

**EXAMINING THE ROLE OF INTERNET BANKING IN SOCIETY****Garima Duhan**

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**ABSTRACT**

Banking in India began somewhat recently of the eighteenth century. The most seasoned bank in presence in India is the State Bank of India an administration possessed bank that follows its beginnings back to June 1806 and that is the biggest business bank in the country. Focal banking is the obligation of the Reserve Bank of India 1935 officially assumed control over these obligations from the then Imperial Bank of India, consigning it to business banking capacities. After India's freedom in 1947, the Reserve Bank was nationalized and given more extensive powers. In 1969 the public authority nationalized the 14 biggest business banks; the public authority nationalized the six next biggest in 1980. As of now, India has 96 planned business banks (SCBs) - 27 public sector banks (that is with the Government of India holding a stake), 31 private banks (these don't have government stake; they might be publicly recorded and exchanged on stock trades) and 38 unfamiliar banks. They have a consolidated organization of north of 53,000 branches and 17,000 ATMs. As per a report by ICRA Limited, a rating organization, the public sector banks hold more than 75% of absolute resources of the banking business, with the private and unfamiliar banks holding 18.2% and 6.5% separately.

**Keywords:** *Internet, Banking*

**INTRODUCTION**

Banking in India began in the late 18th century. The oldest bank in India is the State Bank of India, a government-owned institution that dates all the way back to June 1806 and is the country's largest commercial bank. The Reserve Bank of India is responsible for central banking. 1935 formally assumed these responsibilities from the then-Imperial Bank of India, which was relegated to commercial banking functions. The Reserve Bank was nationalised and given expanded powers following India's independence in 1947. The government nationalised the fourteen largest commercial banks in 1969 and the six next largest in 1980. India currently has 96 scheduled commercial banks (SCBs) - 27 public sector banks (those in which the Government of India owns a stake), 31 private sector banks (those in which the Government of India does not own a stake; these may be publicly traded on stock exchanges), and 38 foreign banks. They collectively operate over 53,000 branches and 17,000 ATMs. According to ICRA Limited, a rating agency, public sector banks control more than 75% of the banking industry's total assets, while private and foreign banks control 18.2% and 6.5 percent, respectively..

## OBJECTIVES OF THE STUDY

- [1] To study the influence of demographic and banking details of customers on the satisfaction provided, as well as expectations raised, by internet banking services.
- [2] To study the enhancement in customer access by offer of more facilities under Internet Banking services.

## Definition of E-Banking

E-banking is defined as the automated delivery of new and traditional banking products and services to customers via electronic, interactive communication channels. E-banking systems enable financial institution customers, whether individuals or businesses, to access accounts, conduct business, or obtain information about financial products and services via a public or private network, including the Internet. Customers use an intelligent electronic device, such as a personal computer, personal digital assistant, automated teller machine, or touch tone telephone, to access e-banking services. While the risks and controls associated with various e-banking access channels are similar, this booklet focuses on Internet-based services specifically..

## What is Internet Banking?

Internet Banking is a term that refers to the banking services that banks provide over the internet. Several of these services include bill payment, funds transfer, and account statement viewing. Banks also use the internet to distribute their latest products and services. Internet banking is conducted through the use of a computer system or other device capable of connecting to the banking site via the internet. Nowadays, you can also access internet banking via a Wi-Fi or 3G connection on your mobile phone. Due to the widespread availability of cyber cafes in cities, it has grown in popularity.

Banking is no longer limited to physically visiting a bank for various purposes such as depositing and withdrawing money, requesting an account statement, or suspending a payment. All of these tasks and many more, are possible through the banks' online services. Additionally, you can constantly monitor your account's transactions and balance. Obtaining updated passbooks in order to determine the total account balance is now a thing of the past.

The study's specific objectives are listed below.

- To Conduct Research on the Role of Internet Banking
- To conduct a survey of customers who use internet banking to determine their level of awareness.
- To ascertain the level of security experienced by customers when utilising these services.

## Functions of Internet Banking

**The following are the main function of internet banking in India Issue Demand Drafts online**

- Transfer funds between own and third-party accounts
- Credit beneficiary accounts using the VISA Money Transfer, RTGS/NEFT feature

- Generate account statements
- Setup Standing Instructions
- Configure profile settings
- Use e Tax for online tax payment
- Use e Pay for automatic bill payments
- Interface with merchants for railway and airline reservations

### **History of E-banking**

Electronic banking evolved from the use of Automated Teller Machines (ATMs) to include telephone banking, direct bill payment, electronic funds transfer, and the revolutionary online banking. According to some, the future of electronic banking is acceptance of WAP-enabled banking and interactive-TV banking. However, it has been predicted that online banking will be the future of electronic financial transactions. The growth of e-commerce and the use of the internet to facilitate it, combined with enhanced online security for transactions and sensitive information, have been the primary drivers of online banking's penetration into everyday life. According to the most recent official figures from Internet Live Stats, developed countries make greater use of internet services than developing countries. At the moment, India is second only to China in terms of internet penetration, with 34.8 percent, indicating that internet subscriptions are growing in popularity and have become ingrained in daily life. For office workers and professionals, email has developed into a mass market media channel.

The most significant changes in internet access have occurred in the last five years, and the internet has evolved into an integral part of office life and a critical component of many homes. While broadband access is expanding rapidly, the number of home connections lags behind comparable markets; however, despite the low number of connections, a sizable portion of the population in the upper demographics has access. E-banking services include Automated Teller Machines (ATMs), Credit Cards, Debit Cards, Smart Cards, Electronic Funds Transfer (EFT) Systems, Cheques Truncation Payment Systems, Mobile Banking, Internet Banking, and Telephone Banking, among others.

