Concept of E-Banking Services over Traditional Services

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Abstract – The internet banking sector is evolving, with significant implications for banking interactions. Banking is no longer limited to the sectors where the branch has to be approached, cash removed, check deposited and accounts requested. Every query or transaction is handled online at all times in genuine Internet banking without mention of the branch (anywhere banking). Increasingly, Internet banking becomes a "need to" rather than a "good to have" service. In many advanced nations, online banking is therefore more a standard than an exception since this is the cheapest method to provide financial services.

INTRODUCTION

Traditional banking functions were confined to the acceptance of deposits and loans and advances. The banking industry is now referred to as Innovative Banking. Informatics technology has given birth to new product design and delivery improvements in the banking and financial sectors, customer services and customer happiness. Over a number of years online banking has been around. It was really launched in the eighties and since then has gone a long way. In the past decade, online banking transactions increased abundantly. In this field, many pieces of legislation were also proposed. Even though it started in the 1980s, e-Banking caught up in the mid-1990s. The clockwise available and simple transactions is what draws consumers to e-banking. The world has become a global village and the banking business has changed enormously in the area of information technology. These shifts have been further encouraged by enormous advances in telecommunications technology and computerised data processing. The world's financial and banking industry has been transformed by automation. Besides the branch banking system in brick and mortar form, on-line banking, ATMs, tele-banking and mobile banking are currently in popularity. At the time of nationalisation in 1969, the Indian banking system was first domestically focused. National policies aimed mainly at mobilising domestic spending, creating loan funds for particular economic sectors and generating resources to finance governmental deficits. national policy goals Indian banking technology has progressed from the times of back-toback automation to the internet, centralised and

integrated systems of today. Without technology, one cannot believe in ATM, Internet, mobile, telephone or call-center services. The irony is, however, that most of these items contain more and less banking technology.

Rigorous IT usage of banking began in 1991 as soon as the Financial System Committees (Narasimha Committee, 1991) recommendations had been adopted. The Committee's proposals include, among other things, the unrestricted entrance of international and private banks. Private as well as international banks have provided consumers with new technologies and world-class technology-based services through ATMs, credit cards and Internet banking, which PSU banks had previously not even dreamt of. The move towards electronic banking deliveries is partially due to customer demand and partly to the growing competitive climate of the global banking sector. The Internet has changed the behaviour of consumers who want a cheaper pricing of personalised goods and services. The profitability of even existing brick and morter banks was also placed under strain by the increased competition from pure internet banks. But relatively few banks have managed to create effective strategies to take full advantage of internet possibilities. Traditional banks require a clear and simple Internet trade strategy for defining what specialised markets to serve and for determining which products/services to provide.

CONCEPT OF E-BANKING:

Electronic technology is called e Banking, which provides banking services to clients either at their offices or at home. The concept of electronic banking is defined as the transmission of banks' client data and services through various delivery platforms with which various terminal devices, such as a personal computer and mobile telephone with browser or desktop software, telephone or digital TV, may be utilised. E-banks are a mix of services including Internet banking, mobile banking, ATM, fund real-time transfers. settlement. creditdebit/Smart/Kisan cards, cash administration, data storage, operational interpretation of MIS and Customer Relationship Management.

The popular services covered under E-banking include: -

- Automated Teller Machines
- Credit Cards
- Debit Cards
- Smart Card
- Electronic Funds Transfer (EFFT) System
- Mobile Banking

TYPES OF E-BANKING:

Different names exist as e-banking, internet banking, virtual banking, or online banking. The only way to offer different financial goods and services is via the electronic and telecommunications network. By e-banking, a client may access his account and transact via his/her computer or cell phone.

Banks provide several kinds of services through electronic banking systems. These are three kinds:

Level 1 – This is the minimum level of service offered by banks on their websites. This service enables the bank to provide consumers with information about its goods and services. In addition, some banks may also receive and answer questions via e-mail.

Level 2 - In this context, banks allow their customers to give instructions or requests for different services by monitoring their balance of accounts. But banks are not allowing customers to trade on their accounts on a fund basis.

Level 3 – On the third level banks enable their clients to manage their transferring, billing, securities acquisition and settlement accounts, etc.

As an extra way to provide service, most conventional banks provide e-banking services. In addition, several new banks are mainly providing financial services through Internet or other electronic delivery methods. In addition, some banks in the nation have 'online only' banks without a physical presence..

Therefore, banking websites are of two types:

- Transactional Websites These sites enable clients to transact on the website of the bank. These transactions may vary from a single account balance survey to a substantial transfer of corporate-to-business money.

IMPORTANCE OF E-BANKING:

Banks

- ★ Lesser transaction costs The cheapest forms of electronic transactions include.
- A reduced margin for human error − There is no space for human mistakes, since the information is sent electronically.
- Lesser paperwork Digital records minimise paperwork and simplify the procedure. It is also environmentally friendly.
- Reduced fixed costs a reduced need for branches that means cheaper fixed costs.
- More loyal customers As e-banking is user pleasant, banks have more customer loyalty.

