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**E-BANKING: IDENTIFYING BENEFITS, SERVICES, INTERNET  
USAGES RATE AND FUTURE SCOPE OF I.T IN BANKING SECTOR**

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**E-banking: identifying benefits, services, internet usages rate and future scope of it in banking sector**

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**Abstract:**

Now-a-days it's very important for the bank system to attract their customers towards their services through E- banking. The Indian banking sector is also trying to wake up from sleep and become proactive till 1990, the Indian banks have been working in a very comfortable and protected environment. Technology uses computers, electronic devices such as telephones, mobile phones, fax machines etc. and telecommunication network. E-banking is also known as online banking, internet-banking and virtual banking. The e-banking has made the customer say good-bye to huge account registers and large paper bank accounts. This will ensure the developmental role of IT in the banking industry. Rural people are unaware about the technology and not feeling confident about e-banking. So the main purpose of the paper is aware about the technology and makes confidentiality also to analyze different services, facilities and benefits of E- banking, of State Bank of India.

**Key-words:** virtual banking, telecommunication network, services

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**1. Introduction:**

Traditionally, banks have been using technology to improve their products and efficiency. Today, technology is not only changing the environment but also the relationship with customers. This has brought customer relationship into greater focus. It is also viewed as an instrument of cost reduction and effective communication with people and institutions associated with the banking business. The RBI has assigned priority to the up gradation of technological infrastructure in financial system. Technology has opened new product and services, new market and efficient delivery channels for banking industry. IT also provides the framework for banking industry to meet challenges in the present competitive environment. IT enables to cut the cost of global fund transfer. IT refers to processing, storing and transferring information. It uses computers, electronic devices such as telephones, mobile phones, fax machines etc. and telecommunication network. IT has defied all geographical boundaries. Information Technology enables sophisticated product development, better market infrastructure, implementation of reliable techniques for control of risks and helps the financial intermediaries to reach geographically distant and diversified markets. Internet has significantly influenced delivery channels of the banks. Internet has emerged as an important medium for delivery of banking products and services. The customers can view the accounts; get account statements, transfer funds and purchase drafts by just punching on few keys. The smart card's i.e., cards with micro processor chip have added new dimension to the scenario. An introduction of „Cyber Cash“ the exchange of cash takes place entirely through „Cyber-books“. Collection of Electricity bills and telephone bills has become easy. IT is increasingly moving from a back office function to a prime assistant in increasing the value of a bank over time. IT does so by maximizing banks of pro-active measures such as strengthening and standardizing banks infrastructure in respect of

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security, communication and networking, achieving inter branch connectivity, moving towards Real Time gross settlement (RTGS) environment the forecasting of liquidity by building real time databases, use of Magnetic Ink Character Recognition and Imaging technology for cheque clearing to name a few. Indian banks are going for the retail banking in a big way The key driver to charge has largely been the increasing sophistication in technology and the growing popularity of the Internet. The shift from traditional banking to e-banking is changing customer's expectations.

## **2. Research Methodology:**

This research paper is based on secondary data which is to be collected from the official website of State Bank Of India.

## **3. Objective of the study:**

3.1 To explore the awareness about the e-banking.

3.2 To study services of e-banking.

## **4. Need of the study:**

This study is needed to find out the working of e-banking of SBI and its importance to customer as well as to bank.

## **5. Research Limitations:**

The primary limitation of this study is based on quality and originality of secondary data taken via the official website of State Bank Of India.

## **6. E-Banking:**

Electronic banking is generally an extension of traditional banking, using the internet as an electric delivery channel for banking products and services. E-banking is a range of banking services that utilizes electronic equipment and includes Telephone banking, Net Banking, ATM, Debit/Credit Card. EFT, AFT etc. Many banks have modernized their services with the facilities of computer and electronic equipments. The electronics revolution has made it possible to provide ease and flexibility in banking operations to the benefit of the customer.. The use of ATM's lead to the concept of "anywhere" and "anytime" banking. Through the use of ATM cards, one can operate his bank account to withdraw money from any of the bank's ATM installed or available at the nearest site. The new banks providing some of the services exclusively through ATM's. The growing popularity of personal computers, easy access to internet and World Wide Web (WWW), has increased the use of internet by banks as a channel for receiving instructions and also delivering their products and services to the customers This is generally referred to as "Internet Banking" as Net Banking. This is one of the newer form e-banking which is gaining popularity. Process of E-banking starts with opening the website and ends with making the payment.

