

“A STUDY ON THE IMPACT OF E -BANKING IN BANKING SECTORS BASED ON DESIGN THINKING “

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Abstract:

Electronic banking (e-banking) has transformed the traditional banking sector by leveraging digital technologies. This paper provides an overview of the significant impacts of e-banking on the banking sector. It explores how e-banking has revolutionized banking operations, customer interactions, and overall industry dynamics. The study highlights the advantages of e-banking, including increased efficiency, accessibility, and cost-effectiveness. It also discusses the challenges and risks

associated with e-banking, such as security concerns and digital divides. Furthermore, the paper examines the role of regulatory frameworks in ensuring the stability and security of e-banking systems. Ultimately, e-banking has become a driving force in reshaping the banking sector, offering both opportunities and challenges that require ongoing attention and adaptation.

Keywords: E-banking, digital transformation, banking sector, technology, regulation, security, efficiency.

Introduction :

In recent decades, the banking sector has witnessed a profound transformation driven by the advent of electronic banking, commonly referred to as e-banking. E-banking represents a paradigm shift in the way financial institutions conduct their operations and interact with customers. It encompasses a wide range of digital services, including online banking, mobile banking, ATMs, and electronic fund transfers. This introduction sets the stage for understanding the multifaceted impact of e-banking on the banking sector. The rise of e-banking can be attributed to rapid

advancements in information technology and the increasing adoption of the internet and mobile devices. These technological developments have not only revolutionized the traditional banking model but have also altered customer expectations and behaviors. As customers seek convenience, speed, and accessibility in their financial transactions, e-banking has emerged as a pivotal solution. This paper delves into the various aspects of e-banking and its implications for the banking sector.

It will explore the advantages of e-banking, including enhanced efficiency, improved accessibility, and cost savings. Simultaneously, it will address the challenges and risks associated with this digital transformation, including security concerns and potential exclusion of those with limited access to technology. Furthermore, it will examine the role of regulatory frameworks in maintaining the integrity and security of e-banking systems.

In essence, e-banking is reshaping the traditional banking landscape, offering both opportunities and challenges that require in-depth analysis and adaptation. Understanding the profound impact of e-banking is essential for banks, policymakers, and consumers alike, as they navigate the evolving landscape of financial services in an increasingly digital world.

EMPATHY

Design thinking stage Empathy	<u>Potential Questions</u> Define the challenges and opportunities in e-banking that need to be addressed ?
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	<p>Do the E-banking services and online services increase the banking service technology?</p> <p>Do the customers are satisfied with the online banking facility of the current bank?</p>
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Objective of the study:

- To determine how electronic banking technologies affect the operational efficiency of banks
- To know whether the E- banking allows for faster transaction processing and automation of routine tasks
- To allow customers to check balances, make transactions, and access financial information online or through mobile apps.
- To help the e-banking to reach a wider customer base by breaking geographical barriers and serving customers beyond physical branch locations.

LIMITATIONS OF THE STUDY:

- E-banking is vulnerable to various security threats, including hacking and identity theft, which can erode customer trust.
- The banking sector relies heavily on technology, making it susceptible to disruptions from technical glitches or system failures
- Banking regulations may lag behind technological advancements in e-banking, creating compliance challenges for both banks and regulators..

RESEARCH METHODOLOGY:

The research has applied analytical descriptive methodology to analyze the impact of electronic banking services on the bank

transactions. In a research paper, the methodology section allows the reader to critically evaluate a study's overall validity and reliability.

TOOLS USED:

- Percentage analysis
- Chi-square
- ANOVA

STATEMENT OF THE PROBLEM:

In recent years, the adoption and integration of e-banking technologies have rapidly transformed the landscape of the banking sector in [Country/Region]. This digital shift has been driven by technological advancements and changing customer preferences. However, as

the banking sector undergoes this significant transformation, a critical need arises to systematically evaluate and understand the multifaceted impact of e-banking on various aspects of traditional banking institutions.

