

# Digital Banking: Key to Marketing Development

Asifa Ishrat

*Assistant Professor, University Women's Polytechnic, Aligarh Muslim University, Aligarh,, India*

**Abstract—** The purpose of writing this ARTICLE is to describe the current state of Digital Banking and to discuss its implications for the banking industry and regulatory policy. It also provide information on Online Banking market developments, and how an on line banking play an important role in marketing development. People also consider the factors like time saving in doing the online transactions, convenience etc. From 2016 onward after Demonetization we are also following the cash less world and promoting the online transaction as this is the demand of developing world and we have to follow it. Although some people have a negative feeling that online banking is not secure as there are chance of frauds in using of debit/credit card no doubt it is true up to some extent but still “there is no rose without thorns” the people doing the banking online are happy about the increasing security concerns among the banks. In my research article, I will try to prove theoretically that online banking is not only safe and secure but also very important for the overall development of the country and to compete with the developing country.

**Index Terms—** Digital banking; Online banking, e-banking, Plastic money, ATM, Demonetization, Mobile Wallets as free charge, paytm etc

## I. INTRODUCTION

Digital Banking is a subject receiving great attention in the banking industry and the regulatory community respectively. To some extent, the intense interest in Online Banking reflects a more general interest in the role of the Internet as a vehicle for commercial activity. Interestingly most of the people have different take regarding Digital banking. However, the people interested in Online Banking may be particularly keen since a strong case can be made that banking, along with other financial services, provides a particularly fertile environment for the development of e-commerce. Digital banking converting the brick and mortar banks into more greener and efficient places to operate. At its core, banking involves the collection, storage, transfer and processing of information assets, and the Internet is an incredibly powerful and efficient tool for handling these information processes. Now people can check their bank accounts details, pay their bills online, transfer money to another account and all of this can be done from the very comfort of their home. All that the people need for banking these days is an internet connection. There are a plethora of options that people can opt for when it comes to banking.

## II. OBJECTIVES

1. To understand the issue of Digital and online banking.
2. To discuss the implication of online banking upon banking industry.
3. To state the government regulatory policy regarding online banking.
4. To state the advantages of using plastic money and cash less policy.
5. To analyze the present situation of E-banking.
6. To suggest and recommend how to promote online and E-banking.

## III. DIGITAL BANKING

Digital banking is the move to online banking where banking services are delivered over the internet. The advantages for banks and customers are providing more convenient and faster banking services. The shift from traditional to digital banking has been gradual and should be rather described in degrees of service digitization than through a categorization into yes and no. It involves high levels of process automation and web-based services and may include APIs enabling cross-institutional service composition to deliver banking products and provide transactions. It provides the ability for users to access financial data through desktop, mobile and ATM services. A digital bank represents a virtual process that includes online banking and beyond. As an end-to-end platform, digital banking must encompass the front end that consumers see, the back end that bankers see through their servers and admin control panels and the middleware that connects these nodes. Ultimately, a digital bank should facilitate all functional levels of banking on all service delivery platforms. In other words, it should have all the same functions as a head office, branch office, online service, bank cards, ATM and point of sale machines.

The reason digital banking is more than just a mobile or online platform is that it includes middleware solutions. Middleware is software that bridges operating systems or databases with other applications. Financial industry departments such a risk management, product development and marketing must also be included in the middle and back end to truly be considered a complete digital bank. Financial institutions must be at the forefront of the latest technology to ensure security and compliance with government regulations.

#### IV. EVOLUTION OF DIGITAL BANKING

The earliest forms of digital banking trace back to the advent of ATMs and cards launched in the 1960s. As the internet emerged in the 1980s with early broadband, digital networks began to connect retailers with suppliers and consumers to develop needs for early online catalogues and inventory software systems. By the 1990s the internet emerged and online banking started becoming the norm. The improvement of broadband and e-commerce systems in the early 2000s led to what resembled the modern digital banking world today. The proliferation of smartphones through the next decade opened the door for transactions on the go beyond ATM machines. Over 60% of consumers now use their smartphones as the preferred method for digital banking. They are using the mobile banking and the mobile Wallets for easy online transaction as free charge, paytm, PayUmoney, Oxygen Wallet etc are some of the example of semi closed e-wallets. Moreover they are most downloaded and trending mobile wallets in India. The Wallets that allow users to redeem plus withdraw cash as open Wallet. Vodaphone Powered M-Pesa wallets is the perfect example. The challenge for banks is now to facilitate demands that connect vendors with money through channels determined by the consumer. This dynamic shapes the basis of customer satisfaction, which can be nurtured with customer relationship management (CRM) software. Therefore, CRM must be integrated into a digital banking system, since it provides means for banks to directly communicate with their customers.

