

## ROLE OF E-BANKING IN ECONOMY DEVELOPMENT OF INDIA

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### **Abstract**

The Indian Banks are the backbone of Indian financial sector and Indian economy. Now a day in Indian economic scenario, the Indian financial system is in a process of rapid transformation. The shift from the formal banking to E-Banking has been a remarkable 'leap change' in Indian banking history. E-banking has experienced strong and sustained growth. E-Banking, also known as net banking, online banking or internet banking, is the facility provided by banks and financial institutions which allows customers to use banking services via internet. There are scores of services like online money transfer, account opening, bill payment, tracking account activity, etc., which are made available to customers with the help of e-banking. This research paper shows the relationship between e-banking and economic development in India and helps to know the present economic scenario of e-banking. It highlights the role of e-banking in ensuring a speedy Indian economic recovery.

**Keywords:** E-banking, economic development, present economic scenario.

### **Introduction**

India has arisen as the quickest developing significant economy on the planet and is relied upon to be One of the best three financial powers of the world throughout the following 10-15 years, upheld by its Solid majority rules government and associations. The public authority of India has thought of Digital India drives, which centers around three center parts: production of advanced framework, conveying administrations carefully and to build the advanced literacy. Banking through electronic channels has acquired expanding prevalence as of late. The improvement and the expanding progress experienced in the Information and Communication Innovation combined with the development of the worldwide economy prepared for the change of the Indian financial framework's job from customary exchange financing to activating and directing monetary assets all the more really in practically all features of life.

### **Objectives of the study**

1. To examine the role of e-banking in economic development of India.
2. To highlight the role of e-banking in ensuring a speedy economic recovery of India.
3. To examine the need for e-banking among the Indian populace.

### **Methodology of the study**

The study is mainly descriptive in nature. The data for the purpose of the study has been collected through secondary sources, which mainly include websites, various articles and journals.

## Literature Review

### Meaning of Electronic Banking

E-banking can basically be characterized as utilizing Automated Teller Machines, phones, web also mobiles for doing everyday straightforward and advance exchange without being actually present in the bank, to involve the administrations like making inquiries for account balance, making different kind of installments like bills, versatile re-energize, cash move, documenting personal duty get back electronically. In basic words, e-banking is worried about doing every one of these exchanges from home or office without visiting the branch; 24 hours, 7 days in seven days by utilizing Atm's, phones, web and mobiles and so forth for doing banking administrations.

Daniel, characterizes electronic banking 'as the conveyance of bank's data and administrations by banks to clients through various conveyance stages that can be utilized with various terminal Gadgets like a PC and a cell phone with program or work area programming, phone or advanced TV'. It incorporates RTGS, NEFT, ECS, Credit cards/Debit cards and shrewd cards, CTS, ATM and Mobile banking.

Electronic banking is characterized by Barron's Dictionary (2006) as a type of banking where assets are moved through a trade of electronic signs between monetary foundations, rather than a trade of money, checks, or other debatable instruments.

### Features of E-Banking

- 24x 7 banking hour service
- No geographical barrier
- Easy Electronic Fund transfer facility.
- Better efficiency in Customer relationship management.
- Making the Payments of bills like electricity, telephone bills, and mobile recharge.
- It can view of balance of accounts and statements.
- E-banking can bring doorstep services.

### Advantage of E-banking

In a period where it seems like you can do pretty much anything on the web, it appears to be simply right to have the option to finish your financial necessities on the web. How about we check out the benefits of web based banking as opposed to going to an actual bank office

**1. Convenience:** E-banking or internet banking is only not quite the same as conventional banking, because in customary financial individuals make some restricted memories period to utilize any help yet in web based financial individuals can involve every one of the administrations 24 hours in a day, it gives unequaled offices, individuals can do it exclusively by a mouse click. Also there is no compelling reason to remain in line now internet banking client can exploit every one of the administrations by their own electronic devices like PC or portable and so forth all individuals need adaptability and Internet banking is attempting to give or offer them.

2. **Ubiquity:** Assuming any client of web based banking is out of state or even out of the nation and assuming any cash issue emerges there, so client can sign on right away to his/her internet based bank and put everything in order, 24\7.
3. **Transaction speed:** In internet banking its destinations speeds for the most part execute and furthermore affirm exchanges speedier than any ATM handling speeds.
4. **Efficiency:** Any client of internet banking can get to and deal with all of his/her financial balances, including Ira's, CDs, even protections, from just one secure website.
5. **Effectiveness:** To help their clients and deal with every one of their resources all the more successfully now numerous internet banking locales are offering complex devices, including account collection, stock statements, rate alert and furthermore portfolio overseeing program. Most are likewise viable with the cash overseeing programs for instance stimulate and Microsoft cash.
6. **Cheaper alternative:** Since now daily contests are expanding step by step, so it very well might be the expense factor that is driving banks to offer a less expensive elective office. We can see that the Internet is as yet an exceptionally modest option in contrast to opening a physical branch, and the vast majority of the push is by all accounts coming from the stock side. The expenses of a financial help through the Internet structure a small portion of expenses through regular techniques.
7. **More Competition:** Web banking turned into a possibility for roughly every bank in the country. After the assessment of e-banking bunches of rivalries have emerged out of nowhere. Fire up banks observed and bunches of grown up as Internet-just banks, taking out a portion of the costs that customary banks have. Web banking accompanied lower working expenses; assuming any bank is Internet-based bank so it can pass those investment funds on to their clients as higher loan fees, prompting expanded contest for customary banks.
8. **Reduced Costs:** In Internet banking individuals can go about their responsibilities with practically no desk work so it diminishes costs for banks, and furthermore everything exchanges should be possible with next to no administrative work, that is useful for banks and client too.
9. **24-Hour Availability:** Presently reason for Internet banking individuals can do any time banking it is day or night regardless, it is accessible for 24 hours. Reason for 24 hours accessibility many banks have expanded their clients fulfillment in numerous ways. As presently there is no compelling reason to do trust that the bank will open or to do any sort of business now they can likewise take care of any issue that emerges whenever and can do their any kind of work with the assistance of e-banking office.
10. **Customer Support:** As web came in the realm of banking area, it assisted saves money with overseeing client by supporting and making on the web FAQ information bases with on the web talk support.

