

E- BANKING SYSTEM: PECULAR FEATURES CHALLENGES AND OPPORTUNITIES

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ABSTRACT

This paper focuses on the Features, Challenges, and Opportunities of E-Banking. A nation's banking industry has a significant impact on its economic growth. An economy's greatest resource is banking. A powerful and capital is defined system is a crucial prerequisite for economic expansion. The banking sector in India is currently undergoing an IT revolution. Banking institutions have become more modern as a result of the adoption of the internet. Both banks and consumers have profited from it. Thanks to innovation and technology, e-banking in India has undergone several changes. Among the many innovations that occurred in the banking industry were the introduction of the card, the Electronic Clearing Service, the Electronic Funds Transfer, and the concepts of online and mobile banking. The bank hopes to introduce the fundamental idea of IT-based Enabled Services through E-Banking. It was completely distinct from the conventional banking system at the same time. Debit and credit cards are more convenient for people. The growing number of people using the internet is one of the factors contributing to the growth of e-banking in India. Because electronic banking has so many benefits, people prefer to use it these days. However, it has also raised certain problems and difficulties related to cybercrime, such as credit card fraud, phishing, and data theft. Therefore, an attempt has been made in this paper to provide an overview of e-banking in India as well as the different problems and difficulties that the banking industry faces.

Key words: E- Banking, Economic growth, Cybercrime, challenges and opportunities

WHAT IS E – BANKING

E- Banking is an Electronic banking system which plays an important role in banking sector. It simply refers to the use of electronic and telecommunications networks to transmit various financial services and goods with e-banking, a customer can access his records and handle multiple transactions from his computer or mobile device. By incorporating technology into financial services, e-banking, also referred to as electronic banking, which alters traditional banking. Customers can now easily access banking services online through mobile apps or net

banking and thanks to this digital evolution. There are numerous names for electronic banking, including web-based banking, online banking, and virtual banking.

E- Banking services can be access at anywhere at any time (24/7). With a reliable internet connection and the comfort of your home, it's a convenient way to access account information and related services. Additionally, these services are designed to be safe from cyber attacks. Only user IDs and passwords, as well as OTPs and a captcha during the login process, are required to access these net banking portals. Both banking institutions and their clients now experience less stress thanks to internet banking. E-banking can be accessed and processed quickly and securely. A single button click can provide non-financial information, including bank news, statement checks, application filling and submission, and more. In addition to being practical, e-banking services are influencing how banking will develop in the future. With the growth of mobile banking, banking services are now even more accessible and convenient because they can be accessed via a smart phone app. Furthermore, a lot of e-banking services now provide sophisticated features like investment advice and budgeting tools, enabling users to take charge of their money and make wise financial decisions.

Some Examples for the E- Banking:

Online banking, Internet banking, Mobile banking, ATM's, Direct Deposit, Electronic Funds Transfer (EFT), Electronic Bill Payments, Online Investing, Credit cards, Debit cards, Electronic Data Interchange (EDI), Electronic Clearing System (ECS), Smart Cards, Telephone Banking, Home banking, Remote Payments, Whatsapp banking, Social banking, Digital Banking, National Electronic Fund Transfer (NEFT), Direct Deposits, Any payments through electronically.

OBJECTIVES OF THE STUDY

- To study the important features of E- Banking system
- To evaluate the opportunity to increase e-banking awareness
- To know the challenges faced in e-banking both the customers and the bankers
- To Identifying numerous e-banking facilities / products which India has adopted.
- To understand the possibilities in Electronic Banking.

REVIEW OF LITERATURE

Raghavan (2006), over 85% of completed installment exchanges are currently completed electronically, and traditional branch-level money-saving techniques are typically of little use to clients who keep their money electronically. By 2020, many banks—including PSU banks—will have online ATMs, phone savings accounts, virtual savings accounts, e-saving accounts, Internet savings accounts, and so on.

In his article titled "Growth of Cashless Transactions in India: Challenges and Prospects," **Rajanna K.A. (2018)** came to the conclusion that cashless transactions became essential for everyone after our nation's demonetization on December 8, 2016. The entire financial structure of the payment method has changed as a result of digitalization. By providing the best services to its clients, the cashless economy can help us curb corruption, black money, counterfeit currency, and the funding of terrorism. Cashless transactions can be made using credit cards, debit cards, net banking, and other electronic payment methods.

The role of electronic commerce in banking is multifaceted, according to **Kalakota et al. (2006)** in their book *Electronic Commerce*, chapter *Electronic Commerce and Banking*. These factors include technological advancements, the quick divergence of numerous financial sectors, the New banking establishments and fundamental economic restructuring. Banks are depending on their cost and benefit structures in light of these environmental changes. Many banks believe that strict cost control and operational cost reduction are necessary for profitability. Numerous mergers and acquisitions in the banking sector demonstrate this philosophy. The proper operation of cost control is the challenge underlying the bank's restructuring.

