

Electronic Banking Services in India

Abstract

In the present era banking services is today an integral part of our everyday life. At home, at university, at college, at school, at business, on travel everywhere we counter some aspect of banking. The significance of banking in our day to day life is being felt increasingly. Money plays a important role in our today's life. Forms of money have evolved from coin to paper currency notes to debit card and credit card. Increased use of mobile services and use of internet as a new distribution channel for banking transaction and international trading requires more attention towards e-banking security against fraudulent activity, It has been in the form of online banking has a lot of benefits which add value to customers' satisfaction in terms of better quality of banking service offerings and at the same time enable the banks gain more competitive advantage over other competitors in banking industries.

Keywords: E-Banking, Information, Technology, Functions, Advantage, Limitation.

Introduction

The concept of e-banking relates to selling goods and services over the Internet. Electronic payment system is a convenient way of making a purchase or paying for a services without holding cash or having to go through the process of completing a cheque and producing some form of acceptable identification.

Electronic banking means any user with a personal computer and a browser can get connected to his bank's website to perform any of the virtual banking functions. In electronic banking system the bank has a centralized database that is web-enabled. All the services that the bank has permitted on the internet are displayed in menu. Once the branch offices of bank are interconnected through terrestrial or satellite links, there would be no physical identity for any branch. It would be a borderless entity permitting anytime anywhere and anyhow banking.

Another innovation in Indian banking system has been the use of new technology in banking mechanism. Majority of Indian banks, have provided Electronic Accounting Machines and Advance ledger Posting Machines in their Branches. Banks have taken up the project of total computerization of their branches for enhance of e-banking services. About thousand offices of banks have been hooked through BANKNET, a data communication network for the Reserve Bank and public sector banks at Mumbai, New Delhi, Chennai, Kolkata, and Nagpur, Hyderabad and Bangalore.

Objectives of the Study

The study has the following objectives

1. To know the concept of e-banking
2. To identify the various electronic banking services provided by banks.
3. To study the impact on client and bank.

Research Methodology

The Research paper is based on the exploratory research, keeping in view the objectives of research as e-banking is still emerging in India because there are frequent changes in e-banking through the technology.

E-banking is implemented recently in India; hence there are no accurate data available for the same. Hence the study focuses on extensive study of secondary data collected from various articles, books, National and International Journals, Magazines, Government reports, publication from various website which focused on various aspects of e-banking in India.

Electronic Banking in India

In India e-banking is of fairly recent origin. The traditional model for banking has been through branch banking. Only in the early 1990s there has been start of non-branch banking services. The good old manual

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systems on which Indian Banking depended upon for centuries seem to have no place today. The credit of launching internet banking in India goes to ICICI Bank. Citibank and HDFC Bank followed with internet banking services in 1997. Several initiatives have been taken by the Government of India as well as the Reserve Bank to facilitate the development of e-banking in India. The Government of India enacted the IT Act, 2000 with effect from October 17, 2000 which provided legal recognition to electronic transactions and other means of electronic commerce. The Reserve Bank is monitoring and reviewing the legal and other requirements of e-banking on a continuous basis to ensure that e-banking would develop on sound lines and e-banking related challenges would not pose a threat to financial stability.

E-Banking Services Offered in India

1. ATM
2. DABIT CARD
3. CREDIT CARD
4. INTERNET BANKING
5. MOBILE BANKING
6. PHONE BANKING
7. UTILITY BILL PAYMENT
8. R. T. G. S
9. N.E.F.T.
10. M.I.C.R.
11. E. C. S.

Advantage of Electronic Banking

Convenience

Bank that offer e-banking are open for business transaction anywhere a client might be as there is internet connection, Services are available 24 hr. a day and 365 days round the year.

Efficient Cash management

E-banking services speed up cash cycle and increases of business processes as large variety of cash management instruments are available on Internet sites of Estonian banks.

Reduced cost

This is in terms of the cost of availing and using the various banking products and services. E-banking helps in reducing the cost of delivering the services to the customer.

Friendlier Rates

Lack of substantial support and overhead costs results to direct banks offering higher interest rates on savings and charge lower rates on mortgages and loans

Save paper

It reduces the use of paper money that helps the central bank in printing less paper notes.

Reduces work pressure

FAQ's upload over the banks website will reduce the workload and work pressure on employees.

Single click

E-banking, customer can check account balance, can get statement, apply for loans, check the process of investment, stop cheque, Instant fund transfer, NPS Account, and other relevant information.

Fund Mangement

Customer can download their history of different accounts and do analysis on their own pc before affecting any transaction on the web. This will lead to better fund management.

Disadvantages of E- Banking

Personal Relationship

E-banking services reduce in personal touch between a bank and its client. Whereas customary banking services allow creation of a personal touch between client and bank.

Limitations of Deposits

Electronic Deposit limit of fund is fixed daily or monthly may make it difficult for individuals.

Depended on Technology

E banking services depended on internet service if you don't have decent connection or there are virus in the software , website are bound to crash and you will undoubtedly face a lot of technological issues. E-banking isn't for everyone non well educated and the elderly cannot use online banking.

Difficult To New User

E-banking services difficult for new user because newbies often difficulty in trying to get the hang of e-banking, Initially customers are scared of losing their money and are often hesitant to explore all the options available on the bank website and bank app.

Cyber Crime

E-banking services depend on internet and so many cybercrime threat in day to day related to computer resource or network or communication device. Some of the cybercrime in banking industries are phishing, hacking, skimming, pharming and some many type of crime faced by client.

Limilted Services

E-banking services you can do quite a bit with an online bank account, such as make deposits, check balance, and pay utility bills, there are limitations to the kinds of services you can access. But in most of cases you will need to visit a branch to sign forms and show identity documentation.

Grievance Redressal

E-banking services regarding transaction problems not proper solution without face to face meeting is better in handling complex transaction and problems. Bank may call for meeting and seek expert advice to solve grievances.

Conclusion

The banking industry has been a leader in the e-business world in recent years. The e-banking revolution has fundamentally changed the business of banking by scaling borders and bringing about new opportunities. In India also it has it has strongly impacted the strategic business considerations for banks by significantly cutting down cost of delivery and transactions. It must be noted, however, that while e-banking provides many benefits to customers and banks, it also aggravates traditional banking risks. Compared to developed countries, developing countries face many impediments that affect the successful implementation of e-banking initiatives. One of the benefits that banks experience when using e-banking is increased customer satisfaction. This

due to that customers may access their accounts whenever, from anywhere, and they get involved more, this creating relationships with convenience, meaning offering service through several distribution channels (ATM, Internet , physical branches) and have more functions available online. Lack of customer and services provider confidence in the security and integrity of these systems have been key agents in the slow offering and take up of these services .

Suggetions

1. Banks should be awareness program for e-banking product and services.
2. Bank should be ensurefull security of customers money.
3. Bank should be an organized seminars and workshop for healthy uses of e-banking products and services for clients.
4. E-banking services should be personalize on education, gender, profession etc. so that need and requirement of client are met accordingly.
5. Government and RBI should be make giant investment in banking sector for build infrastructure.
6. Employees of banks and financial institutions should be given techno friendly training for use of r-banking services.

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