There is a demand for end-to-end consistency and for services, optimized on convenience and user experience. The market provides cross platform front ends, enabling purchase decisions based on available technology such as mobile devices, with a desktop or Smart TV at home. In order for banks to meet consumer demands, they need to keep focusing on improving digital technology that provides agility, scalability and efficiency. The ATM cards and credit cards were pioneers in digital banking so to speak; these cards prepared the way for further development in digital banking. It was the introduction of internet in the early 90's that brought about the revolution in the banking sector. The traditional banks on the street side started to think about various ideas that could help them to cut down on their operating cost and provided restricted online bank services. The efforts in this area proved to be beneficial, and so the banks took another leap towards creating their own space on the internet by designing a website. The website opened up a way for many features like opening new accounts online, downloading the necessary forms, and also applying for online loans. Under the digital banking umbrella, with time, there were many new features added, such as income tax filing, bill payments, transfer of funds, use of mobile Wallets such as paytm, free charge etc use for convenient online transaction opening recurring accounts, fixed deposit, etc. With the advent of technology, many people prefer to do everything online. From online shopping to online dating, people just love to do everything from their couch. Digital banking has offered many

comfortable features and possibilities to people. The mentioned below advantages of Digital banking highlight the importance of this crucial technology in our times. Here in this fig (1.1) you can see total number of cards available by the different number of bank it show the diversion of people towards cash less transaction and one most essential thing is this that how the peoples are getting interested towards online banking and cash less world, On the other side of coin we can see that now in today's world our country is moving towards cashless world, digital world ,e-banking but at a very slow rate and of course that is not optimum for development and the prosperity of our nation.



Fig. 1. Digital Banking

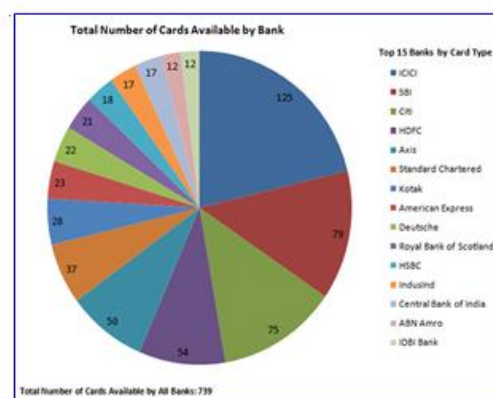


Fig. 2. Total number of cards available by bank

#### V. PATTERN OF GROWTH OF ONLINE BANKING IN INDIA

Some analysts argue that Online Banking is revolutionizing the banking industry. Others see the Internet as simply adding another delivery channel for remote banking to existing channels such as automated teller machines (ATMs) and mobile banking, mobile wallets as paytm, free charge, oxygen wallet etc; But in very simple words and according to fig (1.2) that these all are our weapons which actually gives us power and strength or stamina to fight with the advance world and this improvement in digital technology brings agility, scalability and efficiency to move towards the prosperity also when we will follow the cashless transactions either through mobile wallet, online banking or Digital banking it all provide security to our money it make us smart and now the use of online banking or digital banking is become very easy even you can

link your paytm with your bank account by just a click ,your shopping becomes too easy due to online banking, it saves our time and provide a security to our money, because to carry large amount of money is not safe at all even its very risky that is why use of card is good and use of mobile banking is best, I think so... In fig 1.2 I have given you certain idea that our country is also moving towards online banking no doubt in comparison to developing country it is slow but there is a very bright chances to come in the umbrella of developing country as soon as possible but the co-operation of our Indian public is very essential that they must follow the digital and online banking and promote the cashless world and plastic money. As with other areas of e-commerce, discussions about Online Banking often proceed without reference to the actual state of market developments. While Online Banking is the subject of a large amount of industry discussion, it remains the case that only a small percentage of banking transactions are done online, and only about a third of all banks currently offer Internet banking. Nevertheless, the adoption of Online Banking by banks has grown at a very rapid pace, and many banks, including some of the nation's largest institutions, have made the development of services over the Internet a major component of their business and marketing strategy.

