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E-Banking Services an Impetus to Economic Growth: A Case Study of North Karnataka in India

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Abstract: ***E-banking is a service provided by the banks in which a customer is allowed to conduct transactions using the internet, it is an electronic payment system that allows users of any financial institutions to perform financial transactions using internet. This article covers the important E-banking service in scheduled banks and other financial institutions in North Karnataka in India Viz. Core banking Institutions, Automated Teller Machine (ATM), MICR, RTGS, EFT, NEFT, ACH, ECS, Debit card & Credit card, IFN, Bank NET, SWIFT, EDI M-Banking. In this Article Researcher has explained the role of SBI, Canara Bank, Syndicate Bank & their E-banking products with proper analysis of data researcher tried to find the most serviceable bank and the highest usable E-banking Services. In financial Institutions AXIS Bank, HDFC, ICICI banks were selected and with the help of primary data collected researcher tried to find out the most serviceable bank and highest usableE-banking services. With help of RBI report researchers tried to find the transactions volumes during 2017-18, 2018-19, 2019-20 and transaction value during the said period ultimately it is found that; The E-banking Services are rapidly growing in India, E-Banking Services have given an impetus to the economic growth of India, ATM & RTGS are maximum using E-banking Services and Among the Nationalised Bank, Canara Bank is highest E-banking service provider in selected area.***

Keywords: E-Banking, Economy

1. Introduction

Banking in India has come a long way and many changes have been made in its journey. Technology and innovation became a major part of the banking sector in India in the 1990s. The improved quality services provided by the banks have gone very fast with the latest technology and have definitely gone well with the clients. It is becoming more convenient to conduct transactions when customers are in geographically diverse regions. In the current scenario, multi-channel concept banks of mobile banking, credit cards, debit cards and ATMs have worked well to serve their customers. Nowadays, banks can be compared to supermarkets, where they are financial intermediaries who provide services to their clients under one roof. The concept of the banking system has been redefined as banks develop new strategies to compete between banks, attract new clients, retain existing customers and gain a competitive advantage over their competitors.

The world today is fast-paced and financial processes are at the cutting edge of applied technologies. While on the one hand, large volumes of money are required to be moved instantly across the globe to transact in the physical world without physical cash etc. On the other hand, customers look towards completing their banking and other financial services from their homes and with maximum possible comfort and convenience. This led to the advent of delivery channels with traditional banking systems looking for alternative delivery channels such as ATM cards, Phone pay, Google pay, Point of sales terminals etc. Also, advanced electronic payment systems like RTGS & NEFT have quickened and interlinked transactions across organizations & individual accounts. The development and use of Alternate Delivery channels is a significant contributor to E-banking.

2. Objectives of the Study

The research is primarily intended to study the E-Banking services provided by the banks and financial institutions in India. It also undertakes to study the following specific objectives.

- To study the Role of e-banking services in North Karnataka India
- To analyse the E-banking services of banking and financial institutions in the economic growth.
- To evaluate the performance of e-banking services in banking and financial institutions.
- To identify the major constraints in e-banking services.

3. Research Methodology

A research methodology is a master plan for the collection of the data, accurate measurement and analysis of data to arrive at a conclusion. The field survey forms the main basis of this study and is considered appropriate as the problem is difficult to differentiate. We have made an attempt to understand the customers' attitude with regard to their adoption and usage of e-banking. The customers of banks and financial institutions answered our questionnaire, which forms the basis of our primary data. There was also an attempt to select samples that constituted the characteristics of North Karnataka, and the problem domain of internet banking services was also observed.

Technology in Indian Banking Sector

The term "banking technology" refers to banks' use of modern information and communication technology along with informatics to provide consistent, reliable and affordable services to their customers and to maintain a competitive advantage over other banks. Information technology has used two main methods in the banking industry: telecommunications and communication and operation mode. IT re-engineering allows for the creation of

sophisticated products, improved business infrastructure, sustainable risk management strategies and enables financial intermediaries to access remote markets geographically and diversely. Tripartite changes in the functions of banks and financial institutions focus on technology, which is the network systems that change access to liquidity and the marketing of money, capital and foreign exchange.

