

CHANGING PATTERN OF DEMAND FOR E-BANKING SERVICES: A STUDY

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ABSTRACT

Rapid economic growth is bringing along with it rapidly emerging technologies, an expanding information force in every element of the business, and avenues for service delivery to the customer, such as E-Banking. With e-banking administrations today like contact banking and 360-degree 360 degree 360 degree virtual virtual banking, you can get these services at any time. This is especially true for open area banks, which have had to contend with the challenge posed by the recently established private division banks and outside banks. The fast-evolving global data architecture makes it possible to improve global e-commerce. The study makes an effort to focus on the e-banking services provided by Indian banking institutions. The study concludes with a discussion of the technological advancements and future trends in E-banking services, which aids in the advancement of the industry.

INTRODUCTION

IT is becoming the most important aspect in banking's progress, altering banks' marketing and commercial practises. Money-related market developments, data innovation, budgetary item advancements, and deregulation of intercessional budgetary regulations are driving the rapid change of financial institutions. E-impact Banking's on customer-banker relationships and the budgetary services industry has recently been the subject of extensive discussion. E-advances, which include e-cash, e-banking, e-handling, and e-protection, e-trades, and even e-supervision, are advancing rapidly in all locations.

In today's dynamic and computerised environment, non-military personnel have a fantastic opportunity to change people's lives from a variety of viewpoints that were previously impossible to envisage. Several breakthroughs and new ideas have led to it.

Today, every country must be digitised in order to have a strong social impact. What's important is having administrations available round-the-clock over the internet, regardless matter where they are located. As an added benefit, a flexible platform makes all resident credentials available on the cloud, allowing for the electronic and frictionless exchange of financial information, enhancing Ease of Doing Business. So forth and so on.

OBJECTIVE OF THE STUDY

To make up for lost time, Indian banks are modernising and strengthening themselves by investing heavily in computerised advances. As a result, global competitors are now offering more comprehensive and polished services. At the same time, the existing and future developments in the Indian financial sector are creating a rapidly growing computerised population. They are increasingly demanding that Indian banks stay up with global driving standards.

1. To consider how customers are currently utilising e-banking services
2. To determine how satisfied customers are with E-banking administrations currently.
3. E-banking administrations for customers must be dissected in terms of current influence and future trends.

The best approach to beat them is to develop new, uniquely Indian products, services, and strategies.

LITERATURE REVIEW

The planet is still in a period of development. Islam's financial framework, cautious (Islamic insurance) and capital market products and administrations are an alternative to society. With a twofold digit annual growth rate since its inception, the development is expected to be astounding. McKinsey and Company (2007) stated that the estimation of Islamic financial resources and resources under Islamic administration is expected to reach USD1 trillion by 2010, with Islamic banks developing faster than the mainstream financial sector in several countries. From 2009 onwards, global shari'ah-compliant resources increased by multiples of 0.5percent to 2percent of global GDP, reaching MYR3.5 trillion (PEMANDU, 2010). Islamic monetary foundations (IFIs) over the world are being challenged to develop and improve new products to meet the ever-changing needs of their current and potential clientele. Experts and Shari'ah-gathering persons, as well as society at large, face challenges when new Islamic products are introduced.

A focus on Islamic home financing is expected in this paper, which will take a look at the latest developments in Islamic financial products. As numerous agreements are embraced, such improvements result in a variety of things familiar to the general public. Focus will be mostly on IFIs operating and managed in Malaysia by the country's regulators.

WHAT IS E-BANKING

Online banking is another name for e-banking (Hertzum et al., 2004).

When we talk about e-banking, we're talking about the use of the internet to deliver retail and wholesale banking services to individuals and businesses alike. This can include everything from bank transfers and payments to document collections and credits to corporate and household lending and a variety of other services (UNCTAD, 2002). Most retail banking activities can be performed by customers using a computer, television, or mobile phone through E-banking (Mols, 1998; Sathye, 1999; Daniel, 1999). Customers and banks can conduct financial transactions using e-banking, which is an electronic link between the two parties (Burr, 1996). A thorough examination of secondary data demonstrates that internet banking has a very high penetration across the globe.

As long as the user has a computer and a web browser, they are able to execute any of the virtual banking functions through e-banking. The bank's central database is web-enabled via the E-banking system. All of the bank's internet-permitted services are listed in the menu. It is possible to select any service, and the nature of that service dictates the rest of the interaction. Alternate delivery methods, such as ATMs, are taking over the traditional branch model of banking.

If the bank's branch offices are all linked together by satellite or terrestrial links, each branch will lose its own physical identity. Banking could take place whenever, wherever, and anyway you want if it were a borderless entity. As the network that connects all of your sites and allows you to communicate with your central office, it's termed an intranet. There is a strict restriction on who can use these networks. Intranet applications can be seen in action at SWIFT.

