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## Impact of covid-19 on e-banking services with special reference to Port Blair, South Andaman

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### ABSTRACT

The ongoing spread of COVID-19 has become one of the biggest threats to the global economy and financial markets. To contain the impact of the coronavirus outbreak, India, like many countries across the globe, is taking several measures, including a nationwide lockdown; limiting movement of the entire population; shutting down public places and transport; and urging the public to stay indoors, maintain social distance, and work from home. The resulting economic disruption is huge and the short-term decline in activity for businesses, both large and small, considerable. The basic need (Food and Medicine) is important for continuo their life and in it the transfer of money plays an important role. Online banking can make the transaction through an electronic basis without the exchange of any tangible commodity with maintaining social distance. Online banking is the modern concept of banking in which people can do some banking activities (like Transfer cash transfer and in the account, Check Bank Balance, Payment of Bills, Phone recharge and etc.) through using the Internet in their phone, computer. One of the most important features of online banking is that it can totally operate electronically basis without the exchange of any tangible commodity and it has made it an important tool to protect from the pandemic. In this paper we describe the various digital payment methods that are used in the pandemic situation.

**Keywords:** Mobile Banking, Internet, Covid-19, Lockdown, Digital Payment.

### **I. INTRODUCTION:**

Coronavirus disease 2019 (COVID-19) is defined as illness caused by a novel coronavirus now called severe acute respiratory syndrome coronavirus 2 (SARS-CoV-2; formerly called 2019-nCoV), which was first identified amid an outbreak of respiratory illness cases in Wuhan City, Hubei Province, China. It was initially reported to the WHO on December 31, 2019. On January 30, 2020, the WHO declared the COVID-19 outbreak a global health emergency. On March 11, 2020, the WHO declared COVID-19 a global pandemic, its first such designation since declaring H1N1 influenza a pandemic in 2009. Common signs of infection include respiratory symptoms, fever, cough, shortness of breath and breathing difficulties. In more severe cases, infection can cause pneumonia, severe acute respiratory syndrome, kidney failure and even death. Standard recommendations to prevent infection spread include regular hand washing, covering mouth and nose when coughing and sneezing,

thoroughly cooking meat and eggs. Avoid close contact with anyone showing symptoms of respiratory illness such as coughing and sneezing.

**In India:** The COVID-19 pandemic in India is part of the worldwide pandemic of coronavirus disease 2019 (COVID-19) caused by severe acute respiratory syndrome coronavirus 2 (SARS-CoV-2). The first case of COVID-19 in India, which originated from China, was reported on 30 January 2020. Currently, India has the largest number of confirmed cases in Asia. The first cases of COVID-19 in India were reported in the towns of Thrissur, Alappuzha and Kasargod, all in the state of Kerala, among three Indian medical students who had returned from Wuhan. Lockdowns were announced in Kerala on 23 March and in the rest of the country on 25 March. By mid-May 2020, five cities accounted for around half of all reported cases in the country: Mumbai, Delhi, Ahmedabad, Chennai and Thane.

A second wave beginning in March 2021 was much larger than the first, with shortages of vaccines, hospital beds, oxygen cylinders and other medicines in parts of the country. By late April, India led the world in new and active cases. On 30 April 2021, it became the first country to report over 400,000 new cases in a 24-hour period. Health experts believe that India's figures have been underreported due to several factors. India began its vaccination programme on 16 January 2021, and by April was administering 3–4 million doses a day. India has authorised the British Oxford–AstraZeneca vaccine (Covishield), the Indian BBV152 (Covaxin) vaccine, and the Russian Sputnik V vaccine for emergency use.

### **Online Banking**

Online banking allows a user to conduct financial transactions via the Internet. Online banking is also known as Internet banking or web banking. Online banking offers customers almost every service traditionally available through a local branch including deposits, transfers, and online bill payments. Virtually every banking institution has some form of online banking, available both on desktop versions and through mobile apps.

