CHAPTER II

RESEARCH DESIGN

2.1 Introduction

Today banking is known as innovative banking. Information technology has given rise to innovations in the product designing and their delivery in the banking and finance industries, customer services and customer satisfaction are their prime work. One of the most significant areas where IT has had a positive impact so on substitutes for traditional funds movement services. With the advent of electronic banking, electronic funds transfer and other similar products funds transfer within periods, which would have appeared impossible a few years age. With networking and inter connection new challenges are arising related to security privacy and confidentiality to transactions. Finally, the banking sector will need to master a new business model by building management and customer services with a variety of products and controlled cost to stay in the end.

Electronic banking is an umbrella term for the process by which a customer may perform banking transactions electronically without visiting a brick-and-mortar institution. The following terms all refer to one form or another of electronic banking: personal computer (PC) banking, Internet banking, virtual banking, online banking, home banking, remote electronic banking, and phone banking. PC banking and Internet or online banking is the most frequently used designations. It should be noted, however, that the terms used to describe the various types of electronic banking are often used interchangeably.

Electronic banking is an activity that is not new to banks or their customers. Banks having been providing their services to customers electronically for years through software programs. These software programs
allowed the user’s personal computer to dial up the bank directly. In the past however, banks have been very reluctant to provide their customers with banking via the Internet due to security concerns.

Today, banks seem to be jumping on the bandwagon of Internet banking. Why is there a sudden increase of bank interests in the Internet? The first major reason is because of the improved security and encryption methods developed on the Internet. The second reason is that banks did not want to lose a potential market share to banks that were quick to offer their services on the Internet.

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 the systems that enable financial institution customers. Individuals or businesses, to access accounts, transact business, or obtain information on financial products and services through a public or private network including the Internet, Customers access e-banking services using an intelligent electronic device.

E-Banking may not be sufficient until and unless they use the site actively. Banks must make efforts to increase their site usage by customers and effectively co-ordinate the online channel with branches and call centers. Then only they will be able to derive maximum value that includes cost reduction, cross-selling opportunities, and higher customer retention.

Customers have some rational reasons for staying offline. Some of these reasons include usability features of the site, concerns about security and frequent complaints that signing up is complicated and time-consuming. Banks can solve these problems by refocusing investment on improving the site's basic functionality and user-friendliness, and avoiding advanced features that most customers understand nor value. Developing advanced features that appeal to a relatively small numbers of customers, creates far less value than strengthening core capabilities and getting customers to use them. Banks must
make efforts to familiarize customers with their sites and show them how easy and efficient the online channel is to use.

Integrating the online channel with the rest of the bank is another important issue that banks must focus upon. This is important because nearly all the value of the online channel is realized offline— in cross sales completed in other channels and in cost reductions. An actively used online channel should also serve as a medium to sell banking services for the branch staff, the call center, and the relationship manager.

To facilitate this integration, banks must formulate paths that people in various customer segments are likely to take among the channels. The interactions in each channel can then be worked around these paths. For example, a call center representative must work out which channel(s) the customer used before coming to her, and which channel(s) the customer is likely to visit next. Each channel must have entry and exit points that must welcome customers and then send to other channels. Hence, the overall goal of banks is to create a seamless multichannel experience.

On the other hand, those banks that are planning to build their online businesses will have to understand several strategic issues like do they have the right business model for E-banking? How should they price their E-banking products and services? Bankers planning to move into E-banking have to explore different options make investments and have to develop a variety of partnerships. They have to put their time and efforts to identify the best opportunities. In the case of traditional banks, if they are too aggressive in using price incentives to build their e-business, they risk the profitability of their traditional business. However, if they do not offer sufficient price incentives for customers to bank online, their efforts to build a sound e-banking business may not fructify.
2.2 REVIEW OF LITERATURE

- **Ballabh.J. (2001)** analyzed challenges in the post banking sector reforms with globalization and changes in technology financial markets world over have become closely integrated for survival of banks they should adopt new policies/strategies according to changing environment.

- **Wahab.A. (2001)** has analyzed the performance of the commercial banks under reforms. He is also highlighted the major issues that need to be considered for further improvement. he concluded that produced favorable effects on the performance of commercial banks in general but still there are some distortions like low priority sector advances, low profitability etc that needs to be reformed again.

