

A COMPARATIVE ANALYSIS ON THE IMPACT OF E-BANKING SERVICES ON CUSTOMER SATISFACTION IN INDIA AND U.K

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Abstract

E-banking is the practise of doing basic banking transactions via internet, twenty-four hours a day, seven days a week. Electronic banking may also be defined as "offering bank services to consumers at their door step via electronic technology, which has given rise to the notion of virtual banking.". Customer satisfaction means and implies that how successfully a product or service has met the customer's requirements and expectations. In 1990s various e-banking products and services such as Internet Banking, ATM, Electronic Money, Telephone Banking, Plastic Cards, Mobile Banking, Electronic Payment Systems such as Electronic Fund Transfer (EFT), Real Time Gross Settlement System (RTGS), Electronic Clearing Services, and so on were introduced in India. And many banks in the United Kingdom continue to improve and launch new Internet banking services in order to fulfil the demands of their Internet-based customers in terms of time, ease of use, security, and privacy. But even today customers shy away from e-banking in UK. E-banking services have a lot of disadvantages and have advantages at the same time, therefore in the view of above findings, it is pertinent and critical to embrace this study and to research about the satisfaction gained by the customers through e-banking services. The present research wants to assess that to what extent customers are satisfied with e-banking services in India and UK.

Introduction

Overview of the Research

Finance sector has continually developed and has been changed rapidly. Finance sector has shown some remarkable technological advancements over the years. The famous Bill Gates remarked that banking is essential to a thriving economy but banks themselves are not, this emphasises the critical significance of the electronic factors that influence banks more than any other financial service provider group. Numerous innovative developments in banking

procedures and ways of operation are taking place not only in developed nations like UK, but also in developing nations such as India. Banks' transformation of business operations has resulted in the creation of a new mode of operation known as E-Banking.

E-banking is the practise of doing basic banking transactions via internet, twenty-four hours a day, seven days a week. Electronic banking may also be defined as "offering bank services to consumers at their door step via electronic technology, which has given rise to the notion of virtual banking." Customers were needed to physically visit the bank's branch to execute banking activities such as account opening, deposit or withdrawal of money, depositing check, and transferring money from one location to another under the traditional banking system. The brick-and-mortar banking building was required to carry out the banking operations.

Customer satisfaction does not only imply or express a happy customer, Customer satisfaction is a complex phrase and is used very widely in the commerce and business industry. Customer satisfaction means and implies that how successfully a product or service has met the customer's requirements and expectations.

E- banking was introduces in India in the early 1990's. Rangarajan committee proposed full automation of 2500 branches in 1989, the usage of various signature verification equipment, notes counting machines, pass book printers, and demand drafting printers were begun. Following the 1990s, various e-banking products and services such as Internet Banking, ATM, Electronic Money, Telephone Banking, Plastic Cards, Mobile Banking, Electronic Payment Systems such as Electronic Fund Transfer (EFT), Real Time Gross Settlement System (RTGS), Electronic Clearing Services, and so on were introduced.

As a result, the following are the various stages of online banking transition:

First Phase: Only back-office activities such as keeping deposits, calculating interest, and maintaining general ledgers were accomplished using technology such as enhanced ledger posting machines during the early phase of development.

Second Phase: In the second phase in the late 1980s, both front and back-office operations were automated in order to reduce transaction processing time. Total branch automation technology was used to retain complete data on all transactions in a stand-alone manner.

Third Phase: In the third phase, private sector banks began operating their branches in a computerised environment, utilising the networking idea and centralised operations. Core banking solutions were launched, and the branch client idea was replaced with the bank

customer concept. Because of the elimination of difficulties such as a decentralised network and database, the adoption of centralised operations enhanced efficiency and decreased service costs.

Fourth Stage: In the fourth phase, customers may now conduct financial transactions using a variety of e-banking platforms such as ATM Machines, online banking, mobile banking, and mobile banking, resulting in Anywhere, Anytime, and Anyhow banking. Internet banking is the least expensive e-banking route when compared to other e-banking channels.

