PREFACE

Indian banking sector has expanded in an exponential manner in the past decade offering a wide range of services to rural, urban and metropolitan areas of the country. The banking sector reform initiated by the Reserve Bank of India has created a competitive environment for both public and private sector banks and are therefore vigorously expanding their customer base by offering various products and services. E-banking is used as a strategic tool by the global banking sector to attract and retain customers.

The present research is the outcome of an empirical study conducted with the objective of investigating customers’ and bankers’ view regarding e-banking, on the e-banking activities of respondents, impact of e-banking and promotional measures used by banks to promote e-banking. The survey has been conducted in Jaipur city and the data collected for this study is through two questionnaires, designed separately for customers and bank employees. Total sample size is 500, 250 customers and 250 bankers, of both public and private sector banks. The enquiry reveals that customers generally use e-banking services on persuasion of bankers. User-ship is mostly concentrated on professionals, business class and males belonging to middle age. The bankers are convinced that e-banking helps in improving the relationship with the customers and that it will bring patent improvement in the overall performance of banks. So far as promotional avenues are concerned, message alerts, through SMSs and e-mails, is at the top.

E-Banking is the future of banking, as going online for banking has become a trend among customers. Now customers are inclined towards mobile banking in particular from PC banking. As banks are adopting the latest technology and the popularity of e-banking is increasing accordingly, they are prone towards cyber crimes and greater is the potential for reputational risks also. Therefore, there is a need to have sound security controls and strong cyber laws in India.

The report on this study has been presented in 5 chapters, in brief mentioned below:

The first chapter, on E-Banking: A Conceptual Framework, is about banking industry, its structure in India, followed by the concept of e-banking, its evolution, the phases of transformation, its scenario in Indian perspective and its products and services.
Risk associated with e-banking, its management and banking regulatory framework at a glance has been given. In the end of this chapter, information security program, legal and compliance issues have also been discussed.

Second chapter is “Methodology”, where the concept of research, review of literature, the need and the relevance of this study has been given. The set objectives and hypotheses, followed by the scope of this study have been given in detail. The complete research design, including the data sources and the sampling plan to achieve the set objectives, along with the limitations of this research are also a part of this chapter.

After defining the methodology of the research, in the next chapter, that is the third one titled “Data Analysis and Interpretation”, the collected data has been analysed, from both the customers’ and the bank employees’ perspective and presented through tabulation, graphs, pie-charts and then inference was drawn for each respectively. Also the demographic profiles of the respondents were analysed on various parameters like gender, age, occupation, annual income and qualification. Methodological tests applied for the hypothesis testing are Chi-square test ($\chi^2$-test) and One-way Analysis of Variance (ANOVA) test.

In the fourth chapter, “A Comparative Study on Public and Private Sector Banks”, where a comparative analysis has been done between SBI and HDFC Bank, representing public and private sector banks respectively, on various parameters like, their retail loan share in the market and e-transactions. Popularity of mobile banking, the most frequently used banking service on it and the bank leading in it has also been discussed. In the end of this chapter, RBI’s role in facilitating e-commerce and online transactions in India has been discussed.

In the last chapter, “Conclusion”, key findings of the research have been drawn based on the results of the data analysis and hypothesis testing, conclusion has been made and recommendations have also been given along with specific mention of scope for future research.