- **Dr.C.S.Rayudu** states today internet banking is becoming a strategy or strategic necessity for banks. The internet destroyed all geographical barriers, and enjoyed by retail outlets calling for newer, less expensive and more customer friendly technologies. As such, online or internet banking emerged as the ultimate answer to survival in the world order of competition and globalization. Internet banking is changing business models; it is too powerful tool to be just another mode of banking.

- **M.L. Jingan** analyzed innovation in indain banking has been the use of technology in banking mechanization, Indian bankshave provided electronic accounting machines and advance ledger posting machinesin their branches.about 560 offices of banks have hooked through BANKNET, NEFT,&RTGS facilities.

**Source:**
Virtual banking denotes the rendering of banking and related services through an extensive use of information technology without direct physical resource to the bank by customer. The services are delivered to customers by relying solely on information technology. The origin of virtual banking in the developed countries can be traced back to the seventies when ATMs got installed first time. The most important banking services are ATMs shared ATM networks/ electronic fund transfers, phone banking, smart cards, debit and credit internet and intranet banking.

Committee recommendations review the scope of mechanization in banks and draw up a road map for mechanization in phased manner at all levels branch, zonal and regional levels. Application of technological changes have entered core banking solutions (CBS) which is gain popularity in recent times. The core banking solutions provides host of benefits such as anywhere banking, and access quick funds movement at minimal costs that to in efficient manner.

In an article entitled “e-banking- convenient banking” says e-banking occupies a key component of retail channel strategy adopted by the banks worldwide. As self-services channel banks have delivered exceptional customer convince deploying electronic products.

In an article “Banking on Technology” observed the “for the last 10 years, technology has been driving force in banking industry. As foreign and private banks poured huge sums of money to counter the branch advantages of public sector banks, they discovered that technologies give them a large competitive advantage. The coming years will see even more investments in banking technologies but reaping ROI will call for more strategic banking.
Pradeep Pandya (2002) in his article “Why banks don’t look like banks no more” criticized that the bank branches are becoming less and less relevant to core banking transactions but are gaining its importance as customer servicing and retention hubs. Moreover the everyday business of lending fund transfers and customer acquisition is moving over the channels.

George Smith Alexander, Arti Sharma and Tamal Bandyopadhyay (2003) by the published article “From physical to virtual banking” looked at ATMs as measure to reduce the cost of delivering banking services. They have stated that Indian banking is discovering a new growth mantra. If banks once rushed to serve the classes, technology and alternative channels have lowered cost of delivering banking to creamy layers among the masses.

Dr.K.Krishna Kumar in his paper “E-banking is an umbrella term for the process by which customer may perform transactions taken electronically without visiting a brick and mortar institution. The following terms all refer to one form or another of electronic banking: Personal computer banking, Virtual banking, on line banking, home banking, remote electronic banking and phone banking.

Shalini Srivatsav and C.P.Mall expresses his view “this is age of internet banking. This is time Indian banks should start offering web based banking services to the account holders. Online banking has improved successfully in the international banking sector in the other countries and has revolutionised the e-commerce industry. In India also, on line banking is fast emerging as favorable.

Source:
11. Dr.K.Krishna Kumar - E-banking is an umbrella Business World 3rd April (2000)
12. Shalini Srivatsav and C.P. Mall “This is age of internet banking.” IBA bulletin vol.XXIII, No.3 (March) pp 20-24

➢ **N.D.Mathur**\(^1\) in his article “emerging issues in banking industry” found technology is another emerging trend in the banking sector and new issues have started cropping up which is going to pose certain problems in the near future. The new entrants in the banks are with computer background. However over the period of time they would acquire banking experience.

➢ **R.K.Uppal and Rimpikaur**\(^4\) specified in article “the practice of banking is undergone significant transformation in 1990’s while banks are striving to strengthened customer relationship and move towards “relationship of banking” customer are increasingly moving away from the confines of traditional branch banking and are seeking the convince of remote electronic banking services.

➢ **Deepak Tondon and Neelam Tondon**\(^5\) “Banking with Modern Technology” says today’s business environment is characterized by powerful forces of change with far reaching and continuing developments in technology. A flurry of new products and services has emerged in the banking industry and banks are facing intense of competition amidst themselves.

