

Opportunities And Threats Of E-Banking In India

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ABSTRACT

After the effect of demonetization, digital money has been the weak point among the citizens of India. Digital cash and online transactions in the current market scenario have a great impact on electronic banking and digital banking. Electronic banking (electronic banking) or online banking means that any user with a personal computer and a browser can connect to their bank through the bank's website to perform any of the functions of virtual banking. All the services that the bank has authorized on the Internet are shown in the menu. Any service can be selected and other interactions are dictated by the nature of the service. Now, the demand for one-day financial services is rapidly transmuting and the deportation of clients with respect to these services is bound to transmute rapidly. As a result, it is mandatory for the banking sector that, instead of the traditional banking system, it must adopt the electronic banking system and some incipient strategies to magnetize and retain existing and incipient customers. Electronic banking is the most pioneering trend among customers in the current push for faster and safer financial services. Electronic banking mainly includes the electronic transfer of funds and the use of online banking services. Any customer can request the number of electronic banking services. You can extract D-MAT operational accounts, VISA transfers, funds transfers, ATMs, ECS, national electronic funds transfers (NEFT), RTGS and CAGR, etc. The electronic banking system is considered safe and secure compared to the physical banking service. Electronic banking guarantees qualitative banking transactions compared to traditional banks. However, it has its limits and its challenges when we talk about security, on the contrary. The discussion throughout the document revolves around the threats facing Indian banks in terms of electronic banking, opportunities to raise awareness and the measures adopted for secure and protected electronic banking.

KEYWORDS: -

E-banking, Opportunities, Threats, Safe banking, Risk Factor, ATMs, ECS, National Electronic Funds Transfer (NEFT), RTGS, CAGR

INTRODUCTION

The financial sector plays a key role in the economic growth of a country. Banks are considered the most important part of the financial sector. The economic growth and development of any country are influenced mainly by the progress of the banking sector in that particular nation. In the current era of technological demand for financial services, it is transmuting very rapidly. To comply with these ordinary dictates, the adoption of advanced incipient technology in the banking sector is mandatory to satisfy existing customers and

attract more customers. The progress of electronic banking after the processes of liberalization and globalization began in 1991, affecting the financial sector, particularly in the banking sector. Progress has a complete and perceptible reorganization of the operating environment of the banking system. The drastic change in e-commerce is completely changing the way customers perform their banking operations, banks provide different cash services to withdraw cash by electronic means, so we can say that the number of electronic transactions is increasing. The world will be a cybernetic world in which each one would be connected through the internet. The world is becoming a global market, characterized by economic interdependence. National borders have become less significant with the interconnected effect of technology, information flows and the mobility of foreign investments. In the last thirty years, the operational efficiency of banks has now increased, since the time spent by banks in several transactions has been reduced with this advance. The competition has also increased. Banks are interested in acquiring more and more clients to increase their income and use different technological tools to increase the number of their clients. Electronic banking, also known as online banking or virtual banking or internet banking, is a system that allows banking transactions such as the transfer of funds, the payment of loans and EMI, deposits and withdrawals of money virtually with the help of the internet. It is one of the extended characteristics offered by banking institutions, in addition to traditional banking activities. Electronic banking is the feature most used by the citizens of India after the effect of disassembly

REVIEW OF LITERATURE

In the study conducted by **Mohammed and Shariq (2011)** electronic banking channels, particularly ATMs, were adopted in the city of Lucknow, U.P. He discovered that ATMs were the technology most adopted by banks.

Mishra (2011) provided useful tips to ensure the security of Internet-based transactions (IBT). IBT users are advised not to respond to any email, phone call or letter, request IB information as login ID or password and do not click on any link provided in any email, claiming to link to the site The bank's website is a Important suggestion, among others. The electronic banking system has emerged from such an innovative development.

ReetiAggarwal (2009) examined the perception of Indian customers in the context of electronic banking and found that people in the age group of 31to 45 years use electronic banking more frequently. The respondents said that the use of electronic banking for the tax survey is the most useful, followed by a transfer of funds and that electronic banking is less useful for presenting complaints. The slowness of the transaction turned out to be the most frequent problem, followed by the fact that the server was not available during electronic banking.

Sharma (2009) said that the trend of electronic delivery of banking products and services is occurring partly due to consumer demand, in part due to the growing competitive environment in the global context.

Shukla and Shukla (2011) have stated that electronic banking offers a greater level of comfort to manage their finances from their own bedroom. However, it continues to present challenges for financial security and personal privacy. Customers are advised not to share

confidential personal information, such as PIN numbers, passwords and OTP (one-time password), etc. With anyone, including bank employees; regularly change the ATM PIN and online login and transaction passwords; Make sure that the login session has been successfully disconnected.

Uppal and Chawla (2009) found that customers from the public sector, the private sector and foreign banks in the Ludhiana district of Punjab are interested in electronic banking services, but at the same time face problems such as inadequate knowledge, Network poor, lack of infrastructure, inadequate position, incorrect use of ATM cards and difficulty opening an account.

