E-BANKING SYSTEM IN SBI

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ABSTRACT

PURPOSE – The main objectives of the study are:

- To understand the concept of Internet banking and importance, to bank as well as customers.
- To get aware of various aspects of net banking
- To build up SWOC analysis of Internet banking of SBI
- To build up various solutions for drawbacks in net banking

DESIGN/METHODOLOGY/APPROACH – This research paper is based on secondary data which is to be collected from the official website of State Bank Of India and Reserve Bank of India.

SCOPE OF STUDY

The study is made taking consideration of whole State Bank of India. It investigates about all applications of online banking in SBI. It would help society to understand the usefulness of on-line banking. The study will also help to get the knowledge about process of internet banking and usefulness to banking industry. As the study contains the 360 degree information regarding SBI and its internet banking, Hence the study will lead to new ways to tackle the problems and the SWOC of SBI in respect of internet banking.

NEED OF THE STUDY

This study is needed to find out the working of Internet Banking of SBI and its importance to customer as well as to bank.

RESEARCH LIMITATIONS/IMPLICATIONS – 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 and Reserve Bank of India.
FINDINGS – This study states that internet banking provides greater reach to customers. Feedback can be obtained easily as internet is virtual in nature. Customer loyalty can be gained. Personal attention can be given by bank to customer also quality service can be served. After studying the SWOC analysis, we came to know various strengths of SBI such as quality customer service, greater reach, customer loyalty, easy access to information, 24 hours access, easy online applications etc. SBI should put efforts to multiply the number of strengths. 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, lack of knowledge among the employees of SBI. SBI should concentrate on the weaknesses and reduce them to zero.

KEYWORDS: Traditional & Internet Banking.

INTRODUCTION

INTERNET

It is said that necessity is the mother of invention. And true, it is seeds of Internet were sown in the ashes of the world war having bombed the cities of Hiroshima and Nagasaki, US military was forced to provide the answer to the question – What if someone bombed the USA? So for many years after the war, most of the US military research concentrated on ways and means to survive the nuclear holocaust. And one of the most important strategic problems was- “How would us authorities communicate with each other in the aftermath of a nuclear attack?” computers were already there. But, communication networks were connected to each in a private fashion- in sort of chains: somewhat like an electricity line to your home. This means that if even one chain in the middle were blown up, the whole network would collapse.

Then in the 1960’s the problem was taken by America’s foremost military think tank, the Rand Corporation. After a lot of ideas were put up and knocked down, Paul baron- a rand “thinker” hit upon an idea. “What if the network was not built like a chain but like a fish net?” he said. If one strand on the fish net broke the net would still be functional. After spending many agonizing hours over it, he came up with 11-volume report for the pentagon. But, as fate would have it was rejected. By then, young engineers were impressed by the idea and worked on it. Well before the end of the decade, the first net was created and called ARPANET, connecting four American research organizations- university of Utah, university of California in Los Angeles and Santa Barbara, and Stanford research institute.

Internet as a communication medium and as a repository of information has caught the imagination of computer users. This has fuelled an unparalleled growth in the number of Internet users.
INTERNET BANKING SYSTEM

Internet Banking System is a system that has been developed in order to help clients with the daily day-to-day transactions. Internet banking systems means that clients can now do banking at the leisure of their homes. Also known as online banking, the system allows both transactional and non-transactional features. Online banking or internet banking allows customers to conduct financial transactions on a secure website operated by the retail or virtual bank.

HISTORY OF INTERNET BANKING

- The term online banking was first started in 80’s. The term online became popular in the late ’80s and referred 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 to the use of a 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 Hanover) offered home banking services using the videotext system. Because of the commercial failure of videotext these banking services never became popular except in France where the use of videotext was subsidized by the telecom provider and the UK, where the Prestel system was used.

- The UK’s first home online banking services was set up by the Nottingham Building Society (NBS) in 1983. The system used was based on the UK’s Prestel system and used a computer, such as the BBC Micro, or keyboard (Tandata Td1400) connected to the telephone system and television set. The system (known as 'Home link’) allowed on-line viewing of statements, bank transfers and bill payments. In order to make bank transfers and bill payments, 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 recipients were gas, electricity and telephone companies and accounts with other banks. Details of payments to be made were input into the NBS system by the account holder via Prestel. A cheque was then sent by NBS to the payee and an advice giving details 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. Later on it was adopted by worldwide banks

- State bank of India:

- State bank of India is the nation’s largest and oldest bank. Tracing its roots back some 200 years to the British East India Company (and initially established as the Bank of
Calcutta in 1806), the bank operates more than 15,000 branches within India, where it also owns majority stakes in six associate banks. State Bank of India (SBI) has more than 80 offices in nearly 35 other countries, including multiple locations in the US, Canada, and Nigeria. The bank has other units devoted to capital markets, fund management, factoring and commercial services, credit cards, and brokerage services. The Reserve Bank of India owns about 60% of State bank of India.

