

Electronic banking in the banking industry

[Finance](#), [Banks](#)



A CRITICAL EVALUATION OF THE IMPACT OF ELECTRONIC Banking ON THE BANKING SECTOR USING HSBC AS A CASE STUDY

RESAERCH BACKGROUND

My research proposal is written against the backdrop/emerges of electronic banking in the banking industry. It focuses on both the impact of e-banking on the banking industry but besides the impact on clients. The proposed research would concentrate on HSBC group as its instance survey. It is written against the background of how invention engineering has affected the concern environment in the banking industry.

Electronic banking is one invention of modern information engineering affected/contributed vastly to the growing of the banking sector in the U. K

Electronic banking in this proposal refers to the activities or manners of salvaging money, taking loans and investing through the progress engineering methods of computerised systematic agencies. The research proposal uses the HSBC group as a instance survey of the impact of e-banking on the banking sector.

Electronic banking has come to remain and is no longer a tool for competitory advantage but it used the universe over to simplify banking processs for both bank staffs and clients. Examples of electronic banking service include: Automated Teller Machine (ATM) hard currency backdown cyberspace banking, telephone banking, online banking, online fund transportation etc.

Assorted Bankss offer a broad scope of electronic banking services HSBC for case provides assorted types of cyberspace banking services and they include: Blackberry concern banking, offshore internet banking, on-line Prime Minister banking, abroad transportation, phone banking etc.

The information communicating technological development has grown from each decennary. Electronic banking which was one time seen as an otentionious service that ca n't be done with. Electronic banking has functioned in the undermentioned ways.

- Corporate clients of Bankss have used electronic banking as a fast agency of running their companies fiscal personal businesss.
- Individual clients on the other manus have option of cutting the supply concatenation of retail banking by runing minutess through via cyberspace instead than travel through long waiting lines to execute their banking minutess.
- The Bankss have been ableto reach a broad strain of people offering their banking services to the universe over.

The gradual alterations and approaching inventions in electric banking over the past few old ages has had mixed reaction at the different stratus of the public /economy. While some individuals think it has cut off the private relationship clients have with their Bankss and position electronic banking has an infliction of complex services on them. Constantly this reaction aims to juxtapose this religious order of the publics that hold the above position and the other religious order that opines that electronic banking has aided efficiency in proviso of fiscal services.

This research proposal aims to analyze the virtues and elements of the information and communicating engineering: cyberspace on the banking sector utilizing HSBC as a instance survey.

HSBC sees electronic banking as a agency of increasing its efficiency and supplying quality service to its clients. It sees electronic banking as a tool of competitory advantage and medium for broader ways to acquiring trough clients and marketing their merchandises worldwide.

Tanscy said `` HSBC has adopted a chink and howitzer scheme. This requires that clients ' internet offerings must run into 3 criterias: clients need and penchant comes foremost, they must suit HSBC 's bing distribution channels and they must be transnational in range. (Tansey 2002)

ORGANISATIONAL BACKGROUND

HSBC Holdings plc stands for Honokong and shangai banking corporation. It is a public limited liability company incorporated in England and Wales in 1990.

HSBC is a banking and fiscal service corporation with its caput quarters in London. The groups ' value includes outstanding client service, prudent loaning policy, rigorous disbursal subject, strong capital and liquidness, effectual and efficient operations.

HSBC has 3000 offices in 88 states and districts in England, the Asia Pacific part, the American, the Middle East and Africa. It was named after its founding members HongKong and Shangai banking corporation, established in 1865 2 set up fiscal ties/trade between China and Europe.

Their caput one-fourth is situated at 8 Canada square London but its major market portion is in Hongkong.

Its chief chief subordinates are:

- The Hong Kong and shanghai banking corporation limited
- Hong Seng Bank Limited
- Grupo moneyman HSBC, SA de C. V
- HSBC Bank Brazil
- HSBC Bank Newyork
- Hewehold international Limited (Suisse)

The services provided by HSBC includes

1. Personal Banking:

HSBC provides fiscal services for persons. They offer a scope of installations and service benefits like personal loan, Insurance, pension panning and recognition cards. Their personal services could be divided into 2 group classs:

1. HSBC Premier

It 's a personal banking with a benefit of runing your history from anyplace in the universe.

2. HSBC Advance

3. It 's a character banking that is provided along with legion benefits which includes travel insurance, auto interrupt down aid among others, Advisory services.