The banking industry has used technology to rapidly support its customers and bring in more new, less technology that has transformed the banking industry from paper banks to 'networked digital banking'. Technology has transformed the accounting and management systems at both banks and the way they provide services to their customers is evolving. However, the cost of using this technology is very expensive, but its benefits are limitless. As its reform measures, this stage has introduced many more banking products and facilities. The Committee was set up in 1991 under M Narsimham leadership and worked to advance banking practices. International banks overwhelmed the country with their ATMs, telephone, and net banking. There have been efforts to provide consumers with a satisfactory service. When time is more important than money, the whole method becomes convenient and swifter. There has been flexibility in India's financial sector. It is protected from the crisis that has arisen as other Eastern Asian countries suffered from any external macro-economic shock. The flexible currency structure, strong foreign reserves, a capital account not yet completely convertible and a decreased exposure to foreign currency by banks and their customers all have to do with that.

E-Banking Services

Electronic banking development and advancement and increases market competition in banking and financial production and services. In order to increase the quality of service and improve customer satisfaction, many banks and financial institutions have used this technology. Day by day, more and more e-banking consumers worldwide do know little about how banks can help attract customers with this technology. Moreover, the value of consumers' continuing use has only recently begun to be understood by researchers.

a) Core Banking Solutions (CBS):

Core Banking is the banking service of a community networking branch that allows customers, regardless of where their accounts are held, to operate their accounts and access banking services within the Bank from every branch on the CBS network. The client is no longer the branch customer. It is a client of the Bank. A core banking system is a web-based solution that helps banks and financial institutions resolve the difficulties they face in the trade, along with providing benefits like cost efficiency and increased customer services.

The basis for a bank's performance is a superior core banking platform. Core banking is essentially the accumulation of bank account details from individual branches to a central system. It involves mass storage of the bank's account holder details so that the account holders can access their account details from places other than the branch where the account was opened and instead do so from online and mobile websites. It helps reduce inter-branch cash transactions and saves the account holder from having to visit his home branch for everything.

b) Automated Teller Machine (ATM):

An automated phone is an electronic system that allows financial institutions' clients at all times to handle financial transactions, such as cash withdrawals, deposits, money transfers, or receiving account information, without direct contact with bank employees. Automated dispensers allow bank customers to access their accounts without having to go to the bank. The automated distributor provides services such as product check orders, cash deposits and other advanced customer features.

c) Magnetic Ink Character Recognition (MICR):

It is a technology that verifies the authenticity or originality of paper documents, in particular special controls Ink, susceptible to magnetic fields, is used for the printing on the original documents of such characters. MICR is a technology used by banks to verify the validity and enhance the security of signed cheques, while some airlines use MICR to validate flight tickets. MICR is a technology of identification used mainly by the bank industry to facilitate and facilitate clarification of checks and records. The MICR encoder is situated at the bottom of checks and bills and normally includes a paper form, banking code, bank account number, check number and check indicator. The technology allows MICR readers to search the data in a data collector and view it directly. In comparison to bar codes and related technology, MICR characters can be read by humans conveniently.

d) Real-Time Gross Settlement System (RTGS):

The real-term gross settlement is a transfer scheme in which money or assets are transferred on a gross and "real-time" basis from one bank to another. Payment "in real-time" ensures that no waiting time is required for the payment transaction. The transactions will be resolved until they have been processed. "Gross Settlage" means, without bunching or netting any other transaction, the transaction is resolved on a single basis. Payment is final and irretrievable until processed.

RTGS is the real-time slump, which can be described individually as a real-time slump in fund transfers. Please do not revoke the payments. The system RTGS is mainly intended for transactions of large value. The minimum transaction allowance for RTGS is Rs.2 lakhs, while for RTGS transactions, there is no upper ceiling. Within 30 minutes of the receipt of the money transfer letter, the beneficiary bank must pay the beneficiary's account.

e) Electronic Fund Transfer (EFT):

EFT is a scheme presented by the RBI. The money transfer service is provided between the accounts and branches of any bank where EFT services are offered. The transfer of electronic money is a mechanism for transferring cash between various accounts without changing hands with paper money. Direct deposit is one of the most commonly used EFT programs, and the payroll is directly deposited into an employee bank account. Electronic money transfer, or EFT, as the name implies, is one of the best cash management tools available for businesses and customers in

order to exchange money electronically instead of cheque information. EFTs is also called transactions of ACH. ACH stands for Automated Clearing House-the national electronic payment network for real clearing of information between financial institutions on electronic payment and payment.

f) National Electronic Fund Transfer (NEFT):
Electronic money transfer, or EFT, as the name implies, is one of the best cash management tools available for businesses and customers in order to exchange money electronically instead of cheque information. EFTs is also called transactions of ACH. ACH stands for Automated Clearing House-the national electronic payment network for real clearing of information between financial institutions on electronic payment and payment.

