

Developing india with internet banking

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Online banking also known as internet banking is a service that is allowed by the banks to its customers for accessing bank accounts and services offered by them via internet. The invention of online banking was started by the banks in New York in 1980 and its services were offered correctly from 1995. In 1995, the presidential savings bank became the first financial provider to offer Internet banking and soon it spread with well-known banks such as Citibank, Chase Manhattan. We can observe through this, that paperwork and other hassles are greatly reduced by banking online. People need not have to waste their time going to banks and other transactions, it involves just a click and every information will be in front of you. In proper terms, online banking is a system which allows individual to execute banking process and activities from home through internet. It can be either said that the use of telephones and telecommunications which helps in banking transactions to be done by computer rather than human interaction. It can be also known as home banking, wherein you can check your accounts every now and then.

Gone are those days, when people followed the traditional method of standing in a queue for several hours and filling up forms to withdraw amount or for something relative. The incarnation of net banking proved to be time saving and much easier in process. Today we are in era of globalization. Multinational banks worldwide have preferred e-banking as their first strategic source. Advancement in global world is due to technology. There has been improvement in fields of maintenance, storage, availability and transfer of data. The world has now become a “ global village”. Banks have now modified themselves by providing services through

internet. It begun from computerization – networking – ATM's and now e-banking, this movement of chain helped banks increase their tie- ups with global banks. Internet banking admits the usage of internet as a delivery channel for banking activities. In simple terms, a person can operate his bank website 24/7 hours. This reduces wasting time daily visiting banks for every minute thing and thus provides the user (customer) to manage online help from home.

The evolution of technology in Indian banks started from 1990's. In the last five years, the usage of IT in foreign and private sector banks increased rapidly, by which competition and worldwide internet phenomena has emerged. “ In past years we have seen dramatic changes, making customer satisfied about the aspect of banking”. Indian metros are heading in online banking today. There are functions such as direct dial up connection, public and private networks using devices like telephone and personal computer including automated teller machines (ATM'S).

Some online banks like ICICI BANK, STATE BANK OF INDIA, BANK OF INDIA, HDFC, etc. are traditional banks which offer online banking, while others are only online banks with less features and services. But in India there are no special banks dealing only with online banking and does not have its existence. Through online banking customers can accomplish all daily transactions such as account transfers, wire transfer, balance inquiries, bill payments and stop payment request, some others offer online loan and credit card application. It also offers services like e-cheque, traveler's checks and cashier's checks. Account information can be accessed anytime,

anywhere via World Wide Web. It helps the banks to attract new customers to broaden their own profit and goodwill. In spite of these advantages can anyone analyze what is the drawback of online banking? It is observed that online banking system making an online account is very time consuming. In this case, there are limited banks which offer online banking in limited areas. In addition to this, if an account holder pays online, he/she has to introduce check request before two weeks due payment. But the banks can withdraw the amount when a notification is received from the account holder; it meant that the account holder without knowing has lost his interest of two weeks on that payment.

Where does India stand in usage of online banking? Now in India every banks has the facility of e- banking, which is now extending even in rural areas by educating about the advantages and attracting their attention towards e- banking. This will help our country develop in technological advancement. It is said that not every banks but some evolving banks offer service and advanced features. The online banking manages savings account, credit cards, fixed deposit and insurance. Customers attracted to online banking should also understand about the security which the banks provide, else the password or the personal details may be easily hacked by any person.

Aims and Objectives

The main aim of this research is to find out customers satisfaction by usage of internet banking and improvement in Indian e- banking in near future. My objective is to have comparative study on internet banking and significance of the services provided by the banks in India. To mainly find out what is the

status of online banking in India. My aim is to provide readers what can be possible through online banking. To state the status and ratings of Internet banking in today's world. To understand the concept of Online Banking and can it be helpful for future banking organization, would it develop as compared to UK banks. To mainly concentrate on the reason, that why people are switching on to internet banking. To understand the position and to develop Indian banks it in near future.

Literature review

How do people look upon online banking in India? The research says very few uses it for the purpose of services offered by the banks and for transactions but rest don't even know they follow the old method and visit the bank as much as possible. Some banks don't have features or services which the other banks provides, either it can be said that banks in India does not provide services that are offered by the UK banks for e. g. card reader which is not yet bought in notice of Indian banks. There are some banks in UK especially for net banking known Net banks, where there is only physical appearance but in India there is no such banks only related to Internet banking. India is still in a progress to make its position in global world but still it needs to understand the importance of internet banking. The ratings for online banking in India is quite low only those skilled people use it, while others still rely on the bankers to check their transaction. Online banking advantages and disadvantages

The problems related to online banking include security risk, operational risk, system architecture risk, legal risk. Apart from the first risk i. e. security risk

there is limited internet user base,

lack of system to advanced technology for banking services,

customer usage for internet base is less in India so as compared to global standards,

customers with orthodox mentality does not approve the internet transaction as they are not comfortable,

there is limited awareness about the potential of internet banking on the part of banks.

Primary Research Question:

Does online banking open up new markets for banks?