DEFINE PROBLEM STATEMENT

Design Thinking Stage	Interference
Define	<ol style="list-style-type: none">1. What are the problems faced by the consumer using E-banking?2. What are the solutions to be provided for the problem faced by the consumer using E-banking?

SCOPE OF STUDY:

1. The aim of the study is to know about the customer satisfaction towards the E-banking.
2. This study is to know how much the customer satisfied with the service offered by E-banking
3. Customer satisfaction towards E-banking services to its customers.

REVIEW OF LITERATURE

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RESEARCH GAP

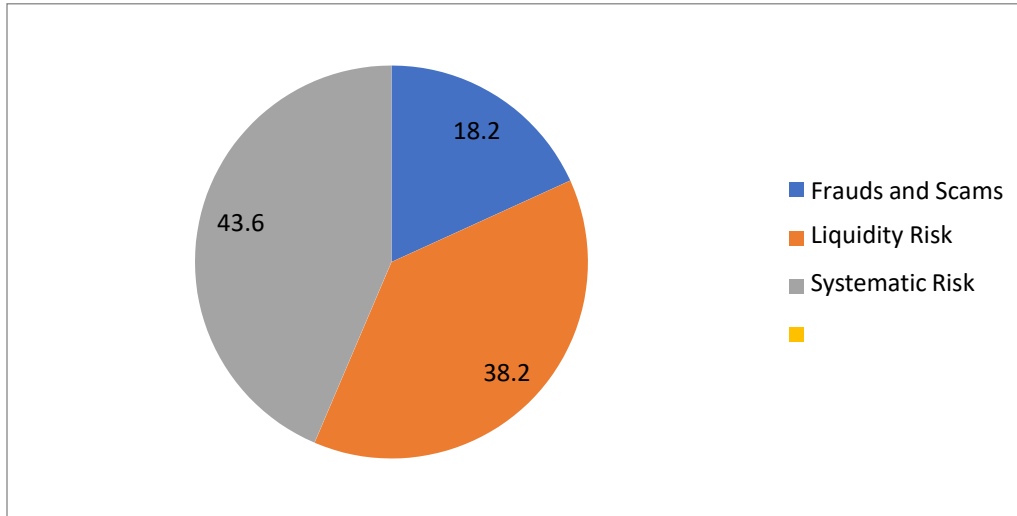
A few empirical studies exist in the literature, which have examined the relative Performance of banks offering Internet banking services. The Previous research done on the performance of Internet banks. The table also includes the studies which have examined the financial performance of Internet only banks that do not operate any physical branches. The present study is an attempt to present the present status of Internet banking in India and its implications for Indian banking industry

DATA ANALYSIS AND INTERPRETATION

TABLE 1.1 Risk occurred due to innovation

	Frequency	Percent	Valid Percent	Cumulative Percent
Valid frauds and scams	20	17.9	18.2	18.2
liquidity risk	42	37.5	38.2	56.4
systematic risk	48	42.9	43.6	100.0
Total	110	98.2	100.0	
Missing System	2	1.8		
Total	112	100.0		

CHART 1.1 Risk occurred due to innovation



INTERPRETATION

From the given table its 20% of frauds and scams,42% of liquidity risk, 48% of syatamatic risk

TABLE 1.2 Are you satisfied with the online payment

Descriptive

server problem	40	2.8750	1.24422	.19673	2.4771	3.2729	1.00	4.00
frauds and scams	32	2.7812	1.12836	.19947	2.3744	3.1881	1.00	4.00
Others	38	2.1842	1.31221	.21287	1.7529	2.6155	1.00	4.00
Total	110	2.6091	1.26415	.12053	2.3702	2.8480	1.00	4.00

ANOVA

	Sum of Squares	df	Mean Square	F	Sig.
Between Groups	10.637	2	5.318	3.479	.034
Within Groups	163.554	107	1.529		
Total	174.191	109			

INTERPRETATION

From the given table it is observed that 40% of server problem, 32% of frauds and scams, 38% of others.