g) Automated Clearing House (ACH):
ACH includes vast amounts of credit and debit loans, including payroll direct deposits and sales to vendors, and transactions involving B2B. Both the government and the trading sectors make use of ACH transfers. The banks collect ACH transactions all day long for subsequent batch processing. Two forms of direct and indirect transactions are available for the ACH networking operation. Direct deposits are the deposit of payroll, reimbursement of employee costs, insurance, taxes, and the reimbursement of other rent and payment of interest. It involves any payment of ACH credit to a customer from a company or government. Direct payment means the use of payment accounts; direct payments can be made by persons or organizations. In ACH, a network that coordinates e-payments and automated cash transfer services stands for automated cleaning houses. ACH is a means of moving money between banks without wise paper check transfers, networks of credit cards, or cash.

h) Electronic Clearing Services (ECS):
ECS is an electronic way to move money from one bank to another. It is used for large-scale payments in organisations such as dividend dividends, payments, insurance and other payments. It can also be used for bills like telephone, electricity and water or for annual equivalent loans and SIP fees. For credit and debit purposes, the ECS can be used.

i) Credit Card and Debit Card:
Credit Card: A credit card is offered to cardholders to permit a cardholder to pay a provider of products and services on the basis of a pledge by the cardholder to pay the cardholder over the other agreed charge of the paid amounts. A credit card is issued by a supplier of credit cards and is intended to pay online or in shops. You can also take cash out of an ATM using your credit card to make balance transfers. A credit card can be identified as a card issued to its customers by the financial institution to allow them to access credit facilities. Most banks issue these cards to support increased sales and customer loyalty; however, interest accrues after the payment is made and begins a month later.

Debit Card: A debit card is a credit card that debits money directly from a customer's checking account for a purchase. No cash or checks are required to purchase debit cards. Debit cards are also known as check cards, except those offered by major payment processors such as visas and flag cards. A debit card allows the cardholder to withdraw money directly from his bank account using an ATM. Swiping the card on the Point of Sale (POS) device at merchant sites for purchased goods/services also makes it easier for the user. The card can also be used for online shopping and e-commerce transactions.

j) Indian Financial Network (INFINET):
The Indian financial network is the Indian Banking and Financial Sector Communication Backbone. INFINET is a component of all banks in public, private, co-operative, and leading financial institutions throughout the world. The Knowledge Financial network is a closed network of member banks and financial institutions to use exclusively. Any collection of financial entities (traders, businesses, banks, and exchanges) and their relations, preferably through direct transactions or by the ability to transact, is defined as a financial network.

k) Banking Network (BANKNET):
Our banking network is one of the most comprehensive correspondent banking networks in India. The Computing method involves all technical interventions in the banking sector. Bank branch computers began to install backbone computers to automate branch operations, especially in high-traffic areas. Then, full industry automation was used, without the use of branch networks at the bank stage. The OSI (Open System Interconnection) model is one of the first networking models. The OSI model describes how data is transmitted over a network. Your bank network, no matter how big or small, is an important part of the overall market. Your network is a pillar of your business, so it is important to make sure it is up and running. The structure of a banking network involves many factors.

l) Society for Worldwide, Interbank Financial Telecommunication (SWIFT):
The worldwide Interbank Telecommunications Society represents fast. It is a messaging network used to securely communicate information and instructions by financial institutions through a standardized system code. It may be very costly for you to send money through SWIFT, particularly for the smaller sum, and as it has been noted, each of them will typically charge its own fee if your SWIFT transaction is to pass via Intermediate Banking. While most banks are able to choose if the bills for these extra charges are you, the beneficiary, or a mixture of them, the costs will still add up.

m) Electronic Data Interface (EDI):
Electronic data interface (EDI) is the PC-to-PC transfer of business or regulatory exchange details using a common convention and standard information structure. EDI can be officially characterized as "The transfer of structured data by agreed message standards, from one computer system to another computer system."

