

E-Banking In The Era Of Digitalization: A Study On Positive Approach Of Indians Towards The Change

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ABSTRACT

E-banking is a term which rolled in late 1990s itself but people weren't using as only privileged group such as rich and the technical people only used at that time. But, as the time eloped ATMs and the Debit Cards became so popular. With passage of time introduction of demonetization bought a sharp turn towards E-banking.

KEY WORDS: ATM , E-Banking, Debit Cards

INTRODUCTION

E-banking was first bought in late 1990s by ICICI bank in 1996. Though after the introduction there was no massive change. A way ahead ATMs, Debit Cards became more popular as time passed. Lifestyles of Indians began to change immensely to westernization, later by 2015 our honorable Prime Minister of India, Mr. Narendra Modi introduced Digital India, where dream of making smart cities came into force.

On 8th November 2016, government announced a sudden note ban on Rs 500 and Rs 1000 to curtail black money. People were limited with use of notes by time and crushing crowd at banks which induced death rates and accidents. As a part of this complication our Prime Minister bought up BHIM mobile application (Bharat Interface for Money) was introduced on 30th December 2016. He induced youths to play a vital role in educating digital illiterates.

There was immediate and sharp jump in the digital payments November- December 2016 owing to shortage of cash. The debit card POS(point of sale) twice the size. The value of credit card was increased but in terms it didn't show any sharp turn. By April 2018, the digital payments doubled, cryptocurrency, bitcoins came into the use.

Some other terms which came into life are:

RTGS (Real Time Gross Settlement), NEFT (National Electronic Funds Transfer), UPI (Unified Payment Interface), KYC (Know Your Customer), IMPS(Immediate Payment Service), *99# USSD interface for offline banking,

PoS (Point of Sale)

To say it provided an ease way for customers as:-

- 24x7 open for all payments and deposit
- Ease of Currency exchange
- One to one interface transaction
- Whenever wherever needed easily available
- Variant choice available in a port.
- Simple to use without much complication

A way it creates a simple platform for creating a virtual banking experience without any of the hindrance.

Soon in India, the development towards cashless and virtual banking would be massive as other countries are also in the urge of fastest transaction and modernization. Thus, India is also ready with the plan of 2019-2020, creating a VPN (Virtual Private Network)with CLOUD facility which can save your data, transaction and keep your digital money safe.

Even all your database will be managed under one port like

- updating your personal details like aadhar, visa, passport
- Loans borrowed like for education, personal, agriculture etc.
- incomes like salary, business, other incomes
- payments details like purchase, sale details, taxes etc
- deductions like under income tax act: Deduction under 80c and others

In near future, India will turn cashless and digitally powered.

This can bring down

- Corruption
- Black marketing
- Inflation
- Delay of payments
- Audit procedures
- Huge budget on making currency notes

Thus, here we are going to analyze how people mould up themselves to literate in e-banking.

OBJECTIVE

- To study the behavior of people towards e-banking with the help of secondary data.
- To put forth the idea of cashless India.

STATEMENT OF THE PROBLEM

Abandoning the old method of banking and to aware and analyze the near future changes in banking sector digitally.

REVIEW AND LITERATURE

NDTV TV report on 26th November 2017, our honorable PM Tweeted that “Time has come for everyone, particularly my young friends, to embrace e-banking, mobile banking and more such technology”. Later he addressed the gathering and spread his ideas over monthly radio programme ‘Mann Ki Baat’ which sprouted a way for e-banking.

Before that Ryan North in Enterprise Edge wrote an article on ‘The role of digital bank in India-importance of digital banking in India’ Stated that ICICI was the first bank to introduce e-banking in India new terminology and technology were also mentioned CORE banking (Centralized Online Real Time Exchange); ATM’s (Automated Teller Machine); RTGS (Real Time Gross Settlement).

This incident is also connected with the emergence of demonetization. As Komal Gupta in her article on ‘banking sector in four years of modi’s government: note ban sets off surge in digital transaction’ specified when invaliding Rs 500 and Rs 1000 notes circulation and the ban, the number of digital transaction zoomed to 957.5 million according to RBI survey. In that same article it specified the keynote words of our Prime Minister on 25th December 2016 “Be it villages/ the towns, the educated/ illiterate, there is an atmosphere as to what is cashless, how cashless business can take place everybody wants to understand and learn from each other”.

Recently on May 17, 2019; RBI (Reserve Bank of India) released a press report on ‘Report of the committee on deepening of digital payments’ stating deepening of digital payments across the nation under the chairmanship of shri. Nandan Nilekani, former chairman of UIDAI (Unique Identification Authority of India).

Another report of May 2019, RBI released a press report on “Payment and settlement systems in India: vision 2019-2020” stated that in near future envisages to achieve a

‘highly digital’ and ‘cash lite’ society through goal posts of (competition, cost effectiveness, convenience and confidence) 4C’s essential for digital transaction.

