

E-BANKING SERVICES RENDERED BY BANKING SECTOR IN INDIA

M.ANJALI

III Year B.Com (Computer Applications)
Sri Vijay Vidyalaya College of Arts and Science
Nallampalli, Dharmapuri - 636 807

Abstract

The e-banking is mostly used to save time and easily transfer the money with a fraction of seconds from one person to another person without help of bankers. Some of the e-banking precuts are online banking, mobile banking, corporate banking, ATM banking, tele banking, point of sales banking, some times use smart card, debit card, PAN card, and credit card. The purchase and sales bills payment is settled with help of e-banking. ATM is electronic computerized telecommunication device that allow a financial institutions.

Key words: Electronic banking, online banking, internet banking, mobile banking, etc.

1. Introduction

E-banking is a method of banking in which the customer conducts transactions electronically via the internet. It is hard to beat e-banking for the 24 hours convenience it offers internet literate customers. Online banking, also known as internet banking, is an electronic payment system that enables customers of a bank or other financial institutions website. It is a part of core banking system operated by a bank and is in contrast to branch banking which was the traditional way customers accessed banking services. Some banks operate as a direct bank or virtual bank, where they rely completely on internet banking. Internet banking software provides personal and corporate banking services offering features such as viewing account balances, obtaining statements, checking recent transaction and making payments. Access is usually through a secure website using a username and password, but security is a key consideration in internet banking and many banks also offer two factor authentications using a security token.

2. Forms of e-banking

Internet banking: Internet banking helps you manage many banking transactions online via personal computer.

Automated Teller Machines: An automated teller machine is an electronic computerized telecommunications device that allows a financial institution's customers to directly use a secure method of communication to access their bank accounts, order or make cash withdrawals or cash advances using a credit card and check their account balances with out the need for a human bank teller.

Tele banking: By dialing the given tele banking numbers through a landline or a mobile form anywhere, the customer can access his account and by following the user-friendly menu, entire banking can be done through interactive voice response system.

Smart card: A smart card usually contains an embedded 8-bit microprocessor. The microprocessor is under a contact pad on one side of the card. Think of the microprocessor as replacing the usual magnetic stripe present on a credit card or debit card. The chips in these cards are capable of many kinds of transactions.

Debit card: Debit card are also known as check cards. Debit cards look like credit cards or ATM cards, but operate like cash or a personal check. Debit cards are different form credit cards. While a credit card is a way to pay later a debit card is a way to pay now when you use a debit card, your money is quickly deducted from your checking or savings account.

E-cheque: An e-cheque is the electronic version or representation of paper cheque.

Other forms of electronic banking: Direct deposit, electronic bills payment, electronic check conversion, cash value stored, etc.

3. Benefits of e-banking

Price: In the long run a bank can save on money by not paying for tellers or for managing branches. It is cheaper to make transactions over the internet.

Customer Base: The internet allows banks to reaches a whole new market and a well off one too, because there are no geographic boundaries with the internet. The internet provides a level playing field for small banks who want to add to their customer base.

Efficiency: Banks can become more efficient than they already are by providing internet access for their customers. The internet provides the bank with an almost paper less system.

Customer service and satisfaction: Banking on the internet not only allows the customer to have a full range of service available to them but it also allows them some services not offered at any of the branches. The person does not be offer. A person can print of information, forms, and applications via the internet and be able to search for information efficiently instead of waiting in line and asking a teller. With more better and faster options a teller. With more better and faster options a bank will surly be able to create better customer relations and create better customer relations and satisfaction.

Image: A bank seems more state of the art to a customer if they offer internet access. A person may not want to use internet banking but having the service available gives a person the feeling that their bank is on the cutting image.

Bill Pay: Bill pay is a service offered through internet banking that allows the customer to set up bill payments to just about anyone. Customer can select the person or company whom he wants to make a payment and bill pay will withdraw the money from his account and send the payee a paper check or an electronic payment.

Other important facilities: E-banking gives customer the control over nearly every aspect of managing his bank accounts. Besides the customers can, buy and sell securities, check stock market information, check currency rates, check balances, see which checks are cleared, transfer money, view transaction history and avoid going to a banking is free. At many banks the customer doesn't have to maintain a required minimum balance. The second big benefit is better interest rates for the customer.

4. Concerns with e-banking

Customer support: Bank will have to create a whole new customer relations department to help customer. Banks have to make sure that the customer receives assistance quickly if they need help. Any major problems or disastrous can destroy the banks reputation quickly and easily. By showing the customer that the internet is reliable you are to get the customer to trust online banking more and more.

Law: While internet banking does not have national or state boundaries, the law does. Companies will have to make sure that they have software in place software market, creating a monopoly.

Security: Customer always worries about their protection and security or accuracy. There are always questions whether or not something took place.

Other challenges: Lack of knowledge from customers end, sit changes by the banks, etc.

5. E-banking global perspective

The advent of internet has initiated an electronic revolution in the global banking sector. The dynamic and flexible nature of this communication channel as well as its ubiquitous reach has helped in leveraging a variety of banking activities. New banking intermediaries offering entirely new types of banking services have emerged as a result of innovative e-business models. The internet has emerged as one of the major distribution channels of banking products, and services for the banks in US and in the European countries. Banking transactions had already started taking place through the internet way back in 1995. The internet promised an ideal platform for commercial exchange, helping banks to achieve new levels of efficiency in financial transactions by strengthening customer relationship, promoting price discovery and spend aggregation and increasing the reach. Electronic finance offered considerable opportunities for banks to expand

their client base and rationalize their business while the customers received value in the form of savings in time and money

6. Conclusion

The electronic banking is use all over the world. Many of the people use to transfer money with help of electronic banking with in fraction of seconds. Now use all people e-banking for the purpose of purchase and sales. Use your computer and personal finance software to coordinate your total personal financial management process, integrating data and activities related to your income, spending, saving, investing, recordkeeping, bill-paying and taxes, along with basic financial analysis and decision making.

7. Reference

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