

AN ANALYSIS ON THE ROLE OF INTERNET BANKING IN THE BANKER'S PERSPECTIVE

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Abstract: *The internet has changed the banks' competitive environment significantly. The Indian banking index has grown at a compounded annual rate of over 51 per cent since April 2001 as compared to a 27 per cent growth in the market index for the same period. The aim of this study is to explore the role of Internet banking in the banker's perspective. 210 bank employees were the respondents of this study. The findings of this study present significant progress towards nebulous nature of internet banking and its role on the core business of the banks. All the items have a significant relationship with the type of the bank except for value creation and satisfaction of the respondents. The present research differed in the following constructs when compared with the previous research available in the literature; measurement of financial performance of internet banking distribution channel, stakeholder value creation and effect of internet banking on bank branches.*

Key Words: Internet Banking, Role, Banker's perspective

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INTRODUCTION

The Internet has changed the banks' competitive environment significantly by presenting new challenges and realities, such as electronic commerce, and electronic business as the focus of competitive change. Banks have realigned their business strategies with the realities of the Internet technology. The Internet has opened competition that enables non-bank firms to offer financial services that compete with banks.

Bank branch network has been challenged by online financial services, there was evidence that bank branch network was growing steadily during the last five years. Stakeholders have more online banking product services and they expect better services because of this competitive environment. Strategic planning involves many steps. The process starts off by defining goals, the scope of the products and services, assessing the internal resources and the external environment, analyzing the internal arrangements, assessing competitive advantage, developing a competitive strategy, communicating the strategy to stakeholders, implementing the strategy, and finally, evaluating the outcome.

With the emergence of the Internet, the banking marketplace has become more dynamic and volatile. The Internet is essentially affecting the competitive landscape of the banking industry in several ways. First, it changes the industry structure and, in so doing, alters the rules of competition. Second, it creates competitive advantages for banks by giving them new ways to outperform their rivals. And finally, the Internet has spawned the creation of new businesses that are beyond the traditional banking domain.

Indeed, the emergence of Internet banking has prompted many banks to rethink their IT strategies in order to stay competitive. Customers today are demanding much more from banking services. They want new levels of convenience and flexibility on top of powerful and easy to use financial management tools and products and services that traditional retail banking could not offer. Internet banking has allowed banks and financial institutions to provide these services by exploiting an extensive public network infrastructure.

The pace of development for the Indian banking industry has been tremendous over the past decade. As the world reels from the global financial meltdown, India's banking sector has been one of the very few to actually maintain resilience while continuing to provide growth opportunities, a feat unlikely to be matched by other developed markets around the world. Indian banks have compared favorably on growth, asset quality and profitability with other regional banks over the last few years. The banking index has grown at a compounded annual rate of over 51 per cent since April 2001 as compared to a 27 per cent growth in the market index for the same period.

The last decade of the 20th century was a credible witness to the crucial implication of technology in business and finance: traditional, paper-based transactions were supplanted by electronic network transactions which include primarily Internet-based electronic stock exchange, electronic banking (e-banking), e-cash services and smart cards, automated teller machines (ATM) substitute cashier tellers, the Internet surrogates mail, electronic cash and smart cards, replace traditional bank operations, the bank branch is displaced by call centers, for this reason, it seems worthy to note that the impact of information technology has been significant in the banking and financial services industry.

It is widely agreed that internet banking provides banks with a competitive advantage, by improving the quality of customer services and reducing the operational costs. The acceptance of internet banking is influenced by technological development, as well as by the perceptions of bank customers and bank managers.

Internet is growing rapidly and it has taken the financial sector by storm. Internet for banks sector means Internet banking; it offers banks a new distribution channel. Many banks have provided customers with financial services over the Internet. At the same time, some banking experts have been arguing that bank branches will become outmoded, and will be replaced by Internet banking. However, others have argued that for the foreseeable future bank branches will remain the main channel for the banks. It is notable that early predictions that Internet banking would completely transform banking have been more tempered in recent times. In fact, as Internet banking emerges, the distribution channel structure of banks has been changed. Many banks have made their own distribution channel strategies in order to keep up with development and get rid of going out of business. Moreover, a number of banks have experienced a few years of developing Internet Banking. In this context, in order to build right strategy for banks, we should get the right understanding of the role of Internet Banking in current bank sector. Therefore, the aim of this study is to explore the role of Internet Banking as a distribution channel in present bank sector.