HYPOTHESIS

H0: There is no significant difference between Age of the Respondents & Use of E- Banking Services

H1: There is a significant difference between Age of the Respondents & Use of E- Banking Services

H0: There is no significant difference between Income of the Respondents & Challenges faced by the customers

H1: There is a significant difference between Income of the Respondents & Challenges faced by the customers

RESEARCH METHODOLOGY

| | | |
|----------------------|---|---|
| Research Design | : | Descriptive research |
| Nature of Data | : | Primary and Secondary Source of information |
| Sampling technique | : | convenience sampling |
| Sample Size | : | 50 |
| Sampling Area | : | Private Banks |
| Statistical package | : | SPSS |
| Statistical Tool | : | One sample T- Test, correlation, ANNOVA, Regression |
| Data Collection Tool | : | Questionnaire |

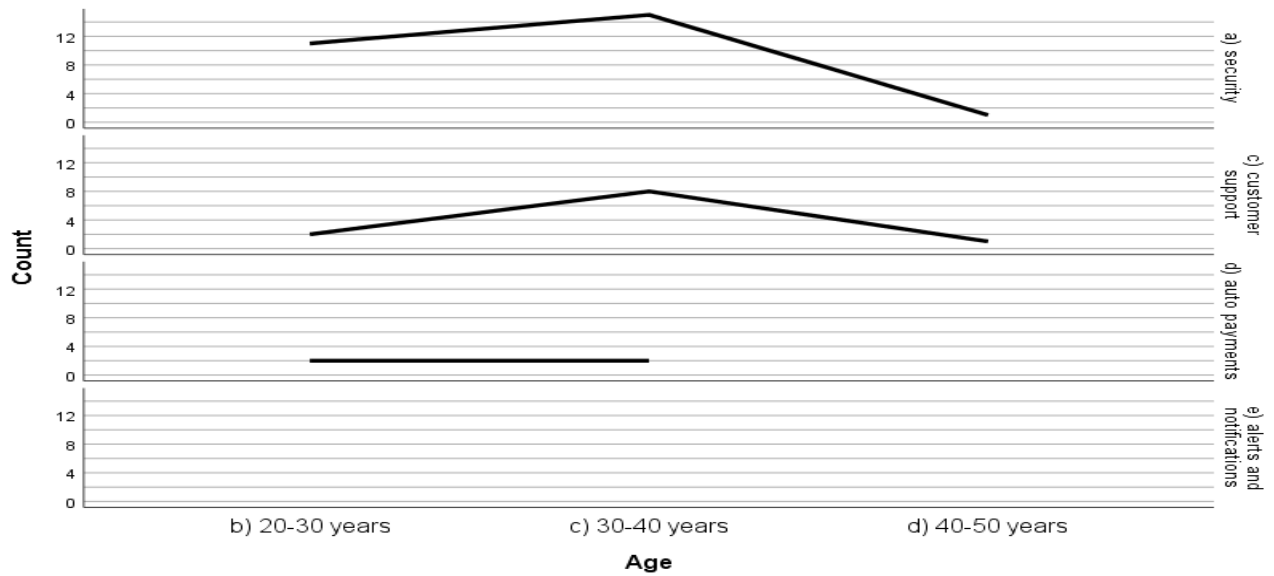
DATA ANALYSIS AND INTERPRETATION

Posterior Distribution Characterization for One-Sample Mean

| | N | Mode | Posterior | | 95% Credible Interval | |
|-----|----|------|-----------|----------|-----------------------|-------------|
| | | | Mean | Variance | Lower Bound | Upper Bound |
| Age | 50 | 2.74 | 2.74 | .006 | 2.59 | 2.89 |
| Q1 | 50 | . | . | . | . | . |

Prior on Variance: Diffuse. Prior on Mean: Diffuse.

Graph: Features used by the cusotmers



Q5

| ANOVA | | | | | |
|----------------|----------------|----|-------------|-------|------|
| income | | | | | |
| | Sum of Squares | Df | Mean Square | F | Sig. |
| Between Groups | 5.347 | 3 | 1.782 | 1.111 | .354 |
| Within Groups | 73.773 | 46 | 1.604 | | |
| Total | 79.120 | 49 | | | |

| Coefficients ^a | | | | | | |
|---------------------------|------------|-----------------------------|------------|---------------------------|-------|------|
| Model | | Unstandardized Coefficients | | Standardized Coefficients | t | Sig. |
| | | B | Std. Error | Beta | | |
| 1 | (Constant) | 2.306 | .326 | | 7.065 | .000 |
| | Q6 | .006 | .114 | .007 | .049 | .961 |

a. Dependent Variable: qualification

| Between-Subjects Factors | | | |
|--------------------------|---|--------------------------|----|
| | | Value Label | N |
| Q6 | 1 | a) increased customers | 13 |
| | 2 | b) banking 24/7 | 9 |
| | 3 | c) improved service time | 15 |

| | | | |
|--|---|-----------------------------|----|
| | 4 | d) better market prediciton | 11 |
| | 5 | e) increased profits | 2 |

| Tests of Between-Subjects Effects | | | | | |
|-----------------------------------|-------------------------|----|-------------|---------|------|
| Dependent Variable: qualifiacion | | | | | |
| Source | Type III Sum of Squares | df | Mean Square | F | Sig. |
| Corrected Model | .410 ^a | 4 | .102 | .104 | .981 |
| Intercept | 150.831 | 1 | 150.831 | 152.628 | .000 |
| Q6 | .410 | 4 | .102 | .104 | .981 |
| Error | 44.470 | 45 | .988 | | |
| Total | 314.000 | 50 | | | |
| Corrected Total | 44.880 | 49 | | | |

a. R Squared = .009 (Adjusted R Squared = -.079)

CONCLUSION

These days, e-banking is growing in popularity. Due to a number of advantages, including accessibility, cost savings, and time savings, people are switching from traditional banking to online banking. People are adopting it and learning about it. Ninety percent of the fifty respondents to the study said they prefer online banking over traditional banking, and eight out of ten said they find online banking more convenient. There are a number of issues with e-banking, including fraud, transaction complexity, and security risk. However, by offering greater protection, privacy, an interactive platform, etc., they can be addressed. Therefore, e-banking is becoming more and more popular and being used by people in spite of its difficulties.

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