



## **A Study of Internet Banking of ICICI Bank Private Limited**

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### **Abstract**

Internet Banking in simple terms means, it does not involve any physical exchange of money, but it's all done Online, from one account to another, using the Internet. Internet banking is just like normal banking, with one big exception. You don't have to go to the bank for transactions. Instead, you can access your account any time and from any time and from any part of the world, and do so when you have the time, and not when the bank is open. For busy executives, students, and homemakers, e-banking is virtual blessing. No more talking precious time off from work to get a demand draft made or a cheque book issued. Banks offer Internet banking in tow main ways. An existing bank with physical offices can establish a Web site and offer Internet banking to its customers in addition to its traditional delivery channels.

**Keywords:** Internet Banking, ICICI Bank, Digital Banking, Online Banking Services, Customer Satisfaction

### **1. Introduction**

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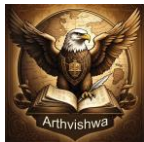
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### **Evolution of E-Banking**

The story of technology in banking started with the use of punched card machines like accounting machines or ledger posting machines. The use of technology, at that time, was limited to keeping books of the bank. It further developed with the birth of online real time system and vast improvement in telecommunications during late 1970's and 1980's it resulted in a revolution in the field of banking with "convenience banking" as a buzzword. Through convenience banking, the bank is carried to the doorstep of the customer. The 1990's saw the birth of distributed computing technologies and Relational Database Management System. The banking industry was simply waiting for these technologies. Now with distribution technologies, one could configure dedicated machines called front-end machines for customer service and risk control while communication in the batch mode without hampering the response time on the front-end machine.

### **Company Profile**

**ICICI Bank** (Industrial Credit and Investment Corporation of India) is an



Indian multinational banking and financial services company headquartered in Mumbai, Maharashtra, India, with its registered office in Vadodara. In 2014, it was the second largest bank in India in terms of assets and third in term of market capitalization. It offers a wide range of banking products and financial services for corporate and retail customers through a variety of delivery channels and specialized subsidiaries in the areas of investment banking, life, non-life insurance, venture capital and asset management. The bank has a network of 4,450 branches and 14,404 ATMs in India, and has a presence in 19 countries including India.

The bank has subsidiaries in the United Kingdom and Canada; branches in United States, Singapore, Bahrain, Hong Kong, Sri Lanka, Qatar, Oman, Dubai International Finance Centre, China and South Africa; and representative offices in United Arab Emirates, Bangladesh, Malaysia and Indonesia. The company's UK subsidiary has also established branches in Belgium and Germany.

## **2. Rationale of The Research**

Money is considered as the life line of an economy. It not only helps consumers in facilitating their transactions of goods and services but it also helps producers in meeting with their requirement of hiring the factors of productions to produce goods and services in the economy. Banks are the only institutions/ organizations which help both the consumers as well as producers in facilitating their activities. They provide the debit and credit facilities to their customers (consumers and producers). For sound and efficient functioning of the economy it is important that these services of debit and credit must be provided to customers at the lowest possible cost in the most integrated manner to maintain pace with the ever-changing economic system.

## **3. Objectives**

- To know about various e-services provide by the ICICI Bank.
- To analyze the factors affecting the E-services.
- To study and to make banking user aware various E-banking risk like identify theft etc.
- To Study the most preferred E-banking

service offered by ICICI Bank.

- To identify service quality dimension of ICICI which needs improvement.

## **4. Hypothesis**

- There is no significant relationship between age of the respondents and types of account hold in ICICI Bank.
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## **5. History of E – Banking**

The precursor for the modern home online banking services were the distance banking services over Online media from the early 80s. the term online become popular in the late 80s and refers to the use of a terminal, keyboard and TV (or monitor) to access the banking system using a phone line. "Home Banking" can also refer the use of numeric keypad to send tones down a phone line with instructions to the bank. Online services started in New York in 1981 when four of the city's major banks (Citibank, chase Manhattan, chemical and manufacturers hoover) offer home banking services using the videotext these banking services never become popular except in France where the use of videotext (Minitel) was subsidized by the telecom provider and the UK, where the pestle system was used. The UK's first home online banking services were set up by the Nottingham Building Society (NBS) in 1983. The system used was based on the UK's pestle system and used a computer, such as the BBC Micro, or keyboard connected to the telephone system and television set.