➢ **Kulwanth Kaur and Kulwanth Singh**\(^6\) in his paper “Security challenges to E-banking” states that Electronic banking is the use of computer devise to retrieve and process banking data and initiate transactions directly with a bank via telecommunication network. In other word e-banking is the wave of future. It provides enormous benefits to the customers in terms of case and cost of transactions. E-banking is a hygiene product today and enhances the customer value proposition.

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**Source:**

15. Deepak Tondon and Neelam Tondon “Banking with modern technology” (2000-01) Prajan pp 3-17
> D.M.Madari., B.N.Nimbur and Shivakumar Deene\(^{18}\) of joint paper “Engineering and Re-engineering for Indian banks” the engineering and re-engineering are basically technological devices for bringing about a substantial change in existing structural orders of a given system say the banking. Besides these technological aspects, there is also methodological approach attend technological aspects. The liberalizations and drastic changes in the economic policy i.e. from physical to monitory requires a more dynamic and vibrant structural and functional changes in the banking system.

> K.Venkataramana (2008)\(^{19}\) the enhanced role of the banking sector in the Indian economy, the increasing levels of deregulations along with the increasing levels of competition have facilitated globalization of the Indian banking system and placed numerous demands of banks. operating of this demanding environment exposed banks to various challenges, broad challenges are

1. Risk management systems
2. Enhancing corporate governance
3. Alignment regulatory and accounting requirements
4. Outsourcing risks
5. Application of advanced technology

> S.Rajaram and P.C.Sekar\(^{20}\) in his article “information technology in Indian banking” clears no innovationis without challenges and It is no exception to this rule. The most prominent challenges arising from these innovations relates to the concept of security. With delivery channels relating to funds funds based services such as movement of funds electronically between different accounts of taking place with the use of technology, requirements relating to security also need to go metamorphosis at rapid pace.

**Source:**

20. S.Rajaram and P.C.Sekar information Technology in Indian banking- Universal banking System, Prajnan NIBM (July-Sept)
➢ **Dr. Meenakshi Madan**\(^{21}\) entitled “E-Banking regulatory and Taxation issues” E-banking has become necessary survival weapon and is fundamentally changing the Banking industry worldwide. Today clock the mouse offers customer-banking services at a much lower cost and empowers them with un presented freedom in choosing vendors for their financial services needs. No country today has a choice whether to implement E-banking or given the global and competitive nature of economy. Banks have upgrade and constantly think of new innovative customized packages and services to remain competitive. The invasion of banking by technology has created an information age and commoditization of banking services.

➢ **E.Gorden and Natarajan** (2009)\(^{22}\) reveals today banking is virtual banking. Virtual banking denotes the provision of banking and other services with IT, without direct resource to the bank by customers. The salient features of virtual banking are over helming reliance on IT and the absence of physical banking branches to deliver banking services include ATM, shared ATM networks, EFT, at point of sale, smart cards, stored value cards, phone banking, home banking, internet and intranet banking. The practice of banking has undergone a significant transformation due to adoption E-Banking.

➢ **Gurupreeth kaur Kharia**\(^{23}\) in his article title “Transformation of Indian banking”. Indian banking is under gone revolution. Technology has been much transformed telephone-banking, debit and credit cards and Automated teller machines are commonplace. Internet banking changes the banking industry and is having major effects on banking relationships. Banking is now longer confined the branches where one has to approach the branch in person, to withdraw cash or deposit a cheque or request of my accounts in true banking, any inquiry or transaction is processed online without any reference to branch(Any Where banking) at any time.

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**Source:**

21. Dr. Meenakshi Madan “E-banking regulatory and taxation issues” deregulation”, EPW Vol.XXXVII, No.5 pp393-408
Banking sector reforms issues and outlook an article by R.K.Uppal and Rimpi Kaur\textsuperscript{24} states today Indian banks areas technology –savvy as their counterparts in developed country. On networking front, branch banking –the traditional forte, coupled with ATM networks- the now imperative have evolved to place the banking services on a new trajectory. The competitive forces have led to emergence of internet and mobile banking too, to the let bank attracts and retains the customers.

