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POSITIVE AND NEGATIVE ASPECTS OF E-BANKING AND M-BANKING

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ABSTRACT

In current era, customer service is the key factor of the market and satisfied customer becomes a mouthpiece of the organization. Traditional banking is having some limitations like waste of time, in person presence, waiting in queue etc. and so the banks upgrades with internet services and now they are providing their services which are accessible through, laptop & computer and with the use of a mobile device, such as a cell phone or PDA, a bank's clients may perform a variety of banking services. While mobile banking is similar to EFTPOS payments made with a debit or credit card, mobile payments are made with a mobile device to purchase products or services at the point of sale or remotely. SMS banking was the first kind of mobile banking available to consumers. In 1999, the first Indian banks began offering mobile banking on the basis of smart phones with WAP compatibility, allowing the usage of the mobile web.

KEY WORDS: Banking, Service, Internet, Customer, Online transaction

MOBILE BANKING

Customers' technological literacy is on the rise. They communicate through cell phones. Online trading is something they're considering. As a result, financial institutions are working to develop a suite of mobile banking applications and services based on banking mobile telephony. Mobile banking is the term for it. The financial institutions anticipate an influx of funds. Financial dealings conducted via mobile devices and wireless networks are changing the face of online and mobile banking. In order to win new clients and keep existing ones, financial institutions must make all of their services available on a broad variety of mobile, wireless devices. Mobile banking strategy relies heavily on wireless networks and mobile gateways.

Mobile banking provides the following advantages:

- a) Banks may serve their clients around the clock, seven days a week. Constant availability. In the same way that cable connection has simplified online PC access

and decreased consumer dialup latency, it enables the consumers to be transaction-ready.

- b) More than 90% of the population in the Western world is now covered by 2G networks, and that percentage is continuously increasing.
- c) Customization: Mobile clients have a unique profile that enables customised functionality via “Subscriber Identity Module (SIM) cards”, reflecting the method in which they like to conduct business via mobile devices. Mobile clients will have a built-in platform for a wide variety of additional application services, such as security keys, virtual credit cards, and other individualised payment instruments, thanks to the inclusion of a multi-application, relationship card.
- d) Wireless Application Protocol (WAP) :The communication channel between computers and mobile devices is made possible by the rapid growth of global protocols such as Wireless Application Protocol (WAP). The World Wide Web Application Protocol (WAP) basically gives the capability of reorganising data for presentation on wireless devices.
- e) In a real-time setting, the efficiency and cost-effectiveness of mobile data services are enhanced by the aforementioned faster data processing speed, as a result of increases in bandwidth and data transmission speeds.
- f) Security: Electronic financial transactions can be secured using both the aforementioned smart card and a private key kept on the SIM card. The mobile phone, in effect, may serve as a wireless wallet, safeguarding sensitive financial data such as credit card numbers and transaction histories.
- g) Mobile Payment: Making a purchase via a mobile phone or other wireless device (e.g., a PDA) constitutes a mobile payment. Now, your phone may also be used to make electronic purchases. Its portability is its primary strength. It allows for the processing of payments to occur at any time and in any location. Customers may make purchases and make bill payments at any time using telephone and online banking.

Mobile banking provides the following disadvantages:

- a) Though there were many proposals to improve mobile banking offers and services, the attempts were fairly limited in practice. The vast majority of apps only provide information, such current account or credit card balances, rather than offering participatory activities like purchasing or selling.
- b) Technical Challenges: There are challenges relating to technical issues, security worries, and budgetary restraints. WAP's slowness and complexity ultimately prevented it from winning the client over. A common concern is safety. However, the providers of m-banking do not address their needs sufficiently.
- c) Exorbitant Fees: This is the biggest issue with m-banking, since the expenses tend to outweigh the advantages. Mobile banking has yet to take off in many countries because data transfer fees are too costly.
- d) Unfavourable Recollections of M-Banking in India: Many Indian nations have had negative impressions of mobile banking. For instance, the most popular British online bank has scrapped its mobile app. Few clients were excited about mobile banking.

E-BANKING

A customer's ability to conduct either personal or business banking transactions through an electronic and telecommunications network is referred to as "e-banking."It's

a service provided by banks that allows customers to access their accounts online with the click of a mouse. Using a computer, smart phone, laptop, or PDA, customers can perform a wide variety of banking-related tasks, including transferring money, viewing account statements, paying bills, opening a bank account, locating the nearest ATM, learning about financial products and services, applying for loans, and so on.

E-BANKING SERVICES

E-banking, in its simplest form, is a banking arrangement that allows customers to safely and securely do a variety of financial activities online. Paperless and cashless transactions are encouraged via e-banking. In addition to the benefits, there are a number of obligations and costs associated with having this status. Online banking encompasses a wide variety of services like - Customers who have access to their bank's website or mobile app can use it to conduct a variety of monetary and non-monetary activities online via internet banking. Banking at your fingertips: nearly all banks now provide banking apps for smart phones. You'll need four items, including access to the internet and your bank's mobile banking service, as well as a Smartphone and a mobile application, to accomplish this. The Automated Teller Machine, or ATM for short, is one of the first and most ubiquitous forms of e-banking service. You may do more than simply take cash from this machine; you can also transfer money between accounts, make deposits, update your contact information (including your mobile phone number and Debit Card PIN), and check your account balance. In order to complete an infinite variety of transactions, we often rely on debit cards. Customers may make purchases in-store, online, or at an ATM with the simple swipe of a debit card since it is connected to their bank account. This method, the payment is taken straight out of the customer's bank account. A credit card, like a debit card, is a form of payment that may be issued by a bank to a consumer who applies for one and then passes a credit check. The cardholder can make purchases or cash advances up to the card's credit limit. The issuer banks set the limit. The user of the credit card agrees to pay back the purchased amount plus any applicable fees within the agreed upon time frame. Place of Purchase: When a consumer pays for an item or service using a credit card, the transaction is recorded as having taken place at a certain point in time and location (the store). EDI, or electronic data interchange, is a replacement for the traditional paper-based method of exchanging corporate information. Transferring money electronically: EFT refers to electronic fund transfer, which occurs when a customer of one bank transfers funds to a customer of another bank. It includes debit and credit card transactions, bank wires, NEFT, RTGS, IMPS, and more. To put it succinctly, E-banking encompasses any and all financial dealings that take place online. Banking services that formerly required clients to physically visit the bank may now be performed through the internet in a safe, quick, and convenient manner.

E- BANKING: ADVANTAGES & DISADVANTAGES

Prior to the pandemic, internet banking had already gained popularity because to the convenience of its convenient web services and mobile apps. But today's company owners rely heavily on this technology to handle all of their financial transactions without ever leaving the comfort of their homes. Consider the advantages and disadvantages of utilising an online bank for your business, and find out how these cutting-edge banking tools are altering the way entrepreneurs manage their funds. Online banking has replaced traditional branch

visits as the preferred method of banking for businesses in today's fast-paced environment. Some of the online banking services it provides are:

- ❖ Cashing in on bills
- ❖ Paying Taxes
- ❖ Payments in kind to merchants and service providers
- ❖ Payroll deductions for contributions to a pension plan or individual retirement account
- ❖ Make some fresh purchases
- ❖ Credit card, line of credit, and business loan applications
- ❖ Having the option to deposit checks.

You can use a computer or the mobile banking app provided by your bank to do online banking. Since we are discouraged from leaving the house, having a bank account that can be accessed from anywhere via a secure password and a reliable internet connection is essential.

ADVANTAGES OF E-BANKING

There are a number of benefits to banking online, including the convenience of being able to do your banking whenever and wherever you choose. The following additional options may present themselves to you:

PAY BILLS ONLINE

One major perk of doing your banking online is that you may save time by not having to physically visit a branch. Simply sign in to your online account and make a payment. When you make regular payments to and from suppliers, like a mortgage or utility bill, automating such payments may save you time and help you keep track of your finances more easily.

YOU MAY SEND MONEY

You may need to move funds quickly from one account to another, or you may need to send money quickly to a customer or vendor. Sending a registered check and waiting for it to clear is unnecessary when you may transfer the funds online.

ONLINE CHECK DEPOSITS

It's possible that you may deposit checks electronically in a matter of minutes, saving you both time and the hassle of travelling to a bank location. Plus, you may bank whenever it's convenient for you because most banks now provide mobile apps that provide the same functionality. In addition, certain financial institutions' customer care departments are available around the clock.

SPEND LESS ON ADMINISTRATIVE COSTS

Businesses that bank online may benefit from cheaper costs since internet banks may save money on branch maintenance and upkeep. They could even provide additional fee-free services that end up saving you money.

CONS OF INTERNET BANKING

Online banking has many advantages, but there are some drawbacks that should be considered by company owners who need near-constant access to their funds.

DISRUPTIONS IN TECHNOLOGY

A reliable internet connection is necessary for online banking. The ability to access your accounts may be compromised in the event of a power outage, server difficulties at your

bank, or your current position far from a connected network. You may need to find a new method of accessing your accounts if they become inaccessible due to regularly scheduled site maintenance.

ABSENCE OF A MEANINGFUL CONNECTION

To get the most out of your banking experience, it may be beneficial to develop a personal rapport with a bank representative. Having a good working connection with a bank may be useful if you ever need a business loan, a new line of credit, a fee waiver, or to make any other adjustments to your existing banking arrangements. Personal banking connections also allow you to design a business banking package that fits your unique requirements. In addition, they may keep track of your checks, cash deposits, and overseas transfers in your files to ensure that your funds are not held up for too long. Combining the convenience of online banking for routine transactions with the personal attention of a banker for more substantial financial requirements is the optimal banking arrangement. This gives you a wider range of choices to help sustain your company.

FEARS FOR ONE'S PERSONAL SAFETY & PRIVACY

The security at banks is top-notch, but no system is completely failsafe. Valuable data is always at risk of being hacked, but you may take precautions by doing the following:

- ❖ Always go straight to the app and the website on your mobile device. The site is safe if a little lock appears to the left of the search bar.
- ❖ Create a robust password using a mix of letters, numbers, and special characters. Passwords should be changed often for security reasons.
- ❖ If you haven't authorised this form of contact, do not open any links in texts.
- ❖ Incorporate two-factor *authentication into your security routine.*

CONCLUSION

While many banking activities may be completed online, others still need the physical presence of a company owner at a financial institution in order to "wet sign" paperwork. This includes requests for loans or credit, as well as big withdrawals or deposits of money. However, with the development of online banking technology, digital signatures for these may become a reality in the not-too-distant future. Online banking has become increasingly popular among company owners, and banks are responding to this demand by continually refining and expanding their digital offerings. Taking advantage of the latest innovations in banking technology, you may create a custom online banking solution for your company. It may be worthwhile to discuss the potential time and money savings with your bank if you think internet banking may be useful for your company.

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