Fifth Stage: The banking industry is now at the fifth stage, with various transactions carried out via NEFT and RTGS. Because not only branches but also banks are now interconnected, the notion of a bank client has shifted to that of a banking sector customer. Transactions are now carried out in real time.

This is how E-banking came and flourished in India, the present research focuses on the customer satisfaction by e- banking services. With consumers growing more advanced and technologically advanced, it is critical for banks to leverage technology to meet their needs. In our Nation, Customers observe the use of technology as the determining element in analysing whether a service is excellent or terrible. Employees, too, have a lower influence on financial services. Since banking now doesn't only deals with money, but also with financial transaction data, the range of services provided contributes to the overall rating of the service. Furthermore, both corporate and retail clients are important on equal terms to banks. Almost all banks today employ IT to provide better and more cost-effective services to their clients, such as ATMs, online banking, credit and debit cards, and other simple services. These services tend to increase client happiness, which decreases customer retention even further.

In June 1999, The United Kingdom has emerged as one of Europe's top providers of E-banking services. Internet banking service providers in the United Kingdom saw a surge in demand for cross-border payment transactions involving smaller amounts of cash and payment through the Internet in the 1990s. Many banks in the United Kingdom continue to improve and launch new Internet banking services in order to fulfil the demands of their Internet-based customers in terms of time, ease of use, security, and privacy.¹ But even today customers shy away from e-banking in UK. Customers in U.K. still appreciate face-to-face interaction with actual people when visiting a bank office. The great majority of bank clients believe that an online banking service is unimportant to their banking relationship.

¹Birch and Young, 1997; Mathew and Digi, 1996.

The present research attempts a comparative analysis regarding Impact of e-banking services on customer satisfaction in India and UK. The present research attempts to analyse the level of awareness and the usage of e-banking services in India and U.K. And to examine that to what extent to what extent customers are satisfied with the present e-banking services in India and U.K.

Literature review

- 1. Shah, S.G., “Training for Customer Service”²**, In his research paper "Training for Customer Service," Shah indicated that the condition of customer support in banks has declined to extremely poor standards which is due to two separate causes. Firstly, even basic regular services have been rendered ineffective. Second cause includes unique scenarios, where customer service falls short is in one-of-a-kind situations.
- 2. Prasad, D.S., and Lavanya, KSL, “Technology Management in Banks”³**, In the above-mentioned paper Prasad and Lavanya examined and stated that the three is a constantly developing banking demands of consumers in our country's, consumers necessitate a higher attention and clear focus on the production of IT-based goods and solutions to deliver better customer care. Technology advancement should be a significant factor in developing a bank's growth and commercial strategy. This, in turn, necessitates investments in technology that result in cost savings, faster transactions, and the provision of client services such as 24*7 availability, multichannel banking, and straight through processing, among other things.
- 3. N.P. Singh “, Online Frauds in Banks with phitry”⁴** , According to N.P. Singh (2007)³⁴, high-tech criminals have established a new method of tracking internet banking customers. Phishing is a common and fast-growing practise. The usage of Trojan horse malware is the most current innovation in phishing. A Trojan horse application invades a user's system through email and redirects the user to a website that appears just like the website of a financial

² Shah, S.G., “Training for Customer Service”, Bombay Printing.

³ Prasad, D.S., and Lavanya, KSL, “Technology Management in Banks”, Professional Banker, Vol-V, 2005, Page 55.

⁴“Online Frauds in Banks with phi try”, Net-banking and commerce Journal, Volume 12, 2007, Page 1-8.

institution. When a client signs on to their website, crooks gather passwords and account numbers. Furthermore, the author has given recent examples of phishing, particularly in the banking/financial sector.