## **7. BENEFITS OF E-BANKING:**

### **7.1 To the Customer:**

- Anywhere Banking no matter wherever the customer is in the world. Balance enquiry, request for services, issuing instructions etc., from anywhere in the world is possible.
- Anytime Banking – Managing funds in real time and most importantly, 24 hours a day, 7days a week according to convenience of the customers.
- Brings down "Cost of Banking" to the customer over a period of time.
- Cash withdrawal from any branch / ATM.On-line purchase of goods and services including online payment for the same.

### **7.2 To the Bank:**

- Innovative, scheme, addresses competition and present the bank as technology driven in the banking sector market.

- Reduces customer visits to the branch and thereby human intervention. Inter-branch reconciliation is immediate thereby reducing chances of fraud and misappropriation.
- On-line banking is an effective medium of promotion of various schemes of the bank, a marketing tool indeed. Integrated customer data paves way for individualized and customized services.

## **8. SERVICES PROVIDED BY SBI INTERNET BANKING**

### **8.2 ONLINE SBI (WWW.ONLINESBI.COM):**

State Bank of India is India's largest bank with a branch network of over 11000 branches and 6 associate banks located even in the remotest parts of India. State Bank of India (SBI) offers a wide range of banking products and services to corporate and retail customers. "Online SBI" is the Internet banking portal for State Bank of India. The portal provides anywhere, anytime, online access to accounts for State Bank's Retail and Corporate customers. The application is developed using the latest cutting edge technology and tools. The infrastructure supports unified, secure access to banking services for accounts in over 11,000 branches across India.

### **8.3 RETAIL BANKING:**

The Retail banking application is an integration of several functional areas, and enables customers to:

- Issue Demand Drafts online.
- Transfer funds to own and third party accounts.
- Credit beneficiary accounts using the VISA Money Transfer, RTGS/NEFT feature.
- Generate account statements.
- Setup Standing Instructions.
- Configure profile settings.
- Use e-Tax for online tax payment.
- Use e-Pay for automatic bill payments.
- Interface with merchants for railway and airline reservations.
- Avail DEMAT and IPO services.

### **8.4 CORPORATE BANKING:**

The Online SBI corporate banking application provides features to administer and manage corporate accounts online. The corporate module provides roles such as Regulator, Admin, Up loader, Transaction Maker, Authorizer, and Auditor. These roles have access to the following functions:

- Manage users, define rights and transaction rules on corporate accounts.
- Access accounts in several branches with a single sign-on mechanism.
- Upload files to make bulk transactions to third parties, supplier, vendor and tax collection authorities.
- Use online transactional features such as fund transfer to own accounts, third party payments, and draft issues.
- Make bill payments over the Internet.
- Authorize, modify, reschedule and cancel transactions, based on rights assigned to the user.
- Generate account statement.
- Enquire on transaction details or current balance.

### **8.5 VALUE ADDED SERVICES:**

- Tax payments to central and state governments through site to site integration.

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- Supply Chain Finance( e-VFS- Electronic Vendor Finance Scheme).
  - Direct Debit Facility .
  - E Collection Facilities for:
  - Core Banking Transactions.
  - Internet Bank transactions for incoming RTGS/NEFT Transactions.
  - Internet banking transactions for SBI and associate banks.
  - Debit facility where suppliers can directly debit their customer's account through internet banking.

#### 8.6 PRODUCTS & SERVICES

- E-Ticketing
- SBI E-Tax
- Bill Payment
- RTGS/NEFT
- E-Payment
- Fund Transfer
- Third Party Transfer
- Demand Draft
- Cheque Book Request
- Account Opening Request
- Account Statement
- Transaction Enquiry
- Demat Account Statement
- Donation

##### ▪ E-TICKETING:

You can book your railway, air and bus tickets online through Online SBI. To book your train ticket, just log on to [irctc.co.in](http://irctc.co.in) and create an ID there at if you do not have one. Submit your travel plan and book the ticket(s)-either

