



19. E-Banking Strategies Growth for Small Business

Indumathy. C.

*Assistant Professor, Dept. of Commerce,
Dr. M.G.R. Janaki College of Arts and science for women,
Chennai.*

K. Kokilavani

*Assistant Professor, Dept. of Commerce,
Dr. M.G.R. Janaki College of Arts and science for women,
Chennai.*

ABSTRACT

The term Electronic Funds Transfer (EFT), or Electronic Banking (E-Banking), refers to the process of transferring money electronically from one account to another as opposed to using a check or cash. When it comes to offering financial services at the lowest possible cost, e-banking is essential. One of the most prosperous internet business ventures that can help you save time and money down the road is e-banking.

We can create a savings account with E-Banking and make deposits and withdrawals straight into your account. We are going to talk about the benefits of using e-banking in daily life in this section. Simultaneously, what potential growth does the firm have going forward?

Introduction:

In order to attract customers, banks offer a variety of services and products, such as credit cards, debit cards, advances, computerized financial services, and surprisingly personal services. Nevertheless, numerous commercial banks offer some basic modern services. There are other terms used to refer to electronic banking, including web-based banking, e-banking, virtual banking, web banking, and online banking. It is only the delivery of various financial services and goods through the use of electronic and telecommunications networks.

A customer can access their account information and manage multiple transactions using their computer or mobile device through e-banking. Banking technologies and online banking services assist the majority of business organizations, and they will continue to do so in the future as their businesses grow.

Objectives of the Study:

- The purpose of the E-banking regulation is to give banks direction on how to implement security measures for E-banking services and products, as well as efficient management for the expansion of small businesses in the future.
- To empower banks to safeguard client data and cut down on fraudulent activity
- It guarantees a range of services for customers.

Electronic Banking Features:

- It helps to view the account balances
- It will be useful for viewing last transactions
- Downloading bank statements
- Downloading periodic account statements

Classification of E-Banking:

Banks offer different kinds of services through electronic financial stages. These are of three sorts:

Type 1: This is the minimum level of management or service that banks provide on their websites. With this support, the bank provides customers with data and information on its goods and services. Additionally, some banks may reply to an email query as well.

Type 2: In this area, banks let their customers to check their account balance, apply for different services, and send instructions. That being said, banks forbid their customers from exchanging funds for their documents or accounts.

Type 3: In the third group, banks let their customers use their records or accounts to pay bills, buy and sell securities, and transfer money. E-banking services are provided by the majority of traditional banks as an additional means of customer assistance.

Additionally, a lot of recently established banks primarily use the internet or other electronic delivery methods to provide financial services. Similarly, some banks are "online only," meaning they don't have any physical branches around the nation.

Banking Sites are of two Sorts:

Transactional Websites:

These websites enable users to complete transactions on the bank's website. Furthermore, the scope of these exchanges varies from simple requests for the balance of retail accounts to large transfers of liquid assets between businesses.

A few common wholesale and retail e-banking services offered by banks and financial institutions are included in the accompanying table.

Informational Websites: These sites offer general data regarding the bank and its services and products to the clients.

Wholesale Services by Banks: Include Account management, Cash management, small business loan applications for small business loans, approvals or advances, business-to-business payments, commercial wire transfers, employee benefits, and pension administration.

Retail Services by Banks: Include Account management, Bill payment, new account opening, Consumer wire transfers, Investment and brokerage services, Loan application and approval, and Account Aggregation.

Services Under E-Banking:

Mobile Banking:

The term "mobile banking," or "M-banking," refers to the process of exchanging or exchanging accounts, paying bills, applying for credit, checking balances, and completing other financial operations using a mobile device, such as a cell phone or Personal Digital Assistant (PDA).

Electronic Clearing System (ECS):

The Electronic Clearing System is a useful tool. An individual's savings bank account is used to pay their credit card bill as a result of this feature, so they don't have to worry about making late or missing payments.

Smart Cards:

A smart card is one that, rather of using the magnetic stripe used on debit and credit cards, saves data on a microchip, memory chip, or microprocessor. Smart cards may be used for a variety of identifying purposes;

They are not just for sending or receiving financial information. Smart card exchanges are encrypted or jumbled in order to protect data transfer between parties.

Every encrypted exchange is unshakable and only transmits the minimum amount of data needed to complete the exchange or transaction.

Electronic Fund Transfers (ETFS):

Electronic fund transfer (EFT) is the electronic exchange of cash starting with an individual account in the bank to another individual account of the same bank, or within or with other financial institutions or with multiple institutions, by means of personal computers-based frameworks, without the immediate intercession of bank staff.

Telephone Banking:

Telephone banking is a service provided by banks, financial foundations, and other organizations that enables customers to conduct a variety of financial transactions over the phone without the need to visit an ATM or a bank office. These transactions do not include cash or other financial instruments

Internet Banking:

web-based banking, is a service provided by banks that enables account holders to access their record information online. Other terms for web-based or Internet banking include

"Web banking" or "online banking."

Customers using traditional banks may do all common transactions online, including bill payments, balance queries, stop-payment requests, and balance inquiries. Certain banks even provide online loan and credit card applications. Account information can be obtained day or night and ought to be attainable from any location.