Statement of the Problem:

Banks thrive or collapse based on their ability to provide financial services that satisfy stakeholder needs. Internet banking is a web-enabled technology, which facilitates access to information that improves stakeholder service, productivity, and increases a bank's competitive advantage. Nevertheless, Internet technology introduced entirely new sets of challenges that banks had to deal with to balance their business portfolio. Balancing the quality of services (QoS), stability, stakeholder services on one hand, and accessibility, agility, convenience, innovation, security, and speed on the other hand was astounding. The Internet banking paradigm encouraged bank stakeholders to access their financial information at anytime and anywhere by logging on a website. The first concern that banks faced was how to measure the nebulous nature of providing Internet banking to stakeholders. Even though, many banks have introduced online financial services, there is little information regarding online services profitability and the cost of return on investment (ROI). The second concern was how to reconcile and measure the impact of Internet banking impact on the banks' core banking business. The two business rival models of Internet banking and retail banking are both competing in the same market segment. Banks leveraged stakeholder value through synergies associated with aligning financial performance, stakeholder value, internal processes, and intangible assets (Kaplan & Norton, 2004).

Review of literature

Almost 3 decades ago, noted educational researcher Fred N. Kerlinger (1979) published his classical text, he vigorously presented a more sophisticated concept about how research should be conducted. In his study he states that the conventional focus of research is drifting from technological developments to behavioral considerations.

According to Heikki et al. (2002), the transformation from the traditional banking towards e-banking has been a 'leap' change. Rao et al. (2003) provided a theoretical analysis of Internet banking in India and found that as compared to banks abroad, Indian banks offering online services still have a long way to go. For online banking to reach a critical mass there has to be sufficient number of users and the sufficient infrastructure.

Banking has never been more important to our society than it is today. The advance of communication and computer technology and the availability of the internet have made it possible that one can do most banking transactions from a remote location even without stepping into a physical financial structure i.e., the emerging of e banking (Boyes and Stone, 2003).

Wanlwa (2006) in his study utilized a positivist methodology to investigate the phenomenon of Internet banking adoption and its impact on the core retail banking business. Internet banking strategies were aligned with the banks' core business based on the data from this study. The study further investigated in detail the perception and extent to which Internet banking affected the financial performance, stakeholder value, internal processes, and intangible assets of one large bank.

Methodology

The aim of this study is to analyze the role of Internet banking according to bankers' perspective. Data for this study was collected using a questionnaire which was based on the variables used by Alkerman & Orsacion, 2004; Kaplan & Norton, 2004 and Fern Wanlwa, 2006 Internet survey method was used to collect the data. The questionnaire was posted in the website and a requisition email was sent to the bank

employees to fill the questionnaire. 224 bank employees filled the questionnaire; in which only 210 was usable, they become the respondents for the study. The data obtained from were keyed into the SPSS 15.0 program for analysis.

Need for the study

Banks like any other business organizations must be cognizant of the impact of information technology and the role of internet technology on the banking services and on the customer needs. The internet has introduced technological challenges that banks have to adopt to remain competitive. Banks that can withstand the competition must become learning organizations and must align information technology with business strategies. This study would be one of the first studies that examine the bank employees' perspective towards internet banking in India.

Analysis and discussion:

Percentage Analysis:

In this section, the percentage analysis is presented for the personal factors.

Personal Profile:

The table 1 describes the personal profile of the respondents selected for the study.

Table – 1 Personal Profile of the Respondents

Personal Profile		Number of bankers (210)	Percentage (%)
Gender	Male	136	64.8
	Female	74	35.2
Age in years	below 30	66	31.4
	31-40	82	39.0
	41-50	46	21.9
	51 and above	16	7.6
Type of the bank	Nationalized bank	99	47.1
	Private Bank	90	42.9
	Foreign Bank	21	10.0
	Executive	57	27.1
Designation	Officer	95	45.2
	Manager	58	27.6
	Others	57	27.1
Work Experience in bank	1-5 years	71	33.8
	6-10 years	69	32.9
	10-20 years	31	14.8
	above 20 years	39	18.6
Qualification	Under graduation	60	28.6
	Post graduation	110	52.4
	Professional	34	16.2
	Others	6	2.9

It is inferred from the above table that out of 210 respondents in the study majority (64.8%) of the respondents are male, (39%) of the respondents belong to the age group of 31-40 years, (47.1%) of the respondents work in nationalized banks, (45.2%) of the respondents are in the position of officers, (33.8%) of the respondents have work experience of 1-5 years in banks and (52.4%) of the respondents possess post-graduate qualification.

