

DIGITAL BANKING IN FUTURE AT A GLANCE

Rohit Chhabra*

ABSTRACT

Digital Banking System provides comprehensive digital fund transfer and payment solutions that facilitate thousands of Citizens, Financial Institutions and hundreds of businesses to receive and transfer their funds online. The expansion in digital banking is high and it would not slow down in near future. In case of traditional bank institutions, the effort to build a loyal customer relationship or foundation is more while in newly emerging digital-only banks have all the qualities of powerful brand and it eventually keep their customer satisfied and pleased. Smartphone's and cheap data rates bringing Internet contact to millions. Banks in our country are yet to shape large digital banking capabilities. Indian consumers are not completely comfortable with digital financial startups either. There are very few brands like ours that are reliable, and the winner will take all in this possibly very large market. In India, the traditional banking system turns a lot toward those with wealth and the poorer citizen's great determination to pay bills or transfer money to their relatives. The exchange of insurance and investing from wealth management products could be easily accessible through the payments bank. The needs for brick-and-mortar branches are tend to be removed by many novel and creative fintech startups.

KEYWORDS: EFTs, PINs, ATM, Comprehensive, Potentially, Electronic Fund, Accessible.

Introduction

The opposition faced by banking institutions together from similar institutions as well as from non-bank financial mediators and from extra sources of financing. Additional planned experiment faced by banking institutions today is because of the increasing and changing needs and opportunities of consumers in cycle with enlarged education levels and increasing wealth. For many consumers, the meaning of digital banking is 24-hour access to cash through an automated teller machine (ATM) or Direct Deposit of paychecks into checking or savings accounts. Other than this, digital banking possesses many more type of transactions which are lesser known to customers. Coming towards Electronic banking, also known as electronic fund transfer (EFT), which are thoroughly performs computer and electronic technology as a extra for checks and other paper transactions initiate. EFTs are launched through devices like cards or codes that will allow the person who swipes the card to access the account of the user. Many of the financial institutions utilize ATM or debit cards and Personal Identification Numbers (PINs) for this determination. Some use other types of debit cards such as those that need, at the most, your signature or a scan. The world is changing at a unexpected rate and technology is reflected to be the key driver for these changes around us. An analysis of technology and its procedures show that it has permeated in almost every aspect of our life. Many activities are handled digitally due to the approval of information technology at home as well as at workplace. Eventually but rapidly, the Indian customers are heading towards the internet banking.

Literature Review

Digital banking has also been the focus of numerous academic papers Adoption, perception and usage of internet banking by consumers is one of the topics heavily examined in Digital banking literature.

* Research Scholar, Department of Management, Rajasthan Technical University, Kota, Rajasthan, India.

Literature Reviewed

S. No.	Name	Year	Key Observation
1.	Centeno	2004	Author revealed from the study that the main influencing factors for customers to use internet banking are the speed, the 24/7 availability, the genuine price incentives and access of bank at remote areas.
2.	Durkin	2008	The author explained the effortless availability of products on internet banking which directly influence customer into internet banking.
3.	Guerrero	2007	The research elucidated the effect of internet banking on customer by giving example of Europeans and explained various factors such as products and services available, trust of customers towards online banking etc.
4.	Calisir and Gumussoy	2008	Author emphasized on the awareness towards internet banking and other important channels.
5.	Maenpaa	2008	The study revolved around the consumer perception of internet banking in Finland and the study revealed that internet banking was neither very influential nor unimportant in Finland.
6.	Aladwani	2001	The researcher showed the concern of customers on Internet security and consumer's privacy on internet and also, the future challenges Banks due to Digital banking.

Research Methodology

The study is based mostly on primary data and supported by the secondary data. The primary data is collected from the customers with the help of questionnaire to assess the customer's potential. For this determination a structured questionnaire is prepared and used by the researcher regarding internet banking habit of the customer and innovative banking services provided by the respondent's bank.

Objective of the Paper

- To find the advanced banking services and its recent trend.
- To evaluate customer approaching to the innovative banking services.
- To examine customers satisfaction level.
- To examine the relation with the demographic variable(Age, Gender, Income, Education, occupation, residential status and monthly income) and respondents perception about internet banking.
- To analysis the growth and development of bank.
- To conduct the research for identification of popularity of various digital banking services.
- Identify the response of the digital banking practices to the banking industry.
- To explore the barriers to the adoption of innovative banking practices in the banks.

Features of Digital Banking

- To check account balances.
- To view images of paid cheques
- To order for cheque books.
- To download periodic account statements.
- To Download M-banking and E-banking applications.
- To make bill payments and register utility billers.
- For Credit card applications.
- To check funds transfers between the customers accounts.
- Paying third parties, including bill payments and telegraphic/wire transfers.
- Assets purchase or sale.
- Loan applications and transactions, such as repayments of enrollments.

The Importance of Digital Banking in Business

For cash flow reviews, auditing and daily financial transaction processing, business rely on efficient and rapid access to banking information. Internet banking facilitate ease of access, secure transactions and 24-hour banking options. All companies even it's a start up all rely on e-banking to eliminate runs to the bank and to make financial decisions with updated information:

- **Lower Banking Costs:** Banking relationships and costs are often based on resource requirements. Businesses that place more demands on banking employees and need more

physical assistance with wire transfers, deposits, research requests and other banking activities often incur higher banking fees.