### **Understanding online banking**

**1.** With online banking, consumers aren't required to visit a bank branch to complete most of their basic banking transactions. They can do all of this at their own convenience, wherever they want—at home, at work, or on the go. **2.** Online banking requires a computer or other device, an Internet connection, and a bank or debit card. In order to access the service, clients need to register for their bank's online banking service. In order to register, they need to create a password. Once that's done, they can use the service to do all their banking. **3.** Banking transactions offered online vary by the institution. Most banks generally offer basic services such as transfers and bill payments. Some banks also allow customers to open up new accounts and apply for credit cards through online banking portals. Other functions may include ordering checks, putting stop payments on checks, or reporting a change of address. **4.** Checks can now be deposited online through a mobile app. The customer simply enters the amount before taking a photo of the front and back of the check to complete the deposit. **5.** Online banking does not permit the purchase of traveler's checks, bank drafts, certain wire transfers, or the completion of certain credit applications like mortgages. These transactions still need to take place face-to-face with a bank representative.

According to health recommendations, one of the most effective ways to contain the current COVID-19 epidemic is to avoid personal contact. This means reducing the movement of people and increasing the time they spend at home as much as possible. In line with these indications, most banks in the affected countries have reduced the opening hours of their branches and they recommend their customers use online banking. To encourage the use of this channel, many banks have taken the opportunity to send out positive messages and to remind their users of the benefits of online banking. These benefits include the ease of carrying out any transaction 24/7 and enjoying permanent access to all financial information in real time. Some banks have also tried to promote online banking by sharing tutorials and expanding the types of transactions customers can carry out remotely.

## II. REVIEW OF LITERATURE:

- **Duvvuri Subbarao (2016)** his book revealed about the suggestion to take the step by the Government. Both the Government and RBI keep on moving India towards a less cash economy by encouraging people to shift from cash to electronic payments for all transactions. The shift from cash to electronic payments is a continuous process and is happening all the time, but its implementation will depend on the public's acceptance, which is in part a question of making it convenient for people to use electronic payments. In ultimate analysis though, facilitating the shift to a less cash economy is a question of meaningful financial inclusion.
- **Dr.V.Sornaganesh and Dr.M.Chelladurai (2016)** in his article revealed about the situation at the time of demonetization. The researcher made an attempt to study about the demonetization impact and financial technology company. The researcher also analyse about payment service sector during the demonetization period. Fast Moving Consumer Goods have extended their credit cycle to address this liquidity situation some of the consumer's companies have extended some credit to the distributors through RTGS. Digital payment is the largest bet in the mobile internet space from the technology point of view.
- **G.Sudha and Dr.V.Sornaganesh (2019)** article is revealed that after demonetization changes in buying behaviour are clearly explained. After demonetization the main impact is reduce the paper money and increase the digital cash. Most of the customers used digital cash after the demonetization, used through the mobile applications, Internet Banking, etc., for paying their bills.
- **G.Sudha and M.Thangajesu Sathish (2020)** article is revealed that after demonetization retailers will adopt the digital payment methods. The researcher analysed to find out the payment methods between the pre and post period of demonetization. Most of the retailers used their payments through using various applications. →
- **M.Thangajesu Sathish, R.Sermakani, and G.Sudha (2020)** this study is revealed that the traditional system of cash transaction cannot completely be replaced by card or e-payment system. People can adopt and use their mobile wallets for the payment transaction, fund transfer, purchasing groceries and paying bills etc. The study has discussed the trust is the main factor affecting users' satisfaction directly and it impacts on many users intention to adopt mobile wallets.
- **(Sreelakshmi & Prathap, 2020)** in their study recommended that conducting various Health and awareness campaigns on the threat of Covid19, would prove to be beneficial in the promotion of mobile banking along with preventive health concerns. They also discuss how important it is to reiterate the needfulness for fosterinhe self –efficacy amongst the customers to utilize the services via online literacy and promotion programs. Their study also pointed out that through the provision of additional features and offerings on a single platform, the adoption of mobile payment services could be further boosted.
- **(Lakshmi, Gupta, & Ranjan, 2019)** they identified that UPI payment are the main selling point for all the payment services providers, the mobile pin security has improved over the years and customer find it easy to have transaction.

## III. RESEARCH OBJECTIVES:

- 1) To study the role and importance of e-banking during covid-19 pendamic.
- 2) To study the effect of Covids-19 on the e-banking services in day to day business transaction.
- 3) To know about people perception towards the Use and Application of e-banking platform/services.
- 4) To understand the shift from physical banking transactions to mobile banking transactions during Covid-19.
- 5) To study how e-banking can promote social distancing policies.

