



AN ANALYSIS OF IMPACT OF COMPUTER BANKING SERVICES: A STUDY

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ABSTRACT

The Online Banking Services are increasing day by day in the banking sector in India. In this paper aims to examine the Online Banking Services of the Banking Sectors in India. In this study used to collected data from primary and secondary sources which are collected from Bank Managers, Website and other sources. The Online Banking Services such as ATM-Automated Teller Machine, Personal Computer Banking, Phone Banking and Mobile Banking, Email Banking. The researcher concludes that through effective regulation, creating awareness of the Banking Customers.

KEYWORDS : Online Banking Services, Customer satisfaction in Banking Sectors, Pros and Cons of Online Banking.

INTRODUCTION

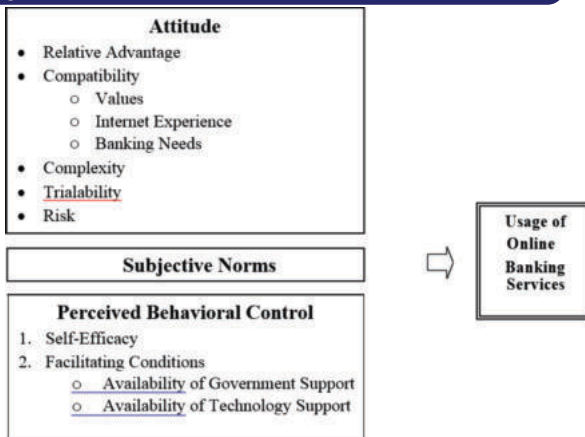
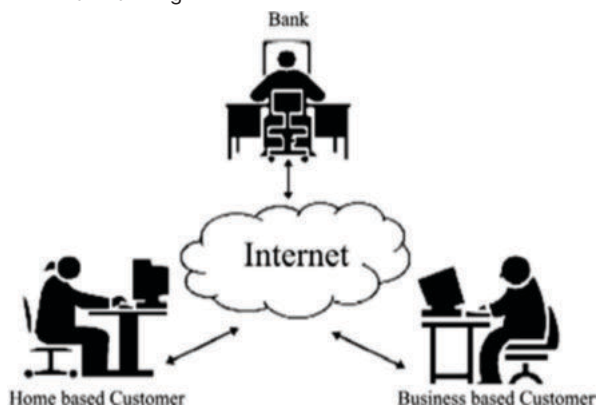
Online banking, also known as internet banking, e-banking or virtual banking, is an electronic payment system that enables customers of a bank or other financial institution to conduct a range of financial transactions through the financial institution's website. The online banking system will typically connect to or be part of the core banking system operated by a bank and is in contrast to branch banking which was the traditional way customers accessed banking services. To access a financial institution's online banking facility, a customer with internet access will need to register with the institution for the service, and set up a password and other credentials for customer verification. The credentials for online banking is normally not the same as for telephone or mobile banking. Financial institutions now routinely allocate customers numbers, whether or not customers have indicated an intention to access their online banking facility. Customer numbers are normally not the same as account numbers, because a number of customer accounts can be linked to the one customer number. Technically, the customer number can be linked to any account with the financial institution that the customer controls, though the financial institution may limit the range of accounts that may be accessed to, say, cheque, savings, loan, credit card and similar accounts.

OBJECTIVES OF THE STUDY

- To Study the recent development in Online Banking Services.
- To identify the factors influencing Online Banking Services.
- To analyze the problems faced by Online Banking Services.

Types Of Online Banking

- ATM-Automated Teller Machine
- Personal Computer Banking
- Phone Banking and Mobile Banking
- Email Banking



2. Factors Influencing Online Banking Services.

The prime concern of Ghanaian banks' customers in online banking adoption is security and safety measures PIN security, individual data protection, confidentiality, hacking are all massive concerns for the adoption of internet banking for customers. Since there are no human interactions to assure the customer of the successfulness and safeties of transactions, many and more consumers are reluctant in putting their trust in non-person services identified by Benamati&Serva (2007). However, a study that is worthy of mentioning is the one conducted by Mukherjee &Nath (2003) which stipulates that the trust of online banking between the bank and its customers depends upon loyal interactions and inventive behaviour. However, in a survey conducted by Ling et al (2011) they argued that there are no such constructive connection between technology and perceivedonline trust. They went on to observe that rather websites that are perceived to be user friendly and beneficial are likely to upsurge customers trust in online banking.

