



THE IMPACT OF INTERNET BANKING SERVICE THEORETICAL FRAMEWORK

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Abstract

Internet banking is moving the banking industry, having the major belongings on banking relationships. Banking is now no longer restricted to the branches were one has to method the branch in person, to withdraw cash or deposit a cheque or request a statement of accounts. In true Internet banking, any inquiry or transaction is processed online without any reference to the branch anywhere banking at any time. As long as Internet banking is increasingly becoming a "need to have" than a "nice to have" service. The net banking, thus, now is more of a norm rather than an exception in many developed countries due to the fact that it is the inexpensive way of providing banking services.

Keywords: E-Banking & Internet.

Introduction

In business field, Internet is used mostly by masses, and has several benefits to offer, especially in Internet Banking services. Nowadays, people are so demanding in their work lives, that they don't even have time to go to the bank for conducting their banking transactions. All banks provide online banking facility to their customers as an added advantage.

Internet banking (or E-banking) means any user with a personal computer and a browser can get linked to his bank's website to perform any of the major banking functions. In internet banking system the bank has a centralized database that is web-enabled. All the services that the bank has allowed on the internet are displayed in menu. Once the branch offices of bank are interconnected through global or cable links, there would be no physical identity for any branch. It would be a borderless entity permitting anytime, anywhere and anyhow banking.

Internet banking enables people to carry out most of their banking transactions using a safe website, which is operated by their respective banks. The services available online vary from bank to bank. Most of the universal services are on all banking websites such as –view account balances, pay bills, view records of transactions, transfer money to connected accounts with the same bank, transfer money to specially selected unlinked accounts, check interest in accounts, send money overseas, Change your details, etc.

Objectives: To find impact of internet banking dimensions.

Functions of E-Banking

At present, the personal e-bank system provides the following services: -

1. **Inquiry about the Information of Account:** The client inquires about the details of his own account information such as the card's / account's balance and the detailed past records of the account and downloads the report list.
2. **Card Accounts' Transfer:** The client can achieve the fund to another person's Credit Card in the same city.
3. **Bank-Securities Accounts Transfer:** The client can achieve the fund transfer between his own bank savings accounts of his own Credit Card account and his own capital account in the securities company. Moreover, the client can inquire about the present balance at real time.
4. **The Transaction of Foreign Exchange:** The client can trade the foreign exchange, cancel orders and inquire about the information of the transaction of foreign exchange according to the exchange rate given by our bank on net.
5. **The B2c Disbursement on Net:** The client can do the real-time transfer and get the feedback information about payment from our bank when the client does shopping in the appointed web-site.
6. **Client Service:** The client can modify the login password, information of the Credit Card and the client information in e-bank on net.
7. **Account Management:** The client can modify his own limits of right and state of the registered account in the personal e-bank, such as modifying his own login password, freezing or deleting some cards and so on.
8. **Reporting The Loss If The Account:** The client can report the loss in the local area (not nationwide) when the client's Credit Card or passbook is missing or stolen.

Types of E-Banking

1. Deposits, withdrawals, inter-account transfer and payment of linked accounts at an ATM;
2. Buying and paying for goods and services using debit cards or smart cards without having to carry cash or a cheque book;



3. Using a telephone to perform direct banking- make a balance enquiry, inter-account transfers and pay linked accounts;
4. Using a computer to perform direct banking- make a balance enquiry, inter-account transfers and pay linked

Advantages of E-Banking

1. Account Information: Real time balance information and summary of day's transaction.
2. Fund Transfer: Manage your Supply-Chain network, effectively by using our online hand transfer mechanism. We can effect fund transfer on a real time basis across the bank locations.
3. Request: Make a banking request online.
4. Downloading of account statements as an excel file or text file.
5. Customers can also submit the following requests online: Registration for account statements by e-mail daily / weekly / fortnightly / monthly basis.
 - a. Stop payment or cheques
 - b. Cheque book replenishment
 - c. Demand Draft / Pay-order
 - d. Opening of fixed deposit account
 - e. Opening of Letter of credit
6. Customers can Integrate the System with his own ERP
7. Bill Payment through Electronic Banking
8. The Electronic Shopping Mall
9. Effecting Personal Investments through Electronic Banking
10. Investing in Mutual funds
11. Initial Public Offers Online

Limitation of E-Banking

1. Safety situations around ATMs.
2. Misuse of bank cards by fraudsters at ATMs.
3. Risk of giving your card number when buying on-line.

Conclusions

E-banking is a borderless being permitting anytime, anywhere and anyhow banking. This aids us with all the functions and many advantages as compared to traditional banking services. During this step of the process, controls that could mitigate or eliminate the identified risks, as appropriate to the organization's operations, are provided. The goal of the recommended controls is to reduce the level of risk to the IT system and its data to an acceptable level.

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