

Adoption of Internet Banking over Traditional Banking

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Abstract: *Internet Banking is altering the banking industry, having the vital effect on banking relationship. Internet banking facilitates the banking services. Banking is no longer restricted to the branches where one has to approach the branch in person, to opening account, to withdraw or deposit cash, check or request a statement of accounts. In true internet banking, any enquiry or transaction is processed online without any allusion to the branch (anywhere banking) at any time. Providing internet banking is progressively becoming a “need to have” than “nice to have” service. When every second becomes a race against time, everyone looks at saving time. Online banking has made this possible. Banking is now not only panned to the branches, one can complete all his tasks of the bank from the home, in a very convenient manner. With the internet banking, an individual can withdraw cash, deposit a cash & cheque, transfer funds, apply for loan, and even one can open his account from any corner of the world. Standing in the queue for several hours and waiting for one's turn to come, all these problems now has been reduced to a greater extent. Visiting to banks has become a rare occurrence. It is changing the scenario with each passing second and the traditional service has been modernized with this. Internet banking provides the facility of accessing the account 24 hours a day and 7 days a week from any place at any time with a high security. This research paper provides you the knowledge regarding e-banking along with the types, functions, advantages, features, suggestions and limitations of it.*

Keywords: *Internet Banking, Functions, Advantages, Limitations, Traditional services.*

1. INTRODUCTION

Internet banking (or E-banking) means any user with individual computer and a browser can get connected to his bank's website to carry out any of the effective banking purpose. E-banking is a personal banking service on the internet which is protected. E-banking means any user with a personal computer and a browser can access his account from anywhere and anytime. All the services that the bank has permitted on the internet are displayed in menu. In e-banking systems, the bank has a centralized database that is web-authorized. All the other branches are connected through the satellite links, and there would be no physical identity of any branch. The central office gets connected with the various locations by the means of intranet but these networks are limited to the organization for which they are set up. Internet banking offers enormous benefits to their customers from saving the time to reducing the cost of transaction, either through Internet, telephone or other electronic delivery.

E-banking plays an important role in the field of business. A client can do all his transactions sitting in the office or home with a greater ease.

Table 1.1 Gender wise usages of E-Banking

Frequency of Use (Times per Month)	Percentage of Total Respondents		
	Female	Male	Total
Never	-	-	1.0%
1-5	15.8%	40.7%	56.5%
6-10	9.3%	22.2%	31.5%
10-15	3.7%	1.9%	5.6%
16-20	-	2.7%	2.7%
Above 20	-	2.7%	2.7%

2. MEANING OF E-BANKING

E-banking, also called as electronic banking.

E-banking is a product designed for the motive of online banking that enables customer to have easy and secure access to bank account. It is an e-payment arrangement that permit the customers of a bank or other financial organization to conduct a span of financial transactions through the financial institution's website.

3. FUNCTIONS OF E-BANKING

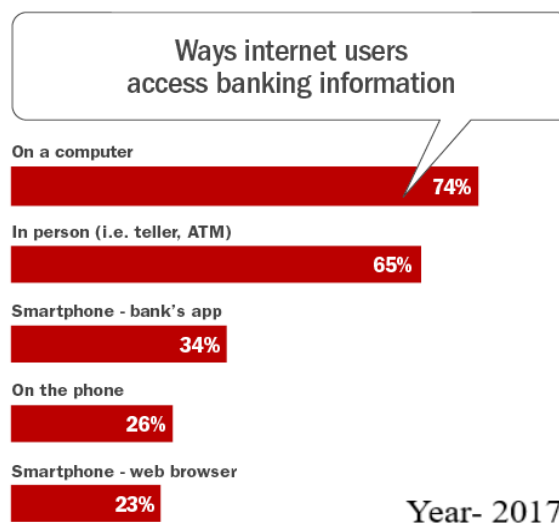
E-banking performs the various functions-

1. **Open an Account-** E-banking provides the facility of opening a new account without visiting the branch in person.
2. **Inquiry about the Account-**An individual can inquire all the details of his account from card number to the historical records.
3. **Withdraw -** One can withdraw the cash from anywhere in the world.
4. **Deposit-** One can deposit the cash from anywhere in the world.
5. **Balance check-** The information about the account's balance can be taken from e-banking system.

4. TYPES OF E-BANKING

Some various forms of e-banking are as follows-

1. **Internet banking-** It helps you manage your bank account online via computer.
2. **Automatic teller machine (ATM) -** It provides a secure access of your account. One can withdraw and deposit cash, can check the account balance and request a statement of their accounts.
3. **Tele banking-** By just dialing a tele banking number through a landline or a mobile, one can easily access the bank account.
4. **E-cheque -** It is an electronic version or representation of paper cheque.



5. FEATURES

The features available from an on-line bank account are similar to those which are accessible in phone banking or approaching to local branch. On-line banking features do vary between the banks, but typically comprise:

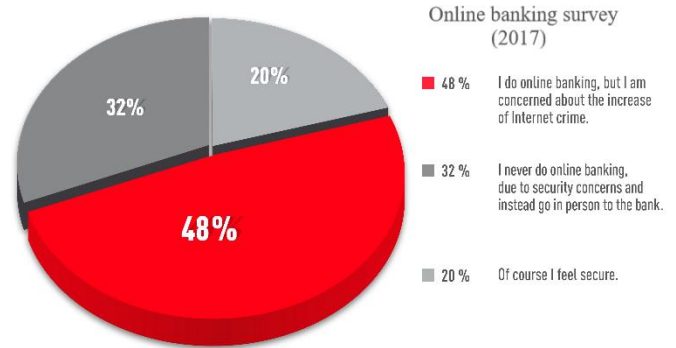
1. Transfer of funds between accounts.
2. It brings efficiency in CRM (Customer relationship management)
3. Make Payment of bills
4. Introduces new & innovative products & services.
5. View balance and statements.
6. Brings door to door service.