To remain exist in the growing competition, commercial banks in India have adopted several initiatives to improve banking online services and to gain competitive advantage. The few of the initiatives taken by Indian banks for internet banking are mentioned below:

1. Bank of India recently launched its card-less cash withdrawal service. This facility helps customers to send money to anyone using Internet banking or by using ATM, with the help of receiver's mobile number.
2. Bank of Baroda Connect" is an internet banking facility introduced as an alternative delivery channel for rendering effective customer service on 24 X 7 basis. It offers unique customized services to both Retail & Corporate customers. A part of this Business Transformation Program is being implemented by the Bank of Baroda which will provide its customer convenience banking and delivery channels like Internet, Phone, Mobile, E-lobby, ATM, Debit card and others.
3. A number of Indian banks have implemented Online Tax Accounting System (OLTAS) for collection of taxes on behalf of Central Board of Direct Taxes, Government of India.
4. ICICI bank launched 24x7 electronic branches, mobile banking, internet banking, bank 24/7 through a widespread network over 4850 branches and 14367 ATMs, VISA power universal payment wallet that is pockets by ICICI bank. It offers facilities such as cheque deposit machine and an electronic kiosk through which customers can be accessed internet

banking services. ICICI Bank has also introduced E-Locker for its customers. It is a virtual locker, which can be accessed through ICICI internet banking which facilitates customer to store soft copy of their important documents safely such as legal documents, agreements, policies and various important certificates.

5. The banks are making their presence on social media like Facebook and Twitter for targeting huge customer base as well as potential customers; there will be round-the-clock tweets and comments on the banks products and services. After launching accounts on Facebook and You tube, SBI took one more step on the social media by launching a twitter handle.

## VI. GROWTH AND DEVELOPMENT IN INTERNET BANKING

### A. Numerous Factors

Including competitive cost, customer service, and demographic considerations — are motivating banks to evaluate their technology and assess their electronic commerce and Internet banking strategies. Many researchers expect rapid growth in customers using online banking products and services. The challenge for national banks is to make sure the savings from Internet banking technology more than offset the costs and risks associated with conducting business in cyber space. I can show in fig (1.3/1.4) you the level of cybercrime at international level.

### B. Competition

Studies show that competitive pressure is the chief driving force behind increasing use of Internet banking technology, ranking ahead of cost reduction and revenue enhancement, in second and third place respectively. Banks see Internet banking as a way to keep existing customers and attract new ones to the bank.

### C. Mobile Banking Option

Banks come up with several advanced apps that help in online banking from the smart phones. As a result, the customers can do online banking from anywhere and at any time. The banks make mobile friendly websites and features that help customers to bank efficiently. With just a few clicks on the mobile phones, the money can be transferred and bills can be paid with great ease. Along with the above mentioned benefits, online banking is also an eco-friendly option. With the help of digital banking, a lot of paper is saved and other such areas like office space, travel, and so on are made greener.

### D. Cost Efficiencies

National banks can deliver banking services on the Internet at transaction costs far lower than traditional brick-and-mortar branches. The actual costs to execute a transaction will vary depending on the delivery channel used. For example, according to Booz, Allen & Hamilton, as of mid- 1999, the cost to deliver manual transactions at a branch was typically more than a dollar, ATM and call center transactions cost about 25



cents, and Internet transactions cost about a penny. These costs are expected to continue to decline.

National banks have significant reasons to develop the technologies that will help them deliver banking products and services by the most cost-effective channels. Many bankers believe that shifting only a small portion of the estimated 19-billion payments mailed annually in the U.S. to electronic delivery channels could save banks and other businesses substantial sums of money. However, national banks should use care in making product decisions. Management should include in their decision making the development and ongoing costs associated with a new product or service, including the technology, marketing, maintenance, and customer support functions. This will help management exercise due diligence, make more informed decisions, and measure the success of their business venture.

#### E. Geographic Reach

Internet banking allows expanded customer contact through increased geographical reach and lower cost delivery channels. In fact some banks are doing business exclusively via the Internet — they do not have traditional banking offices and only reach their customers online. Other financial institutions are using the Internet as an alternative delivery channel to reach existing customers and attract new customers.

#### F. Highly Beneficial Option for Businesses

Many businesses have built their brands and are thriving only because of the digital banking. If we did not have the luxury of online banking, the businesses like Amazon and eBay may not be in existence today. However, now the businesses can enable online payments option and every process is made simple after that. The businesses can see their banking activities such as the deposits, wired funds, bank checks, and so on. So rather than waiting for monthly statements, the businesses can take instant decision about their functioning. The errors and delays can be quickly sorted out before any negative impact to the business.