E-BANKING EVOLUTION

E-banking, according to current predictions, will have a significant impact on the financial services business. As a result, it is critical to keep up with the evolution of E-banking. Analysis of worldwide E-banking industry trends utilising document analysis indicates the most significant obstacles, obstructions and encourgaes for E-quick banking's adoption. There are several ways to analyse documents, such as media articles and annual reports; employment records; university working papers; government white paper and white paper reports; industry and consultancy reports; as well as unpublished articles (Neuman, 1997). Banks that don't have typical physical branches but instead use electronic means to deliver their services are known as "electronic banking" (Liao et al., 1999). There are a number of ways that electronic banking services can be made available to potential consumers, including:

- Automated Teller Machines (ATM)
- Telephone Banking
- Home Banking
- Internet Banking
- Mobile Banking

CURRENT DIGITAL BANKING TREND

The digitalization of banks has undergone numerous changes as a result of the challenges of 2020-2021. However, on the other hand, they made it easier for consumers and businesses alike to get their hands on banking services and increase their online product offerings.

In the year 2021, banks will have to deal with a pandemic and a slew of new high-tech innovations. They must swiftly adapt to industry demands and follow current and future trends in mobile banking in order to suit the needs of their consumers. After that, we'll go over them in greater depth.

GROWTH OF ONLINE TRANSACTIONS

Due to the current state of everything being distant, this trend has accelerated substantially. E-Commerce stores are becoming more popular places to buy goods and services. Mobile banking's two-factor authorization and transaction confirmation speeds up and secures this process. As a result, it has surpassed offline payments and in-person shopping in terms of popularity.

Moreover, stock trading has been attempted by numerous people in the distant past. This led to the opening of many brokerage accounts via banking apps. The number of mortgage and consumer loans issued online has also grown dramatically.

REASONS FOR CHANGING E-BANKING SERVICES PATTERN

1. **HIGH RESPONSIVNESS**- Users want transaction systems and banking services to respond quickly, so they don't have to waste time waiting for things to happen. Thus, slow servers are being phased out in favour of modern, lightning-fast e-banking systems.
2. **GOOD REPUTATIONS** -Customers are more likely to use various types of e-banking services if the financial transaction system has a positive public image and a well-known brand name behind it. Because of this, customers are more concerned with the reputation and name of the service provider than the actual service criteria.
3. **HIGH SECURITY** -High security is an additional requirement when e-banking trends change. As a result, it is critical that the security parameter be managed well in the banking industry, where even minor risks can lead to significant losses. The risk of hacking is increasing as technology advances, which necessitates improved security measures. Because of this, a growing number of people are turning to more secure e-banking services.
4. **CUSTOMERS RELATIONS & BELEIFS**- The general public will be the primary users of all of these new e-banking options. These are the people who will be using and evaluating these banking services. There has been a shift in customers' attitudes and perspectives about various services throughout time, and this shift has forced e-banking service providers to rethink their offerings. As a result, different customers' perceptions and experiences with e-banking services are always evolving.

Do We Still Need Web Banking In the Era of Mobile Apps?

A mobile solution and an on-the-go user experience are being sought by all online services, including online banking. This is a sensible goal given the rapid growth of mobile apps. Furthermore, it calls into question the necessity of further web banking development. In this mobile-first era, business owners may be unsure whether or not they need to spend money on web development.

Let's look at the facts to clear up any lingering uncertainties. Most mobile banking customers use the web app to do certain tasks, according to Deloitte study. In addition, 38 percent of respondents prefer to use the desktop software version for P2P money transfer. Most people (56 percent) prefer to use web-based platforms rather than mobile banking when it comes to overseas transactions (38 percent).

As a result of the aforementioned, modern banks should build both their web and mobile web presence equally. The absence of any one of these applications could lead to customer unhappiness and customer attrition.

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FACTORS INFLUENCING E-BANKING

Today's banking industry has evolved into a data-processing business. Electronic currency, auto-payment machines, domestic banking, telephone banking, distance banking, internet banking, and virtual banking are only a few of the new concepts born out of the rapid evolution of the information technology industry. E-banking has been increasingly popular in the IT and banking industries in recent years, but security and trust issues remain a significant barrier to widespread adoption. A modern technology like e-banking necessitates the development and public acceptance of security infrastructures, just as the development of technology in any society requires infrastructures for the acceptance of customers.