The system (known as 'Home link') allowed on-line viewing of statement, bank transfers and bill payment. In order to make bank transfers and bill payment, a written instruction giving details of the intended recipient had to be sent to the NBS who set the details up on the home link system. Typical recipient were gas, electricity and telephone companies and accounts with another bank. Details of payments to be made were input into the NBS system by the account holder via pestle. A cheque was then sent by NBS to the payee and an advice-giving detail of the payment was sent to the account holder. BACS was later used to transfer the payment directly. Stanford federal credit Union was the first financial institution to offer online internet



banking services to all of its members in Oct, 1994.

## **6. Pre-E-Banking Scenario in India**

Traditional Banking Traditionally the relationship between the bank and its customer has been on a one-to-one level via the branch network. This was put into operation with clearing and decision-making responsibility for the overall clearing network, the size of the branch network and the training of staff in the branch network. The bank monitored the organization's performance and set the decision-making parameters, but the information available to both branch staff and their customers was limited to one geographical location. Traditional Banking structure On IT Adoption. The Indian banking sector woke up to the world of technology in early 1990's.

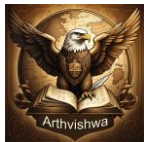
The banking sector in India has been dominated by public sector banks, who hold between them more than 80% of total asset base. New 15 private sector banks and foreign banks have tended to concentrate their efforts more on the top 23 centers which house the cream of the country's urban customers. These banks have taken the which house the cream of the country's urban customers. These banks have taken the lead in technology adoption and have succeeded in building up a substantial base of technology savvy, high-end customer Making and observation about the adoption of technology by the bank, P.C. Narayan, vice-president (IT and retail banking) of Global Trust Bank Ltd, says. "The rate of adoption of IT by foreign and private sector banks in country has been significant over the Internet phenomenon worldwide. A number of banks in the public sector have also accelerated the pace of IT deployment largely because of the competitive pressure brought upon them by private sector banks and foreign banks".

Though in the beginning the employees resisted computerization (especially in nationalized banks), the management finally succeeded in convincing its employees about the benefit and need for adoption of technology. Says P. Seshadri Rao, a financial consultant based in Hyderabad, "The basic reason for getting the nod for computerization was the competition from private banks. Once the gates were opened to the private sector to operate banks, they

started with a bang, thereby forcing nationalized banks to reconsider their way of doing business. A other official in Delhi echoes the same sentiments: "Needless to say, competition from foreign banks was one of the motivation factors for us to switch to computers. But housekeeping scored over everything else.

Maintaining books and regular tasks like computing interest at the end of the calendar year yeas tedious. The quantum of database was so huge that computerization was the only way out. "Banks would have certainly started downing their shutters had banking software not taken over the reins." 16 In sharp contrast, most of the private banks like GTB, ICICI, and ICICI started their operations with the use of technology. And with these new banks wooing the customers by offering what was till then an unknown phenomenon-customer service-the nationalized banks were forced to take remedial steps. "The compulsion for private banks to adopt a very high level of IT was driven by their desire to contain their operating cost at the lowest levels and at the same time be able to offer a wide variety of product and services in quickset possible time." Observes Narayan. Commenting on the reasons for public sector banks being laggards in the adoption of technology, State Bank of India managing director Sitarama Murty says: "The private banks started with a clean slate. They hired technology savvy people. On the other hand, public sector banks didn't have those advantages. We need to follow the public sector bank's rules and regulation while hiring people. We can't appoint computer professional in the top management directly." Computerization of the branches, especially in semi-urban and rural areas, is still a far cry for public sector banks. "This calls for huge investments and retraining of staff. I think these factors are inhibiting most of the banks to take technology to rural areas. But since IT is becoming an integral and inevitable part of the banking system, rural banks' computerization should also happen very soon," comment a senior official with Andhra Bank. Explains P.K. Seshadrinathan, CTO of SSI Technology: "The key obstacles to introduction of IT are non- integration or non-networking of branches, and a lack of corporate





network. Computerization has been introduced but each branch acts as an island. And, of course, cultural/social issues continue to pose problem. Overcoming these obstacles, therefore, would be the biggest challenge by itself". However, the nationalized banks have taken to computerization in right earnest. 17 Today most of them have their own in-house IT department which not only takes care of deployment and implementation issues but is also into developing specific and customized application for the bank. From OTHER, everyone is expanding its IT division and making huge investment to develop the division as a profit center by itself. According to another official, "It makes more sense to have our own division which understand our needs and comes out with a solution. It is not just cost-effective but also useful for a bank to have a separate division that takes care of IT in totality." Faced with deregulation, privatization and globalization, the Indian banks are slowly looking at various options to stay ahead in the rat race. This has resulted in the following recent trends: Phone banking This means carrying out of banking transaction through the telephone. A customer can call up the banks help line or phone banking number to conduct transaction like transfer of funds, making payments, checking of account balance, ordering cheques, etc.

