



IMPACT OF E-BANKING SERVICES ON INDIAN SOCIETY

Dr. Vandana Prabhakar Dangle

Assistant Professor , Rohidas Patil Institute of Management Studies,
Mahavidyalay Marg, Navghar, Thane, Maharashtra 401105.

Asst. Prof. Atish Prakash Waghchaure

Assistant Professor (SFC) Sydenham College of Commerce & Economics,
B-Road, Churchgate, Mumbai 400020.

Abstract

In this research, the effects of e-banking services on Indian society are analysed commercial banks enhance their offerings through the use of digital technology, which has a favourable impact on their customers, banking operations, and banking procedures through the adoption of digital transformation. In addition, the study analyses consumer behaviour about digital banking and concludes that the banking industry's digital revolution improves bank effectiveness. This study examines how commercial banks constantly make technological advancements to better serve their clients.

Introduction

The need for e-banking services has increased significantly since the declaration of digitization in 2015, and young people in the country are embracing the latest advancements in the banking industry with grace. The efficiency of banks in the public and private sectors is increased by e-banking. Initially, it was also intended to persuade these institutions. The modern banking industry is expanding faster thanks to technology. As seen by e-banking services, the Indian banking industry has embraced technology to increase customer satisfaction while reducing the need for manual labour in banking operations. By providing e-banking services and a variety of discounts and other advantages, the banking industry attracts customers.

Review of literature

There is an improvement in the bank's level of customer care. The fact that the majority of respondents concur with the statement suggests that internet banking services are now more effective. Convenience serves as a strong predictor of E-Banking services in the city of Bhopal and contributes to the degree of customer satisfaction with E-Banking. The researcher also study Customers' satisfaction with E-Banking in Bhopal City is closely related to security and safety. There is a positive response from the e-banking service user and updated technology successfully



completes all the challenges of upcoming e-banking services and existing e-banking services. (Diwan, 2021)

The effects of customer satisfaction with online banking services on banks were investigated. This essay focuses on evaluating how customers view e-banking services. It was found that clients were utilizing E-Banking services like ATMs, home banking, and the use of credit and debit cards, to name a few. We can infer that about 45% of people have a favorable opinion on and are satisfied with online banking. ATMs, bill payment services, and accessing bank statements are three of the most used e-banking services. (Rajput, 2015)

According to investigation, a specific age group has used these services, and customer satisfaction has a significant impact on convenience, awareness, and responsiveness. He noticed that bankers may enhance their services, customer loyalty, and retention by being more aware of various age groups and focusing on the elements that influence customer satisfaction. (Hakkeem and Sha., 2015)

Research Methodology

Research papers, reports were analyzed to understand the history, concept and consumer preference in banks. Secondary data was analyzed. outstanding number of ATMs, Transactions in Debit and credit were obtained from <https://economicoutlook.cmie.com/> and analyzed using charts and graphs. Data from 2011-2012 to 2021-2022 was utilized for analysis.

Objective of the study

- 1) To understand the concept of e banking
- 2) To understand the history of e banking
- 3) To understand the customer preference towards the e banking
- 4) To study the impact on the Society by analyzing the trends in the No of ATMS, Debit cards and Credit Cards

Analysis

The objectives and the discussions on the objectives are as follows: -

1) To understand the concept of e banking

The term "electronic banking" refers to a type of banking where money is exchanged electronically rather than through the exchange of cash, checks, or other paper-based documents. Financial entities like banks and credit unions exchange money via transfers. These also happen between businesses, such stores, and financial institutions. The money is sent via electronic banking



whenever someone takes out cash from an automated teller machine (ATM) or uses a debit card to pay for purchases (which deducts the purchase price from a savings or checking account).

Digital banking, banking transactions can now be completed by phone or computer rather than in person thanks to the use of computers and telecommunications. Its features include automatic teller machines (ATMs), electronic financial transfers for retail purchases, and automatic payroll and bill payments. Several banks provide home banking, which allows customers to do transactions using a personal computer and either a direct link or a website. The physical movement of coins and bills from one location to another, or even from one person to another, has been significantly decreased thanks to electronic banking. There are numerous, varying-sized electronic banking systems. A network of connected automated teller machines that are connected to a centralised financial institution's computer system is an example of a small system. Participants in this system can manage significant, urgent payments like those needed to close real estate deals.

2) To understand the history of e banking

For many years, financial institutions have automated millions of daily transactions using strong computer networks. One of the first organizations to pioneer the concept that electronic computers may replace labor-intensive banking duties like handling checks and account balancing was the Bank of America in the 1950s. When more organizations joined the initiative, check-writing on paper increasingly gave place to entirely computerized banking. A few of the technological advancements that made this evolution possible include the creation of data processing devices, robotic document sorting, and optical character recognition (OCR), a computer programme that converts handwritten or typewritten words into text that can be machine-edited.

The first electronic banking devices could track each customer's deposits and withdrawals, instantly display account balance information, keep track of overdrafts, halt payments, and retain funds. Today's machines doing this work are as precise and trustworthy as the banking sector demands. The first electronic banking devices could track each customer's deposits and withdrawals, instantly display account balance information, keep track of overdrafts, halt payments, and retain funds. Today's machines doing this work are as precise and trustworthy as the banking sector demands.

The procedure has become even more streamlined and quick thanks to the widespread use of personal computers. Customers of most banks can conduct their transactions using electronic banking at any time, independent of the bank's business hours. Customers can typically reach the Internet from any location if they choose to conduct financial transactions or pay bills.