- i-ticket (where the delivery of tickets will be made at your address) or
- E-tickets (wherein after successful payment transactions, an e-ticket is generated which can be printed any time. For an e-ticket, the details of photo identity card will required to be filled in) and select State Bank of India in the payment options. You will be redirected to Internet Banking site of SBI ([www.onlinesbi.com](http://www.onlinesbi.com)). After submitting the respective ID and password, you can select your account. After a successful debit, Railways will generate the ticket. E-ticket can be printed by you whereas the i-ticket will be dispatched by IRCTC at the given address. Service charges @ Rs.10/- per transaction shall be levied in addition to the cost of the ticket. Cancellation of E-ticket can be done by logging on to IRCTC's site; refund amount will be credited to your account directly within 2-3 days. For cancellation of i-ticket, you shall be required to submit your ticket at a computerized counter of Railways and on cancellation; the amount shall be credited back to your account. You can also book your Air ticket through the e-ticketing feature. Logon to Indian Airlines website to make a payment for an e-ticket through State Bank of India, you need to select SBI as the payment option. The payment request will be redirected to Internet Banking site. The request may be processed based on values sent from the airlines website. Once a transaction is processed, an appropriate response will be sent to airlines site to update the status of the transaction. You can print the E-ticket immediately. To book bus tickets to destinations in Maharashtra, log on to the MSRTC website. Provide details about the start and end points of your journey, date of journey and number of tickets. Verify availability of

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seats on the selected date and confirm the transaction. Select “Online SBI” to make the payment. Provide your credentials and select the SBI account that will be debited for the payment. You are provided a MSRTC reference number for your e-Ticket.

▪ **SBI E-TAX:**

You can pay your taxes online through SBI E-Tax. This facility enables you to pay TDS, Income tax, Indirect tax, Corporation tax, Wealth tax, Estate Duty and Fringe Benefits tax. Click the e-Tax link in the home page. You are displayed a page with two links Direct Tax and Indirect Tax. Click the Direct Tax link. You will be redirected to the NSDL site where you can select an online challan based on the tax you wish to pay. Provide the PAN, name and address, assessment year, nature of payment and bank name. On selecting the bank name as SBI and submitting the form, you will be redirected to the Internet Banking site. After submitting the respective ID and password, you can select your account for making payment of taxes. After payment is successful you can print the E-Receipt for the payment. The E-receipt can be printed at a later date also and the same can be retrieved from:

Enquiries > Find Transactions > Status Enquiries > Click on the respective transaction to print the tax receipt.

The Indirect Tax link is used to make Central Excise and Service Tax payments to Central Board of Excise and Customs. The online payment feature facilitates anytime, anywhere payment and an instant E-Receipt is generated once the transaction is complete. The Indirect Tax payment facility is available to Registered Central Excise/Service Tax Assesses who possesses the 15 digit PAN based Assesses Code. You can make CBEC payments using the Indirect Taxes link available in the Payments/Transfers tab. You need to provide your assesses code as registered with CBEC and select the minor heads towards which you intend to pay tax. Select the appropriate tax type and enter the tax amount. Select an account for debiting the total tax amount. You can use any of your transaction accounts to make the payment. If a payment is successful, CBEC provides a link to generate an E-Receipt for the payment. Internet banking customers can pay tax through site to site integration. For government agencies, which are not Internet-enabled, „Online SBI” offers the Government Tax Payment facility. This facility is available as a post login feature in the retail and corporate banking sites of the Online SBI portal.

▪ **BILL PAYMENT:**

A simple and convenient service for viewing and paying your bills online.

- No more late payments.
- No more queues.
- No more hassles of depositing cheques.

Using the bill payment you can view and pay various bills online, directly from your SBI account. You can pay telephone, electricity, insurance, credit cards and other bills from the comfort of your house or office, 24 hours a day, 365 days a year. Simply logon to <http://www.onlinesbi.com/> with your credentials and register the biller to which you want to pay, with all the bill details. Once the bill is uploaded by the biller, you can make payment online. You can see 'how do i' to learn the steps for using the facility. You can also set up Auto Pay instructions with an upper limit to ensure that your bills are paid automatically whenever they are due. The upper limit ensures that only bills within the specified limit are paid automatically, thereby providing you complete control over these payments. The e-PAY service is available in various cities across the country and you can now make payments to several billers in your region.

▪ **RTGS/NEFT:**

You can transfer money from your State Bank account to accounts in other banks using the RTGS/NEFT service. The RTGS system facilitates transfer of funds from accounts in one bank

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to another on a "real time" and on "gross settlement" basis. This system is the fastest possible interbank money transfer facility available through secure banking channels in India. RTGS transaction requests will be sent to RBI immediately during working hours post working hours requests are registered and sent to RBI on next working day. You can also schedule a transaction for a future date. You can transfer an amount of Rs.1 lac and above using RTGS system. National Electronic Funds Transfer (NEFT) facilitates transfer of funds to the credit account with the other participating bank. RBI acts as the service provider and transfers the credit to the other bank's account. NEFT transactions are settled in batches based on the following timings:

- 6 settlements on weekdays - at 09:00, 11:00, 12:00, 13:00, 15:00 and 17:00 hrs.
- 2. 3 settlements on Saturdays - at 09:00, 11:00 and 12:00 hrs.

