

Research Article

Awareness of Internet and Internet Banking in Indian Banks

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Abstract: The research paper describes the awareness and uses of internet and internet banking in Indian banks. Particularly, it seeks to examine the current status of internet banking in Indian banks. Banking is a financial Institution that handles cash, credit and other financial transactions. It is a safe place to store extra cash and credit. Various developments have taken place in Indian banks. The biggest revolution came in Indian banks is digitization. Now day's new devices/technologies are providing several customer touch points. Customers touch a computer screen and computers are providing information. Online transactions are done through internet banking. All the banks has used internet banking services but adoption of this service is less in India. It includes customer awareness and time consuming process. Online banking is also known as internet banking. It is an electronic payment system in which the customer conducts transactions electronically via the internet. Internet technology will be the backbone of Indian Banking Industry in future. Banking system can't survive without internet technology. Day by day increasing change in technology, it leads to e-banking services in various banks.

Keywords: Online banking, Indian banks, customer, computer, fund transfers, customers.

1. INTRODUCTION

Internet banking came in UK and USA in 1920s. It became prominently popular during 1960s through electronic funds transfers and credit cards. The concept of web-based banking came into existence in Europe and USA in the beginning of 1980s. It has been estimated that around 40 percent of banking transaction would be done through internet. Internet banking is very useful to those customers who have computer with internet connection. Through online customer can get various facilities like they can get full information about their account, cheque book request etc.

Meaning of E-Banking:

E-Banking is the electronic bank that provides the financial service for the individual client by means of internet. Presently there are 30 private banks (21 old and 9 new), 27 public sector banks and 36 foreign banks operating in India. List of banks who are providing internet banking such as State bank of India, State bank of Mysore, State bank of Hyderabad, State bank of Travancore, State bank of Bikaner and Jaipur, Union Bank, Bank of India, Canara bank, Corporation bank, City Union bank, Indian bank, Indian overseas

bank, HDFC bank, CITI bank, Indusind bank, Kotak Mahindra bank, IDBI bank, Federal bank, Deutsche bank, Yes bank, Bank of Maharashtra, Catholic Syrian bank, Karur Vysya bank, DCB bank, Lakshmi vilas bank, South Indian bank, Jammu and Kashmir bank, Karnataka bank. Indian banks offer to their customers following e-banking products and services: Automated Teller Machine (ATMs), Internet Banking, Mobile Banking, Telebanking, Electronic Clearing Services, Electronic Clearing Cards, Smart Cards, Door step Banking, Electronic Fund Transfer. According to a recent survey conducted by the Federal Reserve, 71 percent of adults with bank accounts use online banking services, and 38 percent access services via mobile devices, an increase of five percent over the previous year.

2. Literature Review

A large number of researchers have been studied related to Internet Banking. A review of the relevant literature has been described as under:

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England *et al.*, (1998), Furstet *al.*, (2000a,2000b,2002a and 2002b) found that banks in all size categories offering internet banking were generally more profitable and tended to rely less heavily on traditional banking activities in comparison to non-internet banks.

Prema C. (2013) examined the process of Internet banking services and stresses that marketing experts should emphasize these benefits and its adoption provides and awareness can also be improved to attract consumer’s attention to internet banking services in her research article “Factors Influencing Consumer Adoption of Internet Banking in India”.

Khalil and Pearson (2007) have found that trust is the most important factor for accepting internet banking facilities. To encourage Internet adoption, banks need to develop strategies that improve the customer’s trust in the underlying technology. The other factors include quick response, customer control on transaction (personalization), order tracking facilities and privacy are other important in customers, making customers feel safe in their transactions, employees who are consistently courteous and employees who have the knowledge to answer customer question.

Abou-Robich, Moutaz (2005) studied how to analyse comfort levels and attitude of users towards online banking facilities. The findings resulted that there is a correlation between attitude towards e-banking and feeling of security with regard to their demographic variables.

Featherman, MauricioSanchez (2002) studied that perceived risk inhibited consumer adoption intentions as well as perception of the usability, usefulness of online payment.