OBJECTIVES

1. To study about E-Banking
2. To study the opportunity to increase E-banking awareness
3. To analyse the threats and risk factor involved in E-banking
4. To enlighten the measures adopted for safe banking

NETBANKING FEATURES

1. **Payment by Credit Card:**Customers can pay the credit card fees through this option.
2. **Download of Statements:**Customers can download the declaration on their PC for a period of 5 months from the date indicated.
3. **Change the Customer Profile:**Customers can update their mailing address and all their bank communications will go to this new address.
4. **Transfer of Funds:**Customers cannot transfer funds between their accounts, even if they are located in different branches / cities.
5. **New Application for Fixed Deposit:**The customer can open a fixed deposit account on the Internet.
6. **Fixed Deposit Request:** Customers can access the details of their fixed deposit account, such as the principal balance, the duration of the deposit, the interest rate, the due date, the amount owed and the payment instructions.
7. **Stop Payment Request:**The customer can request the suspension of payment to a check or a series of checks online simply by entering the check number and the reason for the interruption of the payment.
8. **Cheque Verification and Status Inquiry:**The client can see the status of a specific check issued in any of his accounts.
9. **Cheque Book Request:**The customer can request a new checkbook online. Your checkbook will be sent to the address of the bank's files.

10. **Account Balance Request:**The customer can check their savings or the balance of their current account, including information about unclear funds, account balances, overdraft limits and sweep amounts.

OPPORTUNITY TO INCREASE E-BANKING AWARENESS

1. **Increase the capacity of Internet and computer users:** To use Internet banking is a very important or initial requirement that people need to know Internet technology so that they can easily adopt Internet banking services.
2. **Initiatives taken by government agencies for financial education:**Several government institutions such as RBI, SEBI, IRDA and other market players have undertaken a series of initiatives in the field of financial education. They have prepared a school curriculum along with several topics that include Internet banking, banking products and services, net banking services to educate school students, college students, job managers, middle income groups, home builders, retired staff, self-help groups etc.
3. **Competitive advantage:** The advantage of adopting electronic banking offers a competitive advantage to banks over other players.

THREATS AND RISK FACTOR INVOLVED IN E-BANKING

1. **Low penetration of broadband Internet:** India has one of the lowest broadband penetration rates in Asia compared to Japan, Taiwan, Korea and Singapore.
2. **Ambivalent levels commitment of banks:** Internet banking took off in India at the beginning of the millennium, but soon failed due to the lack of buyers.
3. **Customers' preference for traditional branches:** There are thousands of highly active traditional bank branches in the busy cities of India and major cities. Employees use more lunch hours to complete their banking activities and transactions at these branches instead of directing them online.
4. **Fear of online threats / scams:** Widespread and ubiquitous online threats against hackers, identity theft, stolen passwords, viruses, worms and spyware tend to make customers suspicious as in any another country.
5. **Impersonal:**Transactions on the Internet can be very impersonal. In other words, you do business only with the use of a computer. No person can receive and verify your money or correct any incorrect information you have written on a particular form. And so, for people who deal with real people who provide personalized services and use paper and money, Internet banking is not ideal.
6. **Difficult for beginners:** For the first time, browsing an Internet banking website can be difficult and may take some time. Opening an account may take some time because

some sites require a large amount of personal data, including photo identification that may disturb the account.

MEASURES ADOPTED FOR SAFE BANKING

1. **Password:** We need to change our passwords at regular intervals to keep our accounts secure. One of the best practices is to have a password as a combination of uppercase and lowercase letters, numbers and special characters.
2. **Use of public computers:** Banking experts do not recommend accessing the bank account from the cybercafé or the libraries. The chances of other people tracking or seeing passwords are usually high in those places. One should make sure to clear the cache and browsing history and remove all temporary files from the computer. Also, never allow the browser to remember the ID and password; this leads to piracy.
3. **Confidentiality:** No bank will request confidential information by phone or email. We must pay attention to the bank's apparent telephone calls or to an email requesting such details; do not provide login information. Sharing login credentials with friends and family is not recommended.
4. **Regular control is necessary:** Check your account after making any transaction online. Check if the correct amount was deducted from your account. If you see any discrepancy in the amount, notify the bank immediately.
5. **Antivirus software:** Be sure to keep your antivirus updated so that confidential information is always protected.

FINDINGS AND CONCLUSIONS

Internet banking users are increasing as their income and educational standards are improving the number of users based on the educational level of Internet banking users with income. Therefore, it is necessary that the financial education of the users be increased through several programs that could be administered by the banks to raise awareness about Internet banking. There is still a great need for the banking system to reform and train its customers to use the Internet for their bank account. Banks are looking for their best level by providing the best security options to customers, but there are many factors that betray a customer when opening a bank account on the Internet. In this way, banks could reduce trips to branches and, therefore, operating costs. Banks are now spending a lot on the front of information technology, but on the government side it is necessary to invest in infrastructure such as

electricity and the internet. It is useful from the point of view of customers and banks, so in the next few years electronic banking will change the shape of traditional banks.

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