

# A Study Report on Recent Trends in Internet Banking Services in India

<sup>1</sup>Ms.Pradnya Surwade, <sup>2</sup>Dr.Mahesh M.Badve

<sup>1</sup>Research Scholar, <sup>2</sup>Head of Economics Dept.M..J.College Jalgaon,

<sup>1</sup>North Maharashtra University, Jalgaon, India.

**Abstract :** With the advancements in information technology, there is rapid growth of digitization in banking sector. The Indian government has taken initiative for motivating Digital banking in Indian Banking Industry. By considering customer expectations to meet the challenges and demands faced by banks, Banks have introduced various new products and services.

Ministry of Electronics and Information Technology (MeitY), Government of India has taken initiatives for making cashless transactions. And launched new products and services like Immediate Payment Service (IMPS), and Cheque Truncation System (CTS), Unified Payments Interface (UPI), Bharat Bill Payment System (BBPS), RuPay Credit Cards for making payments and receipts through electronic modes.

The present article will study the performance of all such online banking services. It also provides a glimpse of benefits of recent developments in Indian banking industry. This article will be helpful for beginners in digital banking to upgrade from traditional banking to Digital Banking and make them aware about recent trends and developments in Indian Banking services.

**Keywords:** Digital Banking, E-Banking, Online Payment.

## ❖ Introduction:

In the recent wake of the advancements in technology computerization has been successfully implemented in various fields of banking sector. The benefits of these advancements lead to great flexibility and operational convenience, fast and accurate transactions and much more facilities to bank customers. Everyone today wants to get acquainted to the technology which is changing day by day with rapid pace. Though, adoption of e-banking services has been increased in recent years, It is observed that customers are accustomed to only few common and popular services like ATM, online recharge, online shopping, online bill payments, and most of the customers using the services are situated in urban and metro cities only.

Therefore, it is important for customers to be aware about all those new services and products launched by banks and also understand its uses. This paper will try to elaborate all those important information about new services and products offered and launched by banks and their benefits to each and every person.

Customers are very much aware about popular services covered under E-banking such as :-

1. Automated Teller Machines
2. Credit Cards
3. Debit Cards
4. Smart Cards
5. Electronic Funds Transfer
6. Cheque Payment System
7. Mobile Banking

Apart from above services mentioned some new features and services are offered which will make complete cashless system. So its necessary of time to change banking habits from traditional banking to new innovative banking.

## ❖ Objectives of the Study:

1. To identify new trends and services offered by Indian banks and to study their uses.
2. To study present status of these new products and services offered by Indian Banks.

## ❖ Research Methodology:

The research paper is based on the secondary data Method. The data is collected from different journals, published data,websites like NPCI,RBI and others. Other literature's on this subject have also been referred in this study.

❖ **Literature Review:**

The following reviews on Recent Trends and developments in e-banking services in Indian banking sector and related literature have been reviewed.

**1. New Technological Changes in Indian Banking Sector by Dr.G.Anbalagan.**

This paper identifies recent innovations in banking and financial market such as ECS, RTGS, NEFT, ATM, and Retail Banking. Etc., and including more product and services like Point of Sale Terminal, Electronic Data Interchange (EDI), smart cards, Demat Services, Micro finance, Plastic Money, Mobile banking etc. Paper concludes that all these innovative banking technology reforms have changed the face of Indian banking and financial sector.

**2. A Study on Customer Awareness Towards E-Banking Services in Coimbatore City-By MRS. M.Esther krupa & Dr.R.Rajasekaran**

In this research paper, awareness among customers about e-banking services has been studied. It is found that the demographic factors such as age, gender, annual income level of the customers are very important in creating the awareness level among the customers of the Coimbatore city. The study has finds that though people are aware of the concept of Electronic Banking, the intention to use e- banking is still very limited. Safety and security for financial transaction is needed to increase use of e-banking services.