- 4. Gulati K. & Sunil K.K., (2015), “Electronic Banking Services in India”⁵**, Gulati, K., and Sunil, K.K. (2015) published a case study on Electronic Banking Services in India, with a focus on the Delhi NCR. This case study attempted to correlate customer experience in the instance of banking services consumed online. The case looked at the limitations and reasons for using online banking services. The case found that the majority of customers have a favourable attitude and satisfied consumption of these financial services; nevertheless, the study's key worry is the security and privacy when a client uses online banking services. The research suggested for the management of concerns such as online fraud, hacking, and cheating, which are all too frequent these days. 2015 was the year in India, particularly in Delhi NCR, when digitalization was in full swing, with the help of 4G internet service providers; this was the major aspect that undermined the truth in this study.
- 5. Chris Rourke (2004)** highlighted the issues related with Net-banking. He analysed and stated that around half of consumers i.e., 50 percent are hesitant to utilise the E-banking services at first due to numerous issues such as difficult navigation, fear of disclosing confidential information, lack of technological savvy, and so on.
- 6. Safeena, R., Abdullah and H. Date (2010), Customer’s Perspective on EBusiness Value⁶**, Safeena and Rehmath (2010) said regarding customers' attitudes toward internet services. The major goal was to assess the utility of the same, as well as the consumers' attitudes about it, and to assess the uncertainties associated with it. The survey concluded that there are a variety of variables, such as the convenience of completing tasks in less time, that encourage users to use internet banking services

⁵Vol.4 Issue 1, Page- 112-126, Case Study of Gautam Bodh Nagar, Uttar Pradesh – Delhi NCR”, Asia Pacific Journal of Management & Entrepreneurship Research

⁶ Case Study on Internet Banking in India, Journal of Internet Banking and Commerce.

Statement of Problem

There are certain big difficulties that you may encounter when experiencing online banking, which is why many people prefer to go directly to banks rather than taking advantage of this service. To successfully execute an e-banking transaction, a basic grasp of PCs and the Internet is required, which restricts the number of people ready to utilise this service. Many people who are inexperienced with computers and the Internet feel that using internet banking services is tough. Moreover, in the event of monetary difficulties, people have difficulty believing a completely automated structure like e-banking. In many situations, a simple blunder such as clicking the wrong catch can cause a huge problem. As a result, many people are constantly concerned about whether they have completed the task correctly. However, by printing the exchange receipt and keeping it with oneself until the bank explanation is acquired, this worry can be lessened. When performing online banking, one has to be careful about the security of the online account. The account's security is extremely dependent on the security of the PC, secret key, and stick number. Any data leakage relating to secret word or stick number and storing money exchanges can allow PC programmers to access other people's financial balances, which is the most commonly known online banking problem. E-banking services have a lot of disadvantages and have advantages at the same time, therefore in the view of above findings, it is pertinent and critical to embrace this study and to research about the satisfaction gained by the customers through e-banking services. The present research wants to assess that to what extent customers are satisfied with e-banking services in India and UK.

Objectives of the Research

1. To examine the current e-banking scenario in India and the United Kingdom.
2. To examine and research the level of awareness and the usage of e-banking services in India and U.K.
3. To research and asses customer's satisfaction with various e-banking services supplied by numerous banks In India and U.K.

Research Questions

1. What is the present e-banking scenario in India and U.K.?
2. What is the extent of awareness and utilization of e-banking services in India and U.K.?

3. To what extent customers are satisfied with the present e-banking services in India and U.K.

Hypothesis of the Study

In the present research, e-banking services includes ATMs, phone- banking services and net-banking services etc. The following hypothesis is formulating in order to create a clear focus on the objectives of the research and research questions.

1. There is no connection between 'client banking habits' and 'degree of satisfaction with Internet banking services.'
2. There is no relationship between 'level of consumer awareness' and ' the amount of satisfaction with Internet banking services.'
3. There is no link between 'client banking habits' and 'degree of satisfaction with Mobile banking services.'
4. There is no link between a customer's degree of awareness and their level of pleasure with mobile banking services.

Research Methodology

The research methodology which has been used in the present research is doctrinal. The word doctrinal has been derived from doctrinal. The Latin term “Doctrina” which signifies teaching, knowledge or learning. It deals with doing an analytical study of current laws, Recent articles, related cases, and reliable literature on a given subject. The study will be focused on secondary sources. Secondary data were gathered from major publications including National Journal of commerce, the Southern Economist, the Journal of Indian Business and Administration, Bulletins of IBA, Bulletins of RBI, Finance India, and the chartered Banker. For acquiring relevant material on banking sectors, a variety of standard text books, case studies and research papers were consulted too.