Customers

- Convenience a customer can access his account and transact from anywhere 24x7x365.
- ❀ Lower cost per transaction Since for every transaction the client does not have to visit the branch, saves him time as well as money.
- No geographical barriers Geographical distances may hinder some financial transactions in conventional banking systems. Geographical obstacles are eliminated with e-banking, though.

Businesses

 Account reviews – Business owners and authorised employees may easily use the internet banking interface to access the accounts. This enables you to check the
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account activities and verify that the account works smoothly.

- Better productivity Increasing the productivity of electronic banking. It automates monthly payments on a regular basis and offers many additional characteristics to improve the company' efficiency.
- ❀ Lower costs Costs are usually dependent on resources used in banking interactions. If a company needs more help with wire transfers, deposits etc., the bank costs extra. These costs are reduced with internet banking.
- ❀ Lesser errors In routine financial transactions, electronic banking helps minimise mistake. Failure to handle, incorrect information, etc. may lead to expensive mistakes. Easy account review also improves the accuracy of financial transactions.
- Reduced fraud Electronic banking offers a digital footprint to all workers entitled to alter their banking business. The company is thus better able to see its transactions, so that any fraudster cannot deal with malicious matters.

ADVANTAGES OF E-BANKING:

- ✤ The clients it provides convenience since they do not have to visit the premises of the bnk.
- At all, the frequency of mistakes is extremely low.
- ✤ The client may get money from ATM machines at any given moment.
- ✤ To allow customers to get discounts from retail establishments, credit cards and debit cards.
- The client may simply e-mail the money from one location to another.

LIMITATIONS OF E-BANKING:

- Using ATMs for safety issues.
- Abuse by ATM fraudsters of bank cards.

Risk of providing the number of your card in on-line purchases.

IMPACT OF E-BANKING ON TRADITIONAL SERVICES

E-banking transactions are much cheaper than branch transactions or even phone transactions. The competitive advantage of yesterday, a big branch network, may therefore transform into a comparative disadvantage that could lead e-Banks to undermine bricks and mortar banks. The "beached dinosaur" hypothesis is widely recognised.

E-banks are simple to setup, and many new entrants will come and these new entrants will not be cumbersome with the Old World institutions, customs and structures. Rather, they are flexible and reactive. E-banken offers a lot more options to customers. Consumers are less likely to be loyal.

The most substantial portion of banking earnings will presumably be drawn from portal provisions. In fact, banks may become marriage brokers of glory. You just brought together two parties, e.g. purchaser and seller, payer and payer.

Monoline, specialists in their area, will provide the goods. Traditional banks may just be left with payments and payments, even though this may be called into question.

It will be hard for traditional banks to develop. They won't only be able to buy cash instead of offering shares, but also won't be able to get more money through the stock market. This is in contrast to Internet companies, for whom funding appears very simple to obtain.

E-banking is provided only via a new route of supply. It merely provides another service to customers (just as ATMs did).



CUSTOMER SATISFACTION IN E-BANKING:

The growth of electronic channels has altered the regulations and operation of the banking sector significantly in recent years. Aladwani said that although the sector immediately rushed to

implement and provide new banking services for its clients through e-chains, e-banking services grew rapidly. Aladwani said. Today, a number of financial organisations strive to highlight services geared towards customers. To that end, the development and maintenance of improved connections with consumers requires the implementation of innovative financial services. The growth of competitive domination therefore virtually relies on the pleasure of consumers with the banking service. It is wellknown that banks who are more satisfied with their customers will have a remarkable marketing growth improved customer happiness involves since increased revenues, enhanced cross-sales ratios, better customer retention and larger market share.

Hazra tried to assess the contribution to customer satisfaction of several aspects of service quality. The results show that all 13 factors proved to be significant and excellent indicators of total e-banking satisfaction. But the findings of component analyses show, in principle, that perceived value-added products, brand perception, cost-efficiency, user experience, convenience, issue management, safety/assurance and responses account for 48.30 percent variance of e-banking customer satisfaction. Contact facilities, system availability, performance, efficiency and remuneration are somewhat less significant, since 21.70% of the variation in customer satisfaction explains these aspects. The predictor for brand impression in e-banking and execution, efficiency. safetv and assurance, reactivity. convenience, cost effectiveness, issue management and compensation is responsiveness, easy-to-use, cost effective usage and compensation. Banking and e-banking service developers thus need to look at these aspects and make potential adjustments to ebanking services to the expectations of consumers and the time needed. This will contribute to the improvement of e-banking service quality and the growth of e-banking customer happiness.

CONCLUSION:

E-banking is an unlimited entity that allows banking anywhere, anytime and anyhow. In contrast to conventional banking services, this helps us with all the features and benefits. In this phase, controls will be established which, if suitable to the activities of the business, may reduce or eliminate the identified risks. The purpose of the controls suggested is to decrease the risk level to an acceptable level for the IT system and its data.

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