

ELECTRONIC BANKING - ADVANTAGES FOR FINANCIAL SERVICES LIBERATION

Dr. R.PRAKASH

Assistant Professor (GL)

PG & Research Department of Commerce

Government Arts College

Dharmapuri – 636 705

Abstract

E-banking is a complete regular service for traditionally banking customers' products based on information knowledge platforms. E-banking services provide customer access to accounts, the ability to move their money between different accounts or making payments via e-channels. The advantages generated by this services have determined an accelerate development of this industry over the entire world. This paper examines the advantages of electronic banking products together with the characteristic management issues generated by the implementation of this new channel for financial service delivery.

Keywords: Electronic banking, internet banking, home banking, mobile banking, etc.

1. Introduction

A group of specific moving parts define e-banking as a modern fully regular service which delivers traditional banking products to customers with the help of information technology platforms and interactive message channels. Other works define e-banking as the automatic provide of new and traditional banking services honestly to customers, using interactive channels of electronic communication. E-banking includes systems which allow customers, whether individuals or corporations, to access accounts, to close deals or obtain information about products and services through a public or private network, including the internet. E-banking relies heavily on information and communication technology to achieve its promise for 24 hours availability, low error rates and quicker delivery of financial services. Initially, e-banking was limited to phone banking operations and remote banking, but the range of services has increased and the spread of online banking has coincided with the spread of high-speed broad and connections. One important factor in e-banking growth is that banks have discovered the benefits of e-banking and have become keener to offer it as an option to costumers. Today, customers can use internet banking or mobile banking services. Remote banking consists of electronic transactions between customers and their bank. These transactions operate through a closed communication network using specific software provided by the bank. By these means, clients establish relations with their bank without being physically present in its premises. E-banking allows customers to access banking services through alternative distribution channels which focus on the customers' operational needs.

2. E-banking services

Tele Services: It allows customers to access the bank database and to do various operations through virtual bank branches. These services can be: simple, allowing customers only to get information about their account status, or complex, allowing customers to get information about their account status, to make payments or transfers between accounts, and to ask bank forms.

Phone banking services: Phone banking services use a rented telephone line, a connection convention signed by the customer, a password only known by the client and a personal code allowing access to the data.

Home banking services: It allows access to the bank accounts through a software module which is installed on the customer's PC and accesses the server connected to the bank's database. There are several security levels. Customers can check their accounts, do bank transfers, and obtain financial and banking information. Home banking is powerful software located in one or more computers at the customers' headquarters. As authorized users, customers access a multicash server connected to the bank's databases.

Internet banking services: It allows customers to access their accounts online. Customers connect to a bank portal and thus can check their accounts and do bank transfers from any computer connected to the internet. For authentication, a customer code and a password are provided. Internet banking is a service which concerns individual and companies who are customers of a certain bank and have access to the internet. This service allows them to access their bank accounts through a web browser connected to the site of the bank. As there is no need for special software, the only costs customers pay are the internet connection and the fees. In order to insure a high level of security, this service is developed with an infrastructure complying with the international information security standards.

Mobile banking services: It can be described as the newest services in electronic banking. They are performed using mobile phones or other mobile devices. Mobile banking services are provided through a convention in connection with these services. Access to the database is made through a password and a customer code. Customers can check their balance and make adjustments between accounts. The potential for providing mobile banking services may be far greater than services thru typical desktop access, as there are several times more mobile phone users than online PC users. There are two main types of technology available for use in mobile banking: Wireless Application Protocol and Wireless Internet Gateway. The first one is an application environment and set of communication protocols for wireless devices build to enable a manufacturer, vendor and platform independent access to the internet and advanced telephony services. The WIG is an SMS based service in which a menu of banking service options is downloaded from the bank to the phone. This enables the user to browse to all bank service options and thru their accounts and to

conduct specific tasks. This modern service appeared on the market as an alternative to electronic banking and internet banking services and it facilitates access to accounts and banking operations through the mobile phone.

Call centre services: Call centre services are provided by a team which performs a homogeneous set of interactions with customers according to procedures under control. Customers can benefit from technical assistance by experts and can check and make transfers between accounts. A rapid development of e-banking requires the increase of the customer base by attracting new categories of clients with a new behaviour and which are very open to the latest technological advances. At present, there is an increased competition in the banking system because of many banks with a small territorial network entering the market and offering new products competing with traditional ones. In the future, it is expected to have a decrease in the banks' operational costs by reducing the volume of traditional operations, customers' transaction costs, and the number of operations requiring the customers' presence in the banks' buildings.

3. E-banking management problematic issues

The implementation of e-banking services are far from being well known and is encountering a numerous difficulties and barriers. The internet as the unique channel for service delivery is totally different from the classic branch network or telephone banking. The most common problematic issues in e-banking implementation and management include: traditional structures that are unable to respond to the agility required for the e-banking; resistance from the employees; legacy systems; security issues; regulatory issues which are more complex than traditional ones; and project management problems. Furthermore, it is necessary to identify the technology related problems like: IT and telecommunication issues; capacity problems; availability and system integration; operational functionality of web site design; together with management problems like: regulatory issues; information management; outsourcing problems; security; loss of personal relationship; organizational structure and resistance; trust issues; acceptance issues; clash with other service delivery channels; change management issues; and ethical issues.

4. Conclusion

Organizations that have effectively adopted e-banking display that a grouping of a strong customer center, performance procedures and strategic preparation process can be simply incorporated. All this organization is gifted to calculate the value of their goods and services become flexible enough to quickly respond to their customer market and request changes.

5. Reference

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