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## Internet Banking

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### Abstract

Online banking through the Internet is known as internet banking. From wherever in the world, the client can easily access it. It has made it feasible to carry out some banking operations from any location, including paying bills, transferring money to a third party, opening new accounts, getting account information for those accounts, as well as checking the balances of credit cards, house loans, and other accounts. The bank will always be accessible to customers with a single click. using an online banking system. All clients with active User IDs and Passwords will be able to access this. This method enables consumers to do some significant transactions from their current location without going to the bank. The transactions that take place between the bank and its customers will be the subject of our discussion of the current realities in the bank. In order to support the bank's current system, we offer a real-time environment. Our concept, which is an internet-based automated approach to banking, deals with how bank transactions might be made faster and easier. The Internet portal Banking offers complete electronic cash transfer and payment solutions, giving thousands of citizens, financial institutions, and hundreds of enterprises the ease of receiving and moving their funds online. You determine who to send money to and can check the account information. It's quick, simple, and gives you total control. All of your paper bills may be received and paid at one location, such as your bank or credit union. Also, you may increase the convenience of online money transfers by getting your invoices electronically, monitoring the status of your accounts, and reading your statements via this system. In a matter of minutes, you may accomplish this from a single secure online site.

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### Introduction

The development of service delivery channels that allow customers to communicate with banks has become popular. Hence, modern banks provide their customers a wider variety of channel options and communicate with customers in many ways. As a result, in addition to traditional branch banking, consumers now have access to ATMs, telephone, internet, and wireless channels for their banking needs.

Banks cannot turn back the clock by lowering the number of channels since customers have become accustomed to and are actually employing a wide variety of possibilities. Electronic banking offers its financial services to its prospective customers through various forms such as:

1. Automated Teller Machines (ATM)
2. Telephone Banking
3. Home Banking

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### 4. Internet Banking

### 5. Mobile Banking

E-banking in India: A working group on electronic banking was established by the Reserve Bank of India. In India, there are three different sorts of electronic banking products, according to the levels of access provided by the organisation. As follows:

- Only Information System: The bank's website provides general information such as interest rates, branch locations, bank products and their features, loan and deposit computations, and more.
- Electronic Information Transmission System: The system offers account balances, transaction information, and a statement of accounts for customers.
- Bi-directional functionality is possible with a fully electronic transactional system. Customers can submit transactions for online

updating. High levels of security and control are necessary for this system.

### **E-Banking in India**

Both the terms "Internet Banking" and "E-Banking" are used in addition. One of the main components of electronic financing is e-banking. E-banking, according to Hertzum, is online banking. E-banking, then, is the term used to describe banking activities carried out online. The United Nations Conference on Trade and Development, however, provides a more thorough and recognised definition. This term encompasses nearly every aspect of electronic banking. Internet banking is the development of retail and wholesale banking services through the Internet. It covers bank transfers, payments and settlements, documented collections and credits, corporate and household financing, card business, and other things.

It works with both individual and corporate clients. Client-server architecture is the model for the information architecture of e-banking. a client running through a connected Computer

### **Evolution**

E-banking has grown from virtual obscurity to tens of millions of users globally since the late 1990s. E-banking, on the other hand, is the result of numerous generations of electronic transactions. The most recent generation of technologies, including Automatic Teller Machines (ATMs), Phone Banking, PC or Home Banking, is web-based internet or E-Banking. Following those generations, Citibank created an exclusive "e-toolkit" for all of its branches globally, and in 1996, Deutsche Bank introduced the first Internet Banking initiative in Latin America. E-banking has the potential to lower maintenance costs because it employs the web browser as the user interface and the internet for data transfer and software downloads. E-banking offers consumers up-to-date information and round-the-clock access to banking services: The main services offered by online banks

### **Role of Information Technology in Banking Sector**

The growth of high-speed networks that are part of information technology and communication technology enables applications that were not even dreamed of in the past. In the age of information technology, voice and image data can now be transmitted around the world in microseconds. This technological explosion is

changing the banking industry from paper and branch banks to digitization and core banking. This paper argues that the broad competitive forces of information and communication technology are leading to irreversible changes that are enabling new entrants, disintermediation, innovation and customer switching on a much larger scale than in the past. In the age of IT, it fundamentally changes delivery systems; Use Banks to Interact with Customers Development of Hi-Tech Banking in India. The first blueprints for adapting IT in banks were provided by the seminal report by Dr. Rangarajan Committee chaired by Dr. Rangarajan was formed in September 1988 to prepare a five-year perspective plan for computerization from 1990 to 1994 for the banking industry. This group determined that computerization would improve decision-making, housekeeping, profitability, and productivity. In order to achieve these goals, banks were found to need to transition away from the use of specialised, stand-alone machines and towards an online real-time transaction processing environment for branch banking in order to improve customer service and ease workload pressure on the back office. The life of the common man has undergone a fresh transformation thanks to internet banking.