Statement of the problem:

Online banking provides a convenient method of conducting bank business to customers from their home and personal computer. Consumers can check information regarding their account balances and review it twenty four hours. This study is an attempt to sketch the uses of internet and internet banking in India. In the modern era, the activities of the Indian banks have increased many folds and internet banking customers have ability to perform online transactions. Several Institutions are now providing free banking services such as prepaid cards, pay-day loans, business loans etc.

Objectives of the Research

- To study several e-banking services adopted by Indian banks.
- To explain the different forms of online banking.
- To understand the concept and uses of online banking.

- To study the importance and advantages of online banking.
- To understand the effect of online banking in the performance of banks.
- To evaluate the awareness of E-Banking among the Indian banks.

RESEARCH METHODOLOGY:

This study has done to know the active internet users and internet banking in India.

Data Collection Tools:

The study was based on secondary data. Researcher has collected that data from the statista portal and internet world stats. This was collected during the year 2015-2018.

Analysis of Data: The collected data was made in tabulated form and then analyzed.

In the Table 1 while China has got its internet users to the extent of 751 million of its population. India has its internet users to the extent of 462 million of its population. Thus India is the 2nd highest user of internet in the world.

Table1. Number of internet users in the Asia Pacific region as of January 2018, by country

Country	Internet Users(million)
China	751
India	462
Indonesia	132.7
Japan	118.5
Bangladesh	81.7
Philippines	67
Vietnam	64
Thailand	57
South Korea	47.35
Pakistan	44.6
Malaysia	25.08
Australia	21.74
Taiwan	20.84
Nepal	16.19
Mynamar	18
Sri Lanka	6.71
Hong Kong	6.46
Singapore	4.83
New Zealand	4.18
Papua New Guinea	0.91
Fiji	0.5
Timor-Leste	0.41
Maldives	0.34
North Korea	0.02

Source: Statista: The statistics Portal

Table2. Countries with the biggest share of internet users in Asia as of June 2018

Country	Percentage (%)
China	38.90%
India	22.40%
Indonesia	7.10%
Japan	5.80%
Bangladesh	4.30%
Philippines	3.20%
Vietnam	3.10%
Thailand	2.80%
South Korea	2.30%
Pakistan	2.20%

If we look over the statistics in Table 2 while China has got its internet users to the extent of 38.9% of its population. India has its internet users to the extent of 22.4% of its population of 126.7 crores (in 2016) as on 6/2018. Thus India is the 2nd highest user of internet in the world.

Now internet in India has become sources of studying, reading but sources obtaining various knowledge for our youth generation.

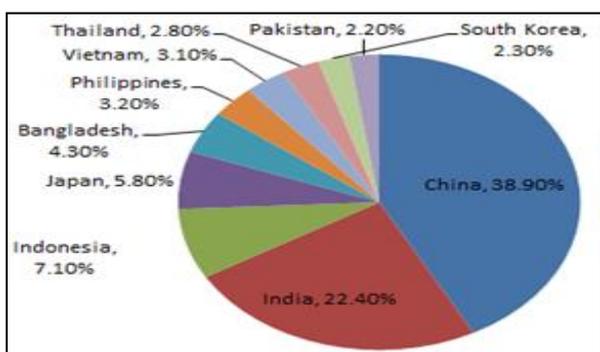


Fig.1. Percentage (%) internet users in Asia

If we see the Figure 1 China has the got the highest internet users and India is the 2nd highest user of internet in the world. The report found that 97% of users use mobile phones as one of the devices to access internet. 87% or 493 million Indians are regular users. In Urban area there are approximate 293 million internet users and 200 million in rural areas.

Table3. Number of internet users in India from 2015 to 2023

S. No.	Year	No. of internet users (in millions)
1	2015	259.88
2	2016	295.39
3	2017	437.4
4	2018	483
5	2019	525.3
6	2020	564.5
7	2021	601
8	2022	634.9
9	2023	666.4

Source: Statista: The statistics Portal

From the Table 3 we see that there is a rapid growth of internet users . It is assumed that number of

internet users in 2020 will be 564.5 million, in 2021 increase by 601 million, in 2022 increase by 634.9 million and in 2023 increase by 666.4 million.

