



Recent Trends in Management and Commerce
Vol: 3(3), 2022
REST Publisher, ISBN: 978-81-936097-6-7
Website: <http://restpublisher.com/book-series/rmc/>



The Impact of The Internet on The Banking Services

M. Priya

St. Joseph's College of Arts and Science for Women, Hosur, Tamil Nadu, India.

Abstract: Few things have dramatically and immediately impacted our lives and the way many businesses operate more than the development of the Internet. The ways that some marketing activities are performed have changed as businesses have turned to e-commerce. The Internet provides opportunities for an organization to enhance its business in a cost-effective and practical manner. That is, the Internet can be used to conduct marketing research, reach new markets, serve customers better, distribute products faster, solve customer problems, and communicate more efficiently with business partners. The benefit of Internet marketing includes the improved flow of information, new products and customer services, improved availability, improved market transparency. To design and implement a successful e-marketing program, a number of theories, applications, and technologies must be carefully analysed and understood. In this article the investigator is going to consider the best Internet marketing ways for the success of business. The main objective of this article is nothing but understanding the impact of Internet on different marketing areas such as product development and service provision, promotion, pricing and distribution channels. In the article it is demonstrated that when manufacturers connect directly with consumers and shorten the distribution channels, inefficiencies can be eliminated, product delivery time can be decreased, and manufacturers can build closer relationship with consumers. Consumers use the Internet to reduce costs, find products otherwise unavailable, or increase their shopping convenience. Online consumers expect easy, understandable, and secure ordering and payment systems. Customers want assurance that orders will be filled immediately. E-commerce creates value for customers in many ways. Customers are treated as a market of one. They can access a greater variety of products, often at lower prices. The study suggests that businesses should pay special attention to the impacts of the Internet and its uses in marketing to be successful and profitable.

Key words: Internet marketing, E-commerce, E-marketing, promotion.

Introduction

One of the hottest topics in business and the media today is electronic commerce. The Internet and its graphical interface, the World Wide Web (WWW), are key components of an electronic commerce initiative that is playing an ever-increasing role in the future of the global marketplace. (Honeycutt et al., 1998) Electronic commerce has been defined as "any form of business transaction in which the parties interact electronically rather than by physical contact". (Aldin and Stahre, 2003) Electronic commerce and its application have become everyday discussions and various articles and literature have been written in this regard. Access to the domain of electronic world has become priorities of most of the big and small public and private organizations and as such, managers have encountered new challenges in this field. (Elahi, Sh. and Hassanzadeh, 2009) Using the internet and related technologies to complete significant marketing activities is known as e-marketing or electronic marketing. The ways that some marketing activities are performed have changed as businesses have turned to e-commerce. However, the basic principles of marketing still apply. E-commerce businesses must understand marketing basics and use them effectively in order to be successful and profitable. (Kleindle and Burrow, 2005)

Characteristics Of Banking Services

- **Accessibility:** Internet banking provides 24/7 access to banking services from anywhere with an internet connection.
- **Convenience:** Customers can perform various transactions, from transferring funds to paying bills, without visiting a physical bank branch.
- **Diverse Services:** Online banking offers a wide range of services, including account management, loan applications, investment management, and financial advice.

- Security Measures: Banks implement robust security protocols to protect customer data and transactions, such as encryption and multi-factor authentication.
- Customization: Internet banking allows customers to personalize their banking experience, setting alerts, preferences, and accessing tailored financial products.

Nature Of Banking Services

The impact of the internet on the nature of banking services has been revolutionary, fundamentally altering how financial institutions operate and deliver services. Here are key ways in which the internet has reshaped the nature of banking:

- ❖ Accessibility and Convenience:
 - ❖ The internet has made banking services available 24/7 from anywhere with an internet connection. Customers can manage their accounts, conduct transactions, and access a range of financial services without the constraints of physical branches or specific business hours. This shift has empowered customers with unprecedented control and convenience over their finances.
- ❖ Transformation of Service Delivery:
 - ❖ Traditional brick-and-mortar banking has transitioned into digital platforms, offering a multitude of services online. From basic account management to complex financial products like loans, investments, and insurance, the internet has expanded the scope of services available to customers, making them more accessible and customizable.
- ❖ Evolution of Customer Interaction:
 - ❖ The nature of customer-bank interaction has changed significantly. While face-to-face interactions were once predominant, the internet has introduced new channels for communication. Customer service, query resolution, and assistance have shifted to online platforms, including chat support, email, and virtual assistants, altering the way customers engage with their banks.
- ❖ Personalization and Customization:
 - ❖ Internet banking has facilitated personalized services tailored to individual preferences. Customers can set alerts, automate transactions, personalize their account settings, and access financial advice or products suited to their specific needs and goals, enhancing the overall customer experience.