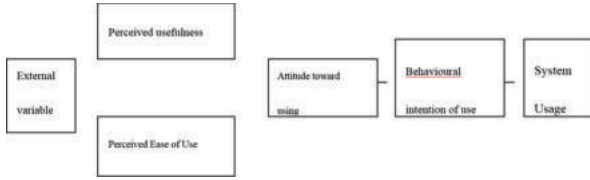
1. The Perceived Usefulness Of Online Banking:

There are two main types of perceived usefulness and are categorized as intended and unintended rewards (Lee, 2008) . Lee explained that the intended rewards are the immediate and tangible rewards that consumers enjoy using online banking services such as lower transaction fees, high deposit rates, opportunities to prizes among others. The unintended rewards on the other hand being those benefits that are palpable and tough to measure like services that allows customers to perform banking transactions anywhere in the globe.

2. Technology Acceptance Model (TAM):

The literature has shown that TAM has expansively been used by various studies in this same area of study around the globe to test how technology is being accepted by consumers over the years. TAM which was developed originally by Davis in

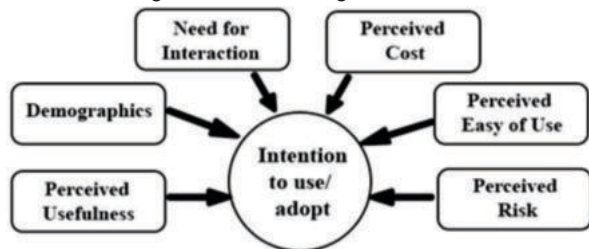
1989, is used to explain how a customer accepts or decline the use of a technology based upon "perceived ease of use" and "perceived usefulness" of a technology (Aldas-Manzano, *et al* 2009).



3. Government's Measures To Support Online Banking

A study conducted by Chong *et al* (2020) in Vietnam found out that a government's support in connection with consumer intention to use online banking is highly essential. Furthermore, it has been observed that in order to support the promotion of online services such as online banking adoption, online shopping, online payment of bills among others, governments should offer free basic ICT programs in basic schools that will concentrate on the teaching of basic computer knowledge and Internet awareness (Nasri, 2021). The reason being that, as more people become IT literates, the more they will accept online services and for that matter; online banking adoption will increase. The government of has created an enabling policy and regulatory environment to expand and investment in mobile and online banking in the banking sector. The aim of the policy is to enable the expansion of a dependable and cost-effective world class standard communications setup & facilities, underpinned by suitable high-tech novelties and reachable by improve the advancement of monetary competitiveness in a knowledge-driven environment. Additional legislations that have been developed to support the policy are;

- Cyber Security Bill
- Data Protection Bill
- Electronic Communications Regulation
- Electronic Regulation on Dumping of Electronic Waste
- National Digital Content Management Bill.



Problems Faced By Online Banking Services

1. Technology and Security Standards

Banks should designate a network and database administrator with clearly defined roles as indicated in the Group's report. Banks should have a security policy duly approved by the Board of Directors. There should be a segregation of duty of Security Officer / Group dealing exclusively with information systems security and Information Technology Division which actually implements the computer systems. Further, Information Systems Auditor will audit the information systems.

2. Legal Issues

Considering the legal position prevalent, there is an obligation on the part of banks not only to establish the identity but also to make enquiries about integrity and reputation of the prospective customer. Therefore, even though request for opening account can be accepted over Internet, accounts should be opened only after proper introduction and physical verification of the identity of the customer.

