

ANALYSIS OF E-BANKING SECTOR IN INDIA: POST COVID-19

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ABSTRACT

India's banking sector has played a large and critical role in socio-economic development, and this has been obvious since independence. The banking sector is the heart and soul of any country's economy. It is the most significant pillar of any financial industry and plays a major role in the country's economic growth. One of the most effective ways to combat the ongoing COVID-19 outbreak, according to health guidelines, is to avoid personal communication. This means reducing the movement of people and as far as possible, increasing the time they spend at home. Most banks in the affected countries have shortened the operating hours of their branches in line with these signs, and they suggest that their customers use online banking. Many banks have taken the opportunity to send encouraging messages and to inform their customers of the benefits of online banking, in order to promote the use of this platform. Pre and post Covid-19, this paper aims to examine and compare the banking sector in India. The paper also focuses on Covid-19's effect on India's banking sector. With the assistance of random sampling, this was achieved and their answers were summarized using graphs for better comprehension.

Keywords: Banking, Consumer, E-wallets, Covid-19.

Introduction

First of all, the news of the Novel Coronavirus outbreak came from Wuhan City, China, on 31 December 2019. This coronavirus is a new human virus that has not yet been identified. Literature suggests that the Coronavirus is a large family of disease-causing viruses. This disease may lead to more serious respiratory syndrome due to a common cold. In order to combat COVID-19, beginning on March 24, 2020, the Indian Government declared a complete lockdown in the region, which was extended to 3 May 2020. Many governments around the world have taken a similar measure. The timely action taken by Indian Prime Minister-Narendra Modi and many others in the form of lockdown has been appreciated by WHO as it seems to be the best option to stop the spread of the virus in the absence of any cure or vaccine for this disease. Transnational institutions such as the IMF and the World Bank, central banks of different countries, economists, fund managers and consultancy firms, however, have expressed fear of the disastrous effects of lockdowns on GDP worldwide in general and emerging economies such as India in particular. The IMF published its global growth forecasts on April 14, for example, revealing that the global economy is projected to fall into the worst recession since the Great Depression in the 1930s in 2020, which may be even worse than the Global Financial Crisis. As the global economy is affected by the COVID pandemic, the worst recession since the Great Depression in the 1930s, the IMF has estimated 1.9 percent GDP growth for India in 2020. The Indian lockdown would have a major effect on the economy, according to KPMG, mainly on demand, which is the largest component of GDP. It notes that a decrease in urban transactions could lead to a sharp drop in the

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consumption of non-essential goods. In addition, the growth rate in India is estimated to be between 1.5 percent and 2.8 percent, according to the World Bank's assessment. In addition, many other industries, including banks, NBFCs, MSMEs, hospitality, civil aviation, agriculture and the allied market, are also affected by the lockdown and pandemic. However, different opinions on the impact of the Pandemic were given by different experts and authorities; Covid-19 triggered a lockdown on the current position and future of the Indian Financial Sector, mainly on banks and NBFCs. Therefore, the influx of information has puzzled investors, depositors, borrowers and other stakeholders of high significance in this market.

India is not only the largest independent common government in the world, but also a developing monetary goliath. No nation can have a sound economy without a convincing financial system. Banks are a fundamental part of a nation's financial growth. They amass the individuals' inert reserve funds and make them eligible for speculation. In addition, they create new interest stores during the time spent enabling loans and purchasing venture security. By tolerating and restricting trade bills, they promote exchange within and outside the country. Banks further improve the portability of money. India's financial system has unexpectedly accomplished a few outstanding milestones for as long as 30 years. At this point, it is not bound only to the metropolitans, but has also reached the far corners of the country. This is one of the reasons for the growth cycle in India. Today, one of the largest assistance divisions in India is the financial section. The accessibility of value management is important to the growth of the economy.

The current paper is intended to examine the effects of Covid-19 and the lockdown on the Banking Division of India. In the context of highlights of meetings of renowned business experts, subsidizing chiefs, monetary and financial consultants, senior authorities of monetary bodies, chambers of commerce and industry, authorities of global organizations such as the World Bank and the IMF, etc., a few concentrations have been taken from the latest writing available on various web locations to achieve this goal. In addition, research papers and studies of enlarged meetings, such as consulting firms, transnational agencies, central banks, have referred to the influence of the crown on India's budgetary division. For this report, the related data accessible in various systems and at different sources was reviewed and carefully understood while reaching a right conclusion. This paper is an exploratory sort of research that needs to be noted. The use of observable instruments was not feasible on the record of the non-accessibility of quantitative knowledge from the post Covid-19 scenario.

Objective of this Study

This research paper was conducted to find out how Covid-19 has influenced the banking sector. It offers, in brief, a summary of how the banking industry was doing and how banking activities were, but how the whole scenario has changed. The primary purpose of the research paper is as follows:

- Comprehension of the financial effect of Covid-19 on the e-banking sector through the consideration of select banks.
- The disparity between customer behavior and the e-banking sector and the comparison between them (pre and post Covid19).

Review of Literature

Singh &Bodla, 2020In order to resolve the COVID-19 pandemic, the Indian Government announced complete lockdown in the nation starting on March 24, 2020 and in the subsequent process the equivalent was extended to the third of May, 2020. Despite the fact that the lockdown was crucial and inevitable to prevent the faster spread of the Novel Coronavirus (Covid-19) and to save the lives of the nation's citizens, the numerous divisions of our economy were seriously affected. To the above, the Banking and Non-Banking Money Organizations (NBFCs) that are the backbone of India's economy are not special cases. This article is an attempt to assess the effects of this pandemic on banks and NBFCs due to the lockdown that has resulted in every industry association, educational foundations, public and private workplaces, suspension of transport methods, and so on.