- **Productivity:** Digital banking leads to productivity gains. Automating routine bill payments, minimizing the need to physically visit the bank and the ability to work as needed rather than on banking hours may decrease the time involved in performing routine banking activities. Additionally, online search tools, banking actions and other programs can allow staff members to research transactions and resolve banking problems on their own, without interacting with bank employees.
- **Reduced Errors:** Utilizing digital banking reduces banking errors. Financial activities like Automation of payments, wires or other consistent activities ensures payments are made on time and may prevent errors caused by keyboard slips or user error. Eventually, digital banking do away with the errors caused by poor handwritings or any handmade mistakes.
- **Mobility:** If one has an internet connection, anyone from anywhere can connect through online banking. Also, if a person is far away from his/her business place, even then they can control their business and its need. Some banks, such as Bank of America, have even created mobile applications that make banking easier for those with a Smartphone like the Apple iPhone or iTouch or a Blackberry.
- **Convenience:** In digital banking any person can carry out the banking activities whenever they wish to. Even if its night, 24 hour service provides every facility which results in time saving and the user can utilize his/her time on other activities.
- **Online Statements:** Most online banks try to be as paper-free as possible by performing statements and correspondence online, reducing the amount of paper used and sent out to the customer. Such as reduces the cost of online banking.
- **Direct Deposit:** Any incoming money such as salary can be directly deposited to the user's bank by the company who is paying the salary. This result in twofold benefit to the customer as he/she must not visit their branch to deposit their cheque and also they must earn better interest as the amount goes to their account much faster than before.
- **Real Time Account Information:** Through digital banking, customer can get access to their account anytime, anywhere which result in real time information of money in accounts and get up to date information. This will allow the customer to manage his/her money efficiently and gain the most from different accounts, interest rates and services provided by the bank.
- **Transfers:** Transactions taken place between two accounts of same financial institution online can be done almost instantly. User can perform transactions whenever he/she wants without any hindrances. This probably result in saving time of visiting the local branch.
- **Automatic Bill Paying:** User can pay the monthly bills online but for a new customer, one must set up accounts etc. to pay the bills which are worth beneficial for the long run purpose. First, with your bills being paid automatically, you shouldn't ever miss a payment. Plus, if the mail takes time for the payment of bills, one can keep that amount in their account which would earn them longer profit.

Limitations of Digital Banking

- **Hacking:** Hacking is the process through which people find weakness in an established system and then take advantage of it. Generally, a computer hacker is a person who finds out weaknesses in the computer and exploits it.
- **Viruses:** Computer Virus is a hateful software program written deliberately to enter a computer without the user's consent or knowledge. It keep on repeating itself, thus continues to spread. Some viruses do little but replicate, while others can cause severe harm or adversely affect program and performance of the system. One should never leave virus on computer or devices as it can cause serious harm.
- **Denial-of-Service Attack (DOS):** A denial-of-service attack (DOS attack) or distributed denial-of-service attack (DDoS attack) is an attempt to make a computer or network resource unavailable to its intended users. Although the motive of carrying out DOS attack can vary from person to person but it generally consists of the concerted efforts of a person, or multiple people to prevent an Internet site or service from functioning efficiently or at all, temporarily or indefinitely. Perpetrators of DOS attacks typically target sites or services hosted on high-profile web servers such as banks, credit card payment gateways, and even root name servers. One common method of attack

involves saturating the target machine with external communications requests, such that it cannot respond to legitimate traffic, or responds so slowly as to be rendered effectively unavailable.

- **Identity Theft:** It is a process through which a person steals another person's identity by being him just to access resources or other kinds of data or benefits in that person's name. If serious consequences are formed through such acts, the victim of identity theft could be held accountable for someone else behavior. Organizations or any individuals who are made fraud by identity theft can face serious risks and losses.
- **Phishing:** This is a method of attaining secret information or valuable data such as usernames, passwords, credit card details etc through sending mails to users as an established firm which scam their users to surrender their all an all information. Such emails can be generated from social web sites, payment sites or other administrations.
- **Spam:** Spam is the use of electronic messaging systems (including most broadcast media, digital delivery systems) to send unsolicited bulk messages indiscriminately. The most familiar spam is e-mail spam, also the term is applied in other media as well like instant messaging spam, Usenet newsgroup spam, Web search engine spam, spam in blogs, wiki spam, online classified ads spam, mobile phone messaging spam, Internet forum spam, junk fax transmissions, social networking spam, television advertising and file sharing network spam.
- **Key Logging:** It is the software which is rooted inside the customer's computer that has the ability to record all the essential user IDs, data, passwords, pin codes, account numbers and transactions.

Findings

Digital banking facilities can be accessed by existing customers and new customers alike. Existing customers are typically required to forward their request and inquiries to their mangers or bank support staff. To access electronic banking features new customers are required to provide their KYC information. A customer is issued a personal identification number (PIN) and access details once his internet account is verified.

Conclusion

One of the fastest growing markets are mobile and wireless market which are spreading very fast. Such growing markets has given banking industry a new light of technology and a brand new platform which help them to connect with customer anywhere and anytime. The money and time of customer are utilized in a positive manner by banking industry which has now become a necessity worldwide. If banking industry fulfills all the necessary needs of the customers then they could create a superior interactions with the public base. They have immense pressure and challenge to satisfy customers with their services and adding on with the upcoming technologies and competitive strategies of other banks. Conveniences of services plus outside locations like ATMs are crucial to every banks success. For banks, online banking is a must and it would certainly stay here. To stay in the business all the banks must facilitate their services through online banking. It is eventually a truth that services provided by the banks through online banking cannot be provided by the banks or its branches. Definitely, internet will keep on transforming the banking industry for good.

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