Internet Banking in India

Current Scenario of E- Banking in India

E-banking has evolved into an important determinant of Today's financial system. Internet Banking is still a relatively new concept in India. Traditional banking models, such as branch-based banking, were prevalent until the early 1990s, when non-branch banking services became available. ICICI Bank is primarily responsible for the establishment of internet banking in India. E-banking services were started in 1999 by HDFC and Citibank. IT Act, 2000 adopted by the Government of India, granted legal status to online transactions and other types of electronic business, with effect from October 17, 2000. The RBI is consistently reviewing and updating online banking legislation as well as many other parameters to guarantee that it grows on strong foundations with respect to internet banking do not pose a threat to financial stability⁷.

India's Reserve Bank established a Digital banking working groups and based on the levels, the group classified net banking products into three categories. The Reserve Bank of India has formed a panel to concentrate on Online Banking services. This panel classified Online Banking services under three categories based on their qualities and levels.

1. Information only System: The online banking website contains basic data including rate of interest, branch locations, banking services and their attributes, lending and investment estimates, and etc. It is essential to have access to a wide range of official forms. E-mail is a popular method of communication⁸. There seems to be no interaction in between customer and the banking institution's software programme. The customer's identity is unknown. With this technology, an unauthorised user cannot have access to the bank's production systems through the internet.

2. Electronic Information Transfer System: System while using internet banking services provides a lot of customer related information which includes balance in the accounts, information related to financial transaction, financial statements etc. Information provided to the customers are in mainly provided in "Read Only" format. To identify and authenticate each

⁷Asht, R. and Asht, M. (2008). E-banking in India Current and future prospects.

⁸Malhotra, Pooja and Singh, Balwinder (2007). Determinants of Internet banking adoption by banks in India. Journal: Internet Research; Volume: 17; (Publisher: Emerald Group Publishing Limited)

customers, passwords and user Ids are used. Information and personal bank related data can be obtained in offline mode as well.

3. Fully Electronic Transactional System: The level of this system has a capability of functioning in two directions. Customers can update their financial transactions online. This level of technology necessitates a superior level safety and security control. Application systems are linked to web servers via secured infrastructure and administration in the system. It includes digitalization, communication, and network security, as well as an inter-bank payment gateway and legal infrastructure.

Despite the fact that Indian banks are undertaking earnest attempts to embrace modern technology and construct e-delivery channels, the idea and the scope of E-banking are still changing. It speeds up the supply of banking services by facilitating an efficient transaction and payment system. Electronic banking has increased convenience and reliability, it has also presented a number of issues to bank regulators and supervisors. Several measures done by the Indian government and the RBI have aided the growth of E-banking in India. As previously stated, the Indian government established the IT Act, 2000, which offers legal protection to transactions occurred electronically and other forms of electronic communication⁹.

The Reserve Bank of India has been working to improve its standing as a supervisor and administrator of the technology driven financial sector. It gave recommendations on risk management and internal control in computer and telecommunications systems to all banks, recommending them to assess the risks inherent in the networks and implement proper control mechanisms to handle these risks¹⁰. The current regulatory system governing banks has indeed been extended to include E-banking. It addresses a wide range of topics related to technology, security standards, and legal and regulatory concerns.

Legal Provisions for E-banking in India

It is impossible to expect the law to keep up with technological advances. The current virtual voyeurism crisis has highlighted, among many other things, the weakness and instability of the rules controlling internet use. Trying to fix liability, recording, perpetuating evidence, and determining jurisdiction are all issues that show no signs of abating. Concerns about the

⁹Lal, R. and Saluja, R. "E-banking: The Indian Scenario"(New Delhi: Bharat Publications)

¹⁰ Kaur, J. "Growth of e-banking in India". (New Delhi: Bharti Publications.)

security and abuse of e-banking services have grown as more Indian banks go into digital transactions and E-banking scenario.¹¹

Due to the sheer rise of internet banking services, many banks have had to reconsider their Information Technology (IT) strategy within competitive marketplaces. It is stated that banks who refused to adhere to the rise of internet banking in the marketplace risk losing customers, and also that the cost of providing internet banking services is much less than the cost of maintaining branch banking¹². In comparison to other developing countries, India has a significant opportunity to capitalise on the promise of E-Banking and construct a cashless economy. Aside from its IT edge and relatively dense population, the Government of India (GOI) has made it a priority to attain financial inclusion¹² and is taking active initiatives to achieve this goal.

