

EXAMINING THE ROLE OF INTERNET BANKING IN SOCIETY

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ABSTRACT

It was in the latter part of the 18th century that India first began to see the creation of financial institutions such as banks. The State Bank of India is not only the oldest bank in India but also the country's largest commercial bank. It was established in June 1806, making it the country's oldest continuously operating financial institution. The State Bank of India is under the jurisdiction of the Indian government. In the year 1806, it was first established. The Reserve Bank of India is the organization that is in charge of the central banking system for the nation of India. In 1935, it formally took over these obligations from what was then known as the Imperial Bank of India, relegating the latter to the function of commercial banker. This change occurred as a result of a merger between the two financial institutions. The Reserve Bank of India was nationalized in 1947, the same year that India achieved its independence from British rule, and it was given increased responsibility as a result. The government took control of the following six greatest commercial banks in 1980 after seizing the previous six largest commercial banks in 1969 when it nationalized the nation's 14 largest commercial banks. The reason behind the topic at hand, as it relates to the conversation. Internet banking has become an indispensable instrument for survival in the society of today and is producing significant transformations in the banking sector all over the world. Customers may now acquire banking services at significantly lower costs just by clicking their mouses, which not only gives them an unprecedented degree of choice when it comes to picking providers for their varied financial service requirements but also provides them with an unparalleled amount of convenience.

Keywords: Internet Banking, Reserve Bank

INTRODUCTION

The establishment of banks in India may be traced back to the later decades of the 18th century. The State Bank of India, which is controlled by the government and can trace its roots all the way back to June 1806, is the country's largest commercial bank and is also the oldest bank that is still operational in India. It was established in 1806. The Reserve Bank of India is the institution in charge of the nation's central banking system. In 1935, it legally took over these responsibilities from what was then known as the Imperial Bank of India, relegating the latter to the role of commercial banker. In 1947, the year India gained its independence from British rule, the Reserve Bank of India was nationalized and granted expanded authority. The nation's 14 major commercial banks were nationalized by the government in 1969; in 1980, the government seized the next six largest commercial banks. There are now 96 scheduled commercial banks (SCBs) in India. Of these, there are 27 public sector banks (banks in which the government of India owns a part), 31 private banks (banks in which the government does not own a stake; these banks may be publicly listed and traded on stock markets), and 38 banks that are based outside of India. They operate a total of over 53,000 branches and 17,000 automated teller machines around the country.

ICRA Limited, a rating agency, has published a study stating that public sector banks control more than 75% of the total assets held by the banking industry. In comparison, private banks and foreign banks own 18.2% and 6.5% of the industry's assets, respectively.

AN EXPLANATION OF ONLINE BANKING

E-banking can be defined as the automated delivery of new and traditional banking products and services directly to customers through electronic, interactive communication channels. E-banking also refers to the systems that enable customers of financial institutions, whether they are individuals or businesses, to access their accounts, transact business, or obtain information on financial products and services through a public or private network, such as the Internet. Customers have access to e-banking services through the use of intelligent electronic devices such as personal computers, personal digital assistants, automated teller machines, and touch-tone telephones. This brochure focuses mainly on Internet-based services, despite the fact that the risks and controls are comparable across all of the different access channels for electronic banking.

WHAT EXACTLY IS BANKING ON THE INTERNET

The term "Internet Banking" refers to the banking services that are made available by financial institutions over the internet. Paying bills, transferring money, reading one's account statement, and other similar activities are examples of some of these services. Additionally, financial institutions provide their most recent goods and services on the internet. Using a computer or other device that is capable of connecting to a banking website via the internet is required in order to conduct online banking transactions. These days, you may do online banking on your mobile phone as long as it has either a Wi-Fi or a 3G connection. It has gained quite a bit of popularity as a result of the widespread availability of cyber cafes in urban areas. The practice of banking is no longer restricted to physically travelling to a bank branch for a variety of banking-related tasks, such as depositing and withdrawing money, seeking an account statement, stopping a payment, and other similar activities. Using the internet services provided by the banks, you may accomplish all of these activities as well as a great deal more. Additionally, you are able to monitor the transactions made and balance of your account at any given moment. It is no longer necessary to get passbooks updated in order to learn the current total amount of an account.

The particular goals of the research are detailed further on down below.

1. To Conduct Research on the Importance of Online Banking
2. To conduct a survey of clients who use internet banking to assess their level of awareness
3. To determine the level of safety that clients have when making use of these services

Internet banking's several functionalities the following are the primary benefits of doing financial transactions online in India:

1. Publish demand drafts on the internet
2. Move money into your own accounts as well as those belonging to other parties.
3. Transfer funds to the beneficiary accounts through the RTGS/NEFT function of the VISA Money Transfer.

4. Produce financial reports for the accounts.
5. Establish Standard Operating Procedures
6. Adjust the options for the profile.
7. Pay your taxes electronically with e-Tax.
8. Make use of e-Pay to set up recurring payments for your bills.
9. Reservations for trains and airplanes may be made through interaction with retailers
10. Take use of the DEMAT and IPO services.
11. Internet Banking within the Indian Culture

The Reserve Bank of India established an advisory committee to study the viability of internet banking. On the basis of the levels, the group classified the online banking products available in India into one of three categories.