Online banking typically provides customers with access to bank statements, electronic bill payment, funds transfers between their checking and savings accounts (or to another customer's account), loan applications and transactions, and the ability to buy or sell investments. All of these features enable customers to manage their accounts without having to visit the bank directly.



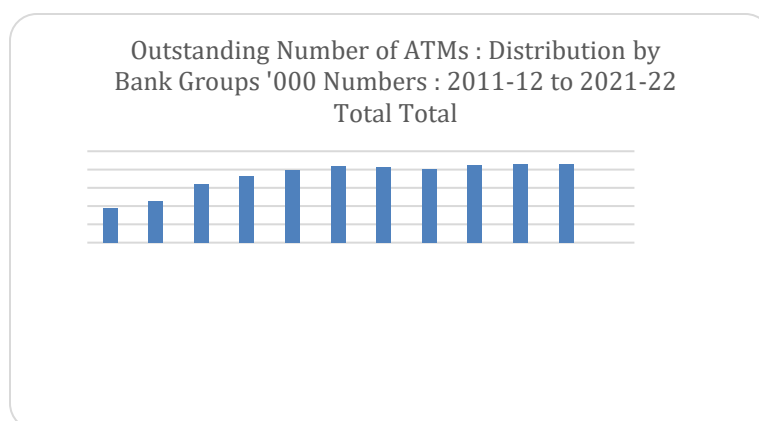
3) To understand the customer preference towards the e banking

In India, the banking industry has fully embraced digitalization, which is essential to provide better services to customers. One of the most important banking channels is online banking, which enables customers to conduct a variety of financial and non-financial transactions on a bank's websites. The numerous services offered are Internet banking, SMS banking, ATMs, mobile banking, e-cheques, UPI, and debit/credit cards. By addressing key problems and obstacles, e-banking is an important part of the evolution of the banking industry in today's globalized world. Customers' loyalty to the banking sector can be increased by the Indian banking business. The banking procedure can be made simpler and more comfortable for the clients through training and development. The advantages and ease of e-banking are starting to be understood by younger generations. E-banking will not only be a preferred method of banking in India in the next years, but also an accepted method. Compared to public sector banks, private sector banks account for a larger share of the POS terminal market.

Mobile wallets are primarily used in the country to pay for prepaid payment instruments. With the convenience of digital channels, the Government of India and several government organizations are working to increase the safety, security, and dependability of e-banking. The majority of customers visit banks' branches less frequently and instead more frequently do their banking business online or on mobile devices. Internet and mobile banking are both expanding quickly. The majority of Indians now conduct their financial transactions online, keeping them current with the nation's economic situation.

4) To study the impact on the Society by analyzing the trends in the No of ATMS, Debit cards and Credit Cards

E banking services are analyzed using trends in ATMs, Debit cards and credit cards

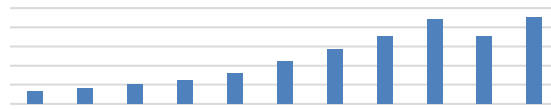


<https://economicoutlook.cmie.com/>

It can be observed that from 2011 2012 there is a rise or increased to 2021-2022 in the outstanding number of ATM's.



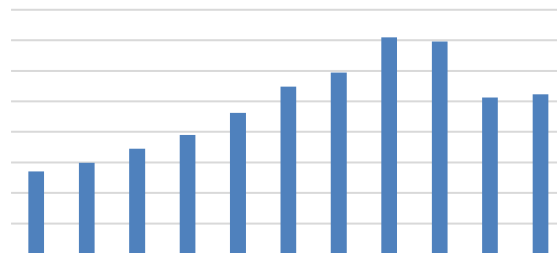
Credit Card Transactions : Distribution by Bank Groups



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It is evident that the credit card transactions have increased in the years between 2011-2012 to 2021- 2022, one can also notice that there is a drop in the number of transactions in 2020-2021, which is the covid 19 pandemic year. Thus, situations in society also impacts the banking transactions.

Debit Card Transactions : Distribution by Bank Groups



<https://economicoutlook.cmie.com/>

The debit card transactions are also increasing and a decrease is observed in the year 2020-2021 onwards, thus indicating the impact of the covid 19 pandemic.

The increasing trends suggest that more and more customers are using the e banking services through ATM's, Debit and credit cards. It needs to be observed that more the number of ATMs, Transactions in Debit and Credit Cards indicates that the society is benefitted from the usage of these e banking services.



Conclusion

The banking sector in India has fully embraced digitalization, which is necessary to give clients improved services. Online banking, which allows users to do a range of financial and non-financial operations via a bank's websites, is one of the most significant banking channels. Among the many services offered are debit/credit cards, UPI, e-checks, ATMs, mobile banking, SMS banking, and internet banking.

In today's globalized world, e-banking plays a significant role in the development of the banking sector by tackling major issues and challenges. The Indian banking industry has the potential to boost customer loyalty to the banking industry. Training and development can make the banking process easier and more comfortable for customers. The Indian government and a number of government agencies are attempting to improve the safety, security, and reliability of e-banking in order to capitalize on the convenience of digital channels. Instead of visiting banks' branches as often, most consumers now conduct their banking online or on their mobile devices. The use of mobile and online banking is growing rapidly. Since more Indians now transact their money online, they are able to stay up to date on the country's economic status.

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