\textit{Amar Deep Kaur and poonam Agarwal (2007)}\textsuperscript{25} the success of adaption of E-banking depends upon upon the banks ability to get customers switched over to online banking. Customers have educated in the use of every new technology, as they are used for traditional banking system. E-banking offers significant advantages of operational efficiencies and reduced costs, thus giving platforms for offering value added services to the customers. E-banking has all the essential pre –requisites for flourishing industry. E-banking has resulted in the improvement of productivity of industry on the one hand and improvement in quality of services of customers to the others.

\textit{Rajashekarappa G.L., Dr.Kundan basavaraja and Dr.Umesh H.Arahunise}\textsuperscript{26} in their article “Changing Strategies of banks and technological risks”. Bank being a service selling to meet the need of the customers which vary from place to place , time to time and purpose to purpose also at the same time it has to sustain the tough competition coming from all the four ends. The e-money e-commerce will develop the bank performance but these activities cannot reduce bank costs but also an improvement effect on banking structure and can change competitive environment of banks sustainability in the years to come.

\textbf{Source :}

\textsuperscript{24} R.K.Uppal and Rimpi Kaur , Indian banks:transformation through E-delivery Channels- the journal Indian institute of bankers (Jan-Mar) 2001- pp22-37

\textsuperscript{25} Amar Deep Kaur and poonam Agarwal: e-commerce and the emergence of e-banking – IBA bulletin,22 (oct) 2000

\textsuperscript{26} Rajashekarappa G.L., Dr.Kundan basavaraja and Dr.Umesh H.Arahunise –“Changing strategies of banks and technological risks”.(An Article published in souvenir)
P.T. Joseph S.J. (2008) on-line banking is for dual requirement to protect customer’s privacy and protect against fraud. Banking securely: online via World Wide Web provides an overview of internet commerce and how one company handles secure banking for its financial institution clients and their customers. Some basic information on the transmission of confidential data is presented in security and encryption on the web. A multilayered security architecture comprising firewalls, filtering routers, encryption and digital certificate ensures that your account information is protected for unauthorized access.

Preeti Mishra from her article “E-banking: issues, Challenges and sustainability will reveals that banking products and services through electronic delivery channels. Earlier electronic banking has problem in the form of Automatic Teller Machines and telephone transactions. Recently it is transformed to new delivery channels called internet banking which is facilitated banking transactions for customer and banks. Internet banking transactions for customer and banks, internet offers to all, which is convenient and available around the clock irrespective of customer location.

Deepak Tondon and Neelam Tondon the article entitled “Technology solutions for banking Management” the power technology has fueled this change and made profound impact on the banking business. From being enabler to it is gradually and emerging driver and key differentiation of business performance and competitive superiority. The dire competition in banking industry between public sector banks and foreign banks, new generation private sector banks is mainly through the technology innovation, up gradation and modernization.

Source:
Poonam Sharma30 “E-banking : issues, challenges and opportunities” financial reforms that were instated in early 90’s and the globalization and liberalization measures brought in completely new operating environment to the banks, services and products like anywhere banking, tele banking, internet banking, web banking, e-banking etc have become buzzwords of the day and banks are trying to cope with competition by offering innovative and attractively packaged technology based services to their customers.

Usha devi N and Bhargavi R (2007)31 the need for e-banking arised on account of growth in organizations, technological complexities, diversifications and fast expansion of business. thus led to extensive use of computers and information technology of services sectors like banking, insurance, medical and entertainment etc. thus the use of technology has resulted in increase of speed, accuracy, and efficiency of operations giving rise to productivity in existing banking industry and also in the designing of new products like e-banking and instant banking services at lowest cost possible.

Nisha Gupta, Deepak Garg and Anitha rani52 expresses in their article “internet banking in India” the adoption of internet banking in India will have its own advantages to both the banks and ultimate customers. The use of information technology will not only reduces the cost of operation but also would be effective, easy information, speedier and high competitive. The banks cannot of internet banking and they should bring opposite changes to meet the necessities and challenges of internet banking. The challenges posed by the internet banking are mostly of nature, which can be easily counter balanced by adopting suitable technological security measures.

Source:
31 Usha devi N and Bhargavi R – “issues in e-banking” second revised edition- 2008 - pp105-116
➢ **Navadeep Kaur**\(^{33}\) in Information technology and banking sector his paper focuses on technological innovations witnessed by corporate sector during nineties have changed the business needs to be conducted. IT has introduced new business paradigms and increasingly playing significant role in improving the services in many changes as a result of introduction of IT. In fact, the structure of the industry is continuously changing because of rapid development of IT.