The idea of business information that has historically been transmitted on paper, such as orders for procurement and invoices, is an electronic data exchange. EDI technical requirements exist to enable the transaction of these instruments by parties without special arrangements. EDI allows many companies in various countries to exchange

data electronically by means of serial links and peer-to-peer networks, but most exchanges now rely on the internet for communication. It is the transmission of data from one computer device to another, using standard messages and without the use of human intervention.

n) Mobile Banking (M-banking)

Mobile banking is used for many financial services such as balanced services, portfolios, payments, credit etc. Services provided using SMS service are the oldest mobile banking services. The first European banks began offering mobile banking services to their customers over the network in 1999, and three interrelated concepts can be defined as mobile banking: Viz, mobile accounting, mobile brokerage and financial information services. Mobile banking or mobile banking is now a sensation in the industry after internet banking. The online banking craze has gained traction, and the physical industry has made strides toward being recognized as a viable alternative to the banking process.

Table 1: Product Wise usage of E-Banking Services in scheduled Banks

Sl. No	Products	SBI	CAN	SYN	Total	Total Sample	%	%	Ranks
1	ATM	104	110	114	328	390	84.1	84%	I
2	Internet	50	6	10	21	390	5.4	5.3%	
3	Pre-paid Card	6	3	1	10	390	2.6	2.5%	
4	Credit Card	18	42	7	67	390	17.2	17.17%	
5	NEFT	29	7	1	37	390	9.5	9.4%	
6	Tele bank	19	7	1	27	390	6.9	6.9%	
7	mobile Bank	70	14	72	156	390	40.0	40%	IV
8	Debit Card	55	85	65	205	390	52.6	52.30%	III
9	RTGS	30	112	93	235	390	60.3	60.25%	II
	Total	381	386	364					

Source: Primary Data based on Questionnaire

The mobile banking continues to expand with rising consumer independence from the convenience of their mobile phones to access banking services. The greatest benefit of mobile banking is this flexibility of place. Furthermore, many mobile banking applications provide face-to-face mobile video technology, enabling customers to talk to their financial institutions in real-time.

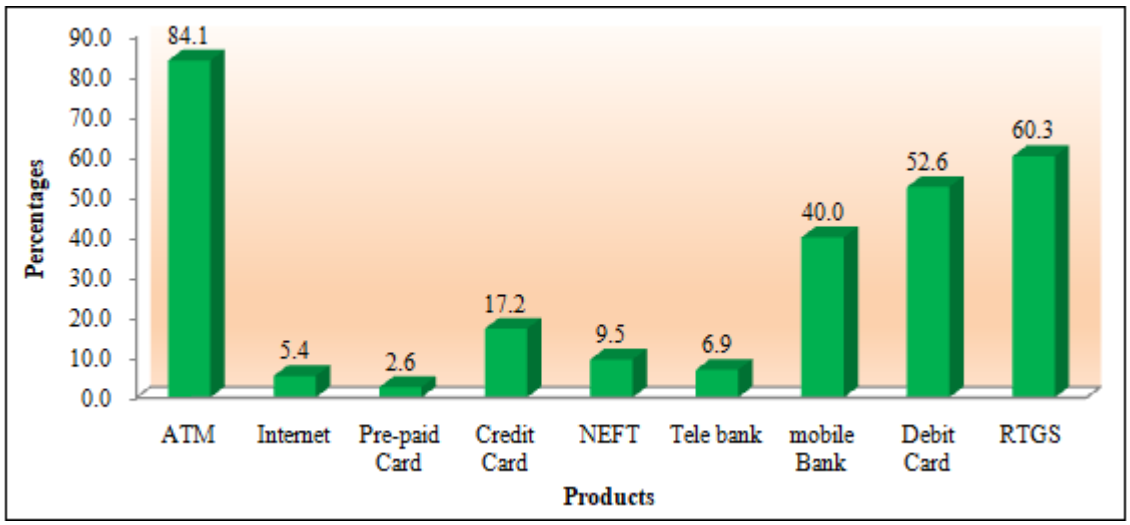

Figure 1: Product Wise usage of E-Banking Services in Scheduled Banks

From the above **Table 1 and Fig 1** it is very much clear that Maximum customer are using ATM Services The Second Most important Services is debit card, very few customers are using prepaid card. Hence the most important services in ATM Services.

