



OVERVIEW OF DIGITAL BANKING, ITS SERVICES, ADVANTAGES AND DISADVANTAGES IN INDIA

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Abstract:

The world has changed and continues to change rapidly. The convergence of telecom, media and computing has changed the way we work, play and live. Everything is moving faster - trends, novelties, news, products, markets, etc. The digital and physical worlds are starting to come together. Digital experience is far more personalised so Banking Sector become a Digital. Digital banking is part of online banking services are delivered over the internet. The use of computer and other fast developing information machines in banks are known as technology in banking these technologies helps to interpret this mass information into a meaningful analysis. E-banking is a most important invention in Banking Sectors with the introduction of computers in Indian banks and with the advent of ATM's.

Digital banking involves web-based services and transactions. With the increased convenience of anytime, anywhere banking, the number of customers has increased for banks. Human error in calculations and recordkeeping is reduced, if not eliminated. With records of every transaction being maintained electronically, it is possible to generate reports and analyze data at any point, and for different purposes. This paper presents an overview of Digital banking, Concept Its Features and Its Services in India.

Keywords: *Digital Banking, E-Banking, ATM, Credit Card, Tele Banking, Net Banking, Core Banking, UPI, IMPS, BHIM Mobile APP.*

Introduction:

The Government of India is now pushing digital transactions. The Government of India has set a target of 25 billion and much more digital transactions in the next Year. Through multiple facilities, including platforms such as Aadhar Pay, (Unified Payment Interface) UPI, Immediate Payment Service (IMPS) debit cards and BHIM Mobile APP etc. Digital Banking or E-banking invention designed for the purposes of online banking it is a safe, fast, easy and efficient. Electronic service 24 hours a day and 07 days a week. Revolution in communications technology has sought to change the face of Banking as it directly affects the speed of transfer of money.

Old methods of banking is 'On the Counter' (OTC) Means, every bank customer has to enter in bank Premises for banking purpose like a cash withdrawal, cash deposit, Cheque book and DD issue, lone, funds transfer and passbook updating. Now a day's Internet revolution led to e-commerce, e-banking. E- Banking also knows as Internet Banking, Online banking is an electronic payment system that enables customers of bank to conduct range of financial transactions through banks website. E-banking or Online banking is a generic term for the delivery of banking services and products through the electronic channels such as the telephone, the internet, the cell phone etc.

Definition of E-banking:

"Digital banking Means Internet Banking or Online Banking, bank provides its services online and customers can make transactions and banking activities online, it is called digital banking".

"Digital banking or E-banking is a method of banking in which transactions are conducted electronically using computer and Mobiles with the help of Internet."

Objectives of the study:

The following are the objectives of the study:

1. The First objective of the paper is to study the concepts of Digital Banking.
2. The Second objective of the paper is to highlight the Services Covered Under E-banking or Digital Banking.

Research Methodology:

This paper is prepared through done with help of the information from secondary data sources that are from various websites, journals, Research articles, newspapers and magazines, Books related to banking.

- **Services Covered Under E-banking or Digital Banking:**

The digital revolution has come a long way since the first ATM was setup in the late '80s in India. It is now time for banks to evolve along their digital journey. Electronic banking is an umbrella term for the process by which a customer may perform banking transactions electronically without visiting a brick and mortar institution.

I) Automatic Teller Machine (ATM):

Inventor John Shepherd-Barron installed the world's first automatic cash dispenser at a Barclays Bank branch near London in 1967. First bank to introduce ATM in India was Hongkong and Shanghai Banking Corporation (HSBC) in 1987 in Mumbai.

Meaning:-

ATM is the most used channel of E-banking. It is a computer controlled device, via customers can Withdraw money, check balance, and transfer funds etc. without involving any individual.

ATM is electronic machines, which are operated by a customer himself to deposit or to withdraw cash from bank'. ATM card is a plastic card which is magnetically coded.

Advantages of ATM:-

1. 24 Hours Service:-

ATM Service 24 Hours a day and 07 days a week and service is quick and efficient. The customer can withdraw cash up to a certain limit during any time the day or night.

2. Time Saving:-

ATM Provide 24 Hours service so customers cash withdraw across the bank. Time period and customers can access cash and ATM service at any Location where ATM available regardless of where he maintains account. So it is a time saving service.

3. Convenience:-

ATM provides convenience to the customers. Now a day's ATMs are located at convenient place such as the Airports, Railway Stations, Bus Stations, Shopping Malls, etc. and not necessarily at the banks premises.

4. Beneficial For Travellers:-

ATM is a great help to travellers they need not carry large amount of cash with them. They can withdraw cash from any city, state and even form outside the country with the help of ATM.

5. Reduces workload of Banks:-

ATM reduces the work pressure on banks staff and avoid queues in bank premises.

6. ATM provides service without error.

7. ATM helps customers to get mint fresh currency.
8. Acceptability of card across multiple bank ATMs, even foreign tourists can access Maestro/ VISA ATMs

Disadvantages or Limitations of ATM:-

1. They are not safe since they are located outside the bank hall.
2. Cash withdrawals for large amount are not permitted.
3. ATM Pin is very importance of cash withdrawals, forgets the pin Number he not be able to withdraw money from their accounts.