#### IV. RESEARCH METHODOLOGY:

1. **Primary data:** A survey has been conducted within Port Blair, South Andaman District, Andaman and Nicobar Islands. Primary data have been collected from the city area of Port Blair by using questionnaires. A questionnaire designed to collect the primary data. Primary data have collected from the 50 respondents. Questionnaire consists of 5 questions related to feeling Happy, Safety, convenient in using e-banking platform during covid-19.
2. **Secondary data:** The necessary secondary data also have been collected from various sources like newspaper, magazines and websites.

#### V. DURATION OF THE STUDY:

The study duration is the time taken to complete data collection or it takes account the time Since inception of protocol or design of study to end of data collection. The duration of the Study was from February, 2021 to May, 2021.

#### VI. LIMITATIONS OF THE STUDY:

- The information given by the respondents might be biased because some of them might not be interested in providing correct information.
- Respondent tried to escape some statement. This was one of the most important limitations faced, as it was difficult to analysis and come at a right conclusion.

#### VII. MODES USED FOR DIGITAL PAYMENTS

- **Banking Cards (Debit/ Credit/ Cash/ Travel/ Others)**

Bank cards offer consumers more security, convenience and control than any other payment method. The wide variety of cards available, including credit, debit and prepaid cards, also offers tremendous flexibility. These cards offer 2-factor authentication for secure e.g. secure PIN and OTP. RuPay, Visa, MasterCard are some of the example of card payment systems.

- **Unified Payments Interface (UPI)**

Unified Payments Interface (UPI) is a system that powers multiple bank accounts into a single mobile application (of any participating bank), merging several banking features, seamless fund routing & merchant payments into one hood. It also caters to the “Peer to Peer” collect request which can be scheduled and paid as per requirement and convenience. Each Bank provides its own UPI App for Android, Windows and iOS mobile platform(s).

- **Mobile Wallets**

A mobile wallet is a way to carry cash in digital format. You can link your credit card or debit card information in mobile device to mobile wallet application or you can transfer money online to mobile wallet. Instead of using your physical plastic card to make purchases, you can pay with your smartphone, tablet, or smart watch. . Most banks have their e-wallets and some private companies. e.g. GooglePay, PhonePay, Paytm, Freecharge, Mobikwik, Oxigen, mRuppee, Airtel Money, Jio Money, SBI Buddy, itz Cash, Citrus Pay, Vodafone M-Pesa, Axis Bank Lime, ICICI Pockets, SpeedPay etc.

- **Internet Banking**

Internet banking, also known as online banking, e-banking or virtual banking, is an electronic payment system that enables customers of a bank or other financial institution to conduct a range of financial transactions through the financial institution's website.

- **Mobile Banking**

Mobile banking is a service provided by a bank or other financial institution that allows its customers to conduct different types of financial transactions remotely using a mobile device such as a mobile phone

or tablet. It uses software, usually called an app, provided by the banks or financial institution for the purpose.

### Effect of Covid: UPI transactions up significantly post-lockdown

The Covid pandemic seems to have made people focus on contactless payments in their daily life. Though a significant number of people started using contactless payment options such as UPI (Unified Payment Interface) even before the pandemic, its usage has gone up significantly post-lockdown. Nearly one-third of the total amount transacted on this four-year-old platform came in the last six months (the period following the lockdown).

UPI on August 26, 2016. The total amount transacted on the UPI platform stood at ₹43.45-lakh crore between 2016 and 2020. Of this, ₹14.26-lakh crore was transacted in six months between March and August 2020. This works out to almost one-third (32.82 per cent) of the total amount transacted on this platform during the last four years.

The number of transactions on the UPI platform also increased post-pandemic. Of the total 2,552 crore transactions on the UPI platform between August 2016 and August 2020, nearly 793.40 crore transactions (31.08 per cent) took place between March and August 2020.

#### April performance

Though the lockdown made an impact on UPI transactions in April 2020 with the decline in the number of transactions and amount transacted, these figures were better than the figures of April 2019.

The total number of transactions stood at 99.95 crore in April 2020 against 78.17 crore in the corresponding period of 2019. The amount transacted on the platform increased to ₹1.51-lakh crore in April 2020 against ₹1.42-lakh crore in April 2019.