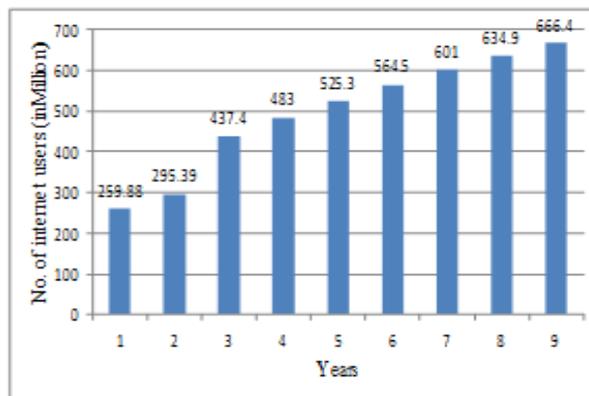


Fig.2. No. of internet users (in Million)

The figure 2 shows that the growth of internet users took faster turn and went on increasing with much faster pace of like advanced countries. If we now look over the statistics in Table 3 the number of users is 259.88 in 2015, 295.39 in 2016, 437.4 in 2017, 483 in 2018, 525.3 in 2019, 564.5 in 2020, 601 in 2021, 634.9 in 2022 and 666.4 in 2023. With such tremendous growth, India has now become the most popular users of internet usage.

Table4. Internet usage and Population Statistics of India

Year	Users	Population	Percentage
1998	1,400,000	1,094,870.68	0.10%
1999	2,800,000	1,094,870.68	0.30%
2000	5,500,000	1,094,870.68	0.50%
2001	7,000,000	1,094,870.68	0.70%
2002	16,500,000	1,094,870.68	1.60%
2003	22,500,000	1,094,870.68	2.10%
2004	39,200,000	1,094,870.68	3.60%
2005	50,600,000	1,112,225,812	4.50%
2006	40,000,000	1,112,225,812	3.60%
2007	42,000,000	1,129,667,528	3.70%
2009	81,000,000	1,156,897,766	7.00%
2010	100,000,000	1,173,108,018	8.50%
2012	137,000,000	1,205,073,612	11.40%
2015	375,000,000	1,251,695,584	30.00%
2016	462,124,989	1,266,883,598	36.50%

Source: Internet World Stats (Usage and population statistics)

Statistics contained in Table 4 indicates that India entered into internet usage with just 0.1% of its population in 1998. Since then the number of internet users in India started increasing slowly although the population remained constant up to 2004 but number of users speeded up and took faster turn/jump from 7% in 2009, 8.5% in 2010, 11.4% in 2012, 30% in 2015 and 36.5% in 2016. Indeed the bumper jumps from 2015 onwards are broadly due to the popular contribution of banking sector. Thereafter, the growth in number of

users took faster turn and went on increasing with much faster pace of alike advanced countries. India has now become the most popular users of internet usage.

Table5. Digital Population in India as of January 2018

Internet Users	Numbers(in millions)
Active internet users	462
Active mobile internet users	430.3
Active social media users	250
Active mobile social media	230

Source: Statista: The statistics Portal

From the table 5, we see that the number of active inter users are 462 million, Active mobile internet users are 430.3 million, active social media users are 250 million and active mobile social media users are 230 million.

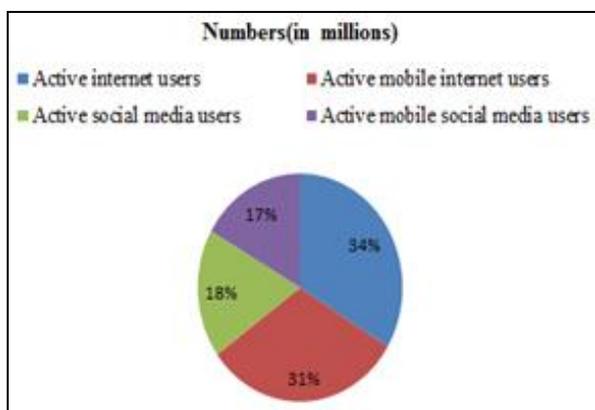


Fig.3. Numbers of users (in millions)

The Figure 3 shows that there are many internet users in India. The percentage of number of active internet users are 34%, active mobile internet users are 31%, active social media users are 18% and active mobile social media users are 17%.

