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E-BANKING IN TODAY'S EXISTENCE: A BIRD'S EYEVUEW

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Electronic banking, also known as electronic funds transfer (EFT), is simply the use of electronic means to transfer funds directly from one account to another, rather than by cheque or cash. You can use electronic funds transfer to:

- deposited directly into your bank or credit union checking account.
- Withdraw money from an ATM machine with at your convenience, day or night.
- automatically pay certain monthly bills from your account
- transfer funds each month from your checking
- social security benefits check or your tax refund deposited directly into your checking account.
- Purchasing groceries, gasoline and other purchases at the point-of sale

INTRODUCTION

E-banking services, also known as online banking or internet banking, have revolutionized the way we manage our finances. With the convenience of being able to access banking services from anywhere with an internet connection, e-banking has become a popular choice for many individuals and businesses.

E-banking services are not only convenient, but they are also shaping the future of banking. With the rise of mobile banking, banking services can now be accessed through a mobile app on your smart phone, making it even more convenient and accessible.

In addition, many e-banking services now offer advanced features such as budgeting tools and investment advice, allowing individuals to take control of their finances and make informed financial decisions.

Customers need not visit their bank's branch office to avail each and every small service. Not all account holders get access to internet banking. If you would like to use internet banking services, you must register for the facility while opening the account or later. You have to use the registered customer ID and password to log into your internet banking account.

Types of E Banking

There are several types of e banking services available, each offering different features and benefits. Some common types of e-banking services include:

- Online banking: Allows customers to view account balances, transfer funds, and pay bills through a website.
- Mobile banking: Allows customers to access banking services through a mobile app on their smart phone.
- Social banking: Allows customers to access banking services through social media platforms such as Face book.
- Digital wallets: Allows customers to make transactions and store personal information and financial details on their smart phones.

Development of E Banking

The story of technology in banking started with the use of punched card machines like Accounting Machines or Ledger Posting Machines. The use of technology, at that time, was limited to keeping books of the bank. It further developed with the birth of online real time system and vast improvement in telecommunications during late1970's and 1980's.it resulted in a revolution in the field of banking with "convenience banking" as a buzzword. Through Convenience banking, the bank is carried to the door step of the customer.

The 1990's saw the birth of distributed computing technologies and Relational Data Base Management System. The banking industry was simply waiting for the technologies. Now with distribution technologies, one could configure dedicated machines called front-end machines for customer service and risk control while communication in the batch mode without hampering the response time on the front-end machine.

Intense competition has forced banks to rethink the way they operated their business. They had to reinvent and improve their products and services to make them more beneficial and cost effective. Technology in the form of E-banking has made it possible to find alternate banking practices at lower costs.

The advantages of internet banking are as follows:

- Availability

A person can avail the banking services round the clock throughout the year. Most of the services offered are not time-restricted; you can check your account balance at any time and transfer funds without having to wait for the bank to open.

- Easy to operate

It is easy to use and very simple.

- Convenience

It is easy to complete the transactions from our own places. Funds can be transferred to any account within a few minutes via internet banking. All the transactions on a bank's internet banking portal will be recorded.

- Time Efficient

It offers the ability to access account 24/7, allow to manage our finances at a time that is convenient for us. This can be especially useful for busy individuals or those who live in areas where banking services may not be readily available. It also saves our valuable time.

The disadvantages of internet banking are as follows:

Internet Requirement

Internet connection is a foremost necessity for net banking services. If the bank servers are down due to any technical issues on their part, not possible to access net banking services.

Transaction security

Online banking transactions are still susceptible to hackers. Irrespective of the advanced encryption methods used to keep user data safe, there have been cases where the transaction data is compromised. This may cause a major threat such as using the data illegally for the hacker's benefit.

Difficult for Beginners

It is very difficult for inexperienced beginners to handle net banking.

Securing Password

Internet banking account requires the password to be entered in order to access the services. Thus the password occur a key role in maintaining integrity.

Conclusion

The introduction of new technologies has drastically transformed banking transactions. In the past, customers had to come physically into the bank branch to do banking transactions including transfers, deposits and withdrawals. Banks had to employ several tellers to physically make all those transactions. Automatic Teller Machines (ATMs) were then introduced which allowed people to do their banking on their own, practically anytime and anywhere. This helped the banks cut down on the number of tellers and spotlight on managing money.

The Internet then brought another venue with which customers could do banking, reducing the need for ATMs. Online banking allowed customers to do financial transactions from their PCs at home via Internet. Now, with the emergence of Wireless Application Protocol (WAP) technology, banks can use the infrastructure and applications developed for the Internet and move it to mobile phones.

Now people no longer have to be tied to a desktop PC to do their banking. The WAP interface is much faster and convenient than the Internet, allowing customers to see account details, transaction details, make bill payments, and even check credit card balance.

E-banking has become essential endurance weapon and is fundamentally changing the banking industry worldwide. Today, the click of the mouse offers customers banking services at a much lower cost and also empowers them with unprecedented freedom in choosing vendors for their financial service needs.

The invasion of banking by technology has created an information age and commoditization of banking services. Banks have come to realize that survival in the new e-economy depends on delivering some or all of their banking services on the Internet while continuing to support their traditional infrastructure.

The development of E-banking is redefining business relationships and the most successful banks will be those that can truly fortify their relationship with their customers.

Reference

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