The provision of financial services to the disadvantaged or poor people via a market-led approach is critical for the long-term viability of banking services. Over the last decade, the Reserve Bank of India (hereafter referred to as RBI) as well as the Government of India (GOI) have launched several reforms and enrolment efforts in the area of financial inclusion. The RBI and the Government of India's policy actions and reforms have significantly aided the growth of the Internet Banking Services. Adoption of technological concepts such as smart cards, smartphone choices, card payments, and credit cards are included in the improvements. These advancements and amenities have arisen towards an increased market-driven environment, which is, in reality, the upcoming face of the Indian economy. Risks have arisen as a result of the use of new technologies¹³. The legal risk develops from the violation or non-compliance with laws, rules, regulations, prescribed practises, or when the legal rights and obligations of the in some instances are unknown and the applicability of laws and rules is also confusing.

There are many statutes in India which works as a legal framework for Banking in India. Such as

1. The Reserve Bank of India Act, 1934
2. Banking Regulation Act, 1949
3. Foreign Exchange Management Act, 1999

¹¹ Salim Al-Hari 'Technological Innovation and the Adoption of Internet Banking in Oman' page.60

¹² Graham A. N. Wright, 'Why E/M-Banking Will Soon Reach Scale in India', in <http://www.microsave.net>.

¹³ Act No. 10 of 1949.

4. Bankers Book Evidence Act, 1891
5. Prevention of Money Laundering Act, 2002, etc

Challenges for customers in Internet banking

In the Indian finance and banking industry, the challenges are as follows:

1. The biggest drawback is insufficient safety and security: The major challenge to Internet banking is that it is not always safe and secure. Data loss may occur as a result of technological errors.
2. Other issue seems to be the expensive expenditure of setting it up. E-banking involves a large initial investment. It involves the price of installing internet, current hardware, apps, modems, laptops or PCs, the expense of maintaining all computer parts, and the expenditure of reorganising the structure.¹⁴.
3. There's also a lack of site developers, content companies, and experienced individuals to conduct internet banking transactions.
4. All banking transactions cannot be completed electronically. Many banking tasks need physical visits to consumers.
5. Improper infrastructure is another source of E-banking challenges. There is a lack of suitable infrastructure for the establishment of e-delivery channels.
6. E-banking Services are not technologically savvy: The vast majority of clients are not computer proficient.
7. Foreign and new private sector banks compete with nationalised banks and commercial banks. Banks face various challenges in the banking business, including brand positioning, innovative ideas and platforms, new market opportunities, cross selling, and asset management and risk control at the management and organisational levels. Banks are reducing their administrative portfolio by converting humans into mechanical power, i.e., banks are reducing

¹⁴Karim Zadeh M. (2012). "Electronic banking challenges in India: An empirical investigation", (Interdisciplinary Journal of Contemporary Research in Business), Page 31-45

manual powers and increasing work done by machine power. Professional and skilled staff will be employed, and result-oriented, goal-oriented personnel will be selected.¹⁵.

Internet Banking Services in India and Customer Satisfaction- An Analysis

As most of us are so occupied with our everyday lives, we don't even have time to spend with our loved ones. Standing in long lines for a simple banking transaction becomes nothing but sort of a hassle in such a situation. To avoid such inconveniences, the notion of internet banking was developed and was conceived well by the customers in India. This has shortened the time needed to perform financial transactions, which ultimately saved client's time. Financial transactions, online trading, bill payment, retail, and other services are typically utilised by clients. The manner of bank deposit at a bank is for use in online transactions such as cash, cheques, and e-banking. Varying banks impose different fees for online services.

