

Change Management In Today's Digital Era: A Study Of E-Banking

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Abstract:

E-banking is experiencing rapid growth in today's Information and Communication Technology-driven world. The dynamics of banking relationships and business dimensions are swiftly transforming with the effective use of the Internet. Traditionally, tangible branches served as the primary service points for customers, but now, virtual branches are taking precedence. Thanks to the Internet, Individuals can accomplish various tasks using their unique customer ID linked to respective accounts through secure methods like OTP and 3D securitization passwords.

Many developed and developing countries have embraced this internet-based banking world, offering numerous advantages, including the cost-effectiveness of serving a diverse customer base. This trend has positively impacted the Indian banking sector, contributing over 7% to the country's GDP and emerging as an attractive career option. The primary goal of E-banking is to enable financial organizations to leverage new technologies and seize opportunities in this evolving landscape.

Keywords: E-Banking, OTP, I-mobile, POS, Plastic Money

Objective of the study:

1. To study the latest changes taking place in electronic banking
2. To review and discuss the current trends in the E-banking.

Research Methodology:

For this paper Secondary data are collected from sources such as the Internet, newspapers, articles, business magazines, governments' websites, banking reports and websites, various publications, personal records, study textbooks, and online journals.

Introduction:

E-banking represents a sincere effort to leverage internet connectivity to deliver diverse services to end customers. The primary goal is to enhance workflow, reduce paperwork, implement online document imaging, and establish industry-wide standards to improve cost efficiencies and profitability. The challenge in E-banking lies in establishing a technically robust infrastructure to ensure 24-hour availability, seamlessly integrating backend and front-end systems, and utilizing supporting tools to create a flawless customer experience. Additionally, there is a need for efficient data processing to provide timely information to management for effective decision-making.

The rapidly advancing global information infrastructure has facilitated the global development of E-commerce, contributing to the emergence of a new economy often referred to as the 'digital economy.' This innovative economy is characterized by rapidly evolving technologies, increased knowledge intensity across all business sectors, and the establishment of virtual supply chains and new business models, such as e-banking.

Businesses must explore innovative approaches to create additional value to meet diverse customer demands for quick and accurate services. This necessitates the adoption of different enterprise architectures, varied IT infrastructures, and a novel mindset toward conducting business. Transforming a traditional company into a responsive electronic corporation is a challenging journey, requiring innovative thinking, strategic planning, and substantial investment.

Definition of the key terms:

1. E-banking: - It simply refers to the use of electronic mediums for the regular functions of marketing like selling, promotion, or online purchase of products from a website by the users.
2. OTP: - It stands for a one-time password. It is a password generated by the system that has a limited time validity and access. It is a must to complete a transaction. It is a kind of security that cannot be completed without a mobile phone.
3. I-Mobile: - Most of the banks are giving Internet banking app links to be downloaded from the respective customer’s mobile phone. I-mobile is for ICICI Bank customers. It is a facility that enables a customer to complete the transaction with the help of Internet connectivity available on his mobile phone.
4. POS: - It refers to the Point of Sale. It is generally a place or electronic item from where the transactions are carried out. It includes customers, banking organizations, and third parties that provide this facility to complete the activity of payment for utilizing any kind of service or buying the product.
5. Plastic Money: - It is simply the new age money in the form of card money. Plastic money is nothing but money in the electronic form stored in a debit card or credit card or any seasonal card offered by the banking institution to the customer on certain terms and conditions.

What is the concept of E-Banking?

E-banking encompasses the dissemination of information about a bank and its services through a dedicated home page on the World Wide Web. More sophisticated e-banking services empower customers with 24x7 access to their accounts, the capability to transfer funds between different bank accounts, and the convenience of making payments or applying for loans through electronic channels.

Numerous financial institutions and banks are eager to utilize this channel to deliver their services due to its comparatively lower delivery costs, increased sales potential, and the substantial convenience it offers to customers. A multitude of organizations, both within and outside the financial sector, currently offer e-banking, utilizing platforms such as Wireless Application Protocol (WAP) phones and Interactive Television (iTV). E-banking represents another evolutionary step in the banking industry. While the initial costs for establishing an internet banking channel can be substantial, it has the potential to quickly turn profitable once a significant user base is attained.

What are the advantages of E-banking?

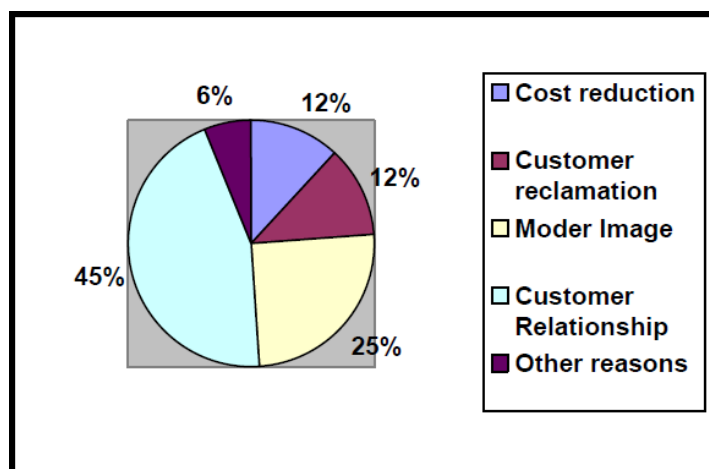
BANK	<ul style="list-style-type: none"> <input type="checkbox"/> good image on the market; <input type="checkbox"/> reduced costs of transactions; <input type="checkbox"/> rapid answer to the market demands; <input type="checkbox"/> increase of revenues; <input type="checkbox"/> increase in the clients’ number.
INDIVIDUAL CLIENT	<ul style="list-style-type: none"> <input type="checkbox"/> reduced costs for the access and use of different products; <input type="checkbox"/> ease; <input type="checkbox"/> rapidity; <input type="checkbox"/> funds’ administration;
INSTITUTIONAL CLIENT	<ul style="list-style-type: none"> <input type="checkbox"/> reduced costs for accessing and use of products; <input type="checkbox"/> liquidity administration.