Our country as a whole has advanced in addition to the average person. Modern computers are becoming increasingly advanced. Customers of banks now have high standards. Technology advancements have made it easier to deliver banking goods and services, which has increased competition. A direct marketing strategy, accountable client service, and modern, streamlined corporate procedures provide the bank a competitive edge. Increased use and greater dependence on technology have been brought about by the expansion of the banking industry, global dispersion of operations, consumer demand for faster service, requirement for accurate data, and need for improved control. The introduction of the Internet has further advanced information technology. Both businesses and individuals are able to perform their transactions from their offices. For banks, having an online banking system is becoming essential.

### **E-Banking Opportunity and Challenges**

The banking and finance industry reportedly adopted e-commerce quickly because its products were simple to virtualize and took

precedence over location, according to "E-Commerce beyond 2000". It was noted that banks initially advertised their key services, such as their goods, channels, and advice, on the Internet before increasing account access fees and profiting from cross-selling opportunities for products like credit cards and loans. Consumers are increasingly looking for services they can access from a single-entry point as a result of improvements in Internet security and the introduction of pertinent protocols like Integriion, OFX, SET, etc. Banks have been placed back into perspective as financial intermediaries and facilitators of complete commercial transactions via electronic networks and especially via the Internet. In order to defend their ownership of this component of the Ecommerce infrastructure, banks have acted actively in forging alliances and forming joint ventures. This is because they are aware of the competition. Certainly, one of the main forces behind the promotion of e-commerce in the banking industry has been the internet. In the online space, banks have a variety of chances.

The online banks also act as entry points for a variety of third-party service providers, including identity and authorisation services. With telephone companies, energy companies, tax boards, and other institutions, there are convenient online business options. The demand for certain services affects how frequently Internet banks are used. Governments are under pressure to lower restrictions on financial sector competition as the internet develops traction in order to maintain incumbent banks' ability to compete against their more recent competitors.

It is clear that banks may gain an edge by using their current, E-Commerce-ready infrastructure online, but this potential must be seen in the context of a fiercely competitive, quickly-evolving industry where new players are constantly emerging.

#### **Existing E-banking trends in India**

Indian banks have had a troubled past. There are several large and small privately controlled banks left over from the British heritage. The nationalisation of banks in the latter half of the 1960s paved the way for the development of public sector banks. The banking sector adopted Vol. 3 No. 2 October 2015 ISSN: 2321 - 46433 in the 1990s. Huge investments have been made in Shanlax International Journal of Management 111

technology, particularly by new private banks and Multinational banks. Internet banking for the retail market is one of these many technological advancements that has recently attracted a lot of attention in the Indian banking sector. While PSU banks are starting to jump on the bandwagon, private and international banks have been the early adopters. Almost two million people in India are registered users of Internet banking, according to estimates from IDC (International Data Corporation). Nevertheless, this statistic must be modified to account for numerous accounts and inactive users (a user having accounts with more than one bank). Less than one million people in India actively utilise Internet banking. And while though this constitutes only 0.096 percent of the entire population, it accounts for 15% of India's Internet users, showing that the idea of Internet/E-banking is undoubtedly gaining popularity.

#### **Conclusion**

Banks are currently using technology-intensive solutions to improve core banking value, revamp the digital agenda, shift from information to insight, deal with a changing risk regime, transition from cash to electronic payment methods, address financial inclusion, empower employees, and speed up innovation. Because of the rising use of technology, banks have altered their business practises and shifted towards universal banking. The vast majority of banks demand cashless and paperless payment methods. Banking is now referred to as innovative banking. Banks make use of electronic media to provide a variety of services. The banking system's challenging business climate encourages increased innovation in the areas of products, processes, and markets. In reality, internet banking has made our daily lives much more comfortable. It is clear from the discussion above that the new generation of electronic banking transactions brought both possibilities and problems to the country's current banks, financial institutions, and customers. It can be seen. According to the available documentation analysis, breakthrough E-banking technologies have been swiftly adopted by practically all large banks, regardless of the level of national progress. As a result, it is evident that electronic banking is gaining ground in newly industrialised countries given that banks with worldwide operations

have identified E-banking as one of their key expansion objectives.

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