

# Chapter 6

## Preferences and Usage of E–Banking Services Among Customers in Tripura, India

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### **ABSTRACT**

*The study evaluates the e-banking services of two prominent commercial banks in Northern Tripura through a customer survey, focusing on their usage and preferences. Field observations indicate a wide range of customer opinions regarding their preferences and usage of e-banking services. The results reveal significant similarities in client preferences for these services. However, the utilization of e-banking services exhibited a significant difference between ICICI and SBI clients. The informants demonstrated a clear preference for debit card transactions over credit cards and a tendency to favor savings options rather than loans. The data suggests that banks are experiencing growth in both urban and semi-urban areas. The survey indicates that respondents value hassle-free banking and stability, indicating mutual coexistence in their choices without any evidence of competition among bankers.*

### **I. INTRODUCTION:**

The banking sector is using technology to improve its service delivery system, aiming to lower costs and ensure smooth operations. This challenge goes beyond economic boundaries in today's digital age. E-banking, or online banking, is a self-service that offers 24/7 access to customers' accounts, enables electronic fund

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transfers, and facilitates bill payments through an information technology platform. It replaces traditional banking practices with a more convenient and efficient banking experience. The new system aims to reduce customer waiting times, replace checkbook systems, and use electronic gadgets for more efficient operation. Ensuring transparency and accountability is crucial in this context. Ombati et al. (2010) define 'electronic banking' as the capacity of clients to conduct financial transactions online rather than visiting a physical branch. As a result, 'e-banking' is described as an online gateway that enables users to do various financial transactions, such as bill payments and investments (Pikkarainen et al., 2004). Accessing bank accounts, transferring money, and purchasing financial products or services via bank websites are all examples of electronic banking. Banks that do not accept transactions on their websites but just provide information are not deemed to provide electronic banking services under the terms of this study.

E-banking integrates various technologies, enabling customers to perform traditional banking services such as bill payments, balance inquiries, and fund transfers online without visiting a bank branch (Gopalakrishnan et al., 2003). Studies suggest that customers in third-world countries have embraced e-banking as a new banking method (Nyangosi et al., 2009) over traditional brick-and-mortar banking.

In the mid-1990s, India introduced 'anywhere banking' through private sector banks, which launched automated teller machines (ATMs) as the first step in this direction. ICICI Bank pioneered technological innovation in banking services by introducing online banking in 1996, revolutionizing its traditional delivery channel. In 1999, private banking operators like Citibank, IndusInd Bank, and HDFC Bank joined the banking expansion program through the proliferation of e-banking services (Sobia and Thangavel, 2017). Private banks are transforming e-banking into a necessity due to its low transaction costs and high-value offerings (Iyengar & Belvalkar, 2009). Again, e-banking features offer a competitive edge and an increased customer base, prompting public sector banks to adopt them for financial stability.

In recent years, breakthroughs in information technology (IT) have significantly transformed the banking landscape in India. It has become the primary driver of financial transactions, fundamentally changing how banks operate by offering improved delivery channels and more customer-friendly services. Technologies such as anywhere banking, telebanking, mobile banking, online banking, ATMs, credit/debit cards, smart cards, contact centers, customer relationship management (CRM), and data warehousing have all contributed to this transformation. Today, nearly all major banks in India, including ICICI Bank, UTI Bank, Citibank, Standard Chartered Bank, ABN Amro, SBI, and PNB, offer online services to their clients. ATMs have emerged as the most popular method for providing financial services globally. In India, customers can be categorized into two groups: those who use multiple banking channels and those who primarily rely on physical branch visits.

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