#### G. Increased Productivity in Business

With the help of digital banking, most businesses do not have to rely on the bank operation timings. Now the payments can be made and received even in the odd hours. There are also some processes like paying bills or making regular payments that can be automated in the digital banking platform. As a result, the businesses are able to save a lot of time on the manual processes and this has a great impact on their productivity.

#### H. Branding

Relationship building is a strategic priority for many national banks. Internet banking technology and products can provide a means for national banks to develop and maintain an ongoing relationship with their customers by offering easy access to a broad array of products and services. By capitalizing on brand identification and by providing a broad array of financial services, banks hope to build customer loyalty, cross-sell, and enhance repeat business.

#### I. Customer Demographics

Internet banking allows national banks to offer a wide array of options to their banking customers. Some customers will rely on traditional branches to conduct their banking business. For many, this is the most comfortable way for them to transact their banking business. Those customers place a premium on person-to-person contact. Other customers are early adopters of new technologies that arrive in the marketplace. These customers were the first to obtain PCs and the first to employ them in conducting their banking business. The demographics of banking customers will continue to change. The challenge to national banks is to understand their customer base and find the right mix of delivery channels to deliver products and services profitably to their various market segments.

#### J. Easy Transfer of Payments (Electronic Fund Transfer)

One of the most important things for businesses these days is time, and so they want to use it on something that is providing them more value. The digital banking helps the businesses to easily transfer payments in their employee bank accounts. Some of the regular transfers can also be automated, and so the professionals are able to use their valuable time on something that is more important. As a result, the internet banking adds more value to most of the businesses.



Fig. 3. Easy transfer of payments

### VII. ROLE OF DIGITAL BANKING/INTERNET BANKING IN OUR BUSINESS AND MARKETING DEVELOPMENT

When we talk about digital or online banking we cannot forget the importance of E-banking in business. When it comes to the success of our business, internet marketing plays a key role. Businesses rely on efficient and rapid access to banking information for cash flow reviews, auditing and daily financial transaction processing. E-banking offers ease of access, secure transactions and 24-hour banking options. To market yourself and to promote your products and services, you need the support of internet marketing. If you are planning to start a business or you are on your way and want to improve your business you can hire an online marketing agency which takes care of all activities from designing the website for your business to implementing various marketing techniques including Internet marketing. So these all the things make an indication that internet banking is very significant for our business and the marketing development is not possible at all

without internet banking. From small start-up companies to more established entities, small businesses rely on e-banking to eliminate runs to the bank and to make financial decisions with updated information. Internet marketing will help you in improving your business brand visibility, traffic and sales. In an information-driven business climate, companies who do not use e-banking are at a competitive disadvantage. Here, I can tell you about that how the E-Banking is important and key of marketing development and to get all your success in this advance business world.

#### A. Productivity

E-banking leads to productivity gains. Automating routine bill payments, minimizing the need to physically visit the bank and the ability to work as needed rather than on banking hours may decrease the time involved in performing routine banking activities. Additionally, online search tools, banking actions and other programs can allow staff members to research transactions and resolve banking problems on their own, without interacting with bank employees. In some cases, month-end reconciliations for credit card transactions and bank accounts can be automated by using e-banking files.

#### B. Lower Banking Costs

Banking relationships and costs are often based on resource requirements. Businesses that place more demands on banking employees and need more physical assistance with wire transfers, deposits, research requests and other banking activities often incur higher banking fees. Opting for e-banking minimizes business overhead and banking expenses.

#### C. Reduced Errors

Utilizing e-banking reduces banking errors. Automation of payments, wires or other consistent financial activities ensures payments are made on time and may prevent errors caused by keyboard slips or user error. Additionally, opting for electronic banking eliminates errors due to poor handwriting or mistaken information. In many cases, electronic files and daily reviews of banking data can be used to double or triple check vital accounting data, which increases the accuracy of financial statements.

#### D. To Increase the Visibility of Our Business

These days everything can be done online from buying movie tickets to buying furniture for home. Internet has brought tremendous changes in our life style. Every business should recognize this and establish their presence on the internet. Internet marketing is beneficial for all the types of businesses. This will allow you to expand your visibility to larger population.

