



REVIEW OF RESEARCH

ISSN: 2249-894X

IMPACT FACTOR : 5.7631 (UIF)

VOLUME - 11 | ISSUE - 2 | NOVEMBER - 2021



“E-BANKING AND ITS SOCIETAL IMPACT “

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ABSTRACT :

E-Banking means electronic banking or online banking or digital banking which allows a user to conduct financial transactions via the internet. E-Banking offers customers almost every service traditionally available through a local branch including deposits, transfers , and online bill payments. Virtually every banking institution has some form of online banking, available both on desktop versions and through mobile apps. With online banking , consumers aren't required to visit a bank branch to complete most of their basic banking transactions. They can do all of this at their own convenience, wherever they want – at home, at work , or while on the go.



Online banking requires a computer or other devices, an internet connection, and bank or debit card. In order to access the service, clients need to register for their bank's online banking service. In order to register, they need to create a password. Once that's done, they can use the service to do all their banking.

The ability to do banking business without the usual constraints of time or distance make e-banking one of the most important services provided by the Internet. With the single click , banking customers can do anything day or night from the comfort of their own home. Doing e-banking on the internet does not cost as much. These levels of the banking services allow small businessman to compete with large business houses and a common people to get every services as per their wish.

Use of computer , technology and telecommunication for storing , retrieving and sharing information made E-Banking possible.

KEYWORDS : *E-Banking , Information Technology , Digital World .*

INTRODUCTION

In the current world, it's almost impossible to imagine that someone can live without banks.

E-Banking has become a medium of online payments and receipts and almost every day's use for individuals of every age. The introduction of computers and high speed internet technology in E-Banking can be judged by the number of people using them each single day. Large amounts of data in the personal lives as well as in banking businesses and industrial sectors are stored on computer's

server and makes data and information digital. The use of digital data in banks has been increased because of its strengths.

The E-Banking sectors use IT devices in different ways namely:-

- (i) Personal Computer (PC),
- (ii) Personal Digital Devices (PDAs) ,
- (iii) Tablets, Smart Phones,
- (iv) Automatic Teller Machines (ATM) and
- (v) Standalone Machines.

All the above technologies and devices assist the customers and employees of the bank to access bank account information at any time. Information technologies used by the banks and customers include the following services :-

- Mobile Banking Applications,
- Unstructured Supplementary Service Data (USSD),
- Mobile Banking ,
- Contactless Payments, SMS banking,
- ATM, Debit and Credit Card,
- Wireless Point of Sale(POS) etc.

INFORMATION TECHNOLOGY IN E-BANKING SERVICES

Today , E-Banking is almost totally dependent on computers. Banks use computer in its working such that all the transactions are done using computers. Banks keep all their data on computers and various branches are linked together through internet.

Bank and Bank Customers are utilizing the IT devices to avail the following services :-

- (i) Access the bank account,
- (ii) Balance inquiry of accounts
- (iii) Payments of various bills and transfers of funds.
- (iv) Money deposits, withdraw and

The E-Banking services are availed by the customers using an internet connection (which can either be) :-

- (i) Wi-Fi,
- (ii) Mobile Data
- (iii) Optical Fibres Cables
- (iv) By mobile networks by sending an SMS

Now an individual does not have to go physically into the bank branch to make transactions. The account information can be accessed from virtually anywhere in the world and transactions achieved as well. Now mobile banking has become the part of E-Banking.

SOCIETAL IMPACTS OF E-BANKING :

It has really benefitted the banking business and society both. It can be measured through the satisfaction and trust generated through it. Satisfaction and trust are quality factors that can be quantified through factors like :

- (a) Availability of the service
- (b) Waiting time before the work is done
- (c) Efficiency and effectiveness of the service
- (d) Security of user's information

Various studies have revealed that E-Banking has successfully worked towards factors like :

- (a) The reductions in transaction and other costs by the number of trips to banks reduced by 50 - 90 %
- (b) Improved customer service and waiting time reduced from 10 to 60 %
- (c) Increased productivity and efficiency
- (d) Access to national and international banks across the globe.
- (e) Allows 24 x 7 access to the banking services.
- (f) Provides convenience and comfort for customers

- (g) Bribes reduced by 25 – 90 %
- (h) Improves information and knowledge sharing up to 100%
- (i) Fast and immediate update of information into accounts up to 80%

ADVANTAGES OF E-BUSINESS :

Following are the advantages of E-Banking

(a) Speedy transactions :-Technology makes E-Banking speedier. Internet, Phones, Cell Phones have reduced the time taken in normal communication. All these have guarantee users to rely on E-Banking.