➢ **Saleh.M.Nsouli and Andrea Schachter**\(^{34}\) says in his article entitled “Challenges of E-banking revolution says electronic banking is the wave of future. It provides enormous benefits to customers in terms of ease and cost of transactions. But it also poses the new challenges for country authorities in regulating and supervising the financial system and in designing and implementing macro economic policy. To understand the impact of e-banking on the conduct of economic policy. Policy makers need to solid analytical foundation.

➢ **Divya Bhudia**\(^{35}\) Article “Banking in new era of IT” IT provides faster access to information from anywhere in the world. IT in banking sector and reducing possibilities of remaining in isolation on part of Indian banks. Further, impact of IT has been such new products, services or facilities can be marketed on the global front, there by broadening the customer base all this can be done with exceptional ease and that to remarkably lower costs.

➢ **Mohd.Saleem**\(^{36}\) in his article “E-banking, the ultimate Destination” describes technological innovations have witnessed by the corporate sector during nineties, which changed the way business needs to be conducted. IT has introduced new business paradigms and is increasingly playing a significant role in improving services in banking industry.

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**Source:**

33. Nava deep Kaur- Information technology and electronic banking sector”- an overview- IMF discussion paper pp 02-06
34. Saleh.M.Nsouli and Andrea Schachter-“challenges of e-banking revolution”–electronic commerce, a manager’s guide (Pearson education)
Research Design

➢ *Ritu Sehgal*\(^{37}\) “Internet banking : Paramount role” Indian banking industry, today, is the midst of an IT revolution. Technology changes have put forth competition among banks. This has to led to increase total banking automation in Indian banking industry. New private sector banks and foreign banks have an edge over public sector banks as implementation of technological solutions is concerned. However, the later are in the process of making huge investments in technology. Services like Any where banking, Tele-banking, internet banking, buzzwords of the day and banks are trying to cope with the competition by offering innovative and attractively packaged technology based services to their customers.

➢ *Neeru bajaj*\(^{38}\) his article ‘Indian banking sector: Transformation through information technology’ clears the technology has come a long way since its inception in the last decade of millennium, initially sample facet machines were part of banking hall, which later was replaced by simple calculators. This was followed by accounting machines capable of restricting inputs of Debit Card and Credit Card printing a report at end of the day. With the advent of a microchip technology, banking automation has undergone a sea change which classified like Accounting, Connectivity and Information Technology.

➢ *Reena Shukla*\(^{39}\) says E-banking: the task Ahead the impact of E-banking in India is not yet apparent. Many global research companies believe that e-banking adoption in India near future would be slow compared to other major Asian countries. Indian e-banking is still nascent, although it is fast becoming strategic necessity for most commercial banks, as competition increases from private banks and non-banking financial institutions. For implementing E-banking in India the four forces – customers, technology, convergence and globalization have the most important effect on the Indian financial sector and these changes are forcing banks to redefine their business models and integrate technology into all aspect of operations.

**Source:**

38. Neeru bajaj’s his article ’Indian banking sector: Transformation through information technology’-Business world : The feature of Indian banking pp 163-168
39. Reena Shukla E-banking: the task Ahead Indian banking system (Bombay) Lavani publishing House 1980
Pikkranien (2004) focused the factors that influence on e-banking acceptance in the light of technology acceptance mode. The study reveals that perceived usefulness amount of information clearly have a positive effect on the use of online banking. The finding refers to the fact that consumers use online banking for the benefit it provides in comparison to other delivery channels.

Proneca (2009) analysed the impact of the use of internet banking by customers on the relationship they develop their main bank. The study made a relationship marketing approach in banking. The results showed that the relationship marketing approach is sensitive to the intensity of using of the internet banking as well as to the diversity of operations of places of access to internet banking.

Agarwal (2009) have undertaken a study to understand the perception and attitude of Indian customers and their satisfaction level with the various services offered through the e-banking mode by banks in India. The study reveals that the customer satisfaction with security and trust provided by the e-banking services followed by customer satisfaction with convenience and ease of use.

Yang (2009) described a comparative study about the current issues in the current e-banking services among the young consumers between two nations: China and India. The attitude and usage of young consumers will be a good indicators for the trend of e-banking service in future. Different cultures and traditions plays a role in the development of e-banking industry among different nations. The comparative study provides insightful guidelines for the development of e-banking industry worldwide.

