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BUSINESS SERVICES

e-Banking

The growth of Internet and e-commerce is dramatically changing everyday life, with the world wide web and e-commerce transforming the world into a digital global village. The latest wave in information technology is internet banking. It is a part of virtual banking and another delivery channel for customers.

In simple terms, internet banking means any user with a PC and a browser can get connected to the banks website to perform any of the virtual banking functions and avail of any of the bank's services. There is no human operator to respond to the needs of the customer. The bank has a centralised data base that is web-enabled. All the services that the bank has permitted on the internet are displayed on a menu. Any service can be selected and further interaction is dictated by the nature of service.

In this new digital market place banks and financial institutions have started providing services over the internet. These type of services provided by the banks on the internet, called-banking, lowers the transaction cost, adds value to the banking relationship and empowers customers. e-banking is electronic banking or banking using electronic media. Thus, e-banking is a service provided by many banks, that allows, a customer to conduct banking transactions, such as managing savings, checking accounts, applying for loans or paying bills over the internet using a personal computer, mobile telephone or handheld computer (personal digital assistant) The range of services offered by e-banking are: Automated Teller Machines (ATM) and Point of Sales (PoS), Electronic Data Interchange (EDI) and Credit Cards Electronic or Digital cash and Electronic bank transfer (EFT). The two ways in which EFT can be done are: NEFT (National Electronic Fund Transfer) and RTGS (Real Time Gross Settlement).

Benefits

There are various benefits of e-banking provided to customers which are:

- (i) E-banking facilitates digital payments and promotes transparency in financial statements.
- (ii) e-banking provides 24 hours, 365 days a year services to the customers of the bank;
- (iii) Customers can make some of the permitted transactions from office or house or while travelling via mobile telephone;
- (iv) It inculcates a sense of financial discipline by recording each and every transaction;

(v) Greater customer satisfaction by offering unlimited access to the bank, not limited by the walls of the branch and less risk and greater security to the customer as they can avoid travelling with cash. The banks also stand to gain by e-banking. **The benefits are:**

- (i) e-banking provides competitive advantage to the bank;
- (ii) e-banking provides unlimited network to the bank and is not limited to the number of branches, Any PC connected to a modem and a telephone having an internet connection can provide cash withdrawal needs of the customer;
- (iii) Load on branches can be considerably reduced by establishing centralised data base and by taking over some of the accounting functions.