2. Business and corporate Banking

HSBC provides fiscal services for little, medium and big concern endeavors

3. Global Banking and markets

The Bank provides investing banking services, planetary plus direction for corporate and institutional clients. Under this big caput, it has a merchandise called

1. HSBC cyberspace

Organizations are offered on-line fiscal solution to pull off their fiscal statement or fundss by and large

4. Private Banking

The Bank HSBC offers fiscal direction services to affluent persons

5. Internet Banking

Financial, investing services and merchandises are offered to the general public online. This itself is electronic banking which has aided international networking.

RATIONAL FOR CHOSEN TOPIC

The cardinal ground for research on the proposed subject is due to my personal involvement in the banking sector particularly HSBC. A batch of research workers have outlined largely the positive impact of electronic banking ; most of them have evaluated its negative impact on the banking sector.

I chose to research this country as my subject to critically analyze all the consequence of electronic banking both on its industry and its clients.

The research would concentrate on different positions and reactions of clients towards electronic banking.

Research OBJECTIVES

1. I aim to measure up the current proviso of electronic banking services by the U. K banking sector.
2. I aim to measure the clients ' public credence of the electronic banking.
3. I seek to analyze the advantages and disadvantages of electronic banking on the industry.
4. I seek to analyze the client 's perceptual experience of E-banking, if they view it as an invention forced on them. Does E-banking truly increase the efficiency of the Bankss?

The chief aim of this research is to critically analyze the consequence of electronic banking on the banking industry and the public in by and large. It seeks to quantify public reaction and attitude towards online banking.

RESEARH OBJECTIVES

The research proposal asks the undermentioned basic inquiries. How much impact has electronic engineering made in the banking industry? What is the consumers ' attitude towards electronic baking? What are the challenges if electronic banking? Are at that place more benefit of cyberspace banking on the industry than hurts?

LITERATURE REVIEW

The research of electronic banking in the UK banking industry has been conducted by bookman like Elizabeth Daniels & A ; LT ; 1999 & A ; gt ; Barry Howcroft, Robert Hamitton, Paul Hower & A ; It ; 2002 & A ; gt ; Adel M Aladani 2001.

Academic literature on the consequence of electronic banking is legion and has mare literature as the jet age has gone.

The research would be carried out by utilizing the elate rudimentss of assorted libraries including the British Library and the cyberspace. I will be utilizing search engines like Google bookman, Google, Ask. com, Wikipedia and Emirald.

Assorted writers have written extensively written on online banking in banking diaries. These writers include Sylvie Laforet, Xia Oyan Li 2005, Mukherjee and Nath 2003.

Assorted research workers have expounded on electronic banking from assorted engines, Liae and cheug 2002 researched on clients ' credence of electronic banking as a bringing channel by the banking industry while some writers have researched on electronic banking as a agency of competitory advantage by Bankss. Even HSBC sought electronic banking as competitory advantage over its rivals or rival Bankss.

Electronic banking is no uncertainty over the old ages developed and how wedged greatly on the banking industry. A batch of research has been done on the positive impact of electronic banking on the banking industry but

<https://assignbuster.com/electronic-banking-in-the-banking-industry/>

merely a few has covered the negative impact of electronic banking particularly the consumers ' inauspicious reactions or assorted reactions towards electronic banking. My research is to analyze this other exposed countries.

The literature reappraisal will concentrate on the banking industry in the U. K, it... . General, it will besides concentrate on the impact of electronic banking on the banking industry. Lastly it will sketch the negative impact of electronic banking from the bankers ' angle and the clients ' point of position. It will stress the negative impact of electronic banking by utilizing consumers assorted reactions of HSBC 's online.

The positive impact of electronic banking in the U. K banking industry is premised on point of lower cost of operation for Bankss.

Academic literature on the impact of electronic banking on the banking industry is without count legion due to the development in information engineering over the last 5 to 7 old ages. This research would acquire information I seek to acquire literature that discuss the impact of electronic banking on the U. K/Europe banking industry and besides literature on countries of consumer 's reaction/response to electronic banking.