1. System Relating Only to Information

The website of the bank provides information that is useful for general purposes, such as interest rates, the location of branches, bank products and their characteristics, and computations for loans and deposits. It is possible to get many different kinds of application forms from the available websites. Email is the typical method of contact in this situation. The applicant and the bank's application system do not communicate with one another in any way. There is no attempt made to identify the customer in any way. Because of the design of this system, it is impossible for unauthorized individuals to get access to the production systems of the bank over the internet.

2. System for the Electronic Transfer of Information

The system supplies customer-specific information such as account balances, details of transactions, and statements of accounts to the user. A significant portion of the data is still stored in the 'read only' format. Passwords are used for both the identification of the customer and their authentication. The data is retrieved from the application system of the bank, either in batch mode or off-line, depending on which method is used. The application systems are unable to gain access to the internet in a direct fashion.

3. A Transactional System That Is Completely Electronic

The capabilities of this system can operate in both directions. The consumer can submit transactions for online updating if they choose to do so. This technology calls for an exceptionally high level of control and safety. The web server and application systems in this environment are linked to one another across a safe infrastructure. It includes the technological aspects of computerization, networking and security, as well as a gateway for inter-bank payments and legal infrastructure.

ANALYSIS OF THE PROS AND CONS OF INTERNET BANKING

The following is a discussion of the opportunities, risks, and strengths that are associated with internet banking in India:

1. Aggressiveness toward the advancement of the already established banking standards

2. A significant regulatory effect exerted by the central bank on each and every bank
3. The presence of intellectual capital to accommodate alterations in execution while maintaining a high level of quality
4. Expert in the use of computers and other technologies
5. A person may access their account no matter where they are.
6. A person can do financial operations at any time of the day or night, including transferring funds to another account, booking tickets, and paying bills. Deficit in strength
7. Exorbitant fees for using bank services. The consumers of every bank are subjected to exorbitant fees for the use of the bank's internet banking services.
8. An insufficiently developed technological infrastructure
9. Risk mitigation strategies that aren't working
10. Unauthorized users have easy access to their online banking accounts using their email ids
11. If the server is experiencing issues, the entire procedure will be hampered.

Possibilities (or chances)

1. Increasing our level of knowledge in risk management
2. The development of new technologies and the establishment of a solid asset base would be helpful in achieving larger growth.

The international scope of internet banking provides new growth perspectives, and online business is a catalyst for new technologies and new business processes. 3. The safety of using internet banking is robust, so more people will use internet banking in the future. 4. The international scope of internet banking gives new growth perspectives.

Possible Dangers

1. Since banks do all of their operations using electronic and automated means, this might cause difficulties for individuals with lower levels of education.
2. An inability to satisfy the extra criteria pertaining to capital
3. A massive amount of money invested in many technologies
4. Mobile banking will eventually take the role of internet banking.

THE PART THAT ONLINE BANKING PLAYS IN MODERN SOCIETY

Are you concerned about having to wait in a line for a significant amount of time in order to complete your banking transactions? Try not to freak out. The use of online banking comes into play here. It is generally agreed that internet banking is a significant part of the overall financial business. It gives people a platform from which they can check the contents of their accounts, make payments, and move money across accounts in a very short amount of time. Because most of us are so preoccupied with the activities of our day-to-day lives, we seldom get the opportunity to spend quality time with the people we hold most dear. In this kind of situation, having to wait in long lines for something as simple as requesting a bank transaction might turn out to be a real pain in the neck. As

a result, in order to avoid these kinds of annoyances, the notion of online banking was established. Because of this, the time it takes to conduct financial transactions has been cut down, which in turn has helped clients save time. Check out the article that we have written to learn more about the ways in which the rise of online banking has affected our culture.

OBJECTIVE OF THE STUDY

1. A study on examining the Role of Internet Banking in Society
2. A Study on Analysis of The Pros and Cons of Internet Banking

1. The Ways That Online Banking

Is Having an Impact on Contemporary Lifestyles1. Quick and Simple Assembly Internet banking makes it possible to quickly set up your online accounts using only the information you already have about your bank accounts. When setting up your online accounts, you can use either your personal computer or even your smart phone. As soon as it is finished, you will have unrestricted access to your account and will be able to send money to your loved ones from any location and at any time.

2. Ensure safety

You are able to perform your financial transactions in a safe and sound manner when you use online banking. You have the ability to monitor and keep track of all of your financial activities, as well as verify that the information on your balance is accurate. When utilizing online banking services, specialists are now working on a new concept that will fully replace passwords with thumb impressions. This new idea is being developed as the technology continues to advance. This provides transactions that are both more precise and secure, and as a result, it can make it easier for you to identify fraudulent transactions.