6. ADOPTION OF INTERNET BANKING OVER TRADITIONAL BANKING

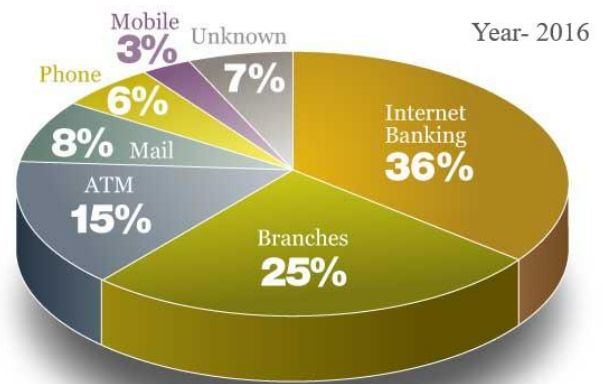
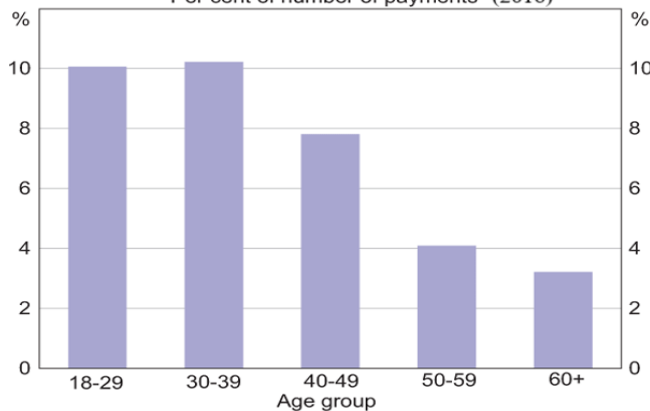
Internet banking transactions are much low-cost than branch or even phone transactions. E-banks are easy to set up, so lots of new entrants will arrive. Instead, they will be adjustable, accessible and responsive. E-banking provide consumers extra alternative. Consumers will be less disposed to remain faithful. E-banking revolve competitive benefit- a large branch network - into a comparative drawback, permitting e-banks to undercut bricks-and-mortar banks. This is commonly called as the "beached dinosaur" theory.

7. FINDING

1. In the user ratio 65% of customer are using E-banking service.
2. The SBI bank is top in service of E-Banking.
3. The services that are primarily used by maximum customer are transaction, online trading, bill payment, shopping etc.
4. The way of transaction that a customer used more frequently E-Banking, cash & cheque.
5. Different bank ask for different rates for online service.

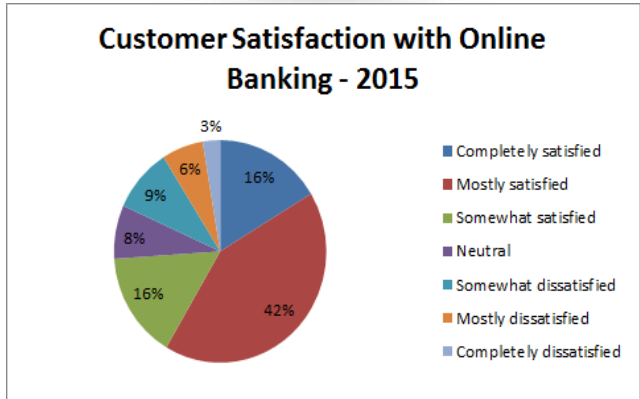


Online Payments by Age Group
Per cent of number of payments* (2016)

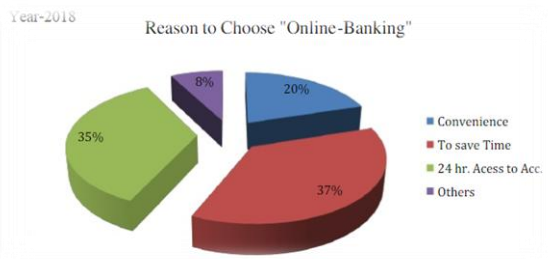


8. ADVANTAGES

1. It is simple to open and easy to operate.
2. It is accessible all the time, i.e., 24*7.
3. It is fast and efficient.
4. Through e-banking, one can keep an eye on the account's balance all the time.
5. It is quite convenient as you can easily pay all your bills in a second.



9. SOME SURVEY



10. LIMITATIONS

1. One cannot access the account, if he is not having internet connection.
2. Security of an account is an issue.
3. One cannot use it, if the bank's server is down.
4. Sometimes it becomes difficult to note whether your transaction was successful or not.

11. SUGGESTIONS

1. Demonstration of E-banking should be dispense to the existing customers encourage E-banking.
2. Actively encourage customers that E-banking is absolutely safe if customers take needful precautions like secure their password from other.
3. Provide discounts on shopping through E-Banking.

12. CONCLUSION

E-banking facilitates us to access our account anywhere and anytime. It does not permit any border. It offers us so many advantages and modernized features over the traditional banking system. There is a good security service as the computer will verify the information entered. Customer, seating at home, can change the banks they have accounts in with a single click on the website. E-banking is playing a vital role in finance and marketing. It is estimated that within next decade, 60 percent of the retail transactions will be through internet.

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