

A Short Review on Consumer Behaviour on E Banking and Challenges Faced

Devendra Verma

M.com, Bharti Vidyapeeth University, Pune, Maharashtra, India

ABSTRACT

Consumer play a vital role in economic development of a country. Banking is life line of an economy. A strong banking system is the need of a develop country for their growth. The IT revolution changes the structure of Indian banks. These are now modernized and well functioned system. Thus E-Banking refers to electronic banking. It means banking through Electronic medium like telephone banking, mobile banking etc.

The objective of the research is to analyze the growth E-banking system, challenges face by E-banking system. Electronic Banking is one of the great achievement of commerce. An E-banking is a conduct of banking electronically it eliminates paper-based transaction. E-Banking can operates through internets, extranets etc.

How to cite this paper: Devendra Verma "A Short Review on Consumer Behaviour on E Banking and Challenges Faced"

Published in International Journal of Trend in Scientific Research and Development (ijtsrd), ISSN: 2456-6470, Volume-3 | Issue-6, October 2019, pp.60-62, URL: <https://www.ijtsrd.com/papers/ijtsrd28049.pdf>



Copyright © 2019 by author(s) and International Journal of Trend in Scientific Research and Development Journal. This is an Open Access article distributed under the terms of the Creative Commons Attribution License (CC BY 4.0) (<http://creativecommons.org/licenses/by/4.0>)



INTRODUCTION

The use of E-Banking lowered down the banking cost. Today electronic banking is a vital part of modern banking and has been in the process of changing the business from traditional to modern. It becomes WBC for an organization. Today bank operates today in competitive environment. It introduce new opportunities. India is not only world largest democracy but is also having a huge economic need. India is depend on a strong banking system after it revolution. It took a long journey for Indian banking system to stabilize and well functioned with Modern era of technology.

Internet banking is a system allows the customers to perform. Banking activity from mobile, laptop with different location.

WHAT IS ELECTRONIC BANKING:-

Thus the name indicate that banking through electronic medium. E-banking terms comes after IT revolution in which a individual access his account and performed his routine work of banking without going to bank from his home or office through internet banking, mobile banking.

Micro Model Of E-Banking:-

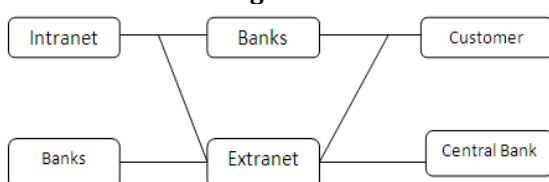


FIG.01-Model Suggest by (Gordon & Nateajan, 2010)

LITRRATRE REVIEW:-

The main objective of literature review is to study the E-Banking, stages faced bay Banks, Banking structure and customer satisfaction. Banking in India originated in the last decade of the 18th century. Bank of Hindustan the first bank established in 1770. Indian banking sector is classified into schedule and non-schedule banks.

- **Schedule bank:** -Comes under 2nd schedule of the RBI Act 1934
- **Commercial bank:** -Schedule and non-schedule bank regulated under the banking regulation Act 1949 (Wikipedia/ Indian banking system). After IT revolution this system were modernized and become able to many individual having internet access.
- **STAGES: The Indian banking system has go out through various stages.**
 1. **FOUNDATION STAGE:-** This period is of before nationalization of banks. A proper frame work of banks need to established in market. This phase is vital part of our economy mainly based on macro level.
 2. **EXAPNSION STAGE:-** It is started in middle of 1960s but it get momentum on after nationalization of banks in 1969 . This stage also known as huge banking stage. In this stage banks were working for growth in masses and reached to the people with proper ideas. Various activities took place like creation of RRBs.

3. **Consolidated stage:-** Started in 1985. Various initiatives were started by RBI. After expansion stage now banks are focused on customer services and credit management.
4. **Reform Stage:-** After reform policy 1991 the model of banking change. Government of India appointed high level of committee (Rangarajan committee) to address the problems and suggest the remedial measures for banking sector.

➤ **Difference between Traditional and E-banking:-**

1. Traditional banking cannot work without physical visibility to the customer but E-banking work online.
2. Traditional banking consume a lot of time and work within a given time slot, where E-banking work beyond this.
3. Traditional banking had not 24*7 facility, E-banking has 24*7 facility.
4. Customer spends money to visit bank and perform their routine work. In E-Banking this drawback reduces.
5. In traditional Banking, Bank clerk or staff can attend only few customers at time, but due to E-Banking this facility increase and customer do not have stand in line for customer service.

Features of E-Banking:-

- No geographical boundaries barrier.
- Easy electronic fund transfer and payment method.
- Good efficiency in CRM.
- Risk of money theft reduces.
- Mobile banking with SMS service.
- 24X7 services available to customer.

