

Study on Scope of Internet Banking Services in Kolhapur City

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ABSTRACT

Recent demonetization of 500 and 1000 currency notes made a curtail impact on day to day life of the Indians. This decision opens the discussion on cashless economy. The most important service institutions in the economy of any country are Banks. Technology in the banks is presently catching up with a high level of development around the world. Internet banking is a new phase in retail banking services. The current study focuses on the customers of banks in Kolhapur City of Maharashtra State. We attempt to explore is there any scope for using Internet banking services. This study also examines the potential uses of Internet banking services in Kolhapur city.

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Key Words: Internet Banking (IB), NEFT, RTGS, ATM, e banking

INTRODUCTION:

Indian banks now have to develop technology savvy banking services with world class service standards for satisfy their worldwide customers. Since two decades, due to an increasingly competitive, saturated and dynamic business environment, retail banks in many countries have adopted customer-driven philosophies to address the rapid and changing needs of their customers. Internet banking is a new phase in retail banking services. With the help of internet banking several types of services through which customers can request information and carry out their banking transaction such as balance enquiry, inter account transfers, utility bills payment, request check book etc., via a telecommunication network or internet without physically visit the branches.

1. E- BANKING

Following are the electronic facilities by which services are generally provided by the banks as a part of e-banking services.

1. Core Banking
2. Internet Banking
3. Automated Teller Machine(ATM)
4. Phone or Tele Banking
5. Mobile Banking
6. Payment Cards (Debit and Credit Cards)
7. Smart Cards

2. OBJECTIVES OF THE STUDY:

- To study the demographic profile of customers who are Internet Banking users.
- To study the scope of Internet Banking services.
- To study the potential uses of Internet Banking services

3. RESEARCH DESIGN:

3.1 Data Collection & Sampling Method:

The present study has been completed using Field Survey and Interview methods. In the survey the researcher has approached directly and indirectly to the customers of selected banks and their web sites from time to time and relevant data is solicited. For this purpose, questionnaires are designed. Empirical data is collected from the samples of Kolhapur city through Purposive Sampling method (Non Probabilistic sampling).

3.2 Sampling Size:

We have selected 114 respondents to obtain required primary data. Questionnaire is distributed to 114 User of IB. We have selected 22% of commercial banks from public and 37% of private sector banks which have a maximum level of branch automation and providing most of the alternative banking services in the Kolhapur City.

Table 1: Selected Banks

Public Sector Banks	No. of Branches in Kolhapur city	Private Sector Banks	No. of Branches in Kolhapur city
State Bank of India (SBI)	10	ICICI Bank (ICICI)	5
Bank of India (BOI)	5	HDFC Bank (HDFC)	2
Bank of Maharashtra (BOM)	9	Axis Bank (AXIS)	2
22 % of Public Sector Banks.		37% of Private sector banks.	

4. DATA ANALYSIS & RESULTS

The research has been carried out on the basis of sample Survey method. The data has been collected by personally administering the questionnaire which was pilot tested. The researcher has collected the data from customers of selected banks, interviewed some of the officials of selected banks and visited web sites of selected banks to collect secondary data.

Table 2: Demographic Profile Of Customers Who Are Using Internet Banking Services

Gender		Age		Education		Occupation	
Class	%	Class	%	Class	%	Class	%
Male	67.54	Below 21	1.75	High School	1.75	Service	40.35
Female	32.46	21 to 35	55.26	Certification/Diploma	13.16	Business	14.04
		36 to 50	37.72	Graduate	43.86	Pensioner	3.51
		above 50	5.26	Postgraduate	41.23	Professional	19.30
						Student	9.65
						Housewife	13.16
Total	100	Total	100	Total	100	Total	100