Chi-square Analysis:

In this section the chi-square analysis is employed to test whether there is significant influence of the bank of the respondents over the various items relating to the role of Internet banking at 5% level of significance.

To find whether the opinion on the role of Internet Banking items have significant relationship with type of the bank the following Hypotheses' was framed and tested.

H₁: There is a significant relationship between type of the bank and value creation and satisfaction Internet banking.

H₂: There is a significant relationship between type of the bank and IB model, strategy competitiveness.

H₃: There is a significant relationship between type of the bank and financial performance stakeholder value.

H₄: There is a significant relationship between type of the bank and internal process and customer selection.

H₅: There is a significant relationship between type of the bank and acquiring and retaining customers.

H₆: There is a significant relationship between type of the bank and customer growth and new learning knowledge.

H₇: There is a significant relationship between type of the bank and IB model and bank branches.

The following tables present the Chi-square analysis of various Internet banking items.

Table – 2 Value creation and satisfaction due to internet banking

Value Creation and Satisfaction		Type of bank						TOTAL		Chi-Square	df	Sig.	Table value
		Nationalized bank		Private Bank		Foreign Bank		No.	%				
		No.	%	No.	%	No.	%	No.	%				
IB provides value to customers	Yes	84	84.8	80	88.9	19	90.5	183	87.1	1.528	4	Ns	9.488
	No	11	11.1	8	8.9	1	4.8	20	9.5				
	I do not know	4	4.0	2	2.2	1	4.8	7	3.3				
IB provides value to employees	Yes	86	86.9	77	85.6	20	95.2	183	87.1	5.079	4	Ns	9.488
	No	9	9.1	12	13.3	-	-	21	10.0				
	I do not know	4	4.0	1	1.1	1	4.8	6	2.9				
IB provides value to shareholders	Yes	91	91.9	79	87.8	19	90.5	189	90.0	5.805	4	Ns	9.488
	No	3	3.0	8	8.9	-	-	11	5.2				
	I do not know	5	5.1	3	3.3	2	9.5	10	4.8				
IB provides value to local community	Yes	82	82.8	73	81.1	19	90.5	174	82.9	3.314	4	Ns	9.488
	No	9	9.1	13	14.4	1	4.8	23	11.0				
	I do not know	8	8.1	4	4.4	1	4.8	13	6.2				
Customers are satisfied with	Yes	87	87.9	85	94.4	20	95.2	192	91.4	5.977	4	Ns	9.488
	No	4	4.0	4	4.4	-	-	8	3.8				
	I do not know	8	8.1	1	1.1	1	4.8	10	4.8				
Co employees are satisfied with	Yes	84	84.8	83	92.2	19	90.5	186	88.6	5.246	4	Ns	9.488
	No	7	7.1	5	5.6	-	-	12	5.7				
	I do not know	8	8.1	2	2.2	2	9.5	12	5.7				

The above table shows the results of chi square analysis which was applied to find whether the type of the bank is significantly related to the items of impact of Internet Banking. The results are as follows, the calculated values of chi square for the items relating to IB provides value to customers is 1.528 which is less than the table value of 9.488, IB provides value to employees is 5.079 which is less than the table value of 9.488, IB provides value to shareholders is 5.805 which is less than the table value 9.488, IB provides value to local community is 3.314 which is less than the table value 9.488, customers are satisfied with your IB is 5.977 which is less than the table value 9.488, co employees are satisfied with your IB is 5.246 which is less than the table value 9.488 at 5% level of significance. Since the calculated value is less than the table value it is inferred that there is no significant relationship between the type of the bank and the items relating to value creation and satisfaction due to Internet Banking.

