CHAPTER – II

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Many studies have been conducted by researchers at online banking services. The researcher has attempted to present a brief review of the available literature, which is published as research articles and technical papers published in newspapers, magazines and websites in the related area. The literature review is used for theatrical analysis made in this study. This study is designed to test the knowledge, acceptance and disadvantages of online banking.

Bar ¹ (1986) identified three main factors that affect the rate of realization of the potential of a new technology. The first factor is the "opportunity", defined as the adequacy of the activities undertaken in the field of application users of the new technology. Of course this affects the speed at which technology is initially adopted within an industry, but more importantly in the long run, it affects the rate at which innovations in processes and products can be generated once technology has been introduced.

Giridhari ² (1989) in his paper has narrated the growth of private sector banks and public sector banks as a whole for a period of three years - 1989 to 1991. The growth figures and percentage wise is narrated both wise. Important variables considered in the study include - paid up capital, deposits, advances, credit to priority sector, investment, income, expenses, gains and also on deposits of employees, progress, profit, investment branch, expenses etc. Although the study is empirical in nature, the
individual performance of banks is beyond the scope of the study. An integrated performance of the two sectors item is also beyond the scope of the study.

According Castleberry and Resurreccion ³ (1989), the physical location of banks distribution channels influence the perception of customers on quality.

Loudon and Della Bitta, ⁴ (1993) When customers evaluate the quality of service they receive from a bank using various criteria may fluctuate in importance, often some are further significant as compared to others. Further rest of several criteria are vital only few are the most essential. These determinants are the characteristics that describe the quality of service from the consumer perspective.

Furash ⁵ (1994), another topic challenged e-business (including electronic banking) is the quality of service delivery - including both delivery speed and reliability of delivery.

In view of Yavas et al., ⁶ (1997), the pleasant customer interaction with staff significantly affects the quality perception of customers. In response to this requirement, banks have begun flawless delivery processes to reduce delivery times to improve service quality.

Aragba-Akpore ⁷ (1998) had written on the request of IT in banks in Nigeria and noted that it is becoming the backbone of regeneration services of banks in Nigeria. He cited the Diamond Bank Integrated Services (DIBS) of Diamond Bank Limited and has electronic smart card (ESCA) of all United Bank Limited as efforts towards the creation of sophistication in the banking sector.
According to **Essinger** 8 *(1999)* the concept of internet banking is: "give customers access to their bank accounts through a web site and can enact certain transactions in your account, since compliance checks strict security."

According to **Daniel** 9 *(1999)* E-banking is available to customers of its banks to expand through distribution channels that can be intake through different technological devices, ie, a computer or a cell phone with the mounting browser utility or telephone or any other digital technology.

According **Leow** 10 *(1999)*, the terms "PC banking", "online banking", "Internet banking", "telephone banking" or "mobile banking" refers to finish number of ways in which customers can login your bank without being physically present at the branch.

**Oakland** 11, *(2000)*, while training is important, it is also costly and careful consideration should be given as to how they can help achieve better process management and meeting the needs and opportunity.

According **Graven** 12, *(2000)*, the banking industry believes that the adoption of new technology, banks will be able to improve the level of customer service and tie customers closer to the shore. Meanwhile, the banking sector was also looking for new ways to expand your customer base and to counter the aggressive marketing efforts from traditional banks.

In view of **Ikechukwu** 13 *(2000)*, the application of electronics products / services banking banking functions has become an issue of vital importance and warrants to all banks operating in Nigeria and indeed obligatory local competitiveness and global.

According to Beckett, **Hewer and Howcroft** 14 *(2000)* more modern technology has established very aggressive environment for providers of banking services market.
However, in the current situation banks have had to recognize the needs of consumers due to competitive market conditions contaminated.

According Treadwell 15, (2001) The largest banks that maintain networks of exclusive branches tend to have the greatest motivation to adopt electronic banking services. At trial, the smaller banks have higher startup costs and tend to have a higher initial cost technology in the development of e-banking services.

According Siau et al16 (2001) m-commerce (mobile commerce) including WAP has some features of the mobile business include; Ubiquity. Mobile technology allows the user to access information wherever you are assuming the user is within the area of cell broadcast customization. Due to the limited memory capacity of mobile hardware, software allows a finer classification and categorization to meet the needs of mobile user’s degree of flexibility. The mobility of hardware, for example, cell phones allow the user to perform connections and accept information even at a time when the client is occupied in any of another activity such as travel or work dissemination. Issuers of information, eg local retailers can always make use of the wireless system of mobile commerce to convey in order specific to some or all users of WAP entering geographic region.

According Parasuman et al; 17 (2001) The banking has been represented as exhibiting little market direction and satisfactory services with little perspective on the needs of the client as well as including different branches in efficiency.