#### E. To connect with the Customers

Social media marketing allows you to connect with your potential and returning customers. Update your customers with the new or latest features of your business. You can publicize the upcoming products or services and give a small description of these good and services to your customers. By doing this you can attract new customers in the future.

#### F. To Cope up with the competition

These days' people are able to access and purchase a wide range of goods from online with the help of internet. It is very crucial for any business to maintain the competition against the small, local and large online retailers and businesses. This is possible only when the businesses make proper use of the internet marketing platform.

#### G. Good for Research and Development

You can research good keywords which suits your business. You can make use of these keywords in your business to place your site on the top of the search engine results. Proper keyword usage allows you to drive potential traffic to your site. This is the best way to win new customers.

#### H. Legitimate Yourself

By establishing and maintaining the presence online, business can show their customers that their business is active, dynamic and working to improve and is trying to grow. The Internet allows local businesses to legitimate themselves as successful companies. By this they will be able to win and retain a large customer base. These days smartphones have become popular so, consider a simple application design which helps to download and keep the business at the forefront of the minds of people.

### VIII. THE EXPERIENCE OF INDIA: (REGARDING THE CURRENT STATUS OF E-BANKING AND ISSUES)

India is still in the early stages of Online Banking growth and development. Competition and changes in technology and lifestyle in the last five years have changed the face of banking. The changes that have taken place impose on banks tough standards of competition and compliance. The issue here is – 'Where does India stand in the scheme of E banking.' Online Banking is likely to bring a host of opportunities as well as unprecedented risks to the fundamental nature of banking in India. Internet Banking has become an integral part of banking system in India. The concept of e-banking is of fairly recent origin in India. Till the early 90's traditional model of banking i.e. branch based banking was prevalent, but after that non-branch banking services were started. The credit of launching internet banking in India goes to ICICI Bank. Citibank and HDFC Bank followed with internet banking services in 1999. The Government of India enacted the IT Act, 2000 with effect from October 17, 2000 which provided legal recognition to electronic transactions and other means of electronic commerce. The Reserve Bank is monitoring and reviewing the legal and other requirements of e-banking on a continuous basis to ensure that e-banking would develop on sound lines and e-banking related challenges would not pose a threat to financial stability. According to report of RBI in January 2016, there are 196079 ATM and 1337310 point of sale devices in India. To cope with the pressure of growing competition, Indian commercial banks have adopted several initiatives and e-banking is one of them. To cope with the pressure of growing competition, Indian commercial banks have adopted several initiatives and e-banking is one of them. The competition has

been especially tough for the public sector banks, as the newly established private sector and foreign banks are leaders in the adoption of e-banking.

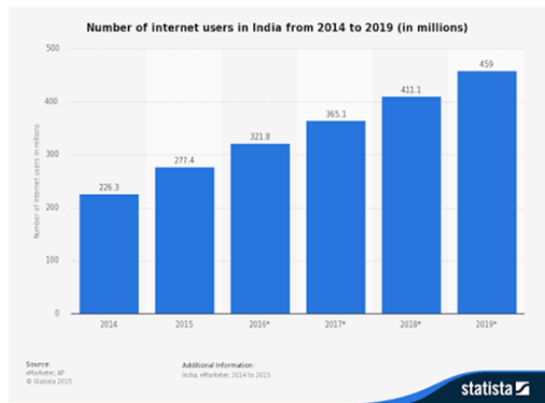


Fig. 4. Number of Internet users in India

Indian banks offer to their customers following e-banking products and services:

1. Automated Teller Machines (ATMs)
2. Internet Banking
3. Mobile Banking Phone Banking
4. Tele banking
5. Electronic Clearing Services
6. Electronic Clearing Cards
7. Smart Cards
8. Door Step Banking
9. Electronic Fund Transfer (EFT)
10. Real Time Gross Settlement (RTGS)

The Reserve Bank of India has already begun on its move to make all transactions, digital in nature and absolutely paper free. Following in the same vein the RBI has released the Vision 2018 document, which primarily aims at increasing the use of electronic payments, through all the divisions of the society. This move will not only increase the usage of digital channels but also boost the customer base for mobile banking. Banking on the Internet provides benefits to the consumer in terms of convenience, and to the provider in terms of cost reduction and greater reach. The Internet itself however is not a secure medium, and thus poses a number of risks of concern to regulators and supervisors of banks and financial institutions. World over, regulators and supervisors are still evolving their approach towards the regulation and supervision of Internet banking. Regulations and guidelines issued by some countries include the following;

1. Requirement to notify about web site content
2. Prior authorization based on risk assessment made by external auditors
3. On-site examination of third party service providers
4. Off-site policing the perimeters to look for infringement.
5. Prohibition on hyperlinks to non-bank business sites
6. Specification of the architecture

In some countries supervisors have followed a ‘hands-off’ approach to regulation of such activities, while others have adopted a wait and watch attitude. This Article suggest

approaches to supervision of Internet banking activities, drawing upon the best international practices in this area as relevant to the Indian context.

