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An exploratory study on online banking in semi-urban areas in Nelamangala, Bangalore

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Abstract

Banks acts a key economical index of every economy. Every countries business depends upon banks and the service provided by it. This research paper explains about the net banking services to its customers who are in semi-urban areas. People who stays in cities knows about ne banking and all most all the business are beneficial through net banking, but the question is the customers who are staying in semi-urban area so and rural area are aware or not aware of net banking. We have taken an initiative to understand the usage of net banking in Nelamangala area. A structured questionnaires have been distributed to the customers and analysis have been made. The need of making this study is to know whether the customers of semi-urban area adopted the modern technology of net banking or not.

Keywords: Net banking, obstacles faced by users, opinion on uses of net banking

1. Introduction

Banks are life blood of any business organisation. In India all the banks are governed by banking regulation act 1949. We have Reserve Bank of India (RBI) as a banker's bank or supervising, controlling and assisting in their banking activities. Net banking is a banking facility provided by public sector private sector and foreign banks ne banking helps he customers to facilitate free flow of transactions. Using this services the user can process his transactions like payment of income tax, electricity and water bills etc. The net banking is modernized version of banks to provide various services. The bans provide 24*7 ATM facility, customer care supports, secured payments, gateway etc. Our research paper aims at finding on how to net banking is helpful for the customers.

The Indian Banking Industry has been largely developed during the course of nationalization of banks. After the nationalization most of the banks are computerised. The computerisation of banks in the form of core banking solutions (CBS) where in sitting in any branch of the bank the banker can access the account of any users of other branches. The IVRS helps to interact with all account holders and solve here problems arising in net banking.

2. Objectives

1. To know the benefits of net banking.
2. To know the facilities available in net banking.
3. To analyse customer mind set and degree of satisfaction towards usage of net banking.
4. To understand the problem faced by the customer on usage of net banking.
5. To provide suggestions to the bank in improving the net banking facility.

3. Methodology

In this research paper primary data is used for analysis.

The research paper aimed on collecting primary data from both users and non-users of net banking. The users like workers, employers, students, house wife etc. By preparing the questionnaires, the paper will help to study the opinions of users and non-users about the usage of net banking.

In secondary data information collected from different journals like "Asian Business, Business Week, American Bankers Association, Global Finance etc... and also referred different research papers related to net banking and online books like "Savings for the poor; The Hidden benefits of electronic banking " by Michael A. stegnon etc.

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This research paper is based on convenience sampling method.

“Convenience sampling is a sampling method (a way of gathering participants for a study) used where you select a naturally occurring group of people within the population you want to study”.

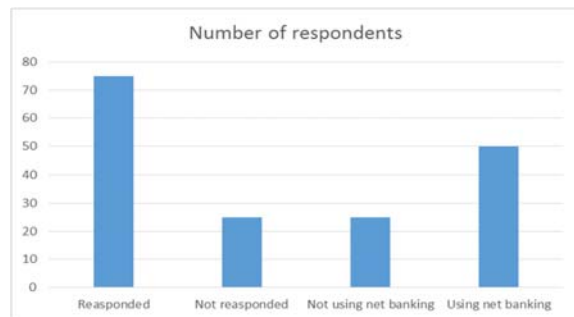
4. Limitations

1. We have the sample size of 100 Account holders.
2. We collected the data in semi-urban areas by using convenience sampling method.

The question asked to the account holders and presented in tabular graph format:

Table 1: Table showing the number of respondents

Respondents	Number of respondents
Responded	75
Not responded	25
Not using net banking	25
Using net banking	50



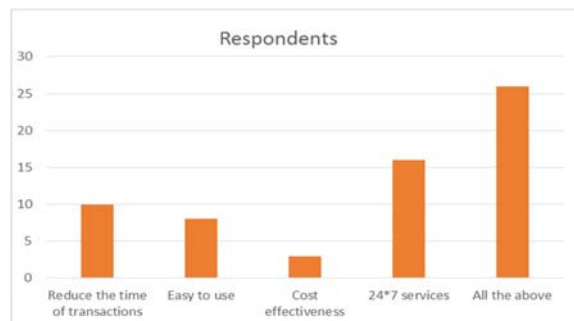
Graph 1: showing the number of respondents.