Electronic banking services were foremost started in the U. K in the 1980 's with the Nottingham edifice society and the Bankss of Scotland & A ; It ; Tait and Davis, 1989 & A ; gt ;

Electronic banking has made major impact on the banking industry it has been seen/regarded as the cheapest manner of bringing for banking services

<https://assignbuster.com/electronic-banking-in-the-banking-industry/>

& A ; It ; Robinson 2000, Arglie 2002 & A ; gt ; , its convenience, flexibility and functionality both for the Banks and its customers- Johnson et Al (1995) . From the consumers perspective it has reduced the emphasis of traveling to the bank physically and waiting on the waiting line before being served. Black et al 2002, How... .. at el Opine that the above grounds is why consumers have embraced on line banking.

However there are assorted towards electronic banking. There are issues of privateness Karjalute et al 2002. Consumers besides Opaine on frights of cyberspace security some consumers are of the sentiment that it is a service available to individuals with higher incomes and higher cyberspace worth, as... .. . Or individual 's entree of cyberspace due to economic banking must suit into the consumer 's behavioural form & A ; It ; Gatignon and Robertson 1985 & A ; gt ; .

Methodology

The information aggregation made for this survey of explorative qualities primary informations aggregation and some quantitative attacks to informations aggregation. There are legion surveies research on the debut of electronic banking into the banking industry and its growing over clip, therefore my survey seeks to acquire fresh penetration on electronic banking.

The research proposed the rating attack of forming a focal point group interview where more findings and reactions towards electronic banking will be revealed. The focal point group would dwell of a sample of people who

would give differing positions on the impact and credence of electronic banking.

The information aggregation method would be a combination of the quantitative approach of the usage of focal point group interview for surveys and the quantitative approach of the usage of study. A random sampling cyberspace study will be conducted across assorted religious orders and stratus of the society.

Distribution of 100 cyberspace study to internet users and the distribution of 100 mail study for non-internet users and & A ; It ; people who do n't hold any entree to the cyberspace & A ; gt ; all over the metropolis of London.

A focal point group interview is a research methodology/qualitative approach that conveying a group of consumers together to give elaborate information on a merchandise. It is a design to obtain perceptual experience in a defined country of cyberspace in a permissive, non- threatening environment. It is used to obtain a general overview about the topic of involvement ; it is used in naming the possible or jobs associated with a new service and bring forth feeling of objects of involvement. The participants will be selected by convenience sampling and the focal point group would dwell of 10-12 individuals.

The group interview would be conducted by a member who would steer the group but besides make the interviewees comfortable so as to obtain assorted free-flowing group treatments for assorted religious orders of respondent.

DATA COLLECTION METHOD

This survey proposes using a focal point group interview, with a representative of HSBC bank, London to obtain in-depth information on their experience with on-line banking over the old ages they have introduced it to the bank. This is to obtain the banking industry in perceptual experience on the impact of electronic banking on the banking sector. Other participants of the interview will be a synergism of assorted consumers from the different societal and economical stratus, they will be chosen from each age group of 18-26, 27-45, 46-60 old ages, low and high income earners. The interview will be conducted face to confront interview where the moderator can feel participants ' organic structure linguistic communication and make a comfy ambiance for the participants to give their perceptual experience freely.

The interview is estimated to last for 2hours ; inquiries to be prepared for the interview would be open-ended inquiries that would cover the capable affair of subject. The moderator would besides lend to the interview and will give his positions freely as good.

An cyberspace and mail study by agencies of questionnaire would be conducted. Participants of the study would be retailed Bankss representatives and consumers. This quantitative attack of informations aggregation would give a larger abroad perceptual experience of proper credence of electronic banking, it will besides cut down Bias.

DATA ANALYSIS

This survey will unite qualitative and quantitative informations analysis attack. Datas obtained from focal point group interview will be analysed by

model analysis of familiarisation, designation of thematic model including, charting, function and reading (Richie and Spencer, 1994) . The advantage of the attack is that it provides a clear sense of stairss which could assist to pull off the larger sum and complex nature of qualitative informations much more easy & A ; It ; Krueger 1994 & A ; gt ; .

The procedure O informations analysis would affect easing the treatments and bring forthing informations from the interview over and over to acquire inside informations, composing, memos and thoughts originating from the treatment. The information would so be sited and re-arranged.

Resource REQUIREMENTS

The literature reappraisal will be sourced from the British library, HSBC archive and other general beginnings of obtaining public information.

The study/research works will raise the use of information engineering tools i. e. telephone and cyberspace installations. It will besides necessitate a contributing environment for the face to confront focal point interview.