

Impact of E-banking on Traditional services of Bank

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Abstract: E-banking stand for Electronic Banking. E-banking is a method of banking in which the customer conduct the transactions through the internet. E-banking is also referred as internet banking. Since 2000 BC decade banking concept came in India. Now India is a digitalise country. So Banking world also entered in digitalisation. Recent time bank provide number of online facilities. It performs both the transactional and non-transactional activities. Main aim of the paper is to obtain quantitative describing the actuality of E-banking in the case of the India. In order to development of internet banking and the paper build on the relevant secondary data. Also the outcome of the study shows that the forms of E-banking, advantages and disadvantages of E-banking for the view point of customer and banker because day by day increase the uses of E-banking, Difference between the Traditional banking services and E-banking services in briefly. This study help to familiar with E-banking.

Key Words: E-banking, Traditional Banking services, Forms, Advantages and Disadvantages of E-banking.

1. INTRODUCTION:

Banking is a business but it's not sold and purchased goods and services. It's doing monetary business. In monetary business, bank play with cash, gold, cheque, ATM, demand draft and so on. Banking concept was came around 2000 BC in India. That time the merchant of the world who made grain loan to farmers and trader who carried goods between cities. 18th century, Modern Banking in India originated and Bank of Hindustan was a first bank established in India since 1770. Now a day 10 public sector banks, 41 regional rural banks, 22 private sector banks in India. India is technological world, now number of sectors are digitalised in India and banking is also one of the digitalised sector or industry in India. All bank's work is computerised, It's connect with Internet, now bank provides number of services like NEFT, deposit and withdrawal through ATM, fund transfer to one customer to other through internet, balance enquiry through SMS so on and this services are called E-banking in one word. E-banking is one of the source to increase the standard of living because traditional services of bank is time consuming and now a days people are very busy in day to day life so E-banking is good for busy schedule people because E-banking is used from anywhere at anytime. E-banking is a Electronic banking and it's fully depend on internet and today's world people uses internet everyday. So with the help of mobile, computer or laptop customers use all banking online services from anywhere at anytime.

1.1. LITERATURE REVIEW:

- International Journal of Internet Banking and Commerce, Prof. Rahela Farooqi, An article title "Impact of Internet Banking service quality on customer satisfaction. In this article an attempt is made to study has been undertaken to describe the internet banking service quality and customer satisfaction. To add to the existing knowledge in the electronic banking field of study.
- International Journals of Multi Dimensional Research, Prof. Mubina Shaikh, An article title "A study of E-banking and Its impact in today's world. In this article was carried out to validate the conceptual model internet banking rest on it. And also to study has been undertaken to describe what is Electronic banking? It's features, advantages and disadvantages. E-banking impact of it on banking system, types of e-banking and development and growth of e-banking in briefly.
- Global Journal of Information Technology: Emerging Technologies, Shakir Karim and Ergun Gide, An article title "The challenges and opportunities of E-banking adoption for SMEs in Bangladesh". This research paper analyses the challenges and opportunities of E-banking in Bangladesh. It also discuss the success of E-banking in small to midsized enterprise of Bangladesh and gives a reliable assessment of Bangladesh's present E-banking infrastructure and its future organisational structure.
- Amity Journal of Management Research, V. Vimala. An article title "An Evaluative study o Internet Banking Security among selected Indian Bank customer. In this article an attempt is made to study has been undertaken to describe the customers perceptions and awareness towards Internet banking security. To understand the problem faced by customers while using internet banking services and to know impact of the internet banking and securities.

2. RESEARCH METHODOLOGY:

The research methodology comprises of the sources of data. The study is based on secondary data. Secondary data had been collected from various books & journals. The sources of documents included e-resource, websites.

2.1. MEANING OF BANKING:

Bank is a financial institution who perform the several functions like accepting deposit to customer and then lending loans to other customers, also work for development of agriculture and rural area in India. Banking Institution is necessary to encourage people to deposit their savings with the Banks and then Bank use this deposit for providing loan to needy person as well as other development like industry, commerce and so on.

2.2. MEANING OF E-BANKING:

E-banking is a method of a banking in which the customer conducts the transactions through the internet. Firstly the customer must register with the institution for the service and set up some password for customer verification then bank provide transactional as well as non- transactional activities. Example of Transactional and Non-transactional activities given below:

Transactional activities: Fund transfer, bill pay, loan application and other online transaction.

Non-transactional activities: Request for stop payment, balance enquiry, request for cheque book, online statement updating your contract information.

