

Online banking 11677

[Technology](#), [Internet](#)



Banking Online

Imagine banks without tellers, desks, brochures, or ATM's. Picture, a virtual bank, residing inside of a computer, projected by images on a computer screen. US financial institutions are moving towards " virtual banking"; a strategy making bank services available to customers any time and place they need them. Banks are offering more services as virtual banking becomes more popular, while the number of traditional teller-staffed branches are declining.

Bank customers are moving away from traditional banking and becoming dependent on electronic transactions using ATMs and PCs. Thanks to this technology, financial institutions are using software programs, online services, and even the internet to allow customers to check balances, pay bills, and transfer funds among accounts. Bankers promise that, in the near future, we will be able to buy certificates of deposit, mutual funds, other investments, and even apply for loans electronically.

Many people's best option is to plug into their bank through software. Intuits Quicken, Microsoft Money, and Managing Your Money are the top home budgeting programs allowing users a way to harness their assets through their PC. In order to use this software properly all a customer needs is a personal computer, software and a modem. On-screen instructions, laden with colorful graphics and pictures, explain how to select and work on various tasks. The system automatically calculates and updates account balances and keeps records of bills. By charging \$5 to \$20 a month for these services, banks will cash in on the high-tech superhighway.

Internet banking differs from traditional PC banking in several ways. Banks have already set up home pages on the Internet to provide information to their existing and potential customers about upcoming services. In most home banking ventures, the bank sends application software to the customer. The customer then dials into the bank using their modem, downloads and uploads data, and runs the programs they previously installed on their computer, sending back a batch of requests such as transfers between accounts.

With Internet banking, on the other hand, potential customers already own the software they need to do their banking: an internet browser. The actual banking software resides on the bank's server in the form of their home page. The company can easily present new information, change prices, or introduce new products without expensive advertising and mailings. In addition, the virtual bank can implement system enhancements online so that they do not interfere with normal business. By not commuting to banks customers save time and money. If cash is not an issue at the time of a transaction, then Internet banking is very useful.

This new concept may catch on and become a profitable venture for banks. Early entrants in the Internet banking market will benefit on multiple fronts. These banks will appeal to a vast market and attract educated, professional, affluent and efficient people. The new customers will cut bank costs by visiting branches less frequently and switching from paper to electronic transactions. More importantly, by developing internal expertise today, banks can position themselves to react quickly to competitive moves and

consumer trends as the financial services industry evolves. These banks will see the benefits as early players and enjoy the public relations boost that comes from being market leaders.

Once people accept this more efficient way of banking, there will be less need for offices. This method is not at all a way to end banks, more like a convenient addition for customers. This technology is in the future, but at the same time just around the corner. Online banking will become a great way for people to control their money.

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