**3. Emerging Trends in Banking – Increasing Role of Information Technology by Dr. Neha Yajurvedi”**

This paper analyses rapid advancement occurring in the banking sector. Along with this, performance of existing technology based products offered by the banks. The research states that E-banking, Mobile banking, Net banking and ATMs facility has gained the success among the customers. Today’s generation is very much interested in adopting all such technology enabled banking facility. Also Payment settlement systems like RTGS, NEFT, EFT, ECS, and CTS have proved to be successful among the customers. Therefore, Information technology has made revolution in Indian Banking sector and it will grow in future.

**4. A Study of Impact of Information technology in Indian banking industry by Ibha Rani**

The article is focused on role information technology in Indian Banking sector. Also the development of electronic payment channels is described in detail. With the invent of automation and computerization in Indian banking sector Electronic delivery channels, ATMs, variety of cards, web based banking, and mobile banking are produced. Recent trends in banking industry such as Electronic Payment and Settlement System, Use of MICR Technology, Electronic Fund Transfer (EFT), Electronic Clearing Services (ECS), Real Time Gross Settlement (RTGS), Automated Teller Machine (ATM), Mobile Banking, Internet Banking are described.

**5. An Analysis Of E-Banking Services Offered By Public Sector Banks In Indian by Sachin A. Kadam1 & Bharati V. Yelikar**

The present paper have studied the e-banking scenario with reference to public sector banks in India. This Research states that Information and communication technology has offered various new services in banking sector which drives competition in banking sector with private banks and trying to offer best services to customers. It is found that almost all public sector banks offer same e banking services and there is scope for public sector banks to offer international e banking services.

❖ **New E banking Services Launched:**

**1) RuPay Card:**

This card is a Indian Domestic card launched in March 2012 by National Payments Corporation of India which can be used at all ATM’s across India as well as Outside India. According to the data published by NPCI, under RuPay Platform, there are around 145,270 ATMs and more than 875,000 point of sale (PoS) terminals in India. RuPay cards can also be used at online domestic payment gateways with same PIN used for ATM transactions.

**A.Rupay Credit card:**

- i) **RuPay Select Credit Card:** The card that reflects your lifestyle. From complimentary lounge access to time after time cashbacks to exclusive concierge services.

- ii) **RuPay Platinum Credit Card:** RuPay Platinum Credit Card offers cash back time after time on Restaurants and Eateries, Utility bill payments.. Also, provides merchant offers like Personal Accident insurance and Permanent Disability cover upto Rs.2 Lakhs.
- iii) **RuPay Classic Credit Card:** With the RuPay Classic Credit Card get the benefit of a Personal Accident insurance and Permanent Disability cover upto Rs.1 Lakh.

#### B. Rupay Debit Card:

- a. **RuPay Classic:** Benefit from a comprehensive insurance cover with the RuPay Classic Card.
- b. **RuPay PMJDY Card:** Avail affordable banking services with ease with the RuPay PMJDY Card – a Government of India initiative.
- c. **RuPay PunGrain Card:** This Initiative is taken by Punjab Governments towards the payment to Arthia (commission agents) ,which was launched in October 2012. PunGrain(Punjab Grains Procurement Corporation Ltd) is a grain procurement project of Punjab Government. RuPay Pungrain Card is issued only to (Commission Agents) under this account. This cards are used for cash withdrawal at ATMs also for automated grain procurement facility at PunGrain mandis.
- d. **RuPay Platinum:** Launched in 2014 offers personal accident insurance of 200,000 also Cashback offer on utility bills payment having terms and conditions applied.
- e. **RuPay Mudra Card:** Under Pradhan Mantri Mudra Yojna Scheme by government Mudra cards are issued to bene. This card will offer Insurance Coverage Rs. 1 Lac as applicable to RuPay Card.
- f. **RuPay Kisan Card:** Ministry of Agriculture have launched Kisan Credit Card Scheme for farmers to meet their the credit requirements and cultivation needs as well as non-farm activities in a cost effective manner. This cards are issued only to this sceme beneficiaries.The cards can currently be used at both ATMs and POS machines.

