

**SERVICE QUALITY IN BANKING: E-BANKING A CORE SOLUTION****Arpit Khurana***Research Scholar, Chandigarh University***Abstract**

Banking sector is the Backbone of Indian financial system of our country. It is the largest emerging sector of the economy which has been growing more as compared to other sectors. The whole financial sectors mainly revolves around banking sector that's why there is a need to provide better quality of services in banking sector for substantial growth of this sector. E-Banking is a new emerging area in the banking practices. Today, E-Banking is used as a strategic tool by the global banking sector to attract & retain customers. So, in this paper an attempt has been made to study the E-Banking services in India.

Keywords: *E-Banking, I-Banking, M-Banking, CBS*



Scholarly Research Journal's is licensed Based on a work at www.srjis.com

Introduction

In modern age, banking sector constitute the fundamental basis of economic growth. Banking sector is the backbone of Indian financial system. It is the largest emerging sector of the economy.

With the rapid improvements in electronic technology and availability of higher computer power society has become more sophisticated society than in older days. The banks are using the electronic technology to meet the ever increasing competition in banking which has converted the traditional banking into electronic banking for change and renewal in its processes, politics and for better interaction with citizens. For these changes and renewal E-Banking becomes key word.

E-Banking (Conceptual framework)

Developments in banking sector have been taking place at a rapid pace. India in its e-literate resources is fast emerging as a major initiator in E-Banking adoption.

E-Banking (Meaning)

Electronic banking is the term that signifies and encompasses the entire sphere of technology initiatives that have taken place in banking sector. Electronic banking is one of the truly wide spread avatars of e-commerce. E-Banking means any user with a personal computer and a browser can get connected to his bank's website to perform any of the virtual banking function. E-Banking is personal banking services on internet protected with bank identifies. It is available anywhere, anytime. E-Banking is a generic term for the delivery of banking services and products through the electronic channels such as internet, telephone and cell phone. The concept and scope of E-Banking is still evolving.

E-Banking implies a provision of Banking Products & Services through Electronic Delivery Channels. E-Banking is a combination of the two:

- Electronic technology
- Banking

E-Banking is defined as the automated delivery of new and traditional Banking products and Services directly to Customers through Electronic interactive communication channels. E-Banking includes familiar & relatively mature electronically based products in developing markets, such as Telephone Banking, Credit Cards, ATM'S and Direct Deposit. In Internet Banking system the Bank has a centralized database that is Web-Enabled.

E-Banking in India

Banking in India, begins in the last decades of the 18th Century. In India, only those Banks are called Commercial Banks which have been established in accordance with Indian Companies Act 1913. These Banks were established in India after the Advent of the East Indian Company. Bank of Hindustan was the first commercial Bank in India. It was established in 1770. The important commercial Banks in India are Central Bank of India, Punjab National Bank, Indian Bank, Bank of Baroda, State Bank of India.

The oldest Bank in India is the State Bank of India a Government owned Bank. It was established in June 1806 and is the largest Commercial Bank in the country. Reserve Bank of India is the India's Central Bank. It was established on 1 April, 1935 on the recommendations of "Hilton Young Commission". After Independence, Reserve Bank was Nationalized in 1949. Reserve Bank performs all the functions of a Central Bank. Reserve Bank of India is managed by Central Board of Directors. In 1969, the Government of India nationalized the 14 largest Commercial Banks.

Objectives of the Study

- ❖ To study E-Banking services in India.
- ❖ To study problems Area in E-Banking.
- ❖ To provide suitable suggestions on the basis of paper.

Research Methodology

The study is properly based on secondary data. The data is collected from Journals, Research papers, Publications of RBI, Publication of Government of India.

E-Banking Services in India

Following are the services of E-Banking available in India

- Core Banking Solution (CBS)
- Online Banking
- Tele Banking
- Automated Teller Machine (ATM)
- Electronic Funds Transfer (EFT)
- Point of Sale (POS) Terminal
- Demat Accounts
- Cheque Truncation System (CTS)
- Real Time Gross Settlement System (RTGS)
- National Electronic Funds Transfer (NEFT)
- Radio Frequency and Identification Device (RFID)
- Clearing House Automated Payment System (CHAPS)
- Electronic Data Interchange (EDI)
- Society for World Inter-Banking Fast Transfers (SWIFT)
- Digital Payment System
- Cyber Cash
- Shared Payment Network System (SPNS)
- Consumer Credit Cards
- Traveler's Cheques
- Metro-Banking
- Platform Automation
- Debit Cards
- Smart Cards
- MICR
- Virtual Banking

➤ Bancassurance

E-Banking: The Problem Area

Electronic Banking is the wave of the future. Banks whether Public Sector Bank, Private Sector Bank or Foreign Banks are providing E-Banking services. As E-Banking is a new emerging area in banking practices. There are many problems that the Customers are facing while using E-Banking services.

The following are the problems of E-Banking in India

➤ **Lack of knowledge about the services**

Many of the people in villages are still not aware of E-Banking services. Even remote areas still not have Internet connectivity.