3. The ease of use

Internet banking provides you with a platform that allows you to pay your utility bills, telephone bills, and transfer payments, among other things. Transactions may be easily completed immediately from the comfort of your own home or workplace by using either one-time payments or regular payments. You will have an easier time keeping track of your accounts, and in addition, you will not need to save the receipts of all of your invoices because it is simple to examine your transactions.

4. The Services

Internet banking provides a fantastic platform for financial institutions to promote the goods and services they offer to customers. These services come in the form of straightforward applications on the bank's website and include financial planning, investment alternatives, loan calculators, and a great deal more. All of these services are available around the clock, seven days a week, which means that you may use them whenever you want, wherever you are, and even when the banks are closed. Some systems also include additional features, such as

balance notifications, which enable users to keep track of their accounts and prevent incurring late penalties. In addition to that, they make it simple to view online statements.

5. Efficient in terms of costs

The banking industry can save money because to the convenience of internet banking. The advent of online banking has resulted in a reduction in the amount of work that is administrative in nature and paper-based. This type of work not only takes up office space but also generates employment prospects.

Despite the fact that it has proven out to be detrimental for workers, the banks have been able to profit from it nonetheless. In addition, banks are able to quickly market their products and services to an unlimited number of clients all at once. These variables are contributing to an increase in the profits that are being made by the banks. Because of this, they are now able to provide interest rates on credit cards and savings bank accounts that are competitive. 6. Quick and effective in its work The transmission of funds, both domestically and internationally, has become considerably more expedient and convenient as a result of the rise of online banking. These days, transferring money is a quick and painless process that can be done efficiently within a short amount of time. You are able to conveniently manage several accounts while simultaneously engaging in stock trading and other investing activities. Because of all of these aspects, internet banking has become an excellent option for people who engage in a number of financial activities on a daily basis.

The Benefits of Using the Internet for Your Banking Internet banking provides a number of advantages over traditional banking, including the fact that it makes managing an account much easier and more convenient. It enables you to carry out a variety of transactions via the bank's website and provides a number of benefits in the process.

1. One of the primary benefits of using internet banking is the ease with which one may register an online account and manage their finances.
2. You are able to effortlessly pay your bills, move money between accounts, and other similar tasks, which makes it a very convenient method. You will no longer have to wait in line to pay your bills, and you will not need to hold on to receipts for any of the payments you have made since you will be able to examine all of your transactions with ease.
3. It is accessible at any time, as in 24 hours a day, seven days a week. You are able to carry out your responsibilities from any location and at any time, including during the night, when the bank is closed, and on holidays. The only thing you need to have is a connection to the internet that is actively working.
4. It works quickly and effectively. The process of moving money from one account to another is completed in a fairly timely manner. Through internet banking, you are able to effortlessly manage many accounts at the same time.
5. If you use Internet banking, you will always be able to monitor your transactions and know the current amount of your account. Your account will also remain secure thanks to this option. This indicates that because it is so simple to monitor your account at any time, you will be able to learn about any potentially fraudulent behavior or threat to your account much before it can cause serious harm to your account.

6. In addition, it provides a wonderful platform for financial institutions to promote the goods and services they offer. The services comprise a wide variety of additional possibilities as well, such as loans and investment opportunities.

THE DISADVANTAGES OF BANKING ON THE INTERNET

online banking, like anything else, has both positives and negatives, despite the fact that there are many positives associated with it. Nothing is perfect, and online banking is no exception to this rule. It also comes with a few drawbacks that need to be taken into consideration.

The following items are included among the drawbacks of using internet banking:

The first time a newcomer attempts to use online banking, it may be challenging for them to understand how it works. Even if there are certain websites that provide demonstrations on how to access online accounts, not all banks provide this service to their customers. Therefore, a person who is fresh to the situation could experience some difficulty.

1. Because you cannot utilize online banking if you do not have an internet connection; hence, it may not be beneficial if internet access is not readily available.
2. The safety of financial dealings is a major concern. It is possible for unauthorized individuals to get access to the information associated with your account over the internet.
3. It is essential to protect your passwords. If you do not update your password as soon as you receive it and commit it to memory, the person who accidentally discovers your password might use it to access your account and cause you problems.
4. In the event that the bank's server is down, you will not be able to utilize it.
5. A further problem is that it is not always clear whether or not your transaction was successful.

This is a problem since it can sometimes be difficult to tell. It's possible that you lost internet connections in the middle of everything, or that your connection was too slow, or that the server at the bank was down. By providing customers access to a variety of financial services through the medium of the internet, Internet financial has unquestionably simplified their lives.

CONCLUSION

Internet banking has developed into an essential tool for surviving in today's society and is causing fundamental shifts in the banking sector all around the globe. Customers may now get banking services at considerably cheaper costs just by clicking their mouse, and this enables them to exercise an unprecedented level of choice in selecting providers for their various financial service requirements. The proliferation of online banking is causing businesses to rethink their relationships with their clients. Internet banking's global reach opens up new growth opportunities, and conducting business online acts as a catalyzing force for the development of innovative business practices and technology. The expansion of India's telecommunications infrastructure has led to a sharp rise in the number of people who can use online banking services.

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