#### C. Rupay Prepaid card

1. **Gift Card:** With this pre loaded gift card ,we can shop any goods or merchandise from a wide range of stores and e-commerce websites across India .
2. **Payroll Card:** This card is used to manage employee salaries, Cash withdrawal from ATM and also used at Merchant outlets and online portals.
3. **Student Card:** This is especially designed for students which can help to process scholarships and fee payments. And also provides special spend wallets to children's which parents can monitor and access.
4. **Virtual Card:** It will give instant access to card. And quick registration is possible.

#### D. Rupay Global:

RuPay Global Card is issued in two exhaustive variants - RuPay Global Classic Debit Card and RuPay Global Platinum Debit Card. Both these variants are accepted worldwide at over 40.1 million POS locations and over 1.88 million ATM locations in 185 countries and also at .

**E. RuPay Contactless:** RuPay Contactless offers the unique proposition of One Card for all Payments. This card can be used for transit payments (Bus, Metro, Cab etc.),Restaurants, Retail shops, toll, parking, small value offline retail payments as well as normal day to day retail payments.

#### 2) BHIM App:

Bharat Interface for Money (BHIM) is a payment app. Using Unified Payments Interface (UPI) ID or scanning their QR with the BHIM app, you can make direct bank payments to anyone on UPI, and request money.

#### 3) UPI:

Unified Payments Interface (UPI) is a system that enables multiple bank accounts into a single mobile application (of any participating bank). UPI is a simple payment tool created by NPCI that is based on IMPS system. Using UPI we can transfer money immediately at anytime 24x7. UPI app can be operated on a smart phone and can be thought of like an email ID for money.

- **Single identifier:** Ability to integrate accounts/wallets with different banks and Prepaid Payment Instruments (PPIs) in a single mobile app
- **Push & pull payments:** Payments can be both sender (payer) and receiver (payee) initiated
- **On Single Click 2Factor Authentication is possible.**

#### 4) IMPS:

It is an instant interbank electronic fund transfer service which is able to transfer funds from person to person, person to account and person to merchant payments via Mobile, Internet and ATM. With high security and all standards we can do high worth transactions in fraction of seconds. Immediate Payment service will offer user to send money 24\*7 using mobile number, Aadhaar number and Bank a/c, IFSC Code. It can be accessible using internet banking, mobile banking and ATM. A user can make payments by using Mobile number & MMID (P2P) or Account number & IFS Code (P2A) or Using Aadhaar number (ABRS) or Using Mobile number & MMID (P2P). Electronic Benefit Transfer (EBT)/ Direct Benefit transfer (DBT) that is subsidy payment is given by the Government with the help of ABRS .

#### 5) \*99#:

This feature is very much useful to common man who does not have Smartphone. It is offline service which is available 24\*7 hours and even on holidays from your mobile handset. Dial \*99# on your mobile phone and do transactions. This is USSD based mobile banking services.

Currently, following Financial, Non-financial and Value Added Services (VAS) are offered through \*99# service. Financial Services provided such as Sending Money using Mobile No, UPI ID ,Aadhaar No. or using Account No. and IFSC or you can Requesting Money using UPI ID / Mobile Number .Also Non-Financial Services provided are checking Account Balance, Set UPI PIN or Change UPI PIN or you can see your Last 5 transactions details. The Value Added Services (\*99\*99#) will provide service to check your Aadhaar linking Status and PMJDY A/C Overdraft Status

**Table 1: Present status of some recently launched services on Feb.2018.**

Sr.No.	Apps	No. of Banks live on UPI	Volume in Millions	Amount in Cr.
1.	BHIM	78	9.88	4,011.16
2.	UPI	86	171.4	19,126.20
3.	*99#	62	1,56,073	259.3

\*Source: <https://www.npci.org.in/statistics>

#### 6) CTS:

Cheque truncation is the process in which the physical movement of cheque is truncated or eliminated, where one party in the chain truncates the cheque and converts it to an image at the presenting bank level. This system is useful for customers by reducing time in cheque processing by banks. And operationally it is beneficial to bank due to accuracy and reduced risk in cheques lost/tampered/pilfered, risk of any manipulation of data and image during transit, enhanced security and automation.

