

E-Commerce & its impact on Abhyudaya Co-operative bank Mumbai

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Abstract

E-commerce is a process of accessing online banking, the customer would go to the financial institution's website, and enter the online banking facility using the customer number and password. Some financial institutions have set up additional security steps for access, but there is no consistency to the approach adopted. Today, many banks are internet only banks. Unlike their predecessors, these internet only banks. Abhyudaya Co-operative Bank is currently focusing on for a sustainable long term growth. The Bank has always endeavoured for providing satisfactory customer service the help of the latest technology. The Bank has provided fully computerized services to its valued clients. Bank is offering eleven Hours fully computerized services and 7 days working at 15 branches and 24 hours ATM Service at 59 branches.

Keywords: ATM, E-commerce, electronic data interchange, net banking

Introduction

E-commerce (electronic commerce or EC) is the buying and selling of goods and services on the Internet, especially the World Wide Web. In practice, this term and a newer term, e-business, are often used interchangeably. For online retail selling, the term e-tailing is sometimes used. The rapid growth and acceptance of the internet technology have permeated every aspect of our daily life. Organization has adopted the online medium for their business and at the same time individuals, client and consumers have embraced this new era of buying and selling. Internet has become the easier medium for transaction, for marketing, for information and most importantly for business and trade that is e-commerce. E-commerce is flourishing and is expanding day after day. Marketplace on internet has progressed a lot and can be understood under three categories.



Fig 1

Definition of E-Commerce: some theoretical inputs

Electronic Commerce or E-Commerce refers to A Wide Range of Online Business Activities For Products And Services. It also pertains to any form of business transaction in which the parties internet electronic rather than by physical exchange or direct physical contact. E-commerce is usually associated with buying and selling over the Internet, or conducting any transaction involving the transfer of ownership or rights to use goods or services through a computer-mediated network.

Types of E-Commerce

- Business-to-business (B2B)
- Business-to-consumer (B2C)
- Business-to-government (B2G)
- Consumer-to-consumer (C2C)
- Mobile commerce (m-commerce)

Objectives of Research

- To identify E-commerce Impact on Aby co-operative Bank.
- To Analyse Function of Aby co-operative Bank.
- To Study of E-commerce & Aby co-operative Bank.

Review of Related Literature

A. Samsunisa (2015) ^[1] "A Study On Customers' Perception Towards Internet Banking Services At Chennai", Research Journal of Commerce and Behavioural Science, Volume: 04, Number: 12, October-2015 expressed that different age group of customers have different perception toward the e-banking services and the usage level of these banks" customer is different so bank should concentrate on all the age group of customers for betterment of e- banking banks. It has also seen that different occupation group of customers have different perception toward the e-banking services. There are good number of customer in every group like student, service class, business class and professionals, it shows that they all are keen interesting in using the e-banking services.

Dr. M. Abdul Hakkeem and Y. Moydheen Sha (2015) ^[2] "An Empirical Study towards Customer Satisfaction in Internet Banking services with special reference to Tiruchirappalli District", IJSR - International Journal Of Scientific Research, Volume: 4, Issue: 5, May 2015 expressed that particular age group have used these services, the satisfaction of the customer majorly influenced the convenience, awareness, and responsiveness. In the present technology society, most of the banking customer prefer and switch to e-banking facilities. So the banker may improve their services, loyalty to customers and their retention by increasing awareness of other age groups

and concentrating on the factors contributing customer satisfaction.

Rahmath Safeena *et.al*, (2012) ^[3] Technology Adoption and Indian Consumers: Study on Mobile Banking, International Journal of Computer Theory and Engineering, Vol. 4, No. 6, December 2012, PP No. 1020 – 1024 identified that the evolution of e-banking started from the use of Automatic Teller Machines (ATMs) and telephone banking (tele-banking), direct bill payment, electronic fund transfer and the revolutionary online banking transformation from the traditional banking to e-banking has been a 'leap' change.

Sabita Paul (2013) ^[4] The Adoption Of Electronic Banking (E-Banking) In Odisha, India, International Journal Of Scientific & Technology Research Volume 2, Issue 5, May 2013, PP No. 258 – 262 described the current and prompt technological revolution altering the whole world which has crucial impact on the banking sector based on data, collected from customers of different commercial banks of Odisha.

