

## **E-banking: A changing scenario towards customer as a centric.**

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### **Abstract**

#### **“No more waiting in queue just log in & log out with cash”**

Banks & financial institutions are increasingly finding themselves facing rapid increases & completely apart from the traditional type of banking services, customer today require more personalized products & services & access to such services at any time & at only place. Internet banking is one of the advanced information technologies they can employ to achieve a high level of customer services.

E-banking is a application of E-commerce. As for rendering the business the companies are making use of electric commerce via, internet & for making the payment for the business they are making use of e-banking internet banking is an emerging technology that permits conduct of banking transactions through the internet.

Today ATM's have become a common customer delivery channel mainly in urban centers with these developments customer are able to enjoy the many convenience & at lower case E-banking is beneficial for customer as well as for the banks too, due to less interaction with the customers for bankers it.

**Key words:** E-banking, E-commerce, Technologies, ATM's

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### **1.Introduction**

E-banking is the latest in the series of technological wonders in the recent past involving use of internet for delivery of product & services. It allows the customers to conduct financial transactions on a secure website. E-banking has applications with different properties like transactions, multiple actions distribution.

The I.T. innovations like web, Commerce & secure information exchanges have been a triggering factor for E-banking appearance. E-commerce is revolutionizing the way business is conducted new business models are replacing outlaid ones. International banking is perceived more favorably by banks.

### **2.Recent history of Indian banking:**

The concept of internet banking has been evolving the environment with the development of the world wed. Programmers working on banking data came up with ideas for online banking transaction since time during the 1980's. The creative processes of development of services were probably sparked off after many companies started the concept of online shopping.

Advent & adoption of internet by the industries & financial sector has removed the constraints of time, distance & communication making globe truly a small village. Customer satisfaction, customer retention & new customer acquisition are the key factors in E-banking system. Internet banking allows banking from anywhere, anytime & is used for transaction, payments, etc.

The financial reforms that were initiated in the early 1990's & the globalization & liberalization measures brought in a completely new operating environment to the banks. The banks are now offering innovative & attractive technology based services & products such as ATM, Tele banking, web banking, Internet banking etc. to customers to cope with the competition.

The evolution of electronics banking [e-banking] started with the use of automatic teller machine, Internet banking, Tele banking, etc.

### **3.Objectives of the study:**

1. To know the benefits of e-banking system for customers.
2. To know how e-banking is beneficial for bankers.
3. To understand the various forms of e-banking services.
4. To study the problems in e-banking service.

### **4.Research Methodology:**

The information required for fulfilling the objectives of study was collected from various secondary sources i.e. books, journals, articles, goole.com.

**Fig.1 What is E-banking?****5.Recent Trends in E-banking:**

Banking has never been more important to our society than it is today. The advance of communication & computer, technology & the availability of the internet have made it possible that one can do most banking transaction from a remote location even without spending into a physical financial structure, i.e. the emerging of E-banking. E-banking has been viewed as a revolution progress in the banking industry.

New banking intermediaries offering entirely new types of banking services have emerged as a result on innovative e-business models. The internet has emerged as one of the major distribution channels of banking products & services. Initially banks promoted their core capabilities i.e. products, services & advice through internet. Then they entered the e-commerce market as providers, distributors of their own products & services.

The trend towards electronic delivery of banking products & services is occurring partly as a result of consumer demand & partly because of the increasing competitive environment in the global banking industry.

**6.The six primary drives of internet banking includes:**

- Improve customer access
- Facilitate the offering of more services
- Increase customer loyalty
- Attract new customers
- Provide services offered by competitors
- Reduce customer attrition

**7.Problems in E-banking apart from security issues:**

The Indian internet banking system is facing many hurdles. The problems include operational risks, security risks, system risk.

Some of the general problems are as follows;

- PC user's base in India is extremely low compared to global standards.
- The internet user base is limited.
- Lack of infrastructure to advanced technology based banking services.
- The absence of a regulatory framework for internet banking transactions in India.

**8.E-Banking benefits for customers**

- The person does not have to go to the branch where those services may or may not be offer. A person can print of information, forms & application via, the internet & be able to search for the informant efficiently instead of waiting in line & asking the teller.
- The best benefit is internet banking is free. At many banks the customer doesn't have to maintain a required minimum balance.
- The next benefit is better interest rates for the customers.
- Customers enjoy high quality services via, internet to conduct the transactions.
- It is convenient.
- There is no geographical barrier.

**9.E-Banking benefits for bankers:**

- E-banking has made the transactions cheaper over the internet.
- The internet allows the banks to reach the whole new market as a well because there is no geographic boundary with the internet.
- Banks can become more effective then they already are by providing internet access for their customers. The internet provides the banks with an almost paper less system.
- E-Banking helps for customer service & satisfaction.
- Better & faster options a bank will surely be able to create better customer relations & satisfaction.
- Reduction of burden on branch banking

## 10. Various forms of E-banking:

### 10.1 EFT

- Electronic Fund transfer refers to computer based system used to perform electronically.
- A number of transaction types may be performed.
- Withdrawal – The cardholder withdraws funds from their account.
- Deposit – The cardholder, deposits funds to their accounts.

### 10.2 ATM

An automated teller machine is an electronic computerized telecommunication device that allows a financial institutions customer to directly use a secure method of communication to access their bank account.

- ATM provides contrast location signs.
- Ensure that wheelchair user can reach the terminal & have adequate space to turn in front of the terminal.
- Provide where possible, the interactive areas of the terminal.
- Provide training in the use of the terminal for new users.

### 10.3 Telephone banking:

Telephone banking is a service provided by financial institutions to allow its customers to perform financial transaction over the telephones. By dialing the given tele-banking number through landline or mobile, the customer can access their account.

### 10.4 Internet Banking:

Internet banking system & method in which a personal computer is connected by a network provider directly to a computer host system of a bank, the customer request can be processed automatically without customer service representatives.

- The authentication of a client can be achieved on levels;
- User name password
- Digital certificates (For e.g. electronic signature used by banks).
- Hardware tokens

## 11. SWOT

### • Strength

- Customer access to information 24 hrs per day
- Time access to information
- Increases efficiency due to automation
- The diversity helps capture different types of markets
- Sophisticated technology system will helps to make a banking institute “future proof”

### • Weakness

- Continual altering of customer wants & needs.
- High price of services
- Multiple options for the customer
- Initial investment in technology will be expensive.

### • Opportunities

- The ability to obtain a larger consumer base
- Global expansion, this is an enormous market which will be a great opportunity in future.
- To ability to take advantage of the growing popularity of internet banking

### • Threats

- Continual changing technology
- Uncertainly of banking industry
- Competition from lower price operations
- Possible failure of product due to non-acceptance of customer
- Internet bank General competitiveness of the banking industry

## 12. Conclusion:

Internet banking is one of the web applications where benefits to customers banks. As no longer to wait in queue just long in and log out with cash. It is now nice to have but an impossible to service without for all banks. Internet banking is new in our market. Only a few banks offering internet services in solving banking problems

Sound management of banking products and services especially those provided over the internet is fundamental of maintaining a high level of public confidence not only in the individual bank it's brand name but also in the banking system as a whole. The most significant benefit of e-banking is the ready accessibility of bank accounts at all times The convenience of visiting and waiting at the banks is also eliminated. E-payment greatly increases payment efficiency by reducing transaction costs. The services provided to the customer is very much benefited as well highly satisfied with it, even the bankers feel relief due to less interaction with the public.

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**Fig 1.**