Table6. Number of Face book users in India from 2015 to 2023

Year	Numbers(in Million)
2015	135.6
2016	165.57
2017	248.3
2018	281
2019	313.6
2020	346.2
2021	378.9
2022	411.5
2023	444.2

Source: Statista: The statistics Portal

From the table 6, we see that the number of Face book users 135.6 in 2015, 165.57 in 2016, 248.3 in 2017, 281 in 2018, 313.6 in 2019, 346.2 in 2020, 378.9 in 2021, 411.5 in 2022 and 444.2 in 2023. We see that numbers of facebook users are also increasing day by day.

Table7. Top Indian banks with their rating points

Bank Name	Rating Points (out of 5)
Axis Bank	4.26
Corporation Bank	4.14
Allahabad Bank	4.08
Bank of Baroda	4.07
HDFC Bank	4.06
Oriental Bank of	4.04
Central Bank of India	4.03
Indian Bank	4.03
Union Bank of India	4.02
Canara Bank	3.98

Source: Rating on Google Play Store

RESULTS

In the present competitive era, while the entire world is trying to do their best and have the respectful position in the field of info technology and India has now become one of the largest broadcasting networks in terms of infrastructure. The above banks have the highest number of internet banking under their names and are rendering excellent service in the Indian Banking Sector. The customers have more choices in choosing their banks. There is a competition within Indian Banks. Indian banking is known as World’s best banking but we can’t say which bank provides best services because nobody will satisfy with a single bank. According to table 7, the rating point of Axis Bank is top in internet banking. Its rating is 4.26 out of 5. It shows people are using more internets banking in Axis Bank. In the present study for Indian internet banking we have taken ten banks.

3. Facilities available under Internet banking in India

- *Bill payment service:* Through internet banking. We can pay electricity bill, gas bill, water bill, LIC policy etc.
- *Fund transfer:* We can transfer our money from one bank account to other account either within a single financial institution or across multiple institutions by using many mobile apps like pay pal, venom, Google wallet, Square cash, Payme, bhim etc. without the direct intervention of bank staff.
- *Credit card customers:* A credit card is a card, signed by a cardholder that grants a permission to charge their card for a limited period of time as mentioned on card.
- *Railway pass and online booking:* we can take out railway pass and book railway ticket, flight ticket, bus ticket etc. through online banking.
- *Investing through internet banking:* Monitor investment policy through online then invest on mutual funds, share markets etc.
- *Recharging prepaid phones:* Prepaid bill is the leading website for easy mobile recharges online. The best way to recharge your prepaid service is through Express Recharge or My Vodafone.
- *Shopping at fingertips:* Now a day’s life is very busy and no one has time to go outside for

everything so through online banking we can order any quality product at lowest prices.

4. Merits of Internet Banking

There are many merits of internet banking given below:

- It is more convenient;
- Customer can do it from home;
- Its charges are very nominal;
- Cash back and other rewards;
- It emphasis on mobile and online banking;
- No age limit is needed for internet banking;
- It provides customer satisfaction by exchanging the product;
- It simplifies the choice of the customer;
- Money credited in account in case of any defective product or cancellation of ticket;
- It saves time.

5. Demerits of internet Banking

There are many demerits of internet banking given below:

- Chances of fraud increases;
- Internet connection is must;
- For deposit or cash withdrawal we have to go to bank.

6. CONCLUSION

Banking in India has rapidly innovated to keep up with the times. The internet banking has a great impact on the Indian banking system. To define and coordinate banking technology, RBI (Reserve bank of India) set up a number of committees. Indian banks are rapidly progressing due to digital transformation in banking and it has two sides – the positive and the negative side. The internet banking offers many transactions and inquiries to be performed online without visiting the branch but chances of fraud has increased. Innovations like cash transfers, bill payment of gas, electricity etc. through mobile phones and online banking customers are satisfied. ATMs facility for easy withdrawals and payments, Passbook entries has been replaced by hassle-free e- statement. The most important thing is that banks have been able to ensure that all these transactions are safe and secure. Apart from these technologies, there are many other technologies which Indian banks will adopt in future.

Now internet banking has become the necessity of customers.

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