Source:
41. Proneca “the adoption of e-banking technologies by us consumers” - int.journal of bank marketing vol.22 pp238-259
42. Agarwal “technology in banks: a strategic resource” chartered financial analyst, October (2009) vol.17 no.3 pp35-48
43. Yang “the future of the global financial services industry perspectives” the international executive,vol.39 pp599-617
Sohail and shanmugam (2003) studied customer’s preference for e-banking and the factors which they considered influenced its adoption. The study revealed that accessibility of internet, awareness of e-banking, and customer’s reluctance to change are the factors that significantly affected the usage of e-banking in India. The study indicated greater promotional effort on the part of banks to create greater awareness of e-banking and its benefits which is important for the success of e-banking services patronage.

Lee explored and integrated the various advantages of online banking to form a positive factor named and perceived benefit. In addition, drawing from perceived risk theory, five specific factors like, financial, security/privacy, performance, social and time risk were synthesized with perceived benefit, as well as integrated with the technology acceptance model and theory of planned behavior model to purpose of theoretical model to explain customer intention to use the online banking is adversely affected mainly by the security/privacy risk, as well as financial risk and is positively affected mainly by the perceived benefit, attitude and perceived usefulness.

Liao and cheung (2002) measured consumer attitudes towards internet based e-retail banking as a financial innovation and to explore its viability and prospects on demand side. The study found that individual expectations regarding accuracy, security, transaction speed, user friendliness user involvement and convince were the most important quality attributes in perceived usefulness of internet-bases e-retail banking. In study, too much importance was attached to attributes like time and location convince in promoting internet e-retail banking in the beginning, to the extent that tangible safety symbols like brick-and-mortar offices were rejected.

Source:
44. Sohail and shanmugam “A model of trust in online relationship banking”.the IJBM, vol.21.no.1.pp5-15
46. Liao and cheung “from physical to electronc era-opportunities pp 23-26
2.3 STATEMENT OF PROBLEM

Keeping into the view of developments in banking and its influence of technology in banking, it was desired to study growth of e-banking, challenges faced by customers and employees and trends appear in technical revolution etc. as it is possible to cover the all aspects of e- bank it has been decided to restrict the study on growth, challenges and trends of e-banking –an analytical study.

2.4 OBJECTIVES OF THE STUDY

To analyze the bank account holders and their extent of awareness regarding the adoption of modern banking technologies.

1. To find out the level on growth of e-banking operations and services.
2. To study the challenges and scope of few current trends in respect of IT Application in banking.
3. To determine the extent of customer satisfaction about application of technology and revolutionary trends in future and also its compatibility.
4. To study impact of Indian banking regulations and guide lines of RBI to implement of E- banking services.
5. To suggest the measures for improving and frequency of usage of e-banking products and provide pragmatic suggestions.

2.5 IMPORTANCE OF THE STUDY:

This study designed to evaluate the customer and employees’ challenges towards electronic banking. It is also intended to evaluate the degree to which the challenges results are reliable and valid to prepare employees and customers for further responsibility and additional advancements; and to identify the role of banks in supporting technical resource managers to make technical decisions. Specifically, the study critically assessed and identified the problems of customers and employees to highlight the major problems treated as challenges in the Banking industry. The study is useful to customer,
commercial banks and policy makers. The study useful for customers because it brings to the more utilities of the technology, an important channels like ATM, Smart cards, EFT,ECS etc., it is useful to bank because it unravels the challenges of the customers and facing foregoing trends in the banking sector. The study will also explore problems of e-banking services lot characteristics should be ensured first by the service provider and receiver.

2.6 SCOPE OF THE STUDY

This report is limited to the data obtained from the respondents using questionnaires and interview in the Bank. The report is limited to the customers and employees’ challenges and practices. I am looking for south Karnataka’s five districts like Bangalore Urban, Bangalore Rural, Chitradurga, Davanagere and Tumkur for gathering the information. Moreover, the study used managers and clerical workers as a participants of the study and precludes the non-clerical workers.