The above graph replicates the number of users who responded to our questionnaire. The Sample size was estimated around 100 account holders out of which 75 were responded to our questionnaire. The response from the size of the population of 75 are as follows. There were 50 are the users of net banking and 25 were the non-users of net banking out of 75 total population.

5. Analysis and Interpretation of Data Based On Collection of Primary Data

Table 2: The table showing the purpose of using net banking.

Factors promotes	Respondents
Reduce the time of transactions	10
Easy to use	8
Cost effectiveness	3
24*7 services	16
All the above	26

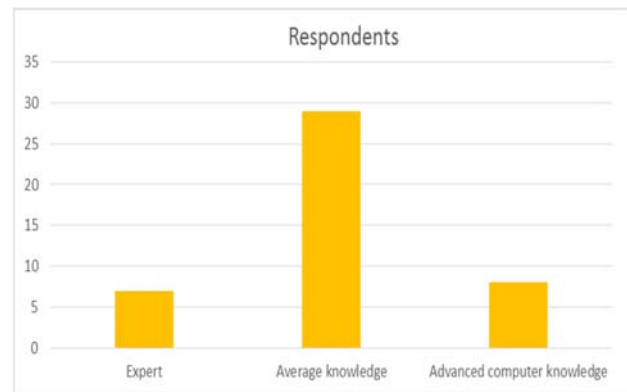


Graph 2: Showing the purpose of using net banking

The above table and graph explains that why customers prefer using net banking. 15.87% account holders said that it reduces the time of transactions, 12.69% users says that it is easy to use, 4.76% users said that it reduces cost effectiveness, 25.39% users says it provide 24*7 services and 26% users said that all the above factors influence them to use of net banking.

Table 3: Table showing literacy level in computer.

Computer usage level	Respondents
Expert	7
Average knowledge	29
Advanced computer knowledge	8

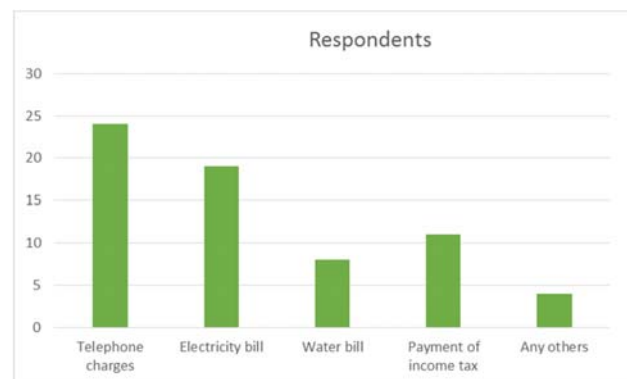


Graph 3: Showing the literacy level in computer.

The above table and graph depicts that how they are familiar with the computer usage level of net banking. 15.90% are expert in using net banking, 65.90% users having average knowledge, 8% of users are having advanced computer knowledge in the using of net banking services.

Table 4: Table showing bill payment through net banking.

Type of bill	Respondents
Telephone charges	24
Electricity bill	19
Water bill	08
Payment of income tax	11
Any others	04

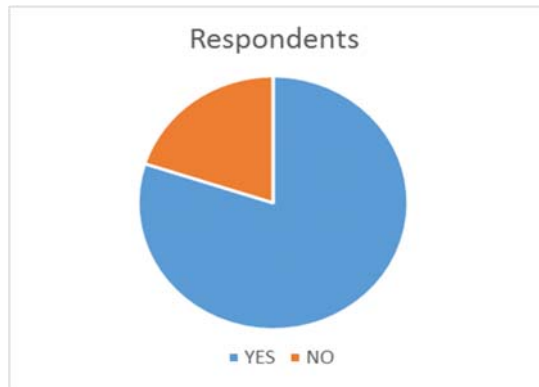


Graph 4: Showing the type of bills paid by the respondents.

The above table and graph shows that what type of transactions made using net banking. In that 36.36% users are paying telephone charges, 28.78% were paying electricity bills, 8% were paying water bills, 16.67% were paying the income tax and 6% of users were pay other bills.

Table 5: The table showing the satisfactory level of users of net banking.