**7) NACH :** National Automated Clearing House is form of electronic clearing service. It has two wings ECS Debit and ECS credit. With this system banks customer can pay every months bills such as electricity, loan installments, insurance premiums etc. which are debited automatically from their bank accounts. And corporate, institutions are using this service for bulk amounts for distribution of dividends, interests, pensions, subsidies etc.

**8) NFS :** National Financial Switch is the largest interconnected network of automated teller machines (ATMs) in India. Institute of development and research in Banking Technology (IDRBT), Hyderabad has developed this system. It is run by NPCI.

NFS offers services like Cash Withdrawal, Balance Enquiry, PIN Change and Mini Statement, with some Value Added Services (VAS) Card-to-Card Fund Transfer, Cash Deposit (ICD), Cheque Book Request, Statement Request, Aadhar Number Seeding, Mobile Banking Registration (MBR) etc.

## 9) Bharat Bill Pay:

It is a one-stop bill payment service to all customers across India having certainty, reliability and safety of transactions. Bharat BillPay facilitates various payment modes such as Cash, Cards (Credit, Debit & Prepaid), IMPS, Internet Banking, UPI, Wallets, Account transfer & AEPS. This service provides you instant confirmation of payment via SMS or receipts. Customer can pay various bills or payments such as DTH, Gas, Telecom, electricity Bills, water Bills etc. In future it will also include insurance premium, mutual funds, school fees, institution fees, credit cards, local taxes, invoice payments, etc.

**Table 2: Bharat BillPay Live Members:**

Sr.No.	Name of channel	Number of Channels
1.	Internet Banking (Pre Login) Channel Banks	23
2.	Internet Banking (Post Login) Channel	14
3.	Mobile Banking (Post login)	8
4.	Live billers category Members	68
5.	Bharat BillPay Agent-Institutions	228
6.	Mobile App	2
7.	Website	1

\*\*Source: <https://www.npci.org.in/statistics>

## 10) AEPS: Aadhar enabled Payment Service

In Aadhar enabled Payment Service, customer can do transaction without any signature or debit card, only customer need to remember Aadhar number and it should be linked with bank account. The fingerprint is authenticated by the UIDAI. In response to a transaction, UIDAI tells to the bank about the authenticity of the user. Once, UIDAI authenticates, the bank gives green signal to the transaction.

Customer can perform transactions such as Cash Withdrawal, Cash Deposit, Balance Enquiry, Aadhaar to Aadhaar Fund Transfer, Mini Statement, Best Finger Detection. To do these transactions customers need to have identifying Bank number (IIN) to which the customer is associated, Aadhaar Number and Fingerprint captured during their enrollment.

## 11) Bharat QR:

NPCI, MasterCard and Visa together developed an unique payment system which is launched in September 2016. Bharat QR code allows transfer of fund through one source to other, money will be received directly in users linked Bank Account. This is supported in Android and IOS devices at present.

Bharat QR is quick method of payment. For this user has to download his/her bank's Bharat QR enabled mobile bank app from play store. Link the debit/credit/pre-paid card with Bank's application by doing one time registration. User has to scan the Bharat QR code at Merchant store and select card to make payment. After payment, both receiver and sender will get notification of successful transaction in mobile application.

## 12) BHIM (Bharat Interface for Money) Aadhaar :

Bhim Aadhaar App is a Mobile base App would enable any citizen of this country can make payment digitally without usage of cards, internet, smart phone. Also any merchant can receive payments without installing any physical POS machine at his store.