➤ **Network problems**

Network connectivity in remote areas causes problems for those using E-Banking services. Slow processing and downloading leads to delay in services and results in customer's dissatisfaction.

➤ **Delay in fund transfer**

Poor connectivity in many areas often results in delay in fund transfer. It ultimately affects the Banking system.

➤ **Misuse of ATM cards**

Cloning of ATM cards by anti social elements results in misuse of ATM cards which ultimately bothers the customers of the Bank.

➤ **Difficulty in opening an Account**

People not aware of Internet surfing, face problems in opening an Account while downloading the initial forms from the Bank website.

➤ **Language problem**

People in remote areas often use regional languages, face problems using Bank website.

➤ **Inaccessibility**

In rural areas, still there is no scope for Internet connection which results in non availability of E-Banking services in such areas.

➤ **Poor response of Employees**

Sometimes, employees of the Bank themselves are not fully aware of some E-Banking services and they misguide the customers which leads to customers dissatisfaction.

➤ **Hacking problems**

While customers using online Banking services, they are having a fear of Hacking their information, Account details, etc.

➤ **Lack of ATM machines at many locations**

ATM services must be near at nearby the places, people mostly face the problem because of availability of ATM's at far of places.

Suggestions for the study

The following are the suggestions for the improvement in E-Banking.

➤ **Customer meetings**

Banks should organize seminars, meetings with their customers to aware regarding the use of E-Banking services, so that customers can take the benefits of E-Banking services.

➤ **Customers training centers**

There should be customer training & education centers with the help of communication media such as posters, television, radio, seminars etc.

➤ **Language of website**

Banks should focus on its websites. The language of website should be clear & easy to understand so that the customer can get all information from their without any hesitation. Required information should be given on main page rather than further links.

➤ **Service quality**

Banks should provide all modern facilities to customers and banks should also invest large amount on the web page designing to provide up to date information. Banks should provide more services through internet banking for query as well as for transaction purpose.

➤ **Services to Rural Branches Should Be Improved**

Banks should expand the core banking solutions, clearing services, facility of debit & credit to rural branches of the banks.

➤ **Proper Training Programmes for Employees**

Banks should organize proper training programmes for employees. Rules should be simplified & up to date infrastructures should be provided to them.

➤ **Training Staff**

The bank staff should be friendly, polite and trained to guide the customers efficiently. Staff members should provide detailed, correct & complete information to customers regarding banking services.

➤ **Procedure to Open an Account Should Be Simple & Easy**

It is necessary for all the banks that this procedure to open a new account should be simple and easy. The form should be filled by bank person.

Conclusion

The present study shows that banks are providing E-Banking services. But still customers are not fully aware about these services. Customers faces many problems like lack of knowledge about services, misuse of ATM cards, difficulty in opening an account.

The study revealed that to promote E-Banking services banks must provide 24hours services to customers and they must focus attention on websites, required information must be given on main page rather than further link, so that customers can get all information in from there. To increase the usage of e-payment modes, banks must reduce fees charged on clearing and interbank fund transfer services.

It can be concluded from the paper that customers have become more demanding from the passage of time. They are satisfied with E-Banking services, but at the same time they face many problems like network problem, hacking problem and misuse of ATM etc. On the basis of above analysis paper suggests some suggestions to overcome these problems.

References

- Jain T.R, Khanna O.P (2007), "Indian Financial System". V.K Publications, New Delhi, pp.154-155.
- Dr. Sharma Himani (2011), "Banker's Perception on E-Banking". NJRIM, VOL.1, NO.1.
<http://www.publishingindia.com/uploads/samplearticles/njrim-sample-article.pdf>
- Karimzadeh Majid & Alam Dastgir (2012), "Electronic Banking Challenges in India: An Empirical Investigation". Vol4, No.2. <http://journal-archieves19.webs.com/31-45.pdf>
- Kumar Saroj, Tiwari Swati (2013), "Principles of Banking". Thakur Publications, Ambala, PP.185-188.
- Dr. Vinayagamoorthy A and Senthilkumar K, "Role of Reach of Internet Banking in India",
<http://www.wbiconpro.com/602-Vinayagamoorthy.pdf>
- Reserve bank of India, "Report on internet banking chapter-1"
<http://rbidocs.rbi.org.in/rdocs/PublicationReport/Pdfs/21595.pdf>
- Ahmadksath, "E-Banking Consumer Behaviour",
<http://www.scribd.com/doc/31035235/1/INTRODUCTION-OF-E-BANKING>
- Danske Bank, "E-Banking services".
<http://www.danskebank.fi/en-fi/Personal/online-services/Pages/ebanking.aspx>
- Bank of china, "Introduction to online Banking"
http://www.bankofchina.com/kh/en/custserv/cs1/201212/t20121207_2096052.html
- Gulati V.P. & Sivakumaram M.V, "E-Learning in Banking: Perspectives and initiatives".
<http://www.cdac.in/html/pdf/Session3.3.pdf>