In fact, the average number of daily transactions has also seen a growth in the last six months.

The average daily transactions stood at around 5.22 crore in August and 3.33 crore in April. However, the average daily transactions remained within 3 crore range during March-August 2019.

**Table 1: Average Daily Transactions**

Month	No. of transactions (2020)	Average no. of transactions/day (2020)	No. of transactions (2019)	Average no. of transactions/day (2019)
August	161.883	5.22	91.835	2.96
July	149.736	4.83	82.229	2.65
June	133.693	4.45	75.454	2.51
May	123.45	3.98	73.354	2.36
April	99.957	3.33	78.179	2.60
March	124.684	4.02	79.954	2.57

*Source: NPCI*

*Data visualisation: A J Vinayak*

In the post-lockdown scenario, the demand for contactless payments went up by young customers. Stating that many of these customers prefer avoiding the usage of currency notes post-pandemic, he said one of his customers even made the arrangements for QR code-based UPI transactions at his shop.

Terming this mode of transaction as a new beginning for him in the post-Covid world, he said some of his old customers, who were paying in cash, are also using UPI now.

## VIII. ANALYSIS AND DISCUSSION:

**Table 2: Demographic details of Respondents**

Gender	NO.
Male	36
Female	14

**Gender**

- Male: 92%
- Female: 8%

Age	NO.
Below -25	22
25-45	15
45-60	10
Above-60	3

**Age**

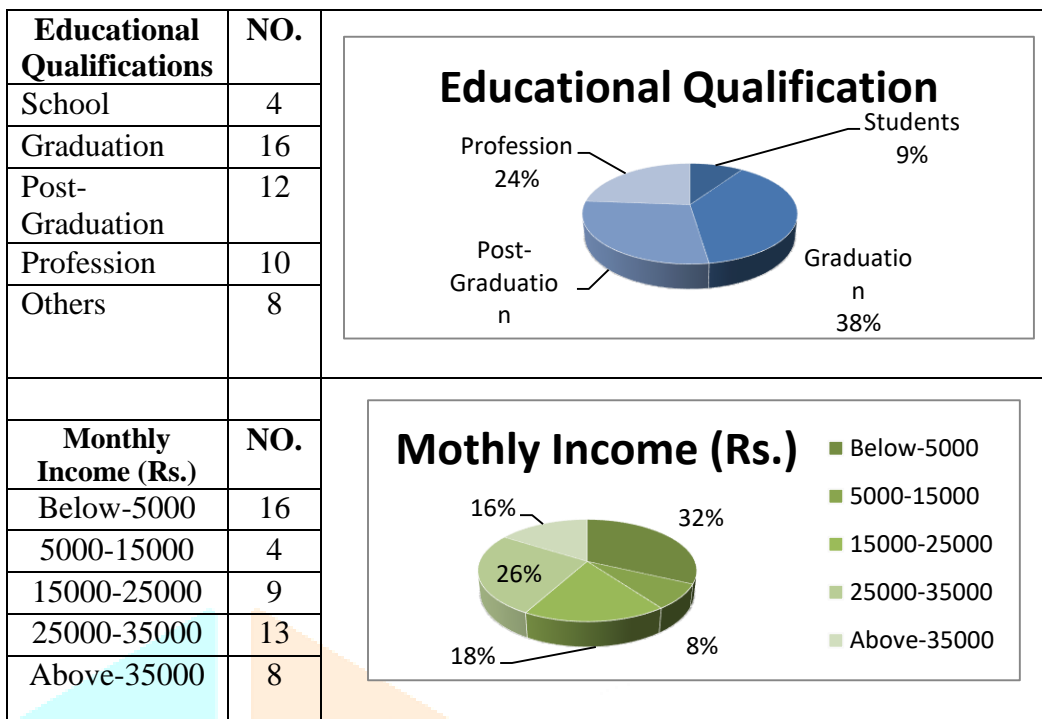
- Below-25: 23%
- 25-45: 41%
- 45-60: 28%
- Above-60: 8%

Occupation	NO.
Students	18
Govt. Employee	8
Private Employee	12
Business	10
Others	2

**Occupation**

- Students: 37%
- Govt. Employee: 21%
- Private Employee: 25%
- Business: 17%
- Others: 2%



