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## **E-Banking –The New Era of Banking**

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### **Introduction:**

In the new technological innovation and globalization it is essential to redefine. The business organization to redefine their business operation. That is each business in global Concept must be re-engineer and re-construct to face the current situation. It is seen that the financial sector is under the impact of competitive, regulation and technological forces. So to redefine the business operation reengineering or reconstructing is essential among all the financial institutes the banks are in current transit state, so banks are initialize their working In world wide web through the internet. Banks provides their services to the global business by reaching in global area. It is seen that banks are vital to a healthy economy but banks are not.

### **Keywords:**

1. E-banking –Electronic Banking
2. ATM-Automatic teller machine
3. IS- Internet Security
4. WWW-World Wide Web
5. PC- Personal Computer

### **Concept of E-Banking :**

E-Banking has the potential to transform the banking business as it significantly lowers transactions and delivery costs. E- Banking implies provision of banking products and services through electronic delivery channels. Electronic Banking has been around from quite Sometime in the form of ATMs and telephone transaction for customers the internet offers customers location. For banks, it is a much more efficient and cost saving channels. Internet Banking or E-Banking is about providing traditional banking functions via the internet. To perform E- banking ,the customers can connect to the banks secure site, log in and do the Necessary transactions at any time, from just about anywhere. There are time when the bank Customers want to know their bank balance or make an argent payment and a visit to a branch is not convenient, Internet banking can solve these problems.

Following are the various services provided through e-banking.

1. **Bill Payment service** – Each bank has tie-ups with various utility companies' service providers and insurance companies, across the country. You can facilitate payment of electricity and telephone and bills, mobile phone, credit card and insurance premium bills. To pay your bills, all you need to do is complete a simple one-time registration for each biller. You can also set up standing instructions online to pay your recurring bills automatically. One time standing instructions will ensure that you don't miss out on your bill payments due to lack of time. .Most interestingly the bank does not charge customers for online bill payment.
2. **Fund transfer** – You can transfer any account from one account to another of the same or any another bank. Customers can send money anywhere in India. Once you Login to your account,

you need to mention the payee's account number his bank and the branch. The transfer will take place in a day or so whereas in a traditional method it takes about three working days.

3. **Credit card customers** – Credit card users have a lot in store. With Internet banking customer can not only pay their credit card bills online but also get a loan on their cards.
4. **Railway reservation** – Indian railways has tied up with various banks for the payment of the railway fares and you can now make your railway pass for local trains online which is further delivered to you at your doorstep.
5. **Investing through Internet banking** – Opening a fixed deposit account get easier than this you can now open an fixed deposit FD online through funds transfer. Online banking can also be a great friend for lazy investors. Now investors with interlinked debit account can easily trade in the stock market and the amount will be automatically debited from their respective bank accounts and the shares will be credited in their debit accounts.
6. **Shopping at your fingertips** – Leading banks have tie ups with various shopping websites. With a range of all kind of products, you can shop online and the payment is also made conveniently through your account.
7. **Recharging your prepaid phone** – Now you no longer need to rush to the vendor to recharge your prepaid phone every time your talk time runs out. Just top up your prepaid mobile cards by logging in to internet banking. By just selecting your operator's name, entering your mobile number and the amount for recharge, your phone is again back in action within few minutes.

**Factors to be consider by bank for E- banking:** Following are the factors to be consider by the bank for E-banking

1. Competitive pressure.
2. Cost efficiencies.
3. Expand customer contact through increased geographical reach & lower cost delivery channels.
4. Branding.
5. Customer Demographics & Loyalty.

**Characteristics of E- Banking ;** Following are the characteristics of e- banking ;

- a. Speed of technological change.
- b. Changing customer expectations.
- c. Increased visibility of publicly accessible networks
- d. Less face to face interaction with financial institution's legacy computer systems
- e. Dependence on third parties for necessary technical expertise,
- f. Proliferation of threats and vulnerabilities in publicly accessible network

**Advantages of E- banking:**

1. You can access your account at any time of the day and are no longer confined to conventional business hours. Instead of going to bank in banking time you can check balance or perform any transactions online at our convenience.
2. For cash withdrawals you might need to walk a few blocks to find an ATM.
3. Online banking is generally faster or more convenient. Traditional banking can be a relatively slow process, especially you can avoid long lines at the teller windows by doing online access within some time, once you are comfortable with the required technology.
4. You can access your account from any physical location with the help of computer and internet.

5. In some cases, you can get better rates for investment related banking services such as savings accounts or certificates of deposit.
6. You can also perform more mundane tasks such as ordering new checks, requesting additional deposit slips ,or reporting a lost or stolen debit card.

**Disadvantages of E- Banking :**

1. Check the account login page of e – bank account is form the correct domain or not. Slight misspelling or similar domain name us a common trick used in phishing attacks.
2. In some cases customers services by telephone Or email can be not proper then visit to bank for discussion is necessary. So bank or its branch must be in your reach to solve your problem.
3. In E-- Banking some services are difficult to do or not possible to do online. Such as depositing coins into banks problems of sending cheque through mail.
4. For E-Banking some basic computer literacy and familiarity is must. This disadvantage is for the people who is unknown about it or unable to take the proper education of the same.

**Type of issues or problems in E- Banking:**

E-banking issues are classified according to two ways According to the types of users

1. Non -users
  - a. Inhibited about security of sensitive information
  - b. Found the entire process complex
  - c. Absence of an online demo for initiation is a roadblock
2. Non –Transaction
  - a. Felt lost in content jungle looked for error free
  - b. concerned about online security.
  - c. Did not find clear directions & action points
3. Transaction
  - a. looked for error free transactions experience
  - b. Valued advanced options that saved time
  - c. Wanted online the entire spectrum of services of the bank.

**Security precautions:**

Customers should never share personal information like PIN numbers passwords etc. with anyone ,including employees of the bank. It is important that documents that contain confidential information are safeguarded. PIN or password mailers should not be stored, the PIN and passwords should be changed immediately and memorised before destroying the mailers. Customers are advised not to provide sensitive account related information over unsecured e – mails or over the phone.

**Conclusions:**

It is clearly in the interest of banks to encourage their customer base to use online banking. Current designs of online banking systems do not address users’ needs and expectations of online banking. User centred design methods can achieve this. Internet, phone, paper, statements, ATM and visit to the branch all need to appear as one holistic experience eight for the customer who is ‘anybody. In India, banking, like several other transactions, continues to be relation based and in need of human assurance and intervention, technology notwithstanding. Hence this is

particularly significant. True benefits will be seen when banks use this technology to offload customer service costs and increase sales by maximizing self service. As 21<sup>st</sup> century banking users entrust the care of one of their most important assets to cyber space, as mail, stress free and successful experience is essential. Design with users' success as focus, content understandable by 'anybody', supported with demos and help to reduce intimidation, will justify investment in online through increased usage by satisfied customers.

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