### Disadvantages of E-banking

Anyway the latest thing of only utilizing the web-based mode to make a wide range of exchanges has a couple of downsides which might demonstrate expensive over the long haul except if got against all along. Complex Transactions: There are numerous mind boggling exchanges which

can't be figured out except if there is an up close and personal conversation with the administrator that is unimaginable through web banking. Settling specific issues and objections requires actual visit to the bank and can't be accomplished through the web. Online correspondence is neither clear nor pin highlighted assist with settling numerous complicated help issues. Certain administrations, for example, the authentication and bank signature ensure can't be achieved on the web.

**1. Start-up may take time:** A few times in view of the web server issue and information speed issue it could be conceivable that beginning up may require some investment to get login to web banking.

**2. Legal Issues:** Assuming your accomplice and you wish to see and keep up with your resources together on the web, one of you might need to sign a sturdy legal authority before the bank then, at that point, that bank will show every one of your possessions together.

**3. Bank site changes:** Some time many banks redesign their web-based projects or administrations to give their client more offices and more administrations, however it very well may be a reason for certain issues, assuming they add a few new highlights so some time individuals get befuddle to access their internet banking framework and they need to enter their record data over and over.

**4. Security Concern:** We as a whole realize that e-banking intensely encoded, through the creating innovation, yet it is extremely elusive out the 'programmers' who might get to any client's web-based banks accounts.

**5. Technical Breakdowns:** As certain times all innovations go down, similar to that in some cases sites of web based banking additionally go down. To close your nearby bank or charge card accounts, you will get certainly drained.

### **E-banking in India**

In India, since 1997, when the ICICI Bank first offered internet banking services, today, most new-generation banks offer the same to their customers. In fact, all major banks provide e-banking services to their customers.

Under Internet banking, the following services are available in India:

**1. Bill payment:** Each bank has a restrict with various service organizations, specialist co-ops, insurance agency, and so on the nation over. The banks utilize these tie-ups to offer web-based installment of bills (power, phone, cell phone, and so on) Likewise, most banks charge an ostensible one-time enrollment expense for this assistance. Further, the client can make a standing guidance to take care of repeating bills naturally each month.

**2. Funds transfer:** A client can move assets from his record to one more with a similar bank or even an alternate bank, anyplace in India. He wants to sign in to his record, indicate the payee's name, account number, his bank, and branch alongside the exchange sum. The exchange is affected inside a day or somewhere in the vicinity.

**3. Investing:** Through electronic banking, a client can open a decent store with the bank online through reserves move. Further, assuming a client has a demat account and a connected ledger and

exchanging account, he can trade shares online too. Additionally, a few banks permit clients to buy and recover common asset units from their internet based stages also.

**4. Shopping:** With an e-banking administration, a client can buy labor and products on the web and furthermore pay for them utilizing his record. Shopping readily available.

### **Role of E-banking in economic development**

1. Lower cost of handling transaction via E-banking resource compared to the cost of handling the transaction via the branch.
2. Increased speed of response to customer requirements under E-banking which leads to better customer satisfaction.
3. Lead to higher profits via handling a larger number of customer accounts.
4. Reduce cost for physically opening bank branches.
5. Lower costs of operating branch network along with reduced staff costs leads to cost efficiency under E-banking.
6. It allows the possibility of improved quality and an enlarged range of services being available to the customer more rapidly and accurately and at his convenience.
7. E-banking helps in reducing the cost of delivering the services to the customers.
8. It provides banks with competitive advantage among their peers.
9. Reduces the use of paper money that helps the central bank in printing less paper notes.
10. Through websites, banks can earn revenue by promotional activities.
11. Customers can avail e-banking facility from anytime, anyplace, therefore there is a need to invest more and more on relevant infrastructure

### **Conclusions**

The study concludes that with the passage of time E-banking has gained the momentum in the Indian context. E-banking has helped banks to retain the current customers, increase customer's satisfaction, acquire further share in the markets and reduce the costs of delivering service to the customers. Delivery of services has gained increasing popularity through electronic platform. It provides alternative way for delivery of services in a faster way to the customers. Various numbers of services are being offered by banks through electronic banking. E-banking both as a medium of delivery of banking services and as a strategic tool for business development, has gained wide acceptance internationally and is fast catching up in India with more and more banks entering the fray

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