Table 2: Bank wise Usage of E-Banking Services

Sl. No	Name of the Banks	Total Customer	%	Rank
1	SBI	381	33.68%	II
2	CAN	386	34.12%	I
3	SYN	364	32.18%	III

Source: Primary Data basedon Questionnaire

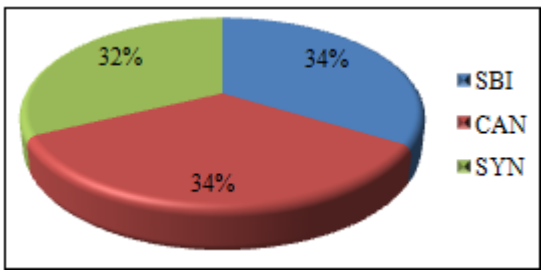

Figure 2: Bank wise Usage of E-Banking Services

From the above **Table 2 and Fig 2**depicts that Canara Bank is the front Runner of Rendering E-Banking and SBI placed in the Secured And Syndicate bank secured the III place

hence it is clear that Canara Bank is Highest Service rendering is the Selected research Area.

Table 3: Product Wise usage of E-Banking Services in Non-Scheduled Banks

Sl. No	Products	ICICI	HDFC	AXIS	Total	Total Sample	%	%	Ranks
1	ATM	43	38	46	127	390	32.6	32%	I
2	Internet	20	15	7	42	390	10.8	10.76%	
3	Pre-paid Card	4	56	1	61	320	19.1	15%	
4	Credit Card	24	25	20	69	390	17.7	17%	
5	NEFT	13	10	14	37	390	9.5	9%	
6	Tele bank	13	10	14	37	390	9.5	9%	
7	mobile Bank	5	7	9	21	390	5.4	5.30%	
8	Debit Card	22	31	23	76	390	19.5	19%	III
9	RTGS	39	38	46	123	390	31.5	31%	II
	Total	183	230	180					

Source: Primary Data based on Questionnaire

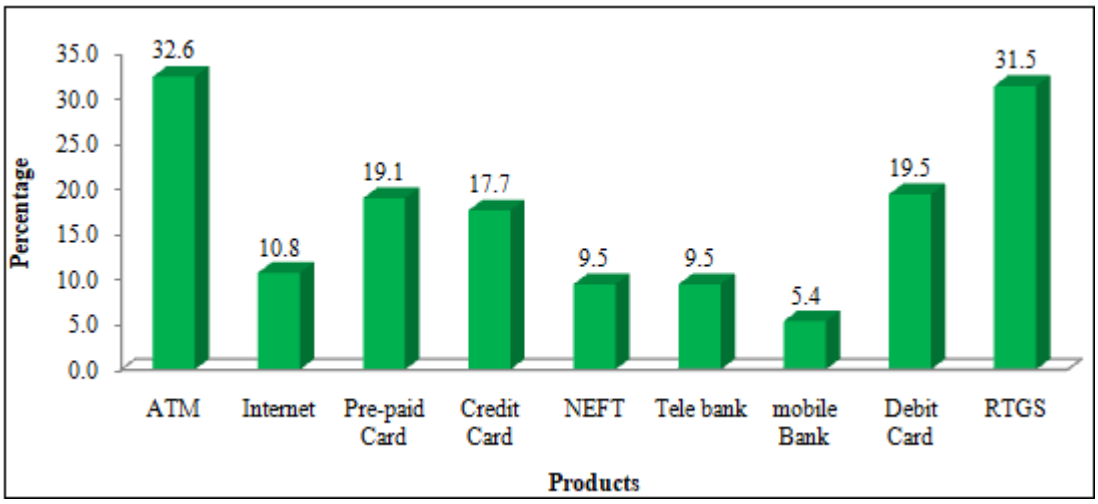

Figure 3: Product Wise usage of E-Banking Services in Non-Scheduled Banks

From the above **Table 3 and Fig 3** it is clear that Maximum people are using ATM facility moderate people are using RTGS Services and use of Debit Card placed in third place. Hence the most important product of E-Bank services is ATM Services.

Table 4: Bank wise Usage of E-Banking Services

Sl. No	Name of the Banks	Total Customer	%	Rank
1	ICICI	183	31%	II
2	HDFC	230	38%	I
3	AXIS	180	31%	II
		593	100%	

From the above **Table 4 and Fig 4**it is clear that HDFC is a Front runner in Service rendering and both ICICI & AXIS bank stored in II place.