Satisfactory level	Respondents
YES	40
NO	10

**Graph 5:** Showing the satisfactory level of users of net banking.

The above table and pie chart explains the satisfactory level of users or using net banking. 80% users are fully satisfied and 20% users are not satisfied for using net banking

6. Positive Impact on Net Banking Users

1. The users felt that it is easy payment of Electricity Bills, Telephone Charges and Online account transfers credit card payments etc.
2. It provides 24*7 faster services it helps o users to use services at any time.
3. It is more efficient and convenient o users.
4. I helps account holders to keep an eye on account balances and transactions.
5. The users feel that net banking provides more safety to use.
6. It helps to increase banking transactions and possibility to incur more profit.
7. It helps to monitor CIBC investments like shares, bonds, debentures etc.
8. The users can apply for loans through net banking.
9. It helps to review the progress of investments through net banking.
10. It reduces the time to wait in a queue of a bank branch.

7. Problems Faced By Net Banking Users

1. Internet access is not available in all the places.
2. Illiterate people cannot access net banking services.
3. The users cannot have trust and security in their transactions.
4. Net banking services may cause hacked by unauthorised users.
5. It is more expensive.
6. The rural peoples are facing the problems of internet speed and time taken so they cannot properly use net banking services.
7. Some of the account holders does no possess sufficient knowledge and may not feel comfortable to use net banking.
8. It is difficult to make High Value transactions through net banking because of security issues.
9. Net banking services are one way communication process and cannot make face to face transactions.

10. Possibilities of technical difficulties such as delay in banking transactions such as Registration problem, log in problems, technical problems etc.

8. Reasons for the Above Problems by Rural People for the Use of Net Banking Services

This survey of net banking listed down he following reasons of problems and difficulties faced by rural customers like are as follows:

1. Rural customers are facing difficulties to operate and transact in net banking.
2. Rural people cannot afford the cost of computers, internet charges, and bank charges.
3. Less usage of smart phones lead to non-availability of net banking.
4. The customers so not have the knowledge to use net banking service.
5. The users of net banking face difficulty of power cuts, hangouts and break downs of transactions proceed in net banking.
6. In semi-urban account holders do no relay the funds transfer through ne banking.
7. There is no training facility to the rural class people which leads to low volume of net banking transactions.

9. Findings

In this research paper we found that he semi-urban people are lacking behind in the usage of net banking. It is quite expensive so hat rural peoples are not possible to use net banking. Rural peoples are hesitating to use net banking services because of lack of awareness in cyber-crime and security issues. In semi-urbans non-availability of power, network problems and system hangouts are more so the rural people cannot use net banking services.

10. Suggestions for the Problems Faced By Rural People to Use Net Banking.

Our research paper as concluded he following suggestions namely.

1. Increased speed and accuracy of the transactions.
2. Providing customer care support and grievances to be addressed.
3. Existence of high security by eliminating cyber-crimes.
4. Educating the rural people about the net banking.
5. Adoption of latest technologies in developing net banking services.
6. Deduction of transactions cost in net banking.
7. High confidentiality of account holder information.
8. Increase in the application of net banking through advertisement's and publicity.
9. Minimising of transactions time while processing payments.
10. Regular updation of information to use the net banking.

11. Conclusion of Research Paper

11.1 Conclusion

We conclude our study on "An Exploratory Study on Online Banking in Semi-Urban Area in Nelamangala, Bangalore" helps to find out the importance and usage level of net banking in semi urban areas have sufficient awareness in net banking services. The semi urban area wants more banks to provide net banking facilities in these area.

This research paper helps to find out the satisfactory level of the account holders and also to know problems and

difficulties in the using of net banking. It to provide provide suggestions of problems faced by the semi-urban people in he using of net banking.

11.2 Research Papers

1. Title: Internet banking, consumer adoption and customer satisfaction Authors: Andrew Mus lime and Malinga Ramadhan Year of publication: Journal: African journal of marketing management 2011, 3(10). Online website: [http\\www.academic journal.org//](http://www.academic journal.org/)
2. Title: An exploratory study on internet banking in semi-urban areas in India Author: Dr. Preethi Singh Year of Publication: Journal: International journal of scientific and research publications. 2013, 3.

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