3. Regulatory and Supervisory Issues

As recommended by the Group, the existing regulatory framework over banks will be extended to Internet banking

also. Only such banks which are licensed and supervised in India and have a physical presence in India will be permitted to offer Internet banking products to residents of India. Thus, both banks and virtual banks incorporated outside the country and having no physical presence in India will not, for the present, be permitted to offer Internet banking services to Indian residents

A. Risks

E-Banking poses some different risks as compared to the traditional banking. These risks are more pronounced in the case of Internet banking. Firstly, the risk of technological changes has to be carefully watched. This is essential to update technologies and remain cost effective and customer friendly.

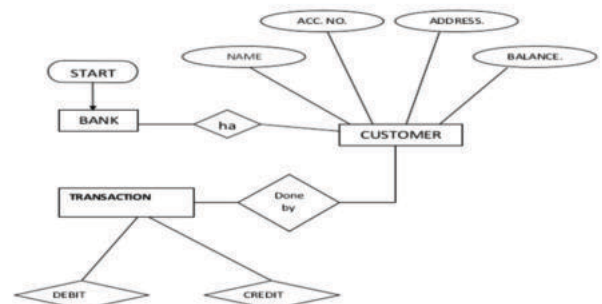
B. Security Issues

While making online payments or transferring money from one account to another, the online bankers are always concerned about the hackers and anti-social elements. Hacking enables the unethical hackers to penetrate the accounts of online bankers, and spend their money.

C. Necessity of the Internet

For availing the benefits of online banking one should have access to the Internet. For this purpose, he should own a desktop, laptop or PDA device, and an Internet connection.

ER DIAGRAM



Start From Scratch:

Some banks allow you to open accounts online, without the need to print or sign anything. In the past, you had to sit with a personal banker during business hours. Learn more about opening accounts online.

Pay Bills:

Instead of writing checks to pay bills, you can have your bank mail a check (or simply transfer the money to your payee electronically). Learn more about online bill pay.

Transfer Funds:

Need to move money from your checking account to your savings account (or from one bank to another via ACH)? How about putting extra cash into certificate of deposit (CD)? In the past you had to visit the branch or wait on hold to get this done. Online banking makes it easier. Find out how to move money.

Apply for loans:

Loans are a "paperwork" intensive process. But they don't have to be. Type in your information and your bank will get back to you with an answer.

Rates:

Online banks are known for better rates. In theory, you should be able to earn more in your savings accounts and pay lower interest rates on loans. It's always a good idea to shop around and compare online banking rates to traditional rates, but you'll almost always do better online. Some brick-and-mortar

banks offer online options (you'll have to live without paper statements and the ability to bank with a teller, for example).

Deposit Cheque:

When you get a cheque, there are several ways to deposit it. The fastest and easiest option is to use remote cheque deposit: snap a photo of the cheque and submit it to your bank for payment. There's no need to visit a branch or mail the check in. Learn how to deposit cheque with your mobile device.

Text Message:

In addition to fancy applications and web pages, you can use "old-fashioned" text messages to manage your account, check balances, and more. This method is slightly faster for simple and repetitive tasks. Find out how to text with your bank.

Pros and Cons of Online Banking:

- There are numerous benefits to online banking, and it's worth at least having *the option* to bank online. But you might also prefer some features of traditional banks and credit unions.
- If you're not comfortable with technology, online banking may be more trouble than it's worth. Plus, glitches happen, and if your computer (or the bank's computer) isn't working then there's not much you can do. For complex situations (like pesky customer service problems or discussions about different types of loans), it might be best to have a face-to-face conversation.
- There's also the issue of getting cash. Online-only banks typically provide a debit card that you can use to withdraw cash, but you'll need to find free ATMs (or pay hefty fees).

CONCLUSION

The research report is based on primary data. According to the study, the researcher concludes that the most of the bank customers are aware about all the Online Banking services in Sivagangai District. The banks further have to take necessary steps to educate the customers regarding the new technology and other services offered by the banks. Banks may extend customer meeting time with bank officials and also friendly approach is necessary. Definitely it will help to retain the existing customers and to attract new customers. It will automatically improve the banking service and development of banks in India and also in abroad. The research report is useful to know the consumer awareness of Online Banking system and what types of risk involved in Online Banking system.

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