Gronroos 18, (2001), Technology can help people meet their needs more efficiently, but a company remains "as good as its people."
Marenzi et al., 19 (2001) another important benefit of electronic banking is a more efficient way of collecting and managing information. A combination of a low percentage of customers using electronic banking services on a consistent basis and relatively low cost of implementation in the development of e-banking services in the banking sector will make contact electronic banking (positive or negative) rather tight financial institutions.

As told by Sureshchandar et al., 20 (2002). Consistent delivery of services, the physical dimensions and personal interaction with customers, processes and procedures trust positively affects the delivery of quality services.

Bitner et al., 21 (2002) suggest that, customers must understand what is expected of them, and see the benefits of behavior change associated with adoption.

Zeithaml 22 (2002) identifies the need for companies focus on service attends to in your e-business, and to further appreciate the importance of quality as a distinguishing strategy eservice. Companies even require identifying that the web knowledge shows the positioning of the brand to consumers online.

According to Joseph et al 23 (2003), accurate and reliable banking services; purchaser service; convention services; and precise proceedings are a few of the selected factors that are measured by customers in choosing a particular type of channel service delivery.

Adrienne et al., 24 (2003), many other researches have been conducted on the delivery of quality service in the banking industry. These include the relative magnitude of the technology in the provision of services in the banking sector...
(Adrienne et al., 2003), which ended the technology provides a different kind of value and reimbursement to be received are mainly based on efficiency.

**Jabnoun and Altamimi** (2003) states that research has found the quality of service in banks is critical to customer satisfaction and customer retention.

According to **Rahman** (2003), banking software were practicing in different banks in Bangladesh. Foreign banks use foreign software according to their innermost policies, and these were qualitatively and have aptitude for performing E - banking operation.

**Wang et al** (2003) state that in the 1990s the electronic banking was underutilized as business organizations used only to market their products and services.

**Mattila et al** (2003) has been considering the adoption of Internet banking among mature clients. The results show that people over 65 years in general tend to be late adopters of technology. They found that mature clients who discontinued use of online banking insufficient or nonexistent reported on the use of technology training. They also noted that the confusing web pages and complex steps discouraged adoption of online banking, and improved security measures. Subsequently, the development of three-dimensional web pages with voice recognition is recommended, subsequently used video technology for providing access to bank employees.

**Mattila et al.** (2003) emphasizes that the success of Internet banking depends on the satisfaction of customers and banks will have to use different media to customize products and services to meet the specific needs of present and future customers. Several investigators have passed by the banking and the adoption of Internet banking issues in banking. Several investigators have several reasons.
Sohail and Shanmugham \cite{30}(2004) analyzed the preferences of customers in electronic banking in Malaysia. His conclusion is that Internet accessibility, awareness of e-Banking resistance and customers to change are the main factors that influence the adoption of e-banking services.

A document Fitzergelad \cite{31}(2004) on the preferences of customers in Malaysia online banking according to Internet access, electronic banking knowledge and confronting customers transform are basically the factors contributing to adopt online banking. The main areas 'no' adoption are security fears and lack of awareness of electronic banking.

Yang and Fang \cite{32}(2004) suggest a distinction between the scope that are satisfactions and disgruntle.

Yen \cite{33}(2005) expressive of the same subject, specifically when he suggests that the importance of the attributes of user satisfaction with self-service technology based on Internet is dependent on the willingness technology.

Goi \cite{34}, (2005) suggests that technological innovation has been recognized to donate to the distribution channels of banks and these electronic distribution channels are hereinafter collectively electronic banking.

Wan et al \cite{35}(2005) studied the adoption of channels in Hong Kong bank customer. They covered four major banking channels namely automatic, Branch Banking, Telephone Banking and Internet Banking. The study segments customers on demographic factors and psychosomatic viewpoint of the optimistic attributes progression by the channels. Psychological factors are ease of use, security of
transactions, transaction accuracy, and speed, and convenience, utility time, providing different personal, social desirability, utility, economic, and user participation.

**Donner 36 (2005)**, have been relatively few studies focusing directly on the way mobile phones are used in improving productivity among users in the developing world. Some businesses also lacks the awareness of the potentials that exist in the use of mobile phones and ICT

**Mugambi 37 (2006)** also says that investigations have been conducted in areas of superior service and customer pleasure in the banking industry. Further more, a study in Kenya who had analyzed the relationship between technology and quality of service in Kenya Banking industry. This study, therefore, it is necessary to examine the association connecting service quality and technology in the banking industry in Kenya.

**Hawari and Ward 38 (2006)** shows that the contact service quality in customer satisfaction on the other hand affects the turnover of banks.