There are many criteria or dimensions to measure customer satisfaction regarding Internet banking services such as "System Availability", "Fulfilment", "Privacy" and "Contact". According to the research, the following

The majority of the public gets tested to Internet banking services between the ages of 20 and 40. The prevalence of age groups from 20 to 40 years old is highest, indicating that administrative tendency is already prevalent in this age group. The "male" population is the most connected with banks that employ digital transactions or are potential consumers of online banking services. This signifies that the market's "male" segment is declining in the user set of Internet Banking Services.

Educational level is especially significant in online banking services that need a particular level of eligibility to access. The current study suggests that as the degree of education increases, so will the rate of adaptation; this conclusion is based on the 83 percent involvement of users who are "Post Graduates."

What the consumer need is a concern for the vendor. A service class seeks differentiated convenience, but a business class seeks differentiated convenience more frequently. According to the findings of the current study, the service class is more likely to utilise e - banking services. This remark concludes that either potential users are pre-targeted by banks or service class customers are actively falling into the premises of the banks' targeting attempt to promote the usage of electronic banking.

¹⁵ Kamath, K. V, "Indian banking sector: Challenges and opportunities."

The "Privacy" criteria in "Customer Satisfaction" have the highest value.

As a result, primary issue in Internet banking services for banking institutions in terms of controlling client happiness is Privacy concern. The dimensions "Efficiency," "Responsiveness," and "Compensation" have no place in bank "Customer Satisfaction" control. Besides E-Service-Qual model, other criteria for the management of Customer Satisfaction should be set in the dynamic banking industry's rising electronic versions of banking¹⁶.

On the "Efficiency" dimension, public sector banks lag. This demonstrates that public sector banks follow the lead of private commercial banks. This demonstrates that the productivity development of public sector banks should be motivated by innovation rather than a copy approach.

The "System Availability" component reveals that public sector banks score poorly, implying that public sector banks should expand their point-of-sale spam.

83.3 percent of consumers are willing to be using e - banking services.

This demonstrates that the "Need of the Hour" is quite well acknowledged by customers, yet they are persuading individuals from their end to utilise internet banking services. "Responsiveness" is one of the criteria of the E-Service-Quality model. The aspects of "privacy" and "compensation" play no important role in the implementation of computerised financial services. This demonstrates that people seem to be either unconcerned or indifferent about their assumptions regarding how quickly the bank answers and how safe they are. And how much reimbursement they receive from the banks.

Current Scenario of Internet Banking Services in UK

Internet Banking in UK

E-Banking services are accessible with in UK and are supplied by twelve Internet banking service providers. For instance, The Egg is an Online Banking service provider (excluding current bank account functions) with over 150,000 clients who accessed their site between October 1998 and July 1999. Online banking service providers in the United Kingdom saw an upsurge for cross-border financial transactions involving smaller amounts of currency and payment over the Internet. Many banks in the United Kingdom continue to develop and offer new Internet banking services in order to fulfil and meet their World wide web client needs in

¹⁶ Sharma, Geeta., "Study of Internet Banking Scenario in India." (2016)

terms of time, convenience of use, safety, and confidentiality and privacy¹⁷. In June 1999, the United Kingdom and eight different European Nations, including Portugal, Germany, Switzerland, Holland, Luxembourg, France and Scandinavia, established themselves as leaders in the provision of Online financial services in Europe.

Many consumers in the United Kingdom and Europe utilise Online banking services to check regarding current outstanding loans in depository accounts, as well as information about their most recent or most current transactions for daily adjustment. The pace with which the customer's accounts were accessed every day is fairly high. As a result, several banks have created numerous see-only capabilities that allow clients to inquire about and examine the information on their accounts as many times as they like each day. As a consequence, institutions have cut both operational expenses and labour hours for both contact centre and local branch employees who handle frequently asked questions (FAQs) and repetitive transactions.

Mostly, the internet users of United Kingdom are aware of the safety dangers such as hacking, keystroke recording, phishing etc, but they are unconcerned about these risks and trust their banks to handle the problem, despite the fact that these attempts are directed at customers' PCs instead of a bank's own networks. Users would like banks to provide a blanket assurance against fraud.