RESEARCH METHODOLOGY

- All the data used in the field of research are wholly depend on secondary data from trusted sites
- All are thoroughly checked with compliance.
- Statistics or the graph presented are also taken from secondary source
- All the data are related to the topic and are taken from recently published survey regarding the changes in the behavior of Indians towards digital banking

DATA ANALYSIS AND INTERPRETATION

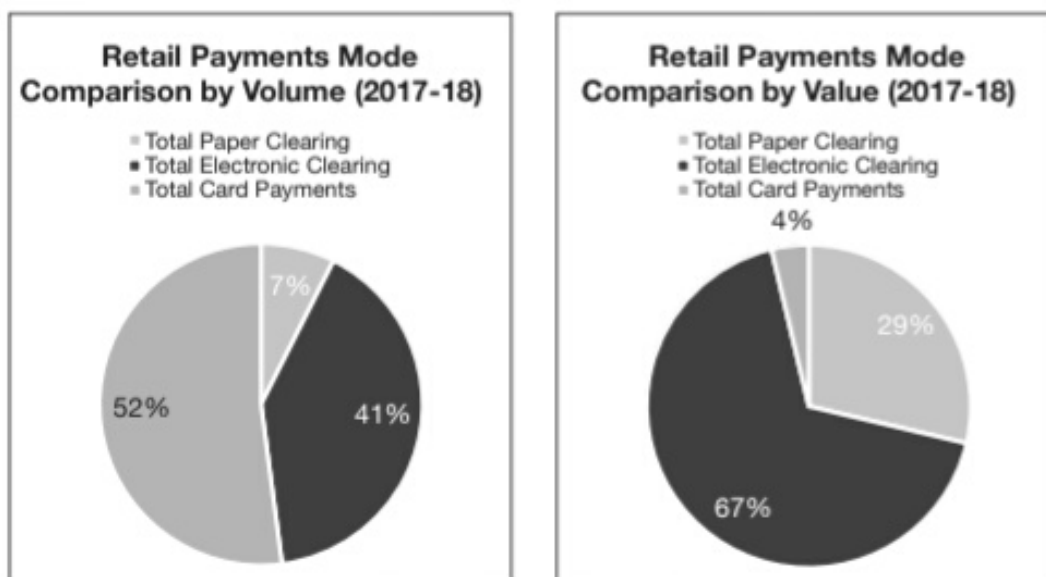


Figure 1: Digital payments trends and issues, July 2018, NITI Aayog, pie chart analysis on retail payment mode of Indians from 2017-2018

From the above information you can see that in the year 2017-18, the total of digital payments and electronic payment grabs the major/large portion compared to paper clearing

As per volume,

Total e-clearance specified are of 41%, card payments are 52% pretty higher, but paper clearance holds only one digit of percentage of all i.e.7%

As by value of 2017-18,

E-clearance lead with 67% followed by card payments with 29%

Hence, it is clear evident that people started to learn and grow with technology and started marching towards the changes which are adapted

As per the survey of **“the Avaya Banking Survey 2017 covered 5004 penelists in the UAE, Australia, UK, and India”**

- Specified 51% of the Indians prefer online banking
- 26% of Indian customers prefer using bank websites

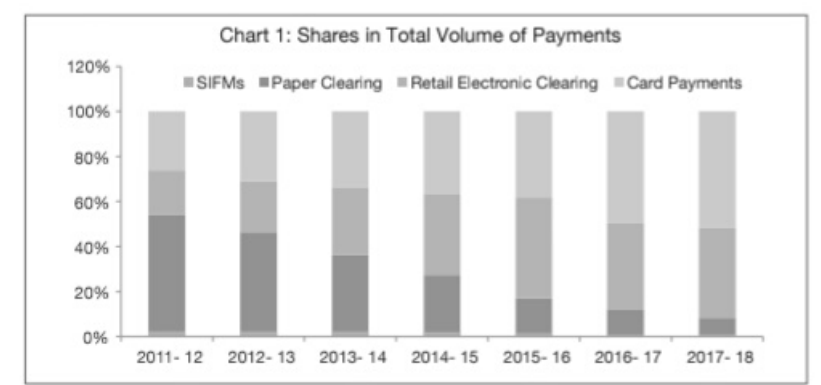


Figure 2: Digital payments trends and issues, july 2018, NITI Aayog, graph of trend showing the gradual changes in payment style of Indians from 2011-2018

From the above, the graph clearly depicts that the percentage change from 2011 till 2018 about the payments through different sources available to the customers.

As we can see the trend change, in 2011 the percentage use of paper clearance was much wider it zoomed till 40% automatically by passage of time 2012 it slightly drops out and at last it ends with 10% in 2018

From the above interpretation of data, we can come to one notion the people are positive towards the changing trends and policies

FINDINGS

From all the above analysis and observation, it can be said that people in India are coping up with the government rules and policies being implemented for e-

banking. Simply, the study reveals the positive approach of people towards e-banking. Thus, this can bring a positive growth in India.

CONCLUSION

People in India are positive towards changing trends and policies.. Moving ahead with the vision 2021, creating India cashless and digitally empowered.

And technology and networks may also develop. These ports can even demolish the dark world as access to everyone provides equal rights and each penny would be accountable.

Long quos and time consuming process will be curtailed. By the starting of the cashless system may be difficult for some to cope up but with passage of time it would be ease to do.

Like how barter system was changed to currency. Now, this is the right time to show positive sign to move India to digitalize money and to march towards virtual banking system.

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