2.3. FORMS OF E-BANKING:

- **Internet Banking:** Internet banking helps to people for handling multiple banking transactions online via personal computer, mobile and laptop etc. like different types of bill payment, funds transfers to other persons, viewing our account balance etc. Internet banking totally depend on internet access. People use this forms of E-banking from anywhere at anytime according to our suitable time. With the help of internet banking we save more precious our time. Never important to go bank and stand in long queues for consume banking multiple services.
- **ATM:** ATM stand for automated teller machines or automatic teller machines. It is a computerise telecommunication device. This device helps to customer to direct connect with bank and access our account, withdrawals cash, and check our balances without the need for a human bank teller. ATM is a plastic smart card with a magnetic strips, that contains a unique card number and some other security information. Without PIN, customer can not use ATM cards. ATM is located not only bank premises but also number of public service places. Thus providing easy access for people to cash as and when required.
- **Tele- Banking:** In Tele banking service, people use telephone or mobile, and dial to tele banking number from anywhere. The customer can access his account like balance enquiry, request for passbook, request for cheque book and other queries also ask in tele banking service. Entire banking can be done through Interactive Voice Response (IVR) system.

3. ADVANTAGES OF E-BANKING:

- **Convenience:** E-Banking is convenient in use because we can handle of our account transactions without any hassle of being in the long queue in front of number of counter in Bank. E-Banking is extremely convenient if we have a better internet connection we can access the website from anywhere without actually having to visit the bank. Online Banking is best option for connecting our Bank.
- **Security:** Internet Banking is secure because Bank provides highly securities to our customer. Online accounts are protected with encryption software that ensures complete safety to the users. Bank also alerts related to passwords and digital signatures are sent periodically to maintain the security of the account with the help of internet Banking, we can always monitor our account activities.
- **Availability:** E-banking facilities are available 24 *7 hour to customers. E-banking can be performed from anywhere at anytime, even at night and on any holidays. The only thing is required an active internet connection.
- **Customer Base:** The internet allows to Bank to reach a whole area of India because there are no geographic boundaries with the internet. The Internet also provide a level playing field for small banks or other financial institutions who want to add to their customer base. Now all banks in India provides Customer Base services to customer and Charge only reasonable fees to customer.
- **Portability:** Electronic Banking also create a more mobile bank for customers. Mobile app allow customers to check balances and perform routine bank transactions from anywhere at anytime they get phone reception. Alerts to low balance are offered by some bank apps.

4. DISADVANTAGES OF E-BANKING:

Difficult for Beginners: A person who is new, might face some difficulties for handling Online Banking. Though there are some sites which offer demo on how to access online account but at the same time they fear about losing their money and are often hesitant to explore all the options and features that are available on the website or on the app.

- **Infrastructural Loopholes:** When the access of internet connection is poor that time we can't use E-Banking Services. Similarly, without the availability of internet access, It may not be useful which is in the case of rural area in India. Less infrastructural is big disadvantages of E-banking.
- **Password Security:** Password Security is a essential element for the safe use of E-Banking. In case the customer is forgetting the password, they can't use the E-Banking and If the password falling in wrong hands then they do misuse of passwords, and it is a very terrible risks of E-Banking.
- **Inability to Handle Complex Transactions:** While customer can easily pay small amount of bill and transfer funds, but they can't perform complex transactions online. When a large sum of money is involved, it is advisable to visit a real bank and sort it out in person rather then doing it online. Some financial transactions also need a document verification. So it is better do physical transaction with Bank.
- **Technology Issue:** If Customer have poor connection of Internet, there are bugs in the software, power cut when customer use E-Banking app or may be the servers have gone down, so this types of many technology issues are face when customer use E-Banking services, so they will get more frustrated, however, someone is always around to help them in a real Bank.

5. IMPACT OF E-BANKING ON TRADITIONAL SERVICE OF BANK:

Today All Banks and Branches of Bank is connect with internet server to each other. E-Banking is cheaper than traditional service. Traditional services are very time consuming and costly also. In traditional services, customer must go to the bank and stand in a big queue in front of different types of counter for consuming traditional services. Number of time customer goes to frustrated for traditional service system. But now a days youth of India avoid to use traditional service system. This is a technological world, and good internet speed net available in country, so youth of India or other well educated people use newly E-Banking service system. Number of newly customers are also connecting with E-Bank service system. Today near about 150 million people use E-banking in India. Now E-Banking reaches not only Urban area but also Rural and Semi.-urban area also. We are not found Bank in some rural area so E-Banking very useful for rural area people. It is very convenient to handle bank transactions. With the help of E-Banking, Rural people also connect with our Bank. Internet banking is very important for present and also for the future development for bank customers and the importance of internet banking is significantly related to their age, education, occupations and income.

6. CONCLUSION:

E-Banking spread all over the country. E-banking is very convenient to all area people in India. It's use anytime from anywhere and anyhow banking. After taking a complete view of E-Banking its advantages and disadvantage and its forms of E-banking and Its impact of E-Banking on Traditional Services. It can be seen that the E-Banking is emerging as an important tool for the overall growth of Banking Industries. Indian Government has also taken various steps for the development of digital system in India. After these study we know that importance of E-Banking in India. E-Banking is not only useful or beneficial for Customers but also Banking staff. So this study is very useful for familiar to E-Banking.

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