- Internet banking at State Bank of India:

WHERE SBI WAS?

- In early 1990’s more than 7000 branches were using traditional manual procedures.
- These manual procedures were inherited from the Imperial Bank.
- Traditional procedures were evolved over decades
- Very few changes were brought in those procedures as per the need of time.
- In that time, mainframe or mini computers were used for MIS, RECONCILLATION & FUND SETTLEMENT PROCESS, or we can say that for backhand operations purpose.

CHANGES BROUGHT IN INFORMATION TECHNOLOGY BY SBI

- In the next decade internet facility was provided for individuals.
- All SBI branches were connected and ATM’S were launch
- 2001 - KMPG appointed consultant for preparing IT Plan for the Bank.
- Later on Core banking proposed by the IT consultancy company.
- 2002 – All branches computerized but on decentralized systems, there the initiative of core banking took place
- 2008- more than 6500 branches (95% of business) on Core Banking Solution (CBS)
- Internet Banking facility for Corporate customers were also launched in early 2008
- More Interfaces developed with e-Commerce & other sites through alternate channels like ATM & Online Banking.
- All Foreign Offices were brought on Centralized Solution
- Large network is playing the role of backbone for connectivity across the country
Multiple Service Providers are providing the links – BSNL, MTNL, Reliance, Tata & reliance which are making the system errorless and provide high speed.

Multiple Technologies to support the networking infrastructure – Leased lines, Dial-up, CDMA & VSAT.

SERVICES PROVIDED BY SBI INTERNET BANKING

- 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.

- 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

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

VALUE ADDED SERVICES

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

➢ 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 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). 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 Karnataka, log on to the KSRTC website. Provide details about the start and end points of your journey, date of journey and number of tickets. Verify availability of 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 KSRTC 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 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

1. 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 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 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 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.

CUSTOMERS PERSPECTIVE

From the customers perspective, it was also decided to collect at least 100 questionnaires from the different branches of SBI in approx equal representation therefore, a total of 120 questionnaires were floated in these branches using on convenience basis. Self-administered approach was applied for data collection and surveys were completed anonymously and returned to the researchers. At the end total 108 responses were received and finally 100 questionnaires were selected randomly and analyzed through cross tabulation techniques.

ANALYSIS OF DATA

The data is analyzed through the cross tabulation with the help of SPSS as given below:

Bank Technological Development * Better Customer Service

CROSSTAB

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<thead>
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<th>Better Customer Service</th>
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<td></td>
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<td>Bank Technological Development</td>
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With the help of above data interpretation and graphical presentation, it is easily observed that bank customers definitely believe in a fact that technological development in banking sector is extremely important. They also advocate that technological development in banking sector improves customer services to a large extent.

### Bank Technological Development * Bank Brand Name

#### CROSSTAB

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<td>1</td>
<td>3</td>
<td>29</td>
<td>52</td>
<td>86</td>
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Above analysis shows that banking industry with high and modern technology is treated as brand banking. The customers believe banks have to adopt new technology to become a brand.

Bank Technological Development * Bank Competitive Ability

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This can be concluding that increase in adoption of modern technology by banks improves their competitive ability too. It is because private banks with more advanced technology have become better competitors of nationalized banks.

Bank Technological Development * Bank Loyalty

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Here, we found that technological adoption by banks also influence customer loyalty but not to large extent. However, a large proportion of respondents believe that technology improves services which directly influence loyalty, but some of them do not believe the same. According to them, loyalty is influenced but to a small level.