II) Credit Card:-

Credit card also knows as a 'Plastic Money' because it is made of Plastic which is durable and convenient to carry. A bank enters into an agreement with its customer and issues the customer a credit card. A Credit card is a small plastic card around number of the card holder embossed on it.

Definition:-

'Credit card is small plastic card that allows somebody to get goods or services without using money'.

'Credit card is a payment card issued to users as a system of payment'.

'Credit card issued by a financial company giving the card holder an option to borrow funds, usually at point of sale'.

Advantages of Credit Card:-

1. Credit Card can be used for Purchase of goods in Shopping Malls, getting services from hotels, railway stations, and airline up to a specified limit.
2. Credit Card is Safer than currying cash
3. If you lost a credit card then you can quickly cancelled your credit card.
4. Credit card it is easy transactions and a credit card build your credit rating.
5. Some banks provided to you can use your credit card. Overseas to make purchases in a foreign currency.
6. Many banks allow withdrawals of cash against credit card at any of their branches.
7. For the issuing banker, credit card means an opportunity of making good profit.

Disadvantages of Credit Card:-

1. Credit cards have extremely high interest rates.
2. Many banks high charge a annual fee of credit card.
3. Using credit card is the possibility of fraud of Theft.

III) Tele Banking:-

The function of Tele banking services is based on the voice processing facility available with the bank computers. The caller, generally a customer of the bank, will be able to call the bank anytime and enquire balance or transactions history and to transfer funds between accounts.

Tele banking in general is carrying out financial transactions using telephone or computers. Telebanking is a secure, fast and convenient way to obtain a range of services by using a telephone without visiting the bank branch e.g. information on account conducts of selected transactions, reports loss of ATM Card, Order cheque Book, Draft. Etc.

Meaning:-

“Bank Transactions done over Phone are called Telebanking”.

“Telebanking refers to the use of a system to allow customers of a bank to process various banking procedures over the Telephone.”

Tele banking Facilities:-

1. Check your Account Balance on Telebanking.
2. Last five Transactions sent by SMS or e-mail to the customer.
3. Order a Cheque Book on Telebanking.
4. Check whether the advance and fixed deposits are being maintained at the level required by the Head office.
5. Enquires about collection or specific credits / debits Transactions.
6. Stop Payments facilities available on Telebanking.
7. Some banks Tele us ours Banks Hours and Locations.
8. Tele banking Facilities available on Check an Interest Rate.
9. Transfer funds between accounts in different branches customers account.

IV) Net Banking:-

Banks have traditionally been in the forefront of harnessing technology to improve their Products, Services and efficiency. They have over a long Time, been using electronic and telecommunication networks for delivering a wide range of value added products and services with the popularity of personal computers and easy access to Internet and World Wide Web (WWW), Banks increasingly use internet as a channel for receiving instructions and delivering their products and services to their customers

Net Banking makes it easy to transfer on Money from one branch in a particular city to any other branch in city. Net banking also knows an Internet Banking or E-banking.

Meaning:-

Internet Banking also knows as Online Banking is an electronic Payment system that enables customers of a bank to conduct a range of Financial Transactions through the website.

“Net Banking means using the Internet to access certain banking functions like a fund Transfer, Cash deposits, DD, Card Payments, Recharge, etc.

Net Banking Facilities / Advantages:-

1. Inquiry about E-accounts of Bank Accounts.
2. For transfer of Funds from one place to another place.
3. Cheque Book, DD request, Loan Application, Card Payment with the help of Net Banking.
4. Now a day's most use of Net Banking for Purpose of Mobile, Dish TV Recharge Transactions.
5. Net Banking Any Time, Any Period 24 Hours Service.
6. No need of visiting Branches of Banks to Update the Account Balance.

V) Core Banking:-

Core banking has a centralized branch computerization model where the branches are connected to a central host, which incorporates branch automation modules and online multiple delivery channels like ATM, ABB, Debit Card, Tele Banking, Mobile Banking, Internet Banking etc. under one roof.

VI) Mobile Banking:-

Mobile Banking is a system which allows customers of a bank to contact financial transactions through mobile telecommunication devices such as a mobile phone or tablets. The European banks started mobile banking services to their customers in 1999.

Mobile banking offers security, convenience and ease of payment. It can be used anywhere anytime to make payment. But Mobile banking is not available on non-compatible mobile devices.

Conclusion:

Digital business is an overarching trend covering how the blurring of the physical and virtual worlds is transforming business designs, industries, markets and organizations. India has over a billion mobile connections with around 240 million Smartphone users and is expected to grow to 520 million by 2020 as per a report on Digital Payments by BCG and Google.

Secure banking based on technology and its ramifications including cyber-crimes in today's digital banking landscape has to be reviewed continuously. The dark side of being digital i.e. cyber security risks are to be taken care and risk mitigation measures need to be strengthened. E- Banking is one of the biggest Banking reforms in India. Implementation of E- Banking Impact an Economy both ways, positively & negatively. Ignoring negative aspects, Positive aspects can be taken into consideration in order to improve the Economy of our country.

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