**Ontunya 39 (2006)** The model was made on banking services (Internet banking, mobile banking and ATM) among with the respondents of clients who are users.

A report for the study came from self-administered questionnaires were distributed to 120 personal and corporate clients in the city of Nairobi and therefore embrace of city dwellers due to time constraints and limited reserves.

According **Ali et al. 40 (2007)**, 18 percent of the national central banks, 39% of the PCB and 99 percent of the FCB are computerized. About 50 ATMs working in the country; two foreign banks had numerous ATMs own two local ATM service providers who had accused or leasing services of several banks.
Chang, 2003; Gallup Consulting (2008) extends the advancement of banking technology has been obsessed by changes in distribution channels as confirmation automated teller machine (ATM), Tel-banking, Telebanking, PC-banking and more recently banking Internet.

Salehi and Azary 2008, Salehi et al., (2008) in all countries world wide strong banking is very vital and may have a significant effect in supporting economic development through efficient financial services.

According Kaleem and Ahmed (2008) from traditional banking in Pakistan has been replaced very effectively for electronic banking by delivering ATMs, debit and credit cards, internet banking, telephone banking and online products, etc. In Pakistan, electronic banking was introduced first by foreign banks in the late 1990s and the concept was followed by domestic banks thereafter in the form of ATMs and credit cards.

Luo, Li, Zhang and Shin (2010) define mobile banking as an innovative method to access banking services through a channel through which the client interacts with a bank using a mobile device (eg mobile phone or a personal digital assistant (PDA).

In view of Dixit and Datta (2010), traditionally Internet banking refers to the development of a website by a bank to provide basic information on their services and products. Today the word "Internet banking includes providing services such as access to accounts, transfer funds, and the purchase of financial products or services online."

The PEP Committee. Banking constituted to study the productivity, efficiency and profitability of commercial banks has used four criteria; namely, productivity, social
and spatial objectives, social, objectives-sectoral and profitability. Under each criterion, a set of indicators is used. It also examined aspects such as planning, budgeting, marketing, management information systems, financial statements, audit systems, procedures and other. Banking costs, profitability of operations, prices of banking services, trends in income and expenditure, etc. were analyzed, and made a number of recommendations. The study was experimental in nature and stated categorically that the set of indicators used by is not the first or the last election.

**Basu** 47 in its research study presents a picture of the dynamic role that the commercial banking system can play in assisting in the process of economic development in the country. The study emphasizes detail the development of commercial banks in the period prior to nationalization and paper sector diversified commercial banks have been called upon to perform is evaluated.

**Rastogi** 48 in his study assessed trends in banking in India after nationalization. He made an effort to determine how banks were able to meet the banking needs of the Indian masses. Made an effort to suggest ways and means for the future development of banking. Data for the study were collected from the Reserve Bank of India and various other directly or indirectly involved in the task of developing banking institutions in the country. The reports of the various committees and study groups appointed by the Government of India and Reserve Bank of India is also widely used in the study.

**Yadav** 49 evaluated the work of the Union Bank in its northern and see if it was working on the lines suggested by the Government of India and Reserve Bank of India. With the help of an analytical and comparative study, researchers tested whether Syndicate Bank has succeeded in the northern part of the country and how far
has been able to achieve the objectives of nationalization by accelerating banking services in areas rural, remote and neglected areas.

Nayan 50 in their research study has made a comparison between the performance of individual banks nationalized the banking system as a whole. An attempt to build a model for evaluating the performance of banks was made.

Prasad 51 in his study examined the entire activities and operations of the State Bank of India, with special emphasis on the various aspects viz. deposit growth, credit expansion, branch banking business expansion and so on. The study also assesses the performance of all the nationalized commercial banks.

After review of literature, it has been observed that this type of research has been done in various countries among the world but this type of research based on Online Banking Services provided by selected banks has not been done in Rajkot district of Gujarat State. Perusal of the previous relevant studies and researches revealed the following gaps:-

a) There exist a vast gap between the Online Banking service provided by the banks and avail of those services by the existing customers. Consequently various studies has to be done on Online Banking Services but no attention to this crucial issue has been given in the studies conducted so far.

b) Prior research works gazed the need of Online Banking Services by the banks in the competitive business environment. While the overall purpose of Online Banking Services is to increase in the productivity of banks. So a decision is made to go a step further and study the increase in productivity of banks in terms of Online Banking Services.
c) Previous investigations were mainly conducted in the big and metropolitan cities. The consumers of relatively semi-urban or small cities of Rajkot district of Gujarat State have different habits regarding to the use of Online Banking Services. So their view point may be different from those of metropolitan residents. There exists a need to study the habits to avail Online Banking Services to the bank’s customers of Rajkot district of Gujarat State.
References


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