*Source: Primary Data collected from 50 Respondents*

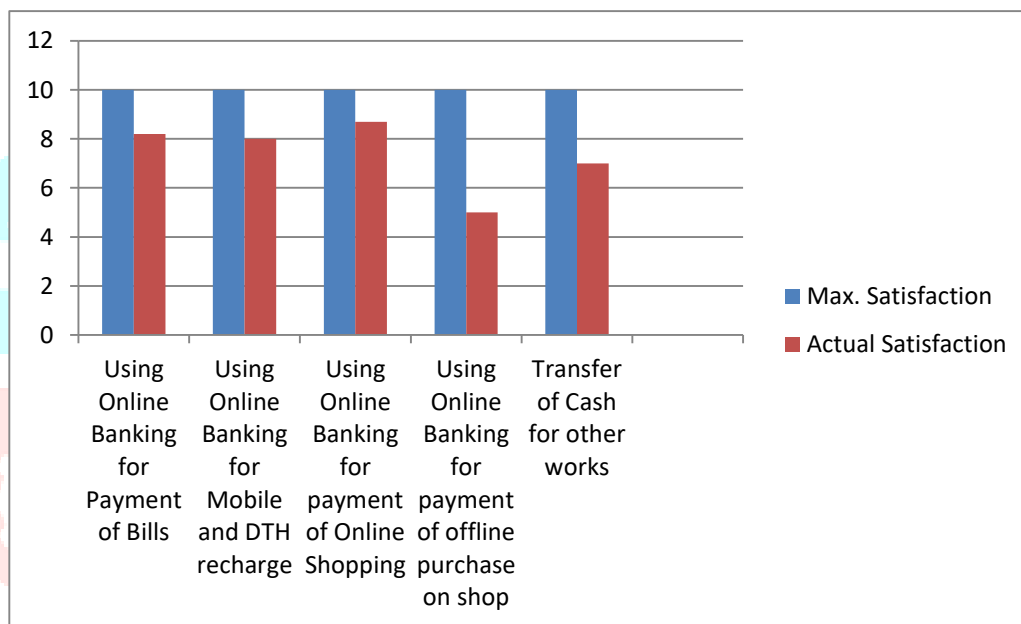
**Table 3: Consumers using of Mobile Banking wallets \* Are you the user of Mobile Banking Services? Cross tabulation**

		Are you the user of Mobile Banking Services?		Total
		Yes	No	
<b>Consumers using of Mobile Wallets</b>	<b>Paytm</b>	--	--	--
	<b>Phone Pay</b>	12	1	<b>13</b>
	<b>Google Pay</b>	18	6	<b>24</b>
	<b>Amazon Pay</b>	--	--	--
	<b>BHIM</b>	--	--	--
	<b>HDFC PayZaap</b>	--	--	--
	<b>SBI Yono</b>	10	3	<b>13</b>
	<b>Other</b>	--	--	--
<b>Total</b>		<b>40</b>	<b>10</b>	<b>50</b>

*Source: Primary Data*

**Table 4: User Safety of Online Banking during Covid-19 Virus Pandemic**

Particulars	Max. Satisfaction	Actual Satisfaction	%
Using Online Banking for Payment of Bills	10	8.2	82%
Using Online Banking for Mobile and DTH recharge	10	8	80%
Using Online Banking for payment of Online Shopping/online food purchase	10	8.7	87%
Using Online Banking for payment of offline purchase on shop	10	5	50%
Transfer of Cash for other works	10	7	70%
<b>Average</b>	<b>10</b>	<b>7.38</b>	<b>73.8%</b>

**Figure 1: User Safety of Online Banking during Covid-19 Virus Pandemic**

## IX. CONCLUSION:

There is a very strong consumer momentum in favour of digital payments and online banking driven by a very well-developed ecosystem. Consumers are also able to perceive the advantages and disadvantages of different digital payment products available, signaling a well-developed consumer environment as well. A high-quality push towards empowering users (as opposed to extolling product features or generic advantages of digital payments), with specific “how to use” knowledge, helplines for learning as well as problem solving, and safeguard features which help the user ‘stay safe’, can make India race towards being a less-cash society. It is today well past the early adopter stage and the mainstream majority is adopting it. What is even more heartening is that the lower income group is also a part of this movement to digital.



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