Table 3: Potential Uses Of Internet Banking Services

Frequently used IB features	No. of Responses	Percentage
Bill Payment	94	18.73
Balance Enquiry	87	17.33
Online Shopping	52	10.36
E-Tax	12	2.39
RTGS/NEFT	29	5.78
Demat(Share Trading)	16	3.19
Third Party Transfer	37	7.37
Demand Draft	17	3.39
Cheque Book Request	25	4.98
Bank Statement(s)	72	14.34
Account Opening	0	0.00
Stop Cheque Payment	13	2.59
Insurance Premium Payment	48	9.56
TOTAL	502	100.00

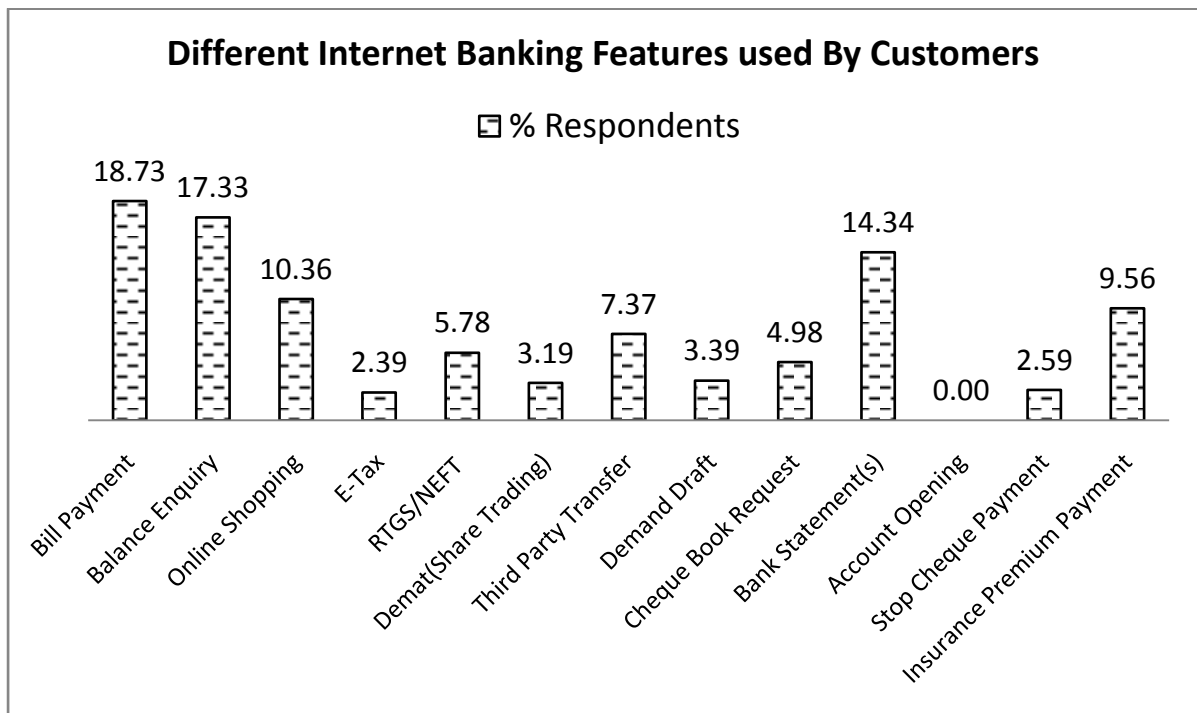


Figure 1: Frequently Used Internet Banking Features

From above graph we can state that still there is a large scope of doing internet banking transactions for paying tax, requesting a demand draft, Opening an e –account , RTGS/ NEFT fund transfer. Still so many people are depositing cash or they are going to bank counters and standing in the queue for two three hours to do funds transfer. By adopting internet banking service they can do above tasks easily and within a short span of time.

4. FINDINGS

- The empirical evidences of this study reveal that there a large scope for adopting internet banking services in females.
- Senior citizens or people above 50 years are less using internet banking services so banks can give training to them and they will also start using internet banking services.
- Bill payment, e-tickets, balance enquiry, online shopping and getting bank statement(s) are the mostly used IB features.
- Still there is a large scope of doing internet banking transactions for paying tax, requesting a demand draft, Opening an e –account , RTGS/ NEFT fund transfer

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