Table-3 IB Model, Strategy and Competitiveness

		Type of bank						Total	Chi Square	df	Sig.	Table value
		Nationalized bank		Private Bank		Foreign Bank						
		No.	%	No.	%	No.	%					
Current IB model is closely related to	A New efficient distribution model	81	83.8	61	67.8	18	85.7	160	77.1	7.869	2	5.991
	I do not know	16	16.2	29	32.2	3	14.1	48	22.9			
		45	45.5	26	28.9	10	47.6	81	38.6			
IB Strategy is closely aligned with	Inclusive strategy	16	16.4	32	35.6	4	19.0	52	24.1	14.587	6	12.592
	Innovation strategy	14	14.1	39	43.1	7	31.3	51	24.1			
	Integration strategy	4	4.0	7	7.7			6	2.9			
	I do not know											
IB Enhances competitiveness through	Individualized customer service across all my bank	67	67.6	59	65.6	11	61.9	137	63.5			
	Excellent personal personalized customer service	26	26.3	18	20.0	4	19.0	48	22.9	22.060	8	20.09
	Elimination of waiting costs	5	5.1	1	1.1	4	19.0	10	5.7			
	Excellent service online banking services	4	4.0	17	18.9			21	10.0			
	Excellent financial advisory services	2	2.0	2	2.2			4	1.9			

The calculated values of chi square for the items current IB model is closely related to is 7.869 which is more than the table value 5.991 and IB strategy is closely aligned with is 14.587 which is more than the table value 12.592 at 5% level of significance for the items, IB enhances competitiveness is 22.06 which is more than the table value of 20.09 at 1% level of significance. Since the calculated values are more than the table value it is inferred that there is a significant relationship between the type of the bank and the items current IB model, IB strategy and IB enhances competitiveness.

Table-4 Financial Performance and Stakeholder value

Impact Items:		Type of bank						Total		Chi Square	df	Sig.	Table value
		Nationalized bank		Private Bank		Foreign Bank		No.	%				
		No.	%	No.	%	No.	%						
Financial performance of IB distribution channel	Internet banking distribution channel provides value to customers	58	58.6	36	40.0	11	52.4	105	50.0				
	Scores on excellent services from other departments	19	19.2	16	17.4	4	19.0	39	18.7	15.412	6	12.592	
	Scores on the quality of service of internet banking website	15	15.2	16	17.4	4	19.0	35	16.6				
	Scores on the return on investment by counting trained employees	7	7.1	14	15.6	2	9.5	23	11.0				
IB distribution channel creates stakeholder value	Increase stakeholder satisfaction through highly satisfied stakeholders	42	42.4	44	48.0	5	23.8	91	43.1				
	Increase stakeholder loyalty through customer retention programs	39	39.4	11	12.0	4	19.0	54	25.7	16.259	8	20.09	
	Through local community projects	6	6.1	7	7.8	1	4.8	14	6.7				
	Provide online self help stakeholder services	8	8.1	4	4.4	10	47.6	22	10.5				
	Provide above average stakeholder services	4	4.0	4	4.4	1	4.8	9	4.1				

The above table shows the results of chi square analysis which was applied to find whether the type of the bank is significantly related to the items of impact of Internet Banking. The results are as follows, the calculated values of chi square for the items financial performance of IB distribution channel is 15.412 which is more than the table value of 12.592 at 5% level of significance for the items, IB distribution channel creates stakeholder value is 16.259 which is more than the table value of 20.09 at 1% level of significance. The calculated value is more than the table value it is inferred that there is a significant relationship between the type of the bank and the items financial performance of IB distribution channel and IB distribution channel creates stakeholder value.

Table-5 Internal processes and customer selection

Impact Items:	Type of bank						TOTAL	Chi-Square	df	Sig. value	
	Nationalized Bank	Private Bank	Foreign Bank								
Operation of IB affects internal process through	Align the overall IT infrastructure with the departmental goals	45	29	32.2	4	19.0	78	37.1			
	Provide consistent customer satisfaction	26	38	42.2	5	23.8	69	32.9			
	Integrate all bank branches and offices	12	18	20.0	9	42.9	39	18.6	24.408	8	**
	Provide instant communication to stakeholders	10	3	3.3	3	14.3	16	7.6			
	Monitor customer problem resolutions	6	2	2.2	-	-	8	3.8			
	Understand customer segments and contribution by each custom	57	36	40.0	3	14.3	96	45.7			
	Share customer feedback with all employees	15	21	23.3	1	4.8	37	17.6			
	Target high-value customers (30-60 age groups)	18	18	20.0	12	57.1	48	22.9	34.864	8	**
	Comparison of customer performance scores by department	4	4	4.4	4	19.0	12	5.7			
	Guests to the bank's website should find all the information	5	11	12.2	1	4.8	17	8.1			

