EBU8**)
9. Reduced Time factor (**EBU9**)
10. Anywhere, anytime banking (**EBU10**)

These ten-point criteria used to measure the uses of E-banking services of the selected bank customers.

Table 8 USAGE OF E-BANKING SERVICES

Sl. No	E-Banking Uses	SDA	DA	N	A	SA	Total
1	EBU1	0 (0%)	1 (.2%)	44 (9.2%)	53 (11.0%)	382 (79.6%)	480 (100%)
2	EBU2	0 (0%)	0 (0%)	37 (7.7%)	172 (35.8%)	271 (56.5%)	480 (100%)
3	EBU3	3 (.6%)	23 (4.8%)	15 (3.1%)	137 (28.5%)	302 (62.9%)	480 (100%)
4	EBU4	1 (.2%)	28 (5.8%)	10 (2.1%)	198 (41.3%)	243 (50.6%)	480 (100%)
5	EBU5	4 (.8%)	28 (5.8%)	5 (1.0%)	141 (29.4%)	302 (62.9%)	480 (100%)
6	EBU6	2 (.4%)	33 (6.9%)	10 (2.1%)	194 (40.4%)	241 (50.2%)	480 (100%)
7	EBU7	3 (.6%)	28 (5.8%)	5 (1.0%)	138 (28.8%)	306 (63.8%)	480 (100%)
8	EBU8	1 (.2%)	28 (5.8%)	10 (2.1%)	183 (38.1%)	258 (53.8%)	480 (100%)
9	EBU9	6 (1.3%)	28 (5.8%)	20 (4.2%)	118 (24.6%)	308 (64.2%)	480 (100%)
10	EBU10	3 (.6%)	33 (6.9%)	25 (5.2%)	213 (44.4%)	206 (42.9%)	480 (100%)

Source: Primary Data

The above table shows that 79.6 percent and 93.2 percent of SBI surveyed customers are strongly agree the statement 'relevant and detailed information' were collect from the Bank in correct time.

In SBI more than half of the percent (56.5 percent) surveyed customers are strongly agree and i.e. E-Banking services are more convenient way to manage the finance services.

62.9 percent customers have strongly agreed with the statement that the E-Banking services are providing less risk and greater security for the people.

50.6 percent and 65.2 percent of SBI bank customers are strongly agree that E-Banking services are reducing the banking cost.

Majority of the selected bank customers are strongly accept that the e-banking services are creating the fastest mode of banking transactions.

E-Banking is help to move the funds from one place to another in fastest way this statement were accepted by both the selected bank customers.

63.8 percent customers in SBI strongly agree that banking website is easily access.

More than half in SBI ' customers are strongly agree that E-Banking helps to maintain the individual accounting information.

Majority of the selected bank customers are strongly agree that the statement E-Banking maintain the time factor.

Nearly half and 53.8 percent customers are strongly agreed/ agree that E-Banking provides anywhere and anytime banking to the customers.

FINDINGS OF THE STUDY

- Majority (64.2 percent) of the respondents were female customers in SBI.
- In age wise classification of the respondents. Nearly half percent of the respondents were between the age group of 31-40 years in both banks i.e., 37.9 percent in SBI.
- The educational qualification of the customers surveyed in selected banks. 26.7 percent customers in SBI having the under graduate level qualification.
- One-third (30.4 percent) of the selected customers in SBI are Government employees. Because most SBI customers pensioner or government salaried persons.
- The annual income of the selected bank customers. 32.5 percent customers earn 1-3 lakhs in yearly basis in SBI.
- Majority (74.4 percent) of the customers is having saving account in SBI. 3.3% of the respondents are having other type of accounts.
- 35.8% of the respondents are having below one year accounting transaction in SBI.

SUGGESTIONS

✓ The bank needs to see the working of its ATMs and other form of tech-driven banking as phone and net banking. Although these forms of banking do satisfy the customers faster, yet they lead to huge dissatisfaction in case of poor functioning of the system.

✓ Employees should be involved in customer relationship programmes right from the stage of its conception to its implementation and even in its follow-up.

✓ The bank, at corporate level, has designed a programme of testing customer satisfaction at every branch and the report is considered during customer audit. But there have been lacunae found in its responses as many a time branch managers get these questionnaires filled by own-trusted customers and the customers and the very purpose of identifying customer satisfaction thus gets defected. This customer audit, which incorporates customer satisfaction, should be conducted in all the

branches and by an independent agency and the bank managers should in no way be made to get involved in the process. Feedback thus obtained should be shared with the employees, so they themselves can correct the flaws.

✓ The SBI has been introducing new and more customized products at regular intervals. But it has not been able to communicate to its customers about these products. It needs to be more aggressive at marketplace and resort to several modern techniques of communicating such as setting up stalls of new offers, participating more aggressively at various trade fairs and organizing road shows. This will help not just in customer acquisition but also in enhancing customer satisfaction level.

✓ Importance is being given to tangibles in modern banking, so that the customers should feel a bank branch as a one-stop shop for all banking and financial products. This aims at providing comfortable ambience and meeting basic requirements such as having a water dispenser, neat and clean toilet, sufficient seating arrangements and proper cooling and warming arrangements according to different seasons. The SBI lacks hugely in all such facilities.

CONCLUSION

In this research provide detailed information about the e-banking services of the SBI. In conclude that SBI provides correct information to the customers in correct time. E-banking services of the SBI allowed the customers to access the financial services of the bank. It helps to know financial products available in the banks. The SBI customers are accepting their e-banking services but at the same time customers are need online grievances redresses in correct time.

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