## **7. Research Methodology**

A research design is the specification of methods and procedures for acquiring the information needed. It is the overall operational pattern or framework of the project that stipulates what information is to be collected from which source by what procedures. Research design denotes the description of the research design. The aim was to collect relevant information, which fulfill our requirement and can be analyzed at a later stage of study without any problem. This was to be done in minimum expenditures and least efforts and in a set period of time.

The major purpose of descriptive research is description of the state of affairs as it exists at present. In social science and business research we quite often use the term Ex post facto research for descriptive research studies example, frequency of shopping, preferences of

people, or similar data.

Research design is a pre-planned sketch for the explanation of a problem. It is the first step to take and the whole research. Study will conduct on the basis of this research design. It gives us a due that how the further process would be taking place and how would be the research study carry into classification, interpretation and suggestions. This is a guideline for the whole work.

## **Sampling Method**

Convenience sampling is used in exploratory research where the researcher is interested in getting an inexpensive approximation of the truth. As the name implies, the sample is selected because they are convenient. This non-probability method is often used during preliminary research efforts to get a gross estimate of the results, without incurring the cost or time required to select a random sample.

## **Sources of Data Collection**

There are several ways of collecting the appropriate data which differ considerably in context of money, cost, time and other sources at the disposal of the researcher. These are two types of data.

1. Primary Data
2. Secondary Data

### **Primary Data:-**

Primary data are those which are collected afresh and for the first time, and thus happen to be original in character. In case of descriptive research, researcher performs survey whether sample survey or census survey, thus we obtain primary data either through

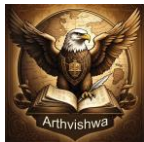
- Primary data collected by discussing with Questionnaire.
- Primary data collected by discussing with company officer.

### **Secondary Data:**

Secondary data are those which have already been collected by someone else and have already been passed through statistical process. In this project report, both types of data have been used. Mainly, secondary data is used such as annual reports.

- ❖ Annual Reports
- ❖ Internet
- ❖ Company journal
- ❖ Various books

## **8. Data Analysis & Interpretation**



The present section of the research typically includes the presentation, analysis, and discussion of the data collected through surveys, interviews, or secondary sources.

Q1. The age of the respondents who fill the questionnaire is summarized as below

Age	Percentage %
20-25	36
25-30	44
30-35	8
Above 35	12
Total	100

Table 4.1: Age Group

### Interpretation:

From the above table it is interpreted that about 44% of the respondents belong to the age group of 25-30, hence prefer online services. 36% belongs to 20-25 age group, 12% from above 35 & only 8% from 30-35 age group.

Q2. Who use Internet Banking most and frequently?

User	Percentage (%)
Businessman	52
Students	16
Professional/expert	20
Employees	10
Other	2
Total	100

Table 4.3: Use of Internet Banking

### Interpretation:

Above table implies who use Internet Banking or e-banking most. It says mostly businessman use Internet Banking side. 52%. 20% is used by professional or expert, 16% by students, 10% by employees and the rest one not uses online banking mostly i.e. 2%.

Q3. Do you know online banking?

Particulars	Percentage (%)
Yes	92
No	8

Table 4.4: Online Banking

### Interpretation:

Above table reveals that how many people know about Internet Banking in today's economy. 92% respondent knows about what is online banking and 8% don't know about Internet Banking even after the demonetization

### 9. Conclusion

That means the public sector bank is

progressing than the private sector bank. While doing the questionnaires with the customers I know about their views regarding the online banking services and also the scope of online banking services. Indian customers are very conservative and less risk taker. The banks should or must be focus on-Launch Innovative product, Customized advance products, Better customer services, fastest customer's problem-solving techniques, and Customer retention. Since both the banks are competing equally with each other. I C I C I bank should be considering more reliable because of public sector bank & because of its various schemes Customers are getting the expert's services. Customers of small cities don't take any advice before opening an online banking account anywhere. But as the scope of online banking services is increasing day by day, it is bringing the hope that scope will take expertise services of online banking services. This response of the people shows that how much opportunity is laying in the market for the online banking services. There is difference in level of satisfaction of ICICI Customer regarding online service therefore the hypothesis is accepted.

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