Home Banking:

Utilizing a home bank branch is less prevalent than utilizing a bank's branch to complete a financial transaction. It includes requesting accounts, transferring funds, paying bills, requesting credit, and making deposits.

Significance of E-Banking:

Importance to Clients

- **Lower Cost Per Exchange:** The client saves money and time by not having to visit the branch for every exchange.
- **Convenience:** A client can access his bank account or records at any time and from any location.

Importance to Businesses:

- **Better Efficiency:**

The utility of electronic banking is increased. It makes it possible to computerize recurring, scheduled payments and offers additional financial services to improve the company's productivity.

- **Lower Costs:**

Generally, the assets used determine the expenses associated with financial ties and interactions. In the event that a particular company requires more assistance with wire transfers, deposits, and other tasks, the bank will then bill its increased costs. These expenses are constrained while using online banking.

Lesser Errors:

Inaccuracies in typical financial transactions are reduced by electronic finance. Errors can result in costly blunders due to poor handwriting, disorganized data or information, and other factors. Similar to this, a straightforward audit of the record or account activity, mobility improves the accuracy of financial transactions.

The Benefits of Online Banking for Small Business Owners:

It is impossible to exaggerate how important it is for small business owners to handle their finances well. There are a lot of moving components involved in running a firm, and they don't want transactions to slow them down in a world where quick decision-making makes the difference between success and failure. With today's financial technologies, we can complete transactions more quickly. Even though small businesses can gain a great deal from modern technology, not all of them do. Small businesses can flourish and take advantage of opportunities through online banking that would not have been feasible in the past.

A. Convenience and Control:

The convenience that comes with online banking is one of its biggest advantages. Small company owners no longer need to physically visit a bank location because they can access their account information via a website or mobile app. For busy business owners who lack the time to go visit a bank, this is really helpful. A degree of control over your funds is also provided by having real-time access to manage and transfer money as you see fit, which can be quite helpful for small business owners.

B. Easy Tracking:

Small business owners can easily track income and outflows with the use of an audit trail that is simple to follow when using online banking. Business owners can handle transactions more effectively by using the bill pay option of online banking.

By doing this, they may make sure that their financial transactions are accurately documented. Consider a small business owner who must keep a record of their costs in order to file taxes. They can quickly view their transaction history and filter transactions by category or date with online banking, which makes it simpler to keep track of spending and create financial reports.

C. Fund Transfer:

Small business owners can pay their invoices, invest in mutual funds, and start local and international financial transfers with online banking. For small business owners who must regularly pay vendors, suppliers, or staff, this is a tremendous benefit. Online banking systems and international financial transfers give small business owners the flexibility they need to expand their enterprises and compete in the global market.

D. Enhanced Security:

When it comes to transaction security, online banking surpasses cash. The company owner, managers, and members of the accounting team can complete all of their transactions through a single window on the online banking platform.

This guarantees that the owner of the firm is always completely informed of every transaction that occurs. They can guarantee a secure payment using internet banking, eliminating concerns about cash loss or theft during the transaction.

E. Bill Payment and Scheduling:

Paying bills online allows small business owners to store the payee's details for future payments, which is stored by the bank. This is helpful because business owners can log in and change the information about the person they are paying, which is helpful when bill amounts change over time. It is possible to plan equal-amount recurring bills, which will guarantee timely payment without requiring continuous oversight. They can simply set up regular payments for each month using internet banking, which guarantees that they are paid automatically on time.

F. Enhanced Cash Flow Management

Small business owners can enhance cash flow management by using online banking, which offers real-time updates and deadline reminders. Small firms that must make payments on specified dates or have erratic cash flows should pay special attention to this.

Better financial decision-making is another benefit of financial data accessibility for business owners. For example, small business owners can make reminders for when their quarterly taxes are due and make sure they have the necessary funds in their account before making the payment.

Banking Redefined: The Role of Online Banking in Driving Business Growth:

The impact of digital transformation on business operations is undeniable, proving that online banking is more than just a convenience. It is a strategic tool that drives innovation and business growth.

Data As a New Currency:

Data is the new money in the digital age. Online banking systems give companies the ability to gather, handle, and examine a tonne of client data. Businesses may anticipate future trends and make strategic decisions with the use of predictive analytics and a data-driven approach.

Additionally, customers are beginning to understand the inherent value of data and the services provided to them. As a result, there is now a greater need for services that offer excellent security, transparency, and transparency on the usage of users' data.

All-In-One Platforms:

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Technology: The Rise of AI in Banking:

Digital banking makes advantage of contemporary technology to offer platforms that are safe, clear, and easy to use for businesses. The way that firms communicate with consumers and banks has changed as a result of artificial intelligence, which offers businesses more operational efficiency and guarantees the security of funds and transactions. For the foreseeable future, these technologies' revolutionary effects will keep changing the service industry.

Conclusion:

Digital banking is what's coming next. The need for banking solutions that are efficient, safe, transparent, and convenient is expected to increase as businesses undergo transformation and adjust to the digital environment. With online platforms like Bancoli that are tailored to your particular cross-border company needs, embrace the future of banking.

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