(b) Cost Reduction :-It reduces costs of services by reducing number of trips to the banks. Paper based banking needs lots of stationary, printers, computers, etc, which calls for continuous heavy expenditure. It makes banking services cheaper and paperless.

(c) Accountability :-Once the Banks adopt the E-Banking process , it makes the banking authorities accountable automatically. Accountability is answerability of the banks to the people. An accountable bank service is a responsible bank service.

(d) Convenience :- E-Banking brings banking services to citizens on their schedule and their venue.

It can work from any location and any time. It allows customers to keep track of the banking transactions and their progress. It eliminates distances and subsequent commutes.

(e) Improved Customer Service :- E-Banking improves the accessibility of information and resources to citizens and affects daily life improved. It provides a consistent message and account is instantly updated.

(f) Increase in online payments :- In the past few years , there has been higher penetration of Internet in the small towns and villages and enhanced reach of banking services. These factors resulted in increase in the number of banking customers. According to the banking sector resources , 65-90% of their customers pay through credit cards.

DISADVANTAGES OF E-BANKING :

(a) Lack of personal contact :-It is an electronic based system. This system loses the person to person interaction which is valued by a lot of people.

(b) Technology limitation :-It is technology based system and easy to make the excuse that problems with the service provided are because of the technology. (e.g. the server has gone down)

(c) Literacy of the users :- In general, rural people and senior citizens do not have much computer education, it gives scope for middle man, who exploits the people.

(d) Access and speed of the Internet :- E-Banking system is an Internet Based System , The speed of the Internet is not so good in some of the places, it stops the normal functionality of the banking services.

(e) Cyber Crime :- It is all about keeping the information safe and secure from intruders and also becoming responsible for proper use of technology. Sensitive Information such as personal information and identity , passwords are often compromised. Once the information is leaked , then there is no way to un-reveal it. Common forms of cyber-crime include online bank information theft, identity theft, online predatory crimes and unauthorized computer access.

Issues are still to be worked out :-

(a) Awareness programs should be conducted to make people about the availability of the services available online.

(b) Efforts should be done to remove illiteracy to adopt e-banking system.

(c) The available technology services should be made within reach of all the people.

(d) Online payments should be made more secure.

(e) Cyber laws must be implemented with a grit.

(f) Customer's private data must not fall into inappropriate hands.

(g) Efforts should be done to improve the speeds of technology and service delivery.

(h) Secure payments gateway to be developed.

E-Banking Sectors are also facing the following genuine challenges during online business. They are listed below :-

Increasing Competition , a cultural shift , regulatory compliance , changing business models, rising expectations, customer retention , outdated mobile experiences, continuous innovation etc.

In spite of all its limitations and weaknesses, E-Banking has become the backbone of economy of the country and Banking Industries. E-Banking technology moves us one step ahead with the help of IT but we should know how to use it in the best possible way and most important with all its safety measures.

CONCLUSION :

We belong to a nations which is one the oldest civilizations of the world having the second largest population in the world giving a chance to develop banking sectors to the height of the world largest economy. There is a dire need of the time that our Banking Sectors must be introduced the advance communication facilities available with Information Technology and explore the market in best possible way. E-Banking helps businesses, governments and individuals , increase their efficiency and effectiveness and ensures economic growth of the country and its GDP. Security of online transactions has been a major barrier to the growth of the E-Banking. However, with secure payments interface being provided by the websites, resulted in increase in the number of customers day by day. Even after a telecom boom , Internet connectivity is still slow, access costs are high and connections are unreliable. All this has prevented users to rely on E-Banking.

As the Cyber laws in India are still in the primitive stage. People are not aware of them at first place and still find ways to perform frauds or cause havoc on innocent lives by playing with their private information.

Proper Cyber safety tips are required so that the customers can use the E-Banking Services without any hesitation. So all thanks to computers , internet and its associated technologies which made E-Banking possible.

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