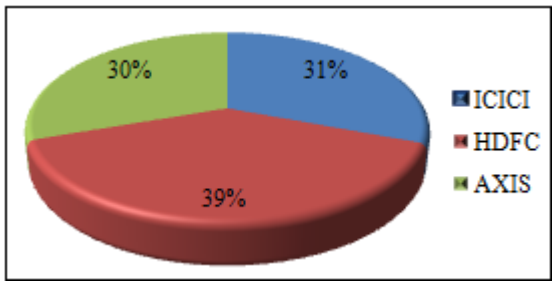

Figure 4: Bank wise Usage of E-Banking Services

Table 5: Payment System Indicators Annual Turn Over (April-March)

Sl. No	ITEMS	Transaction Volume in Lakhs			Transaction Value in Corers of Rs.		
		2017-18	2018-19	2019-20	2017-18	2018-19	2019-20
1	RTGS	1244	1366	1507	11, 67, 12, 478	13, 56, 88, 187	13, 11, 56, 475
2	Credit Transfer	58, 793	1, 18, 750	2, 06, 661	1, 88, 14, 287	2, 60, 97, 655	2, 85, 72, 100
3	Debit transfer & Direct debit	3788	6382	8957	3, 99, 300	6, 56, 232	8, 26, 036
4	Card Payment	47, 486	61, 769	73, 012	9, 19, 035	11, 96, 888	15, 35, 765
5	Prepaid Payment Instrument	34, 591	46, 072	53, 318	1, 41, 634	2, 13, 323	2, 15, 558
	Total Digital Payments	1, 45, 902	2, 34, 339	3, 43, 455	13, 69, 86, 734	16, 38, 52, 285	16, 23, 05, 934

Source: RBI. Report; 2019-20

The payment and settlement systems recorded a robust growth during 2019-20 growing by 44% interns of volume on top of the expansion by 55.8% in the previous year. In terms of value, it increased by 5.4% on top of 14.2% in the previous year. Mainly due to lower growth observed in the large value system Viz Real time gross settlement (RTGS)

system. The share of digital payments increased to 97.0% during 2019-20 up from 95.4% in the previous year. However the extended period of lock down arising on accounts of the COVID-19 pandemic resulted in subdued economic activity and lower discretionary payments there by leading to a fall in digital transactions (Table 5).

Table 6: Percentage of Increase in the volume of Transaction

Years	Transaction volume	Increase in Volume	% Increase in Volume
2017-18	1, 45, 902	-	-
2018-19	2, 34, 339	88, 437	60.61%
2019-20	3, 43, 455	1, 09, 116	46.56%

Source: RBI. Report; 2019-20

The above Table 6 explains that, the Volume of transactions has been tremendously increasing every year. It is a positive sign for the E-banking operation. During the year 2018-19 Net growth of 60.61% of the volume transaction in comparison in the year 2017-18. Similarly there is 46.56% of growth in the Volume of transactions from the base year of 2018-19. But the pace of the growth is less during 2019-20.

Table 7: Percentage of share of E-banking product during 2017to 2020.

Sl. No.	Items	Transactions Value in corers	%
01	RTGS	38, 35, 57, 140	82.81%
02	Credit Transfer	7, 34, 84, 042	15.86%
03	Debit Transfer	18, 81, 568	0.42%
04	Card payments	36, 51, 688	0.79%
05	Prepaid Payment	5, 70, 515	0.12%
		46, 31, 44, 953	**100.00**

Source: RBI Report; 2019-20

From the above Table 7 it reveals that among E-banking operation RTGS plays an important role because most of the people using it and online credit transfer secured the second place by gaining 15.86% of the total digital payments.

4. Conclusion

Digitalization has become conclusive for the banking sector in India, which plays a major role in providing better services to customers. Internet banking is one of the most significant banking channels that allow consumers to do many transactions, either financial or non-financial through a bank's websites. The various services offered are Internet banking, SMS banking, ATMs, and mobile banking, e-cheques, UPI, and debit/credit cards. In today's world of globalization, e-banking is a significant aspect of the development of the banking sector by solving major issues, challenges faced by e-banking. The Indian banking industry can develop customer loyalty towards the banking sector. This can be done through training and development and by making the banking process easier and familiar to the customers. The younger generation is beginning to see the convenience and benefits of e-banking. In the years to come, e-banking will not only be an acceptable mode of banking but will be preferred mode of banking in India. Private sector banks represent more of the POS terminal market as compare to public sector banks. The prepaid payment instruments in the country are mostly paid through mobile wallets.

The Government of India and various government agencies are making an effort to make e-banking more safe, secure, and reliable with the convenience of digital channels. Most of the customers are visiting branches less often and they use online and mobile technology for their banking needs more often. Online and mobile banking are rapidly growing. Nowadays most of the people of India using e-banking for their transactions and make them stand with the current scenario of the country.

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