2.7 HYPOTHESIS

1. Education (matriculation) has positive impact on the customer attitude towards the acceptance of e-banking services
2. Banking literacy has positive impact on the acceptance of e-banking.
3. Partly computer literacy gives positive scope for using e-banking services.
4. Awareness and availability of services and technology and its benefits on the acceptance has positive impact.

2.8 DATA SOURCE :

The study is mainly based on the primary data source and the secondary also. For general concept development about the short survey in primary sources and questionnaire used for collecting data about the Growth, Challenges and Trends in e-banking system – An analytical study
For secondary source of data got collected from various journals, publications, conference themes, speeches, banking books, annual reports of RBI, internet (websites) and research papers, articles etc.

2.9 OPERATIONAL DEFINITIONS:

Account Enquiry – Allow corporate users to view online account balance, transaction history and latest activities of all accounts for the corporation.

Funds Transfer & Remittance – Allow corporate users to transfer funds between their own accounts, pre-registered accounts or non-registered accounts. Different transaction limits can be applied for different types of transfer.

Trade Finance – Allow corporate users to initiate and submit Letter of Credit (L/C) applications or amendments. The received forms will be passed to the Letter of Credit Post-Processing Module (LCPP) for further processing. Users can also view their bills position or credit line utilization through bank.

Auto pay – Allow corporate users to submit auto pay transactions for payroll, payments or collections. Templates and file import module will facilitate the entry of large amount of data.

Mandatory Provident Fund – Allow corporate users to submit Mandatory Provident Fund contributions. Templates and file import module will facilitate the entry of large amount of data. Users can also view the contribution history records online.

Online Statement – Allow corporate users to view or download account statements and corporate credit card statements online.

Time Deposit Management – Allow corporate users to manage their time deposit accounts. Users can view the deposit summary, place a deposit, uplift a deposit, or change the renewal instructions.
Administration – Allow corporate administrators to perform maintenance on users and function access rights, data access rights, and other system parameters.

2.10 SAMPLING PLAN:

This study tries to focus on Characteristics of customers towards e-banking” which were previously found significant by various studies with few uniquely appropriate characteristics. The respondents who are using e-banking 0-20 years are considered as sample. This using period is planned because if the consumers enjoy the services for the long time from any bank and what type of challenges faced by customers as well as employees did. This period is enough for experiencing the e-banking services. My total study on banking customers and employees in south Karnataka 400 (customers) and 300(employees) sample size was taken. The customers and employees were selected by random sampling method.

2.11 Chapter scheme:

The First chapter provided in brief theoretical background to banking with emphasis towards banking services and growth in the area of Indian banking industry along with research problem and the need of the present study.

In Second chapter Research design focuses consisting of different contains which is first focus on “review of literature” brings out an attempts so for made by different researchers around the world in the field of review of some important and relevant earlier research works carried out by them and some relevant articles from India and outside India have been Thoroughly discussed pertaining to my topic of this work to make more effective. The chapter also presents the evidence of research gap and purpose and focus of the study. It relates objectives of the study, scope of study, definitions of key variables used in the study, limitations of study along with research design.

In Third chapter provided the theoretical brief of e-banking an overview of consisting of e-banking in Indian context, risks associated with e-
banking, traditional banking v/s e-banking activities. And innovative issues relating to e-banking challenges faced by both customers and employees of branches. Detail analysis of the internet banking concepts.

In Fourth chapter presents an analysis of data obtained from Bank Customers and Employees. An investigation made into various dimensions of employee and customer’s perception towards growth and challenges towards e-banking activities. In the banking branches the quality of banking services the possible association of customers. An effort to identify different levels of challenges and solutions for the e-banking services.

The Fifth chapter explores the summary and finalizing conclusion of with support of primary data and secondary data. Detail analysis use technology in banking services, growing expectations from the customers’ bankers efforts retain customers and other core issues discussed in this chapter. In this study definite conclusions that would enable one to make valid suggestions of theoretical background of the study, review of literature statement of the research problem, purpose and focus on the research design and methodology and scope of further research.

2.12 Limitations :

1. There is lack of awareness about the terms of e-banking.
2. My study has confined to major five districts like., Bangalore Uran, Bangalore Rural, Chitradrga, Davangagere and Tumkur.
3. Employee respondents were not respond due to their busy schedules at their banks.
4. Most of the customer respondents not ready to spare their time for gathering the data.
5. Lack of technical knowledge is the major reason for facing the challenges.