Impact of E-Banking Services on Customer Satisfaction in UK

Consumers consistently appreciate face-to-face interaction with actual people when visiting a bank location. The large majority of bank clients believe how an internet banking services are unimportant to their financial relationship. As per a poll, one-third of users consider Internet banking to be a crucial feature, yet just 22 percent actively use it. Even more unfortunate thing for several banks would also be the survey indicating that more over 30% of clients do not even know if their bank offers any internet banking services at all. The outcomes are in direct contradiction to analyst estimates among banking executives. Financial services professionals projected that clients would be willing to perform their banking on the web in an earlier Deloitte poll.

Consumers were not evaluating the online or interactive services "as a critical component in determining their happiness with their banking service provider," as according Julian Badcock, banking and financial services analyst at Deloitte. Customers were far more likely to be

¹⁷Birch, D. and Young, M.A. (1997) Financial Services and the Internet—What Does Cyberspace Mean for the Financial Services Industry?

satisfied with their banking Institution, if they received "efficient service" and felt "considered as a valuable client." And much more than half believe it is critical to have simple and quick access to a local branch. The report's conclusions are painful reading for supporters of pure online banking ventures like Virgin and Egg. According to Julian Badcock, "90% of clients now [are] exhibiting little interest in receiving financial services from new entrants." Meanwhile, established players must consider if their large investment in internet banking was well spent. The necessity for costly customer service does not fit well with the cost-driven shift to internet banking.

Long-term price reductions would only become a reality if customers are encouraged to use services. According to a recent survey conducted by consulting company Cap Gemini Ernst & Young, just 4% of all bank transactions in Europe are presently conducted online, with that figure predicted to climb to 25% by 2003. In the United States, only 3% percent transactions are done digitally, and future growth prospects are more moderate, with the percentage of online purchases expected to reach 12% within three years. Such rates of growth, however, are only possible if banks begin to "teach" their consumers about the advantages of online banking.

Currently, internet banking is generally employed through web-based connecting client to bank. Every online transaction should be secured by SSL (Secure Socket Layer) protection. Information available on the internet may traverse between numerous different computer systems on its route to its target. This essentially implies that the data being transferred must be encrypted before becoming communicated from the computer connected to the bank's computer. Understanding that your bank account information is being transferred on to multiple servers in order to reach its destination doesn't exactly make you feel comfortable about utilising online banking.

First level of security is a consumer's password, which is electronically provided separately for safety purposes. This would be followed by the issuance of a Login ID, which really is a one-of-a-kind identification number. Internet companies and financial institutions are currently in grave risk since online banking can lead to fraudulent transactions. Credit or debit card generators are easily available to download. The repercussions of such a reality have left numerous online users concerned about the security of their personal information, banking information, and, most importantly, their online browsing privacy. According to a recent poll, a whopping 30% of regular internet users are too afraid to utilise online banking.

According to recent reports, several banks were defeated by an anonymous source that induced their consumers to disclose their banking information inadvertently. Consumers were received

an email indicating that their account information needed to be renewed and if they followed the easy procedures i.e., series of criteria, they could effectively update their accounts. "As a consequence of a phishing email that was extensively disseminated in the UK, some Net Bank clients were duped into supplying their Net Bank client number and password." Because none of the consumers were aware that such a fraud might occur, they handed their Login IDs, Passwords, and account information to incredibly deceptive thieves.

Many safeguards may be made in the evaluation for online banking security to avoid problems with login credential, account information, personal information, and security mechanisms.

Consumers of internet banking may contribute to the security of online banking by helping to protect data, which they may do by safeguarding their User login ID and Password against unlawful use. This may also include not disclosing their Login Details and/or Password to others, not utilising public computers to access their bank account information, and knowing the difference between a secure and quasi website.

The actual transfer of cash is the most serious issue confronting Online Banking services. Customers get financial information on a regular basis via banks' websites. Nonetheless, it is hard to make a physical money transfer over the Internet. Customers also want immediate access to the relevant pricing and financial records. "In the era of e-commerce, when consumers could be anywhere in the universe and want constant and immediate levels of service, the idea of both the end-of-day is irrelevant." Banking institutions should encourage innovation in order to become more competitive. The Website must also enhance branch services, which means that Internet-only items must specify how they supplement or replace services present in the branch.