Salamah, 2017Assess the noteworthiness of electronic framework coordinates within the account management section for providing customers with comfort management and the overall effect of electronic administration on bank transactions. The investigation found that electronic services led to the expansion of both the bank's monetary movement and the number of its customers.

Limboe, Nilesh, 2014the life-blood of trade, commerce and industry is finance and banking. Today, the banking industry serves as the backbone of modern business. The growth of any nation depends primarily on the banking system. A bank is a financial institution in which deposits and advances and other associated facilities are dealt with. In the form of deposits, it collects money from those who

want to save and it loans money to those who need it. One of the most basic and interesting aspects of human life is banking. People in the current faster lifestyle cannot make proper transitions without creating the proper network of banks. Nationalized banks dominate the banking system in India. The output of the banking sector is more closely related to the economy than in any other sector, perhaps.

Tasmin., 2013In his study entitled "The Impact of Online Banking on the Delivery of Customer Service in the Malaysian Banking Industry: KANO's Model Approach," he examined the important factors that can influence the delivery of customer service through online banking with the ultimate objective of either approving or rejecting the researcher's preconceived idea. In order to direct the research in achieving the overall objective of the research as well as testing the specified hypotheses, the analysis used some hypotheses. The respondents' primary concerns about efficient service delivery were behavioral factors such as security, convenience and cost.

Syeda& Prasad, 2012Examines online banking's need for protection. It shows that the privacy and security points of view should be strengthened in order for online banking to continue to expand. The future of electronic banking could be extraordinarily affluent with the security and privacy problems solved. Long-term digital banking would be a framework where consumers can be worry-free to communicate with their banking institution, and banks operate under a single standard.

Arun Kumar Kaushik., (2012)the study entitled "E-banking system in SBI" found that internet banking provides customers with greater scope. Feedback 33 can be easily accessed since the internet is virtual in nature. It is possible to achieve customer loyalty. Personal customer interest can be provided by the bank and quality service can also be served. It can easily be inferred that technological advancement positively enhances their services, productivity, branding and also loyalty in the banking industry. The numerous strengths of SBI, such as quality customer service, greater scope, customer loyalty, easy access to information, 24-hour access, easy online applications, etc., after studying the SWOT report.

Performance of Banking Sector Post Covid-19

After the beginning of the Novel Corona pandemic, India's financial stocks have undergone a sizable disintegration in value. Nifty Bank, for example, the Indian banks' benchmark file, has dropped alarmingly since the beginning of March. In the primary quarter of the current year (i.e. 2020), the credit growth of Kotak Mahindra Bank fell to 6.7 percent, the slowest, in any case, three years and down from 10.3 percent in the last three months. Among its mates, HDFC Bank has the least dreadful duty proportion. Nevertheless, AdityaPuri, managing director of HDFC Bank, said that it is also getting harder to take on new loans. The impact of Coronavirus on Non-Banking Financial Companies (NBFC) was labeled 'genuinely inconsistent' at the beginning of March, as the lazy economy remained one of the biggest stresses. After 14 days, nevertheless, the monetary region seemed to be in the spotlight, hit by the country's lockdown and subsequent shutdown of organizations.

Undoubtedly, COVID-19 is one of the greatest global events of our lives, bringing immense obstacles to many sectors, governments and individuals around the world. The pandemic continues to be a health and humanitarian issue, and there has been a profound and far ranging business and economic impact. In particular, financial services firms have the ability to help customers and companies deal with the economic crisis and weather the current storm.

Over the past couple of years, many banks have made technology and digital transformation investments. Many of them, however, are still highly dependent on face-to-face relationships, backed by paper procedures. So, in the Indian financial services sector, we expect to see renewed vigor with banks making a concerted effort to upgrade their digital games. As COVID-19 is likely to have a prolonged effect, this will be crucial, and banking affects every part of our economy.

That said, most banks have resolved COVID-19's immediate challenges, related to protecting employees and providing clients with much-needed services. In order to help mitigate this problem, they now have the opportunity to be active participants and there are four main areas they can concentrate on to help manage the current situation.

Conclusion

For many sectors, including banks, COVID-19 will have a long-lasting effect. The strategy of banking players with three emerging segments will be decided by post-crisis, digital maturity and COVID-19 resilience: banks that are already future-ready with truly digital banking capabilities and cost elasticity, banks that are digital laggards that need to develop and refresh due to sub-par COVID-19 resilience, and finally banks that will fail to survive as a result of being digital.

In India and around the world, COVID-19 will improve our behavior as clients, people and employees. Businesses will also need to consider how they can be part of a modern wellness environment that is expected to influence consumer thought in the future as customers become more focused on their well-being. In many corners of financial services, the notion that "every business is a health business" is already evolving, and that is maybe one of the few positive lasting effects arising from COVID-19.

Suggestions

In order to preserve sufficient liquidity in the financial system and its constituents amid COVID-19, RBI must pursue all potential activities:

- To put the small and medium endeavors on the road again after lockdown is completed, adequate bank credit streams are required;
- Government choices and activities to minimize economic vulnerability and financial worry need to be made.
- People should move to online banking and e-wallet payment systems themselves to carry out their financial transactions, taking into account the current scenario.
- The government should conduct awareness drives to inform people about the need and benefits of moving to online banking.
- These online services should be promoted by RBI and fees imposed on e-wallet and UPI payments reduced.

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