Today position of E-Banking in India:-

The structural and functional change in banking sector evolves from Economic reform 1991. The Saraf committee was formed by RBI in 1994 which recommended that the use of Electronic fund transfer, electronic clearing service etc. in branches.

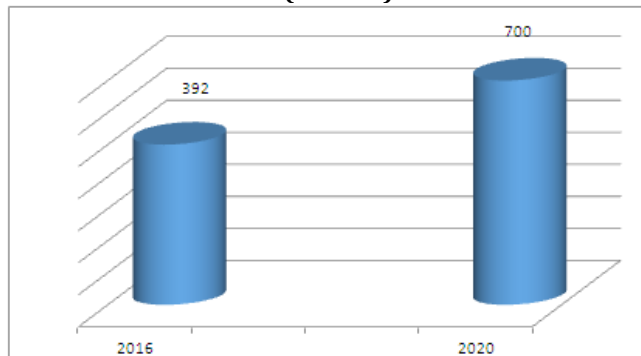
The main credit goes to ICICI for internet banking growth in India. It was first bank to introduce E-Banking system in India in 1996.

For the growth of E-Banking various initiatives have been taken by RBI and government for smooth acceleration of E-Banking in India.

Now, various growths were in banking system of India taken place: -

1. Banks launch card less withdraw services.
2. Loan from debit card from ATM.
3. Payment wallets launch.
4. Online account opening.

Internet users in INDIA (million)



SOURCE: - Media sources, Aranca Research FIG.02
Challenges in growth of E-Banking:-

1. **Security** – It is a primary challenges face by bank to introduce E-banking system.
 2. **Privacy**- The need of account privacy is an important role for bank to manage E-banking.
 3. **Consumer awareness** – Play important role.
 4. **Infrastructure of IT** – Above all are primary challenges but most important it is infrastructure of IT.
 5. **Availability of internet:** - To connect with E-banking there is need of internet. Thus it is a big challenge for bank to move towards with this problem. Thus purchasing power or accessing of internet also effect is banking system.
- Objective of study:-**
1. To study the status of banking sector in India.
 2. Identify E-banking services.
 3. Study the barrier faced by E-banking.
 4. Awareness towards E-banking.
 5. To study the policy and measures by RBI and govt. for E-banking in rural area.

Conclusion:

From above study various important and failure were conclude. The growth rate if E-banking with highly effective growth rate is symbolism of change of attitude of consumers towards digitalization of Indian economy. Thus this changing behavior of consumer help to make cashless society with respect to make a strengthen E-banking system in India. Various step and measurement taken by RBI and govt. should help the rural area to move towards E-banking system.

The new generation has already accepted this system of digitalization and help to change the concept from standard banking to comfort banking. Those bank which gives special attention to promotes e banking services have higher to attract more customer.

Reference:-

[1] www.wikipedia.com
 [2] C, "A frame work on consumer perceive characteristics of internet banking". Indian journal of marketing, vol.41 no.2 (2011); pp 46-53.

- [3] Ingle A and Pradesh R, "Internet banking in India challenges and opportunities", IBMRD'S journal of management and research vol.1, 2012.
- [4] Singh p, "An exploratory study on Internet banking uses in semi urban in India," International journal of scientific research publication; vol.3 No-8 (2013).
- [5] KumariNidhi "E-banking in India; challenges and opportunities; International journal of science and technology and management vol. No-5 Issue No-8 (2016).
- [6] Ms. JagdeepKaur "growth of E-banking in India," International journal of research in finance and marketing (IJRPM) VOL.7 (2017) pp-88-94.
- [7] Navratan Bothra, Dr. R. K. Shukhla, Bindiya Tater "A STUDY ON CUSTOMER PREFERENCES FOR E-BANKING SERVICES" IJMMR Volume 1, Issue 1 (December, 2010)
- [8] Wenninger, J. (March 2000) , "The Emerging Role of Banks in E Commerce", Current Issues in Economics and Finance, Vol. 6, No. 3, Federal Reserve Bank of New York.
- [9] Servon Q. and Kaestner B. (2008), "Internet banking: where does India stand?", Journal of Contemporary Management, Vol. 2, No. 1, pp. 38-58.
- [10] Jane et al, (2004), "Adoption and Diffusion of Electronic Banking by Customers: Critical Analysis of Empirical Evidences". International Journal of Financial Management, Volume 1 Issue 1, pp 29-46
- [11] Guraau, C. (2002). Online banking in transitional economies: implementation of online banking systems in Romani. International Journal of Bank Marketing, 20(6), 285 – 296.
- [12] Kamakodi, N., & Khan, B. A. (2008). Customer and service level in e – banking era: an empirical study. The ICFAI University Journal of Bank Management, 7(4), 50 – 70.
- [13] Broderick, A. J., & Vachirapornpuk, S. (2002). Service quality in Internet banking: the importance of customer role. Marketing Intelligence and Planning, 20(6), 327 – 335.