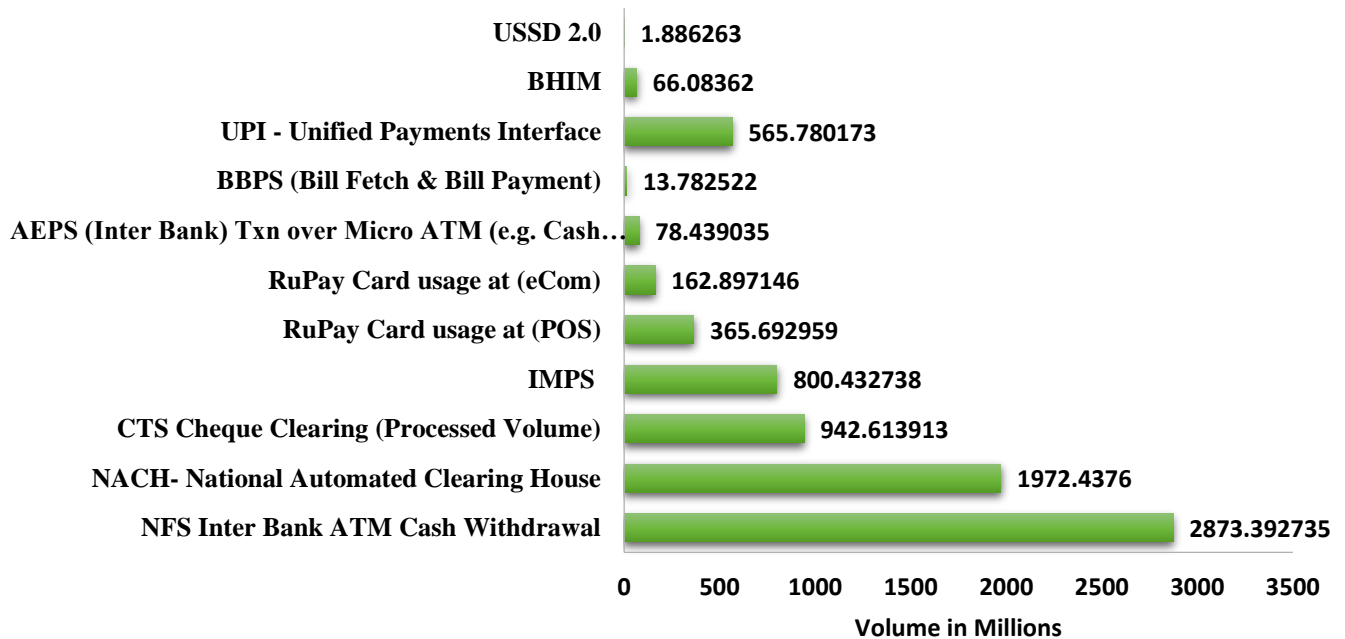
Here, Merchant have to download the BHIM Aadhaar Pay app which will be connected to a bio-metric reader. This bio-metric reader will scan fingerprints of customer and act as password for this transaction. By entering the Aadhaar Number, the app would automatically fetch the bank accounts linked with customers Aadhaar number, then he or she will select of bank for payment and payment will be completed.

## ❖ Present Status of E banking Services offered by Indian Banks:

**Table 3: RETAIL PAYMENTS STATISTICS ON NPCI PLATFORMS**

Sr. No.	NPCI Operated Systems	F.Y-2017-18 (Apr'17 to Mar'18)	
		Volume (in Millions)	Value (in Billion)
	<b>Financial Transactions:</b>		
1	NFS Inter Bank ATM Cash Withdrawal	2873.392735	10947.30564
2	NACH- National Automated Clearing House	1972.4376	7689.416188
3	CTS Cheque Clearing (Processed Volume)	942.613913	65315.52331
4	IMPS	800.432738	7004.237956
5	RuPay Card usage at (POS)	365.692959	395.2881946
6	RuPay Card usage at (eCom)	162.897146	129.4277131
7	AEPS (Inter Bank) Txn over Micro ATM (e.g. Cash withdrawal/ Cash Deposit)	78.439035	193.8487152
8	BBPS (Bill Fetch & Bill Payment)	13.782522	6.872894178
9	UPI - Unified Payments Interface	565.780173	665.3299868
9.1	BHIM	66.08362	211.6759964
9.2	USSD 2.0	1.886263	3.029533733
9.3	UPI excluding BHIM & USSD	497.81029	450.6244567
10	USSD 1.0	4.642135	0.000905377

Source:National Payment Corporation of India website.