Conclusion and Recommendations

Conclusion

It may be stated that Internet banking system in India is still in its early stages, with Indian foreign and private banks dominating. Online banking is only used by a few customer segments. There are several dangers involved with Online banking, which banks must simulate using complex systems and substantial use of technology. To simplify and solve the challenges related with Internet banking, the legal framework as it currently exists has to be updated. The functional model may be used to prioritise perceptual variables related to consumer behaviour in order to optimise value to the customer¹⁸. To optimise income from Internet banking, banks can target important customer groups. Banks cannot avoid the Internet banking phenomena,

¹⁸Lal, Roshan, and Rajni Saluja. "E- Banking: The Indian Scenario." (Asia Pacific Journal of Marketing & Management Review).

according to global economic experiences, but in order to achieve a competitive edge, they must shape their business models to fit Indian conditions. As per the survey, the researcher concludes that the majority of bank clients in India are aware of all banking services. Banks must also take the appropriate efforts to aware clients about new technologies and other services provided by banks. Banks may prolong client meeting times with bank staff, and a polite demeanour is required. Many banks in the United Kingdom continue to improve and launch new Internet banking services in order to fulfil the demands of their Internet-based customers in terms of time, ease of use, security, and privacy.¹⁹ But even today customers shy away from e-banking in UK. Customers in U.K. still appreciate face-to-face interaction with actual people when visiting a bank office. The great majority of bank clients believe that an online banking service is unimportant to their banking relationship

Recommendations

- Reliability is one of the service quality elements of Internet banking services that has a considerable positive influence on client satisfaction. To alleviate e-banking consumers' concerns about reliability, banks should offer the offered services on time. Reliability is defined as the accuracy of the order of fulfilment, the accuracy of the record, the accuracy of the quotation, the accuracy of the billing, and the accuracy of the commission calculation, all of which keep the service promising to the client. Banks should also make certain that the data they give is correct and up to date.
- Consumers are also concerned about privacy of their personal details and the security of their banking transactions while utilising internet banking. As a consequence, banking institutions must guarantee that private details given by consumers via Internet banking systems is not available to any third party. Banking Institutions should offer safe and distinctive personal identification number (pin) and always provide login and transactions notifications to authorized phone numbers and e-mail addresses to improve security of monetary operations. Banks should also give one-time useable credentials to consumers by registered phone/e-mail in order to complete every transaction, hence avoiding fraudulent transactions. While safety and confidentiality are fundamental issues for all e-banking consumers, they are more important to high-involved consumers than low-involved ones. As a consequence, it is advised that e-banking providers make extra efforts to promote their security and privacy policies to high-involved users.

- Another key aspect of Internet banking services is design of the website. This could be due to the fact that the style, attractiveness, and interactive content of Online banking websites are the main priorities or aspirations of E-banking consumers. An ideal financial website will include consumer throughout all site elements, clear steps and conspicuous calls-to-action, mobile-friendliness for all devices, online accessibility for individuals with impairments, and brand consistency in colour schemes, iconography, and so on. Bank websites should also provide a high degree of website security and its depiction in design components (safety indicators, for example), as well as a clear style for the most crucial information.
- The present research discovered that timeliness and interaction had a favourable impact on consumer satisfaction with E-banking services. As a result, banks should give enough technical assistance to E-banking clients, as well as guarantee that customer care professionals are informed about e-banking services and eager to assist E-banking consumers. Furthermore, banks should be able to give timely answers to platform queries and boost customer care to low-involved consumers, who tend to anticipate more consumer care and assistance than high-involved consumers.
- The present research revealed that Web design is important criteria among the four elements examined in this research. As a result, they believe that the website design component is more essential than the others. Young people place less emphasis on security, privacy, and dependability issues since, because the majority of them have internet gadgets such as mobile phones and laptop computers, they do not wish to visit physical branches for their needs. As a result, it is suggested that banks create more appealing websites in order to boost client satisfaction.

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