There are a lot of short-term as well as long-term advantages for a bank by adopting the E-banking technologies.

1. Employing E-banking methods to cater to customers facilitates the effortless segmentation of a bank's customer base. This streamlined segmentation aids in identifying and concentrating on core competencies for progressive development.
2. When individuals proficient in technology acquaint themselves with the latest Internet banking methods, they can impart this knowledge to others. Customers experience high satisfaction when engaging with technology-based banking services. For instance, the use of One-Time Passwords (OTPs) ensures quick and assured transactions, providing customers with the assurance that online account transactions require the presence of their registered mobile device.

3. Customer retention is deemed more crucial and challenging than customer acquisition in the competitive banking landscape. Trustworthiness plays a pivotal role in customer retention, and this trust is established by providing the latest technologically driven applications with robust security features.
4. Internet-based services bring the world within easy reach, minimizing geographical barriers for a bank. This not only enhances global accessibility but also significantly reduces operational costs for the banking institution. Internet-based services enable banks to efficiently serve a large customer base, presenting a cost-effective alternative compared to traditional customer service methods.
5. The use of internet-based techniques ensures that banking services maintain a high standard of quickness and are consistently updated with global technology trends. As a result, customers are naturally drawn to banking products and services that leverage innovative and technologically advanced features.

Why do banks try to move from conventional banking to E-banking?



From the above diagram, Cost reductions, customer reclamation, modern image, and customer relationship management coupled with several other reasons are the key reasons for a bank to go online.

What are the offerings over the E-banking channel for a customer?

Upon embracing E-banking, customers gain access to a plethora of transactions with just a simple click. New customers can easily initiate Internet banking with the help of online demos. The Internet banking channel currently offers a range of services and products, including:

1. **Mini/Detailed Statements:** Customers can effortlessly retrieve detailed statements for specific dates or entire months, ensuring no transactions are overlooked, and allowing them to monitor their financial activities closely.
2. **E-Statement Generation:** Generating e-statements is a straightforward process; customers only need to select the desired time duration and initiate the print command.
3. **Fund Transfers:** Internet banking applications facilitate all types of fund transfer transactions, whether it's between different banks or within the same bank.
4. **Prepaid Recharges:** Customers can conveniently perform various prepaid recharges, such as mobile or dish TV recharges, as well as pay landline and electricity bills, through internet banking applications.
5. **Credit Card Payments:** Internet banking applications make it easy for customers to make payments towards their credit cards.
6. **Scheduled Transactions:** Customers have the flexibility to schedule transactions for the future or at a specific time, aligning with their convenience.
7. **Deposit Account Opening:** Through E-banking, customers can open deposit accounts, be it time deposits or demand deposits.
8. **Service Request Tracking:** Internet banking allows customers to track and resolve service requests efficiently by logging in.
9. **Reward Points Schemes:** Customers can explore various reward points schemes and their benefits by participating in online promos and advertisements.
10. **Government Scheme Accounts:** E-banking provides the convenience of opening accounts for government schemes, such as PPF accounts, in simple steps.

In conclusion, these innovative technologies have transformed banking into a seamless experience at one's fingertips. It not only educates customers but also saves time, provides extensive information, and represents the optimal use of technology across financial organizations.

Challenges before E-banking can be discussed as follows:

E-banking, while bringing about faster transactions, is not without its limitations, particularly in terms of the security of online data.

1. Accessing your bank accounts online entails sharing crucial information, including account numbers, debit and credit card details, ATM card validity, OTP, grid values, and CVV numbers. Given the confidential nature of this information, using a public computer poses a significant financial risk. Just as online portals have witnessed cybercrimes, ATM centres have also become susceptible, making it risky to conduct transactions in isolated ATMs.
2. When using VISA/Master cards at point-of-sale (POS) terminals, caution is paramount to prevent the public disclosure of vital information. Instances of misuse of these details by malicious actors highlight the need for extra care during transactions on bank portals or third-party platforms like online purchasing sites.
3. Some individuals, not well-versed in technology, intentionally avoid conducting transactions online due to a lack of awareness. This emphasizes the crucial role of awareness and updated information on products and services. Specialized computer training becomes essential for handling online accounts securely. The key to overcoming these challenges lies in learning, understanding the techniques, and diligently following security guidelines to ensure a safe and enjoyable banking experience with quick transactions.

Conclusion:

Effectively using and understanding E-banking can simplify the banking process. By exercising extreme caution and taking necessary precautions when managing personal financial details online, potential risks of online fraud can be averted. Internet banking provides unrestricted access to your banking information, enabling transactions anytime, anywhere, and in various ways. The advantages of internet banking outweigh traditional banking methods. By minimizing cyber risks associated with online account management, this rapid and innovative form of banking can undoubtedly serve as a portal to one of the most advanced banking experiences worldwide.

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