

ELECTRONIC PAYMENT SYSTEM TECHNICAL AND STRATEGIC CONCERNS

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ABSTRACT

E-banking, also known as online banking, internet banking, or virtual banking, is the automated provision of new and ongoing goods and services of a bank to customers using electronic, interactive communication channels. Additionally, it allows customers to carry out a range of financial operations via the financial institution's website. In order to access e-banking services, customers can use a touch-tone phone, touch-screen kiosk, automated teller machine (ATM), personal digital assistant (PDA), personal computer (PC), or PDA. Unlike branch banking, which was once the only option for consumers to access all banking services, which is handled by a bank, e-banking is a component of the core banking system. The purpose of the study is to evaluate how well and how widely the banks' e-payment systems are used by their customers. By choosing 200 The majority of study banks' customers are salaried accounts, which was a significant result.

Key words: e-banking, internet banking, online payment, online transaction, web services, delivery channels

1. INTRODUCTION

In India, the popularity of social media is growing daily.

Everyone is impacted by its influence, and in the modern era, political parties frequently use social media to spread their message.

By June 2015, there were about 213 million mobile Internet users in India, up from 173 million in December of the previous year.

It's good to know that the number of mobile Internet users in rural India is expected to increase at an impressive rate of 33 percent from October 2014 to March 2015 and June 2015, reaching 49 million and 53 million users respectively. The three broad facilities that e-banking offers are:

- Convenience - Complete your banking at your convenience in the comfort of Your home.
- No more Qs - There are no queues at an online bank.
- 24x7 service - Bank online services is provided 24 hours a day, 7 days a week.

The online banking was first kicked off by ICICI bank in 1996; currently 78% of their customers are registered for online banking. The need for online services was felt by the banks in India after the entry of foreign bank, which came with new technology. The banking products became more and more competitive and many products and services were available as option.

The terms onus and offus, which both mean "Ours" and "Not Ours," respectively, are used by customers to describe two different types of transactions. The first part of the term is always used to refer to the Customer. The second component of the word is explained in reference to the Bank. Consequently, ONUS-ONUS is a branch banking service that Our Customer can utilise anywhere (Onus). OFFUS-ONUS stands for Other Branch Customer is Using Our Branch. The opposing branch is utilised by our client ONUS-OFFUS.

REVIEW OF LITERATURE

Uppal, R.K (2011) in his research on growth of information technology in various banks, analyzed the extent of technological developments in various bank groups. The findings shows

as compared to new private sector banks and foreign banks, in public sector banks not much growth in IT has taken place. The maximum technology is taking place in new generation private sector banks and foreign.

In the Indian city of Visakhapatnam, Rao, K. Rama Mohana, and Lakew, Tekeste Berhanu (2011) examined how customers perceived the quality of the service provided by public and private sector banks.

According to the study, when compared to the Tangibles dimension, the Reliability and Assurance aspects of service quality received the greatest ratings.

Additionally, it was shown that consumers of private sector and public sector banks had quite different evaluations of the quality of service Kaur, Jasveen and Kaur ,Baljit,(2013) explained that there is no significant change in facilities determining the customers' usage of internet banking services of Public - sector, Private - sector and Foreign Banks in India

2. RESEARCH DESIGN

For all online financial transactions, the e-banking or online banking system makes it easier to receive payments via electronic means. Due to the increased usage of online banking and shopping, the e-payment system has gained popularity and priority.

Objectives of the Study

The study was taken up with an objective of:

- To analyze the success of E-payment system in banks.
- To determine the effectiveness and usage of E-payment systems by the customers.

The research was conducted from March to May 2016. The primary information was gathered through handing out questionnaires to bank customers, ideally those from different private sector banks in Chennai, South India, and by having conversations and contacts with bank staff from various banks. 200 samples total are used. The study's planned research design is of the "Descriptive" variety. The descriptive research design is referred to as a type of study that focuses on, among other things, the quality of the respondents' responses, their attitudes and interests, as well as their behaviour, values, beliefs, and emotions. Primary data were acquired via the questionnaire survey method based on a pilot study. Secondary information was acquired from scholarly journals to enhance the research, RESULTS & FINDINGS

The analysis is done by taking 200 samples from the survey conducted which includes 127 males and 73 females, with different age groups which divided into 3 segments as (Below 25 years; 25 to 40 years; and above 40 years). Out of survey conducted with the 200 customers of BANK the findings were:

- Out of 200 respondents 63% of them were male customers and 36.5% were female customers.
- From the respondents 83% holds salary account, which shows that the bank target the companies which makes their employees as its account holder.
- 58% of customers hold only debit card which is linked with salary account and 40% use both debit card and credit card
- The bank also provide prepaid cards but only few have mentioned as they hold prepaid cards, which shows that they are not concentrate on their prepaid cards.
- The majority of customers (68.5%) have visited only less than 4 times per month and 15% of respondents have never visited a branch, but in Likert scale more than 100 respondent have preferred branch banking.
- The customers using the service channels are well satisfies with the service provided by the bank and the high usage of eservices keeps on adding.

- Out of all respondent 166 were employed holding salary account who use their account less likely and does not do any other banking services like saving account, getting loans, making deposits.
- The services like CASH DEPOSITORY MACHINE were relatively less as there is less saving account holders from the sample collected.
- The other service channels like mobile banking which more than 50% of respondent uses mobile banking for balance enquiry, for fund transfer and Request a mini statement to know their recent transaction
- A 25% of respondent use mobile banking for bill payments.
- The 77.5% of customers who use the services from BANK were feeling completely safe.
- 186 respondents (70.4%) holds an account with banks other than one bank, and the same respondent have feel safe and happy about the service provide by different banks.
- Though customers highly preferred self- service channels, personal banking will make them feel secured more and encourages them to do more business.

3. As there is less usage of KIOSK service by the customers most of the banks has closed the service in India. And the next channel on the list will be CDM RECOMMENDATIONS

Merits

- It enhances efficiency, consistency and turn-around time.
- It enables to maximize the value of largest network in India.
- It helps in updating the information.
- It helps the customers to respond quickly to external and internal pressures.
- It helps the non-technical personnel from the banking industry to pick and choose existing functionalities in order to build new products and services.

Demerits

- Less number of self informative bank websites in TamilNadu, only few is most satisfied.
- Minimum balance maintenance to have a saving account is high.
- Many Banks are not issuing and acquiring Rupay cards. (If they start issuing and acquiring Rupay cards, they can process domestic transactions at low cost).
- Charges imposed must be reduced.
- Customer care should response properly for the queries.
- Awareness about the existence of various services and products of the banks to many people.

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