- ❖ **HIGH QUALITY INTERNET** -The new wave of electronic commerce will be everywhere in the next few years, based on internet application rates and the rising trend of its development and speed. According to these data, the number of internet users in 15 of the world's top countries is predicted to reach 2 billion in 218 countries in 2005, and by 2020, 80 percent of the world's population will have access to high-speed internet. Other companies project that internet purchases would grow from \$12.4 billion in 1997 to 425.7 billion in 2002, with the United States accounting for more than any other country. Customers have become loyal because of the high-quality, readily available, fast, and reliable networks that provide their needs more quickly and accurately.
- ❖ **TRUST** -Managing a virtual company is all about trust, which is the most vital component. A virtual organisation is made up of people who do not communicate with each other directly, but instead use telephones and computers. Trust and commitment, then, might be considered a crucial concern for managers in the virtual world. As a result of the need to work together and form a relationship between various entities (clients, companies, etc.), business transactions between partners require increased trust. The end effect of a firm's trust between its employees and its customers is stronger relationships and more efficient transactions.
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- ❖ **SECURITY RECEIPTS** -Employees, managers, and customers' messages could be used in a banking system programme that encodes or decodes messages (Pikkarainen et al., 2004). Among the most important considerations for managers when creating electronic systems is how to develop a security system that meets the needs of customers while also accurately

assessing those needs. When it comes to electronic banking in Australia, security concerns and a lack of knowledge about internet banking are the most significant impediments to its adoption. Lower level procedures such as encryption and permission can be used to achieve security in computer systems, which are considered in the discussion of computer security. The construction of physical security is one of the most important issues in the execution of security in a security system. The lack of security can cause other mechanisms to become inactive and ineffective. There are two types of elements that affect the physical security of a network:

- It's important to protect networks and their resources from intruders who try to obtain physical access in order to disrupt or abuse them.
- It's also important to guard against natural disasters and the resulting damage.

❖ **PROFITABLE RECEIPTS** -It is the amount of money that enters the financial system after banking fees or advertising or marketing costs have been deducted from it. Liquidity management has always been a major concern for financial managers and authorities. Short, medium and long term planning regarding liquidity flow and the efficient use of financial resources can all play significant roles in a firm's success. As a result, regulators must keep a close eye on the movement of liquid assets within each company. We can go so far as to argue that the success and growth of any business is directly linked to the company's ability to effectively manage its liquidity. In order to avoid additional expenditures and on-time and scheduled payments of economic entity consumptions, this component is important. Treasury software that stands out is designed to give users the tools they need to do the necessary internal checks and manage financial resources of businesses to their best advantage.

❖ **SECURITY** -When electronic networks or data banks malfunction, security means no one can access the system. As a result, security is the most important component in electronic payment systems. Confidentiality and security must be taken into account more strongly as e-business provides enterprises with excellent prospects to expand their market share and penetrate the international market." This goal might be realised at a minimal cost and investment, and by establishing an effective relationship and contact with both producers and customers alike. Security is no longer an issue that can be addressed in a single computer system, as the internet and communication networks have grown. The safety of communication networks is synonymous with computer system security. Conventional banking must be transformed into electronic banking in order to lower expenses and speed up operations, as well as provide a context for communication in today's institutions. As a result of the rapid advancement of technology, the control of payment system security has grown increasingly difficult. Increasingly advanced coding techniques have made it possible to implement effective security measures. Private key encryption, public key encryption, digital signatures, and other related operations are a few of these tools. E-business security begins with the consumer and ends with the transaction. As a result, in such a supply chain, assets such as users' systems, transfer texts over communication channels, and business and web servers must be protected and taken into account in order to result in E-business

security. It's important to preserve key assets like remote communication links, which could be at risk without proper safeguards in place.

We can conclude that the factors utilised in the model can directly influence the adoption of E-business and also bring about proper communications and high-quality service in the long run, based on the studies done.

CONCLUSION

The pattern of demand for e-banking services is changing as a result of the rise and development of technological developments and globalisation. This is due to a variety of factors, including customer satisfaction, service utilisation, and more. All of this has contributed to the shift in demand for e-banking services.

Newer electronic banking transactions have produced a wide range of opportunities and difficulties for banks, financial institutions, and consumers around the world, as discussed in the preceding paragraphs. E-banking technology has been rapidly adopted by major banks around the world, regardless of their country's degree of development, according to existing documentation.

E-banking has thus been named a vital strategy for future development by the banks operating globally and is clearly gaining steam in newly industrialised nations. Developing countries, in particular, should benefit from focusing on the possibilities presented by electronic banking systems. E-banking adoption in India will rise if banks and the government work together to tackle security, safety, and privacy concerns. Customers' faith in a particular bank, the quality of service provided by the bank, and their preferences and satisfaction all play a major role in whether or not E-banking in India succeeds or fails. This means that in order to keep their unique identity, banks must always endeavour to satisfy consumers' expectations, needs and requirements.

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