**Figure: NPCI Operated Systems**

## ❖ FINDINGS:

From secondary data collected following points can be found :

1. NFS Inter bank ATM cash Withdrawal is very much popular service among all other services.

2. UPI App uses are growing very rapidly as compared to other mobile apps.
3. After ATM service. Number of Transactions with NACH services are more as compared to others.
4. New services like Bharat Bill pay, AEPS are still need to increase in use.
5. Online bill payments transactions are increasing.

#### ❖ SUGGESTIONS:

1. Use Passwords which contains letters alphabet and symbols together.
2. Don't share your personal information to anyone or any other places.
3. Open Trusted and secured websites of banks only.
4. Use Registered Mobile number of yourself.
5. Use Applocks or Security lock for your mobile Handsets.
6. Immediately Notify to the Bank Branch if you find some suspicious activity in your account.
7. You can ask for help from banks customer care numbers or by bank branch directly about e-banking services
8. Make ensure that you have linked Aadhaar card and Registered Mobile No. to your bank account.

#### ❖ CONCLUSIONS:

These New digital banking services is great step towards make Cashless Society. This paper has tried to describe all recently launched e-banking services with their uses and beginners can definitely select proper services among them. Also researcher has suggested some steps to make secure Transaction. Digitization will offer various benefits to banks, customers and also to the society by overcoming risk of handling cash, securing cash from thefts, saving time and cost of complex transactions, accuracy in transactions etc. The very big advantage is removing corruption from Economy and creating Transparent transactions in every department every in every work place. So Proper utilization of money for development of India will be done. And Indian banking Systems will flourish more in future.

#### ❖ REFERENCES

- 1 International Journal of Scientific Research and Management (IJSRM): **New Technological Changes in Indian Banking Sector by Dr.G.Anbalagan.** Volume-5, Issue-09, Pages-7015-7021. 2017. ISSN (e): 2321-3418. Website: [www.ijcrt.org](http://www.ijcrt.org)
- 2 PARIPEX - INDIAN JOURNAL OF RESEARCH - **A Study on Customer Awareness Towards E-Banking Services in Coimbatore City**-by MRS. M. ESTHER KRUPA & Dr.R.Rajasekaran Volume : 4 | Issue : 9 | Sept 2015 ISSN - 2250-1991-Page no.230-233|
- 3 INDIAN JOURNAL OF APPLIED RESEARCH – **“Emerging Trends in Banking – Increasing Role of Information Technology”** by Dr. Neha Yajurvedi- Volume : 5 | Issue : 10 | October 2015 | ISSN - 2249-555X
- 4 Abhinav National Monthly Refereed Journal Of Research In Commerce & Management- **A Study Of Impact Of Information Technology In Indian Banking Industry by Ibha Rani;**- Volume 4, Issue 6 (June, 2015) Online Issn-2277-1166
- 5 International Journal of Research in Computer Science and Information Technology (IJRCSIT)- **“An Analysis Of E-Banking Services Offered By Public Sector Banks In India”** Sachin A. Kadam1 & Bharati V. Yelkar- ISSN No. : 2319-5010 I Vol. 1 I Issue 1(A) I Feb. 2013.

#### ❖ WEBSITES:

1. <https://www.npci.org.in/>
2. <http://meity.gov.in/>
3. <http://www.ey.com/>
4. <https://www.bankofindia.co.in/english/RupayPunjabArthiaCard.aspx>
5. <http://www.journalcra.com/article/recent-trends-banking-sector-challenges-and-opportunities>
6. [https://en.wikipedia.org/wiki/National\\_Financial\\_Switch](https://en.wikipedia.org/wiki/National_Financial_Switch)

7. <https://en.wikipedia.org/wiki/BharatQR>
8. <https://www.indiaonline.com/>
9. <https://www.rupay.co.in/what-we-do>