The above table shows the results of chi square analysis which was applied to find whether the type of the bank is significantly related to the items of impact of Internet Banking. The results are as follows: operation of IB affects internal process is 24.408 which is more than the table value of 20.09, IB affects customer selection is 34.864 which is more than the table value of 20.09 at 1% level of significance. Since the calculated value is more than the table value it is inferred that there is a significant relationship between the type of the bank and the items operation of IB affects internal process, IB affects customer selection

Table-6 Acquiring and Retaining Customers

Impact Items:	Type of bank						TOTAL	Chi-Square	df	Sig. value		
	Nationalized bank	Private Bank	Foreign Bank									
Programs used to retain IB Customers	Communicate value proposition through brand awareness	55	42	46.7	11	52.4	108	51.4				
	Customer market marketing through the bank's website	25	23	25.6	6	28.6	54	25.7				
	Acquire new customers through leads from guests who log on the website	13	13.1	25	27.8	4	19.0	42	20.0	12.599	6	**
	Develop community network by offering online community services	6	6.1	-	-	-	6	2.9				
	Commitment to premium customer service	47	47.5	26	28.9	11	52.4	84	40.0			
	Consistently solve discovered customer problems	29	29.3	28	31.1	3	14.3	60	28.6			
	Provide consistent quality of service through the bank's web	16	16.2	31	34.4	7	33.5	54	25.7	14.864	6	**
	Involve customers in developing virtual online community	7	7.1	5	5.0	-	-	12	5.7			

The above table shows the results of chi square analysis which was applied to find whether the type of the bank is significantly related to the items of impact of Internet Banking. The results are as follows: the calculated values of chi square for the items channels used by IB to acquire customers is 12.599 which is more than the table value of 12.592 and the programs used to retain IB customers is 14.864 which is more than the table value of 12.592 at 8% level of significance for the items. Since the calculated values are more than the table value it is inferred that there is a significant relationship between the type of the bank and the items channels used by IB to acquire customers and the programs used to retain IB customers.

Table-7 Customer Growth and New Learning Knowledge

Impact Items	Type of bank						TOTAL		Chi-Square	df	Sig.	Table value	
	Nationalized bank		Private Bank		Foreign Bank		No.	%					
	No.	%	No.	%	No.	%	No.	%					
Bank measures IB customer growth through	Customer education in terms of the number of hours with customers	49	49.5	37	41.1	9	42.9	95	45.2	3.651	4	Ns	9.488
	Service documents that is available online all the time	27	27.3	30	33.3	4	19.0	61	29.0				
	Service measurement through the number of automated online self service	23	23.2	23	25.6	8	38.1	54	25.7				
IB adoption on new learning knowledge	Create customer-focused culture through customer satisfaction	54	54.5	34	37.8	4	19.0	92	43.8	15.002	4	**	13.277
	Budget allocation supporting employee growth goals aligned	18	18.2	31	34.4	6	28.6	55	26.2				
	Organizational learning through innovation and training	27	27.3	25	27.8	11	52.4	63	30.0				

The above table shows the results of chi square analysis which was applied to find whether the type of the bank is significantly related to the items of impact of Internet Banking. The results are as follows; the calculated values of chi square for the items bank measures IB customer growth through is 3.651 which is less than the table value of 9.488 which shows there is no significant relationship between the type of the bank and how the bank measures IB growth, IB adoption on learning knowledge is 15.002 which is more than the table value of 13.277 at 1% level of significance. Since the calculated value is more than the table value it is inferred that there is a significant relationship between the type of the bank and the IB adoption on learning knowledge.

Table-8 IB Model and Bank Branches

Impact Items:	Type of bank						TOTAL		Chi-Square	df	Sig.	Table value	
	Nationalized bank		Private Bank		Foreign Bank		No.	%					
	No.	%	No.	%	No.	%	No.	%					
IB on bank branches	Creates competition with bank branch services	30	30.3	26	28.9	2	9.5	58	27.6	34.182	10	**	23.209
	Is a threat to the traditional personal services	37	37.4	15	16.7	13	61.9	65	31.0				
	Affects bank branch expansion	13	13.1	10	11.1	5	23.8	28	13.3				
	Creates new opportunities for customer service	14	14.1	26	28.9	-	-	40	19.0				
	Creates synergy for additional services	3	3.0	6	6.7	-	-	9	4.3				
	Provides self-service online financial services to local customers	2	2.0	7	7.8	1	4.8	10	4.8				
IB model been adopted at your bank	Bundled service	36	36.4	34	37.8	16	76.2	86	41.0	14.148	4	**	13.277
	Unbundled Service	20	20.2	24	26.7	3	14.3	47	22.4				
	I do not Know	43	43.4	32	35.6	2	9.5	77	36.7				

The calculated values of chi square for the items impact of IB on bank branches is 34.182 which is more than the table value of 23.209 and IB model adopted is 14.148 which is more than the table value of 13.277 at 1% level of significance. Since the calculated value is more than the table value it is inferred that there is a significant relationship between the type of the bank and the items impact of IB on bank branches and IB model adopted at the bank.