SWOC ANALYSIS OF SBI’S INTERNET BANKING

STRENGTHS

- Greater reach to customers
- Quicker time to market
- Ability to introduce new products and services quickly and successfully
- Ability to understand its customers’ needs
- Customers are given access to information easily across any location
- Greater customer loyalty
- Easy online application for all accounts, including personal loans and mortgage
- 24 hours account access
WEAKNESSES

- Lack of awareness among the existing customers regarding internet banking
- Obsolesce of technology take place very soon specially in terms of security on internet.
- Procedure for applying for id and password for using services related to internet banking takes time.
- Lack of knowledge is found regarding internet banking in employees of SBI
- Implementation of newer technology is little bit complicated
- Employees needs training to obtain knowledge regarding I-banking

OPPORTUNITIES

- Approximately 95% of customers are not using internet banking.
- Core competency can be achieved in terms of banking if focus is made on awareness of internet banking
- Can become 1st virtual bank of India.
- Concentration of various services should be made using internet banking

CHALLENGES

- Maintaining Business Edge over competitors in the context of sameness in IT infrastructure
- Multiple vendor support is necessary for working of highly complex technology
- Maintaining secured IT infrastructure for business operations
- Alternative must be there in case of failure of system

RECOMMENDATIONS AND SUGGESTIONS

TRAINING AND AWARENESS AMONG EMPLOYEES

It is recommended that State Bank of India should conduct various training programmes for the employees, so that they will get aware with the terms of internet banking. After such programmes they can create awareness amongst the consumers.
• EXCHANGE OF INFORMATION ON THREATS AND VULNERABILITIES AT APPROPRIATE FORUMS

There should be an open end discussion on the threats and vulnerabilities coming across the functioning of internet banking work by the employees in the various official forums and meets.

• BUILD AN OPTIMAL OPERATING MODEL BY UNDERSTANDING WHICH ACTIVITIES TO RETAIN COLLABORATE AND OUTSOURCE

There should be clear sight of operations which needs to outsource to other companies, this will lead to ease in work for employees. Outsourcing operations like, cyber security department, building IT structure on internet.

• BANK SHOULD CREATE AND SUSTAIN CUSTOMER, INVESTOR AND REGULATOR CONFIDENCE BY ADOPTING INTERNATIONAL ACCOUNTING STANDARDS

Adopting international standards adds some more star to the glory of any company, SBI should impose such standards when it comes to internet banking or virtual banking, this will enhance the goodwill of SBI among regulator, customers and invertors.

• BANK SHOULD ANTICIPATE AND GET PREPARED FOR REGULATORY CHANGES

Laws regarding IT or cyber laws get change as per the need. SBI should anticipate such kind of changes and get loaded with various plans and actions.

• FOCUS ON IDENTIFYING CORE COMPETENCE

SBI possess some unique characteristics or positive points in it and with the help of them it can become a leader in market. Bank should identify such points and concentrate to flourish them more. This can be done with the help of internet banking, as internet banking of SBI is getting largely accepted by customers.

• INCREASING USAGE OF MOBILE PHONES IS GOING TO REVOLUTIONIZE THE BANKING CULTURE IN NEAR FUTURE

Mobile banking is also getting popular in the segment of internet banking thus this can add some more steps to progress for SBI. Bank is into the mobile banking but it is providing limited features.
MORE STRESS SHOULD BE GIVEN ON SECURITY CONCERN ON INTERNET

There are some people who are into unethical practices of hacking of accounts of customers. This is nothing but the breach in the security of the SBI on internet. There should be some measures in order to prevent such practices. IT structure should be unbreakable.

CONCLUSION

Studying the project we came to know that Internet banking is clearly the way forward for the State Bank of India. It provides comfort to customers at the same time it provides cost cutting to SBI by eliminating physical documentation. Internet banking saves time of bank as well as those of customers.

This study states that internet 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. If such a system was not trusted and not reliable, then SBI would face serious laws and would lose business. It can be easily conclude that technological development in banking industry positively improves their services, competitiveness, branding and also loyalty.

After studying the SWOC analysis, we came to know various strengths of SBI such as quality customer service, greater reach, customer loyalty, easy access to information, 24 hours access, easy online applications etc. SBI should put efforts to multiply the number of strengths. 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, lack of knowledge among the employees of SBI. SBI should concentrate on the weaknesses and reduce them to zero.

In the third segment of SWOC analysis of internet banking we dealt with opportunities like 95 % market of internet market is untapped, SBI’s path to become first virtual bank. By encashing such opportunities bank can become the leader in banking sector of India. In the last segment I come to know about various challenges which are in front of SBI, 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

The recommendations and suggestions given, if adopted will improve the position of the company substantially and optimal profitability coupled with better service and satisfactions for investors may be achieved.
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