There are various internet issues that should be resolved as follows:

1. Operational risk issues
2. Cross border issues
3. Customer protection and confidentiality issues
4. Competitiveness and profitability issues

#### 1) Operational risk issues

The open architecture of the Internet exposes the banks’ systems to decide access through the easy availability of technology. The dependence of banks on third party providers places knowledge of banks’ systems in a public domain and leaves the banks dependent upon relatively small firms which have high turnover of personnel. Further, there is absence of conventional audit trails as also relative anonymity of transactions due to remote access. It is imperative that security and integrity of the transactions are protected so that the potentiality for loss arising out of criminal activities, such as fraud, money laundering, tax evasion etc. and a disruption in delivery systems either by accident or by design, are mitigated. The supervisory responses to manage operational risk matters include issue of appropriate guidance on the risk (including outsourcing risk) control and record maintenance, issue of minimum standards of technology and security appropriate to the conduct of transactional business, extension of ‘know your customer’ rules for transactions on the Internet, and insistence on appropriate and visible disclosure to inform customers of the risks that they face on doing business on the Internet.

#### 2) Cross border issues

The Internet knows no frontiers, and banks can source deposits from jurisdiction where they are not licensed or supervised or have access to payment systems. Customers can Potentiality Park their funds in jurisdictions where their national authorities have no access to records. The issues of jurisdiction, territoriality and recourse become even more blurred in the case of virtual banks. Cross border issues would also come into play where banks choose to locate their processing centers, records or back up centers in different jurisdictions. While country - specific approaches are being adopted at the national level, the ‘Group on e-banking’ set up by the Basle Committee on Banking Supervision (BCBS) is engaged in bringing about harmonization in approaches at an International level.

#### 3) Customer protection and confidentiality issues

The loss of customer confidentiality may pose a reputation risk to banks and the banking system as a whole. Transacting business on the Internet exposes data being sent across the Internet to interception by unauthorized agents, who may then use the data without the approval of the customers. There has also been incidence where glitches have developed in web sites permitting customers to access each other’s accounts. To



address these risks, customers need to be educated through adequate disclosures of such risks.

#### 4) *Competitiveness and profitability issues*

While Internet banking is expected to substantially reduce the cost of doing transactions in the long run, the limited business being done on the Internet has yet to pay for the infrastructure in which banks have invested. This includes the tie up with technology companies in setting up payment gateways, portals and Internet solutions and the alliance with other businesses for cross-selling products. The coming years may however see a scenario where the margins of conventional banks come under pressure because of competition from Internet banking, including virtual banks, which need no infrastructure expenses. These issues have to be kept in mind by supervisors while deciding their approach to e-banking.

### IX. REASONS WHY ONLINE BANKING IS IMPORTANT IN TODAY'S WORLD

When every day is a race against time in our busy lives, we are looking at saving time everywhere possible. When it comes to daily errands, online banking has made the visits to bank a rare occurrence. Here's I short listed importance of online banking.

#### A. *Security Assured*

Since online banking is one of the major services offered by banks, it is also a highly secure platform. Banks generally use encryption devices to ensure that all client information is protected and there is no security breach. It ultimately provides you security from online frauds and account hacking.

#### B. *Access: No Problem*

Even if it is the last day of your bill payment and you are minutes away from being levied a penalty, you can rely on online banking. Online transactions can be performed anytime of the day from the convenience of your home. Not just that, instead of being physically present for huge amount of transactions, you can safely transfer funds at any time, completely hassle-free.

#### C. *No Hidden Fees*

Despite the convenience being provided, there are no hidden fees associated with making online transactions. All you are charged is a nominal transaction convenience and the rest is managed by your bank.