Findings:

The overall chi-square test results for the items shows that there is a significant relationship between the types of the bank and all the items except value creation, satisfaction, measurement of internet banking growth, reasons for the growth internet banking and the factors influencing internet banking. Internet banking provides value to all including customers, employees and stakeholders; which leads to satisfaction, growth and factors influencing internet banking irrespective of the type of the bank as it is implied from the growth of internet banking in all type of banks in India, measurement of the growth of the internet banking customers doesn't vary with the type of the bank as it's a common procedure in all banks. All other items vary significantly with type of the banks as the service offered depends upon the type of the bank. Internet banking model, strategy, competitiveness, stakeholder value, internal process, customer selection, acquisition of customers, impact on core departments of the bank and internet banking model varies according to the type of the banks.

Discussion of research hypothesis:

H₁: There is significant relationship between type of the bank and value creation and satisfaction due to Internet banking.

- The result of the study does not support the hypothesis. The findings reveal that there is no significant relationship between the type of the bank of the respondent and value creation and satisfaction due to Internet banking.

H₂: There is a significant relationship between type of the bank and IB strategy and competitiveness.

- The results of the study support H₂; that the type of the bank has a significant effect on the items current Internet Banking strategy and competitiveness.

H₃: There is a significant relationship between type of the bank and financial performance and stakeholder value.

- The results of study support H₃; that the type of the bank has a significant effect on the measurement of financial performance and stakeholder value.

H₄: There is a significant relationship between type of the bank and internal process and customer selection.

- The results of study support H₄; that the type of the bank has a significant relationship with the internal process and customer selection in Internet banking.

H₅: There is a significant relationship between type of the bank and acquiring and retaining customers.

- The results of study support H₅; that the type of the bank has a significant effect on acquiring and retaining customers in Internet banking.

H₆: There is a significant relationship between type of the bank and customer growth and new learning knowledge.

- The results of study support H₆; that the type of the bank has a significant relationship with the customer growth and new learning knowledge.

H₇: There is a significant relationship between type of the bank and IB model and bank branches.

- The results of study support H₇; that the type of the bank has a significant relationship with the Internet banking model and bank branches.

Conclusion

Web based banking service or Internet Banking, the latest generation of electronic banking transactions, has opened up new window of opportunity to the existing banks and financial institutions. It permits business process re-engineering, serving borderless market, to achieve zero latency leading to improvements in customer service levels and better risk management because of real-time settlement. Since its evolution in 90th decade, it is having unprecedented growth. Internet banking has changed the way banks do business not in a revolutionary manner but in an increment manner. The data from the study attempted to answer the role of Internet banking in the banking environment. The impact of Internet banking on bank branches was that of a symbiotic relation rather destructive relation.

The findings of this study present significant progress towards nebulous nature of Internet banking and its role on the core business of the banks. All the items have a significant relationship with the type of the bank except for value creation and satisfaction of the respondents. Also the results with regard to Internet

banking model followed at the bank shows that the bankers themselves are not very much sure about their banks website model, which necessitates adequate training to the bankers with regard to innovative services available in their banks. Government requires management of banking institutions to give greater attention to the development of information, communication and technology as well as to improve awareness in Internet banking to further improve the present statistics.

The present research differed in the following constructs when compared with the previous research available in the literature: measurement of financial performance of Internet banking distribution channel, stakeholder value creation and effect of Internet banking on bank branches.

This study has laid a foundation to enable future researchers to undertake in depth studies to understand the role of Internet banking on retail banking. The study focused on the role of Internet banking in the bankers' perspective rather than on customers. To verify the findings in this study, it would be appropriate to undertake another study that will focus on the internet banking customers as well. The questionnaire could be modified to focus on the customers rather than on the banks.

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