### **Internet Banking in India**

The Reserve Bank of India established an Internet Banking Working Group. The group classified internet banking products in India into three categories based on their accessibility..

#### **Information Only System:**

The banks' website contains general information such as interest rates, branch locations, bank products and their features, as well as loan and deposit calculators. There are download options for various types of application forms. Typically, communication takes place via e-mail. There is no communication between the customer's application system and the bank's application system. There is no identification of the customer. There is no way for an unauthorised person to gain access to the bank's production systems via the internet in this system..

**Electronic Information Transfer System:**

The system provides account balances, transaction details, and a statement of accounts for each customer. The majority of the information is still in a 'read only' format. Passwords are used to identify and authenticate customers. The data is fetched in batch mode or off-line from the bank's application system. The application systems cannot be accessed directly via the internet..

**Fully Electronic Transactional System:**

This system is bidirectional. The customer can submit transactions for online updating. This system necessitates an elevated level of security and control. Web server and application systems are connected via a secure infrastructure in this environment. It consists of computerization, networking, and security technology, as well as an interbank payment gateway and legal infrastructure...

**Role of Information Technology in Banking Sector**

The growth of high speed networks which is part of Information Technology and communication technology is making possible applications undreamed of in the past. Now in the age of information technology voice, images data may now be transferred around the world in micro seconds. This explosion of technology is changing the banking industry from paper and branch banking to digitization and core banking. In this paper it is argued that the broad competitive forces of information and communication technology leads to irrevocable changes which allow new entrants, dis-intermediation, innovation and customer changes on a much greater scale than has occurred in the past. In the age of IT, it is fundamentally changing the delivery systems; banks use to interact with customer Evolution of Hi-Tech banking in India. The first blueprints of adaption of IT in banks were drawn by the landmark report of Dr. Rangarajan Committee, which was constituted under the chairmanship of Dr. Rangarajan in September 1988 to draw up a perspective plan of computerization for a five year period commencing from 1990 to 1994 for the banking industry. This committee identified the purpose of computerization as improvement in customer service, housekeeping, decision making and profitability/productivity.

It was observed that to meet these objectives, banks have to move away from the use of dedicated and stand alone machines and move towards online real time transaction processing environment in relation to branch banking, to provide better customer service and reduce work pressure on the back office.

Internet banking has bought a new revolution in the life of a common man. Not only common man, but our nation on a whole has progressed. Computers are getting more sophisticated. They have given bank customers high expectations. Due to advances in technology, banking products and services are more conveniently delivered, thus creating new bases of competition. The bank gains a competitive advantage by having a direct marketing and accountable customer service environment and new, streamlined business processes. Growth in volume of banking business, geographical spread of operations, customers demand for quicker service, need for accuracy of data and improved control, have resulted increased use and higher dependency on technology. Information technology has been further accelerated by the advent of Internet. Corporate from office and individuals from home are able to conduct their transactions. Internet banking is becoming a strategic necessity for banks.

## **The Role of Internet Banking In Society**

Are you concerned about spending an extended period of time in a queue to conduct financial transactions? Avoid panic. This is where online banking comes into play. Internet banking is a significant sector of the finance industry. It serves as a platform for society, allowing members to access their account information, make payments, and transfer money between accounts in a short period of time. Because the majority of us are so busy in our daily lives, we rarely have quality time to spend with our loved ones. Standing in long queues for the simple purpose of requesting a financial transaction becomes a headache in this scenario. Thus, to avoid such annoyances, the concept of online banking was born. This has resulted in a reduction in the time required to process banking transactions, thereby saving customers time. Thus, take a look at our article on the impact of internet banking on our society..

### **Advantages of Internet Banking**

1. Internet Banking has several advantages over traditional banking, including the ease with which an account can be operated.
2. It enables you to conduct a variety of transactions via the bank's website and comes with a number of benefits. Several advantages of internet banking include the following: Online accounts are simple to open and manage.
3. It's quite convenient because you can pay your bills easily, transfer money between accounts, and so on.
4. You no longer need to queue to pay your bills; additionally, you no longer need to keep receipts for all of your transactions, as you can now easily view your transactions.
5. It is always available, i.e. 24 hours a day, seven days a week. You can complete your tasks from any location and at any time; even at night or on holidays when the bank is closed.
6. The only requirement is that you have an active internet connection. It is both quick and efficient. Funds are transferred extremely quickly from one account to the next. Additionally, internet banking enables you to easily manage multiple accounts.
7. Internet banking enables you to keep a constant eye on your transactions and account balance.
8. Additionally, this feature safeguards your account. This means that by having the ability to monitor your account at any time, you can become aware of any fraudulent activity or threat to your account before it causes significant damage.
9. It also serves as an excellent platform for banks to promote their products and services. Loans, investment options, and a variety of other services are available.

### **Conclusion**

Internet Banking Services is a great boon to customers. It is a new way of performing everything that you do at the bank, on your computer. Traditional Banking, though having a personalised touch, is slowly giving way to Internet Banking. Almost all the facilities except withdrawals and deposits can now be done through Internet Banking. The present generation of youngsters are fully technology-savvy. They support the usage of technology in a big way and this could be evidenced from the fact most of the personal computer and mobile phone purchases are in this age group. It is no wonder that they prefer banking services offered through Internet. Some people do not have Internet Banking services because they think that it is too

unsecured due to hacking and phishing. But, the present research clearly indicates that Internet Banking can be made a safe one with active participation from both banks and customers: Banks by educating their customers and customers by meticulously following the instructions given by banks. Internet banking has come to stay. It is upto all of us to comprehend the services in its entirety and use it actively and profitably by safe and secure mean.

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