#### D. *Convenience Guaranteed*

While easy access is one of the many benefits of online banking, it also makes banking highly convenient. The need of waiting in long queues at the bank is completely eliminated. Moreover, with mobile banking option available for most banks, transfers and payments have become easier. Transactions can be completed on the go, whether you are stuck in a traffic jam or in the midst of work. This makes it even easier to check your balance before making cashless purchases to

avoid embarrassment if your account doesn't have the balance to purchase everything on your shopping list.

#### E. *Monitor Your Accounts Closely*

Lastly, budgeting and managing your account is made simpler when you have access to e-banking and a good budgeting application at your fingertips. Real time expenses can be monitored while making purchases or estimating your monthly savings and expenses. With all these benefits and many more adding to the list, it is difficult to opt out of using facilities like online banking for smoother banking transactions.

### X. FUTURE OF DIGITAL BANKING/INTERNET BANKING

The decision for banks to add more digital solutions at all operational levels will have a major impact on their financial stability. While not all banks are in a position to make quick changes to IT infrastructure or the architecture on top of it, banks aiming to be disrupters can move toward broad end-to-end automation can do so over about a six month time frame. The impact of E- Banking in India is not yet apparent. Many global research companies believe that E-banking adoption in India in the near future would be slow compared to other major Asian countries. Indian Online Banking is still nascent, although it is fast becoming a strategic necessity for most commercial banks, as competition increases from private banks and no banking financial institutions. Here I want to say that this is the great misdeeds of PSBs and inspite of these scam, officials or the bankers have never been sacked and those who have been suspected have been charge sheeted only rather they should be arrested and a strict action should be taken against them who proved guilty. Government and judiciary must wake up to such fraudsters who along with some officials of these banks have been involved and doing illegal activities they should punished and penalized.

### XI. RESULT AND DISCUSSION

Despite the global economic challenges facing the IT software and services sector, the outlook for the Indian banking industry remains optimistic. The Reserve Bank of India has also set up a "Working Group on Online Banking to examine different aspects of E-banking. The group focused on three major areas of Online Banking i.e.

1. Technology and Security issues
2. Legal issues and
3. Regulatory and Supervisory issues.
4. RBI has accepted the guidelines of the group and they provide a good insight into the security requirements of E-banking.

The importance of the impact of technology and information security cannot be doubted. Technological developments have been one of the key drivers of the global economy and represent an instrument that if exploited well can boost the efficiency and competitiveness of the banking sector. However, the rapid growth of the Internet has introduced a completely new level of security related problems. The problem here is that since the Internet is not a regulated technology and it is readily accessible to

millions of people, there will always be people who want to use it to make illicit gains. The security issue can be addressed at three levels. The first is the security of customer information as it is sent from the customer's PC to the Web server. The second is the security of the environment in which the Online Banking server and customer information database reside. Third, security measures must be in place to prevent unauthorized users from attempting to log into the online banking section of the website. From a legal perspective, security procedure adopted by banks for authenticating users' needs to be recognized by law as a substitute for signature. In India, the Information Technology Act, 2000, in section 3 provides for a particular technology (viz., the asymmetric crypto system and hash function) as a means of authenticating electronic record. Any other method used by banks for authentication should be recognized as a source of legal risk. Regarding the regulatory and supervisory issues, only such banks which are licensed and supervised and have a physical presence in India will be permitted to offer Online Banking products to residents of India. With institutions becoming more and more global and complex, the nature of risks in the international financial system has changed. The Regulators themselves who will now be paying much more attention to the qualitative aspects of risk management have recognized this. Though the Indian Government has announced cyber laws, most corporate are not clear about them, and feel they are insufficient for the growth of E-commerce. Lack of consumer protection laws is another issue that needs to be tackled, if people have to feel more comfortable about transacting online. Also RBI is about to become the first Government owned digital signature certifying Authority (CA) in India. The move is expected to initiate the electronic transaction process in the banking sector and will have far-reaching results in terms of cost and speed of transactions between government-owned banks. Thus efficiency, growth and the need to satisfy a growing tech-survey consumer base are three clear rationales for implementing Online Banking in India. The four forces-customers, technology, convergence and globalization have the most important effect on the Indian financial sector and these changes are forcing banks to redefine their business models and integrate technology into all aspect of operation.