Tavishi and Santosh Kumar (2013) ^[5] An empirical Study on Technology Adoption by Indian Banks, Global Journal of Management and Business Studies Volume 3, Number 10 pp. 1169 – 1172 advocate that factors influencing the customers for the adoption of internet banking and mobile banking in India and hence investigate the influence of perceived usefulness, perceived eases of use and perceived risk on use of internet banking and mobile banking.

Vandana Tandon Khanna & Neha Gupta (2015) ^[6] “Customer’s Perception about Banks Technology for Innovative Delivery Channels of Public Sector Banks (PSBs) of India”, International Journal of Business and Management; Vol. 10, No. 2; 2015 advocate that the factors such as Technology acceptability, safety, availability, user friendliness and accessibility highly depends on the demographic profile of the population size. Most of marketing decision in terms of enhancing the effectiveness of delivery channels can be taken by considering these factors.

Research Methodology

1. E-commerce can be divided into:
 - E-tailing or “virtual storefronts” on web sites with online catalogues, sometimes gathered into a “virtual mall”.
 - The gathering and use of demographic data through Web contacts
 - Electronic Data Interchange (EDI), the business exchange of data
 - E-mail and fax and their use a media for reaching prospectus and established (for example, with newsletter)
 - Business-to-business buying and selling
 - The security if business transaction
 - Electronic commerce or e-commerce refers to a wide range of online business activities for product and services ^[1]. It also pertains to “any form of business transaction in which the parties interact electronically rather than by physics exchange or direct physics contact.
 - E-commerce is usually associated with buying and selling over the Internet, or conducting any transaction involving the transfer of ownership or rights to use goods or services through a computer-medicated network. Though popular, this definition in not comprehensive enough to capture recent developments in this new and revolutionary business phenomenon. A more complete definition is; E-commerce is the use of electronic communication and

digital information processing technology in business transactions to create, transform, and redefine relationship for value creation between or among organization, and between organization and individuals

2. Electronic Data Interchange (EDI)

EDI is the exchange of business data using an understood data format. It predates today’s internet. EDI Involves data exchanges among parties that known each other well and make arrangements for one-t-one (or point-to-point) connection, usually dial-up. EDI is expected to be replaced by one or more standard XML formats, such as ebXML.

3. E-mail, Fax, and Internet Telephony

E-commerce is also conducted through the more limited electronic forms of communication called e-mail, facsimile or fax, and the emerging use of telephone calls over the Internet. Most of this is business-to-business, with some companies attempting to use e-mail and fax for unsolicited ads (usually viewed as online junk mail or spam) to consumers and other business prospects. An increasing number of business Web sites offer e-mail newsletter for subscribe. A new trend is opt-in e-mail in which Web users voluntarily sign up to receive e-mail, usually sponsored or containing ads, about product categories or other subjects they are interested in.

4. Business-to-Business Buying and Selling

Thousands of companies that sell product to other companies have discovered that the Web provides not only a 24-hour-a-day showcase for their products but a quick way to reach the right people in a company for more information.

Net Banking & Financial Institutions

Net banking (or Internet banking or E-banking) allows customers of a financial institution to conduct financial transactions on a secure website operated by the institution, which can be a retail, or virtual bank, credit union or building society. To access a financial institutions online banking facility, a customer having personal Internet access must register with the institution for the service, and set up some password (under various names) for customer verification. The password for online banking is normally not the same as for telephone banking. Financial institutions now routinely allocate customer numbers (also under various names), whether or not customers intend to access their online banking facility. Customer numbers are normally not the same as account numbers, because a number of accounts can be linked to the one customer number. The customer will link to the customer number any of those accounts which the customer controls, which may be cheque, savings, loan, credit card and other accounts.



Fig 2

Benefits of E-Banking

- Time saving: Online banking, undoubtedly, saves time by allowing direct transaction from office, home or any place. The medium relieves from visiting the bank and waiting in a queue and provides a mental and physical relief from the unwanted rushes in the bank.
- Convenience: The biggest advantage that online banking brings to the table is its convenience. We can pay phone and electricity bills via online banking without rushing to the utility company's bill collection outlets. It helps you avoid delayed payments.
- 24x7 services: Online banking transactions can be performed at any time and from anywhere.
- Eco-friendly Process: Online banking is an eco-friendly process as it does not consume volumes of paper like conventional banking modes and hence helps protect the environment.
- Easy Access: To perform online banking tasks, all you need is a basic computer system connected to the Web.
- Faster Banking: Online banking is a faster way of performing banking functions. Whether you buy goods online, pay bills or transfer money, it gets done in real time and within moments.
- Cost Saving: The process is very cost-effective. It rids businesses of the practice of deputing people to specially pay company bills, who waste hours making the rounds of the banks to perform all the firm's banking-related functions.
- Other Benefits: Online banking has several other benefits. Users can shop online, buy tickets, make advanced bookings, etc.

