

The impact of internet banking on the use of banking services in azerbaijan

[Business](#), [Industries](#)



There is no doubt that the further we go into the future, the more important the internet is becoming in almost everyone's lives. Due to this rapid growth in technology, and in order to remain competitive in relation to their rivals, banks have altered the way in which they operate and deliver services to their customers. Online banking services, or more commonly known as internet banking, have become increasingly significant.

Online banking allows its user to perform a number of banking activities, which are usually conducted through a local branch, at the comfort of one's choice by using the internet. Internet banking is a more commonly used phrase for online banking and throughout the remaining of this dissertation these two terms have the same meaning and are thus used interchangeably. Some of the services which are made available to customers by most of the online banking providers include: viewing account balances and transaction histories, making mobile top ups, transferring money between accounts, paying third parties and bills, as well as opening accounts and ordering cheque books. Online services are likely to be the future of the banking system, and the number of Internet banking users is likely to continue to increase. If their behavior differs from the standard customers' one, for banks it would be particularly interesting to know how. Thus, research results would thus also be relevant for business. The objective of this research is to figure out how such customers differ from others and what do they signal about. The dissertation will show that Internet banking, despite its relatively brief existence and despite some disadvantages, offers abroad suite of features and resulting benefits to banking customers as well as banking institutions, features and benefits that promise to expand in the future.

Internet Banking has several advantages over traditional one which makes operating an account simple and convenient. It allows you to conduct various transactions using the bank's website and offers several advantages. Some of the advantages of internet banking are: Online account is simple to open and easy to operate. It is quite convenient as you can easily pay your bills, can transfer funds between accounts, etc. Now you do not have to stand in a queue to pay off your bills; also you do not have to keep receipts of all the bills as you can now easily view your transactions. It is available all the time, i. e. 24×7. You can perform your tasks from anywhere and at any time; even in night when the bank is closed or on holidays. The only thing you need to have is an active internet connection. It is fast and efficient. Funds get transferred from one account to the other very fast. You can also manage several accounts easily through internet banking. Through Internet banking, you can keep an eye on your transactions and account balance all the time. This facility also keeps your account safe. This means that by the ease of monitoring your account at any time, you can get to know about any fraudulent activity or threat to your account before it can pose your account to severe damage. It also acts as a great medium for the banks to endorse their products and services. The services include loans, investment options, and many others.

Method of Thesis: This chapter discusses the research methodology of the dissertation. It starts with research purpose and research approach. It also outlines research strategy and sampling methods. Finally it presents validity and reliability of measurements, used in this research.

Qualitative and quantitative methods are two broad approaches to research and are two research approaches often used in social science research studies. While quantitative research involves numerical representation and manipulation observation for the purpose of describing and explaining the phenomena that those observation reflect, qualitative research on the other hand involves non-numerical examination and interpretation of observation for the purpose of discovering the underlying meaning and pattern of relationships.

Quantitative research is useful in providing detailed planning prior to data collection and analysis, because it provided tools for measuring concepts, planning design stages and for dealing with population and sampling issues. In addition, a quantitative research approach utilizes a deductive model in testing the relationship between variables and to provide evidence for or against pre-specific hypothesis.

The main object of this study is to find factor impacting of internet banking on the use of banking services. For achieving this, we have chosen a structured framework and developed our research hypothesis. We are going to analyze the data collected from sample customers and generalize the data to population. So this theory will be tested by using quantitative research method.

Data Type : In order to be able to achieve the objectives of your research it is essential to obtain data, and there are two main ways in how this data can

be collected. In my research I have made use of both the primary and secondary data types.

Primary Data : Primary data involves getting direct information from the subjects which are needed for the purposes of your study. The greatest benefit of this type of data is that the data obtained is specific to your research as you have come up with the questions to be asked to your respondents. In fact my empirical research is mainly based on primary data, which was obtained through the use of the questionnaires circulated primarily through the internet but also given out by hand. Considering this, the cost factor was minimal to printing out the questionnaires which were given out by hand, however it was rather time consuming to get the required number of responses.

Secondary Data: On the other hand, secondary data includes making use of data that has already been collected by others. The biggest advantage of this type of data is that it is very cost and time effective since one is only analysing data which has been gathered by someone else. I have commenced this study by making use of secondary data, which was obtained primarily by searching through past dissertations and the internet. A disadvantage of using secondary data is that the information that is available may not be specific to your research as this data may have been obtained for other purposes.