Please note that all the above timings are based on Indian Standard Time (IST) only. In order to transfer the funds to an account with other bank, kindly ensure that the bank branch of the beneficiary is covered under the RGTS/NEFT payment system. It is recommended that you choose the Bank/ Branch from the drop down option provided under the link "Add Interbank beneficiary" and exercise care to provide the correct account number and name of the beneficiary.

▪ **E-PAYMENT:**

You can pay your insurance premium, mobile phone bills and also you can purchase mutual fund units by coming from the biller's website and selecting state bank of India in the payment option. LIC PREMIUM:

For paying premium of LIC policy logon to [www.licindia.com](http://www.licindia.com) and register your policy details. When the premium is due select State Bank of India in the make payment option.

▪ **SBI Mutual FUND:**

You can invest in the SBI Mutual Fund schemes online. Logon to [www.sbimf.com](http://www.sbimf.com) and select the scheme in which you want to make investment in the payment option select State Bank of India. CC Avenue:

Enjoy shopping at the CC Avenue Shopping Mall and purchase from a wide variety of products and services through CC Avenue Certified Vendors. Make payments for your purchases using your Internet enabled SBI accounts.

▪ **FUND TRANSFER :**

The Funds Transfer facility enables you to transfer funds within your accounts in the same branch or other branches. You can transfer aggregating Rs.1 lakh per day to own accounts in the same branch and other branches. To make a funds transfer, you should be an active Internet Banking user with transaction rights. Funds transfer to PPF account is restricted to the same branch. Just log on to retail section of the Internet Banking site with your credentials and select the Funds Transfer link under Payments/Transfers tab. You can see all your online debit and credit accounts. Select the debit account from which you wish to transfer funds and the credit account into which the amount is to be credited. Enter the amount and remarks. The remarks will be displayed in your accounts statement for this transaction. You will be displayed the last five funds transfer operations on your accounts. On confirming the transaction, you will be displayed a confirmation page with the details of the transaction and the option to submit or cancel the funds transfer request. A reference number will be generated for your record.

▪ **THIRD PARTY TRANSFER:**

You can transfer funds to your trusted third parties by adding them as third party accounts. The beneficiary account should be any branch SBI. Transfer is instant. You can do any number of Transactions in a day for amount aggregating Rs.1lakh. To transfer funds to third party having account in SBI, you need to add and approve a third party, you need to register your mobile number in personal details link under profile section. You will receive a One Time SMS

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password on your mobile phone to approve a third party. If you do not have a mobile number, third party approval will be handled by your branch. Only after approval of third party, you will be able to transfer funds to the third party. You can set limits for third party transactions made from your accounts or even set limits for individual third parties.

▪ **DEMAND DRAFT :**

The Internet Banking application enables you to register demand drafts requests online. You can get a demand draft from any of your Accounts (Savings Bank, Current Account, Cash Credit or Overdraft). You can set limits for demand drafts issued from your accounts or use the bank specified limit for demand drafts. You can opt to collect the draft in person at your branch, quoting a reference to the transaction. A printed advice can also be obtained from the site for your record. Alternatively, you may request the branch to courier it to your registered address, and the courier charges will be recovered from you.

▪ **CHEQUE BOOK REQUEST:**

You can request for a cheque book online. Cheque book can be requested for any of your Savings, Current, Cash Credit, and Over Draft accounts. You can opt for cheque books with 25, 50 or 100 cheque leaves. You can either collect it from branch or request your branch to send it by post or courier. You can opt to get the cheque book delivered at your registered address or you can provide an alternate address. Cheque books will be dispatched within 3 working days from the date of request. Just log on to retail section of the Internet Banking site with your credentials and select the Cheque Book link under Requests tab. You can view all your transaction accounts. Select the account for which you require a cheque book; enter the number of cheque leaves required and the mode of delivery. Then, submit the same.