Impact of e-commerce on Abhyudaya Co-operative bank

Abhyudaya Co-op. Bank Ltd., one of the leading Urban Co-operative Banks in India, in its outlook and approach, has the objective of progress and prosperity of all, From a humble beginning in January 1964 as a Co-operative Credit society with a share capital of a merely Rs. 5,000/- held by 83 members, today Abhyudaya Co-op bank has become one of the large Urban Co-operative Banks with a "Scheduled Bank" status, The bank has been converted into a "Multi- State Scheduled Urban Co-Op. Bank" w.e.f. 11th January, 2007. The area of operation which was restricted to the State of Maharashtra has now been extended to Karnataka & Gujarat State. Currently, the capital base of the bank stands at Rs. 45.77 crores and Reserves and surpluses at Rs. 682.54 crores as on 31.03.2009. The bank has 1, 23, 011 members and more than 12 Lakh depositors. The Bank has seen a tremendous growth in deposits. The deposits of the bank arc over Rs. 3176.81 crores as on 31.03.2009, which were Rs. 2625 crores as at the end of the financial year 2007-2008. The loans and advances stood at Rs. 1856.39 crores as on 31.03.2009.

The bank had posted as on 31.03.2009." The growth rate of the bank compares well with that of others in the sector, The Bank has maintained a steady growth. The bank has been paying dividend @ 15% to its members which is maximum permissible as per the MCS Act. The Bank has launched different loan schemes tailor-made to suit the needs of various Customers. The schemes aim at providing loans for purchase or construction of residential premises, repair/renovation of house property, purchase of car, seeking higher education and

for purchase of household consumer durable. One of the loan schemes, viz, "Udyog Vikas Yojana" is specially designed for the benefit of small entrepreneurs and businessmen. The procedure for sanctioning of loans under the schemes has been simplified and relaxed with a

View to attract new customers and facilitating speedy sanction of loans. The Bank has total 87 branches including a Mobile Bank at Navi Mumbai of loans. Bank is committed to spread network of branches throughout the State and provide much needed banking services to the

Population, which has been deprived of the banking facilities. Bank opened three foreign currency accounts in USD, GBP, and EURO with Bank of India, New York, London & Paris branches. Your bank's total foreign exchange business turnover went up from Rs.29.84 Crores to Rs. 85.80 Crores showing a percentage growth of 287.53%. Bank earned an income of Rs.153 lacs and is having NRI deposits of Rs.248.60 lacs. Every day updates available on side of bank.

Challenges in E-Banking

The information technology in itself is not a solution and it has to be effectively utilized. The concept of e-banking cannot work unless and until have a centralized body or institution, which can formulate guidelines, regulate, and monitor effectively the functioning of Internet banking. The most important requirement for the successful working of Internet banking is the adoption of the best security methods. This presupposes the existence of a uniform and the best available technological devices and methods to protect electronic banking transactions. In order for computerization to take care of the emerging needs, the recommendations of the Committee on Technology Upgradation in the Banking Sector (1999) may be considered. These are: (1) Need for standardization of hardware, operating systems, system software, and application software to facilitate interconnectivity of systems across branches (2) Need for high levels of security (3) Communication and networking - use of networks which would facilitate centralized databases and distributed processing (4) Technology plan with periodical up gradation (5) Business process re-engineering (6) Address the issue of human relations in a computerized environment (7) Sharing of technology experiences (8) Payment systems which use information technology tools. The Reserve Bank of India has played a lead role in this sphere of activity - with the introduction of cheque clearing using the MICR (Magnetic Ink Character Recognition) technology in the late eighties.

Conclusion

Bank has extended the ATM network to 6000 plus branches all over India through joining "BANCS" Network (External Network) so that our customers can avail ATM facility of big Banks like Bank of India, IDBI Bank and AXIS Bank and some other banks in group. With the RBI making the facility free for customer's form 01.04.2009, Customers will be happy to use such wide area network to access to their accounts from any remote place of country. Bank has installed 50ATMs including two ATMs in some branches Extension of service window for RTGS transaction: RBI has increased the timing for RTGS transactions, which has been implemented by Aby-cooperative bank.

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