**DON'T HAVE DEMAND IS THE MAIN REASON FOR NOT USING INTERNET BANKING SERVICE**

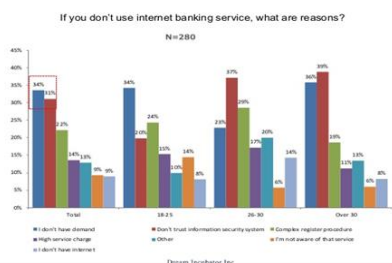
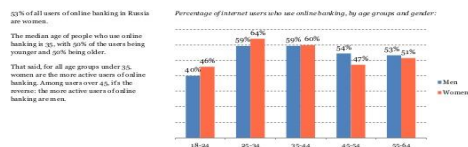


Fig. 5. Internet banking service

**Internet Banking Rank 2014**  
**Who uses online banking?**



Marktwelt Rank & Report

Fig. 6. Who uses online banking

**XII. CONCLUSION**

With the help of digital banking, now shopping, travelling, eating, healthcare, entertainment, business, etc. have become more efficient. Almost every purchase these days can be done with the help of internet banking. With the advancement in digital technology, now most people do not even visit their banks as the maximum amount of their work is done online or is automated. Digital banking has made everything easy for everybody. Here I have given lot of factors and facts shown about the importance and the advantages of internet banking and the people should move toward the online or digital banking but a part of this, This Article have also put some light upon the negative issues of internet banking and it should be resolved as soon as possible. some peoples have given this point also in their paper that online banking reduced the fraud cases as it increase scrutiny of corporate finances through audits but a part of this .I have shown in this article various important issues that should be taken into consideration and resolved and anti-fraud measures requires a high level of visibility for all financial transactions but still the fraud cases are coming in front of us and this is the core reason that's why the peoples are hesitating to move towards the internet banking here I suggest the Government should take some strict and extreme level step against those people who are responsible for these kind of fraud and find out the culprit and those who are suspect so as to win the trust of public regarding internet banking, and these issues are extremely important to resolved so as to become completely prosper and to follow the digitized world and side by side also find out the loopholes in internet banking due to which the cheater peoples are able to do these fraud activities due to which the common public lose their trust upon internet banking . I want to give you some data about fraud cases registered regarding internet banking. Over 25,800 online banking fraud cases involved about Rs.179 crore related to credit/debit card and internet banking were reported in 2017.As per data provided by Reserve bank of India. RBI on frauds related to ATM/Credit/Debit cards and net banking as reported by the bank. 10220 cases of fraud were reported in December 2017.Top 10 banking fraud in 2018 alone lead to financial loss of Rs. 10000 crore. This is one of the extreme level disadvantage of Public sector bank.



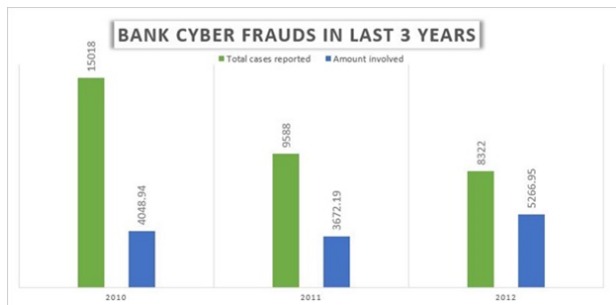


Fig. 7. Bank cyber frauds

Here In this article I have tried to explain the digital banking can eliminates many kind of cash problem here I want to support my previous content as it provide security to our money see if any kind of misplacement occurs than digital cash can handle very well. Digital cash eliminates many problems associated with physical cash, such as misplacement or the potential for money to be stolen or damaged. Additionally, digital cash can be traced and accounted for more accurately in cases of disputes. It is too fast in comparison to other and accurate also. As consumers find an increasing number of purchasing opportunities at their fingertips, there is less need to carry physical cash in their wallets. Other indications that demand for digital cash is growing are highlighted by the use of peer-to-peer payment systems such as PayPal and the rise of untraceable crypto currencies such as bit coin. Almost anything imaginable that can be paid with physical cash can theoretically be paid with the swipe of a bank card, including parking meters.

The problem is this technology is still not omnipresent. Cash circulation grew in the United States by 42% between 2007 and 2012, with an average annual growth rate of 7%, according to the BBC. The concept of an all-digital cash economy is no longer just a futuristic dream but it's still unlikely to outdate physical cash in the near future. All digital banks are possible as a consumer option, but people may still have a need for physical cash in certain situations. ATMs help banks cut overhead, especially if they are available at various strategic locations beyond branch offices.

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