▪ **ACCOUNT OPENING REQUEST:**

“Online SBI” enables you to open a new account online. You can apply for a new account only in branches where you already have accounts. You should have an INB-enabled account with transaction right in the branch. Funds in an existing account are used to open the new account. You can open Savings, Current, Term Deposit and Recurring Deposit accounts of Residents, NRO and NRE types. Just log on to retail section of the Internet Banking site with your credentials and select the New Account link under Requests tab. You can see all types of accounts. Select the account and account type you wish to open and submit the same. Then, you need to select the branch and enter the initial amount to open the account. You can select any of your accounts for debiting the initial amount. Then, submit the transaction. Your new account opening request will be processed by the branch.

▪ **ACCOUNT STATEMENT:**

The Internet Banking application can generate an online, downloadable account statement for any of your accounts for any date range and for any account mapped to your username. The statement includes the transaction details, opening, closing and accumulated balance in the account. You can generate the online account statement for any date range or for any month and year. The account statement can be viewed online, printed or downloaded as an Excel or PDF file. You also have the option to select the number of records displayed in each page of the statement. The options are 25, 50, 75, 100 and ALL.

▪ **TRANSACTION ENQUIRY:**

“Online SBI” provides features to enquire status of online transactions. You can view and verify transaction details and the current status of transactions. Your VISA transactions can also be viewed separately. Just log on to retail section of the Internet Banking site with your credentials and select the Status Enquiry link under the Enquiries tab. You will be displayed all online transactions you have performed. To view details of individual transactions, you need to click the Transaction Reference number link. You are displayed the debit and credit account details, transaction amount, narration and transaction status.

- **DEMAT ACCOUNT STATEMENT:**

“Online SBI” enables you to view Demat account statement and maintain such accounts. The bank acts as your depository participant. In the third party site, you can mark a lien on your Demat accounts and use the funds to trade on stock using funds in your SBI savings account. You can view Demat account details, and generate the following statements: statement of holding, statement of transactions, statement of billing.

- **DONATION:**

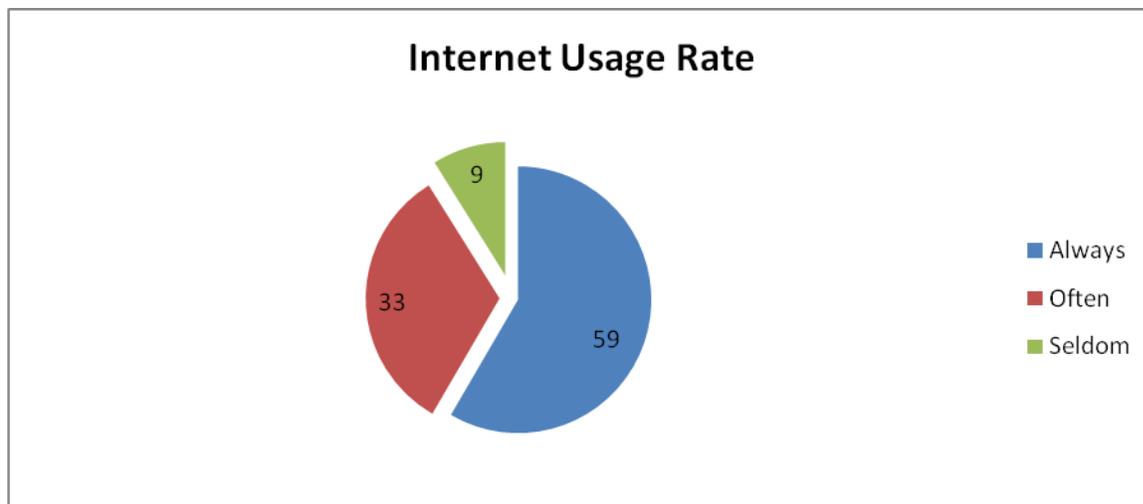
You can make donation to religious and charitable institution by using Internet Banking of SBI. Simply log on to <http://www.onlinesbi.com/> with your credentials and go to Payment and transfer and click on make donation link. After selecting the debit account select the religious/charitable institution that you want to offer donation. After successful payment you can print an E-receipt for the donation made.

### 9. Internet usages rate of customer:

The following table shows the internet usage of customer.

Types	Frequency	Percentage
Always	55	59%
Often	31	33%
Seldom	8	9%
Total	94	100%

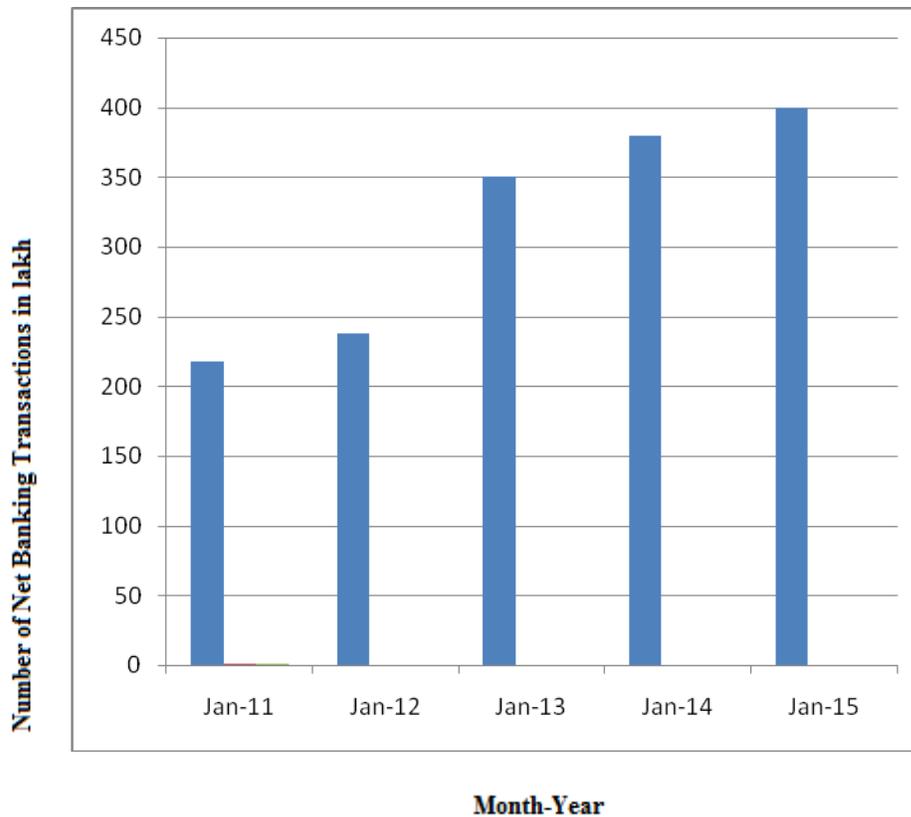
59% customer use internet regularly where else 33% use internet often where else 9% use internet seldom. Following Pie chart shows graphical representation of the internet usages of customer.



The following graphical representation tells that use of netbanking transaction graph is increased day by day. Vertical axes shows that the number of net banking transactions in lakh and

horizontal axes shows that month-year. Graph represents net banking transactions from January 2011 to January 2015. By the graph we conclude that the growth of the net banking transactions are tremendously increased.

### State Bank of India-Net-Banking



### 10. Future scope of the study:

Technology is going to hold the key to future of banking. Banking achievements not possible without IT revolution. So banks should try to find out the trigger of change.

- Rural peoples are unaware about technology and internet. Bank system gives the demonstration about the services and use of technology.
- There is also need to maintain privacy and confidentiality of data's in rural people.
- India is multilingual country and rural peoples are unaware about the universal language like English. The approach of the IT concept to the rural area may also be adopted. More and more regional languages software's could be introduced to attract more and more people from rural area also.
- Bank systems responsibility is to ensure the data is used only for the purpose intended. For this, there is a need to implement IT and other Cyber laws properly.
- The surplus manpower generated by the use of IT should be used for marketing new schemes of the banks.

### 11. Conclusion:

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E-banking saves time of bank as well as those of customers. This study states that e-banking provides greater reach to customers. Feedback can be obtained easily as internet is virtual in nature. Customer loyalty can be gain. Personal attention can be given by bank to customer also quality service can be served. Bank should know that No system is perfect, however a system of such a type will need to be very secure. This is a system which holds account details and customers wealth. It can be easily conclude that technological development in banking industry positively improves their services, competitiveness, branding and also loyalty. In terms of weakness I come to know some of the major weaknesses they are lack of awareness of internet banking among the customers, obsolesce of technology related to security, complicated procedures of availing internet banking facilities. Bank system should concentrate on the weaknesses and reduce them to zero. I come to know about various challenges which are in front of bank system, like sameness in IT infrastructure within various banks, need of various vendor supports for complex technology, maintaining secured IT infrastructure, alternative mechanism in case of failure of present security system. The company can take the advantage of the reputation it has created in the market for itself and become more competitive.

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