TABLE 1.3 Costs in banking services

Descriptive

	N	Mean	Std. Deviation	Std. Error	95% Confidence Interval for Mean		Minimum	Maximum
					Lower Bound	Upper Bound		
strongly disagree	35	2.2571	.88593	.14975	1.9528	2.5615	1.00	3.00
Disagree	12	2.0000	.73855	.21320	1.5307	2.4693	1.00	3.00
Neutral	24	1.8750	.79741	.16277	1.5383	2.2117	1.00	3.00
Agree	39	1.7949	.83286	.13336	1.5249	2.0649	1.00	3.00
Total	110	1.9818	.84573	.08064	1.8220	2.1416	1.00	3.00

ANOVA

	Sum of Squares	df	Mean Square	F	Sig.
Between Groups	4.294	3	1.431	2.059	.110
Within Groups	73.670	106	.695		
Total	77.964	109			

INTERPRETATION

From the given table it is observed that 35% strongly disagree, 12% disagree, 24% neutral and 39% are agree.

TABLE 1.4 Do you believe technology based banking service and online banking increased bank services efficiency

	Observed N	Expected N	Residual
yes	47	37.0	10.0
no	32	37.0	-5.0
neutral	32	37.0	-5.0
Total	111		

Test Statistics

	VAR00001
Chi-Square	4.054 ^a
Df	2
Asymp. Sig.	.132

a. 0 cells (.0%) have expected frequencies less than 5. The minimum expected cell frequency is 37.0.

INTERPRETATION

From the given table it is observed that 47% are given yes, 32% given no and 32% are neutral

TABLE 1.5 You are satisfied with online banking facility of your current bank

	Observed N	Expected N	Residual
strongly disagree	9	27.8	-18.8
Disagree	34	27.8	6.2
Neutral	19	27.8	-8.8
Agree	49	27.8	21.2
Total	111		

Test Statistics

	VAR00001
Chi-Square	33.108 ^a
Df	3
Asymp. Sig.	.000

a. 0 cells (.0%) have expected frequencies less than 5. The minimum expected cell frequency is 37.0.

INTERPRETATION:

From the given table it is observed that 9% strongly disagree, 34% disagree, 19% neutral and 49% are agree.

FINDINGS:

- Majority (42.9%) of the respondents are selected Frauds and scams
- Majority (40%) of the respondents are selected Server problem
- Majority (39%) of the respondents are selected Agree
- Majority (47%) of the respondents are selected Yes
- Majority (49%) of the respondents are selected Agree

SUGGESTIONS:

- Transactions should be safe and security assured to the people.
- Banks have implemented advanced security measures to protect online transactions, making e-banking more secure.
- E-banking has reduced the cost of physical infrastructure and manual processes for banks. While e-banking has led to the automation of many banking processes, it has also created job opportunities in areas like cybersecurity, software development, and customer support.

CONCLUSION

In conclusion, the impact of E-banking on the banking sector has been profound and multifaceted. It has revolutionized the way banks operate and how customers access financial services. E-banking has significantly enhanced convenience, reduced costs, and increased security for both customers and financial institutions. The shift towards digital banking has facilitated faster transactions, global access, and the adoption of paperless processes, contributing to greater efficiency and sustainability. Furthermore, E-banking has opened up opportunities for data analytics, allowing banks to better understand and serve their customers. Mobile banking apps have further improved accessibility, making banking services available at the fingertips of customers. This technological transformation has

intensified competition and driven innovation in the sector, ultimately benefiting consumers with more choices and improved services. However, the rapid growth of E-banking has also posed regulatory challenges, particularly related to data protection and cybersecurity. It requires a coordinated effort by banks and regulatory bodies to ensure the safety and privacy of customer data. In summary, E-banking has reshaped the banking landscape, offering a plethora of benefits to both banks and customers. While it brings with it challenges that need to be addressed, the overall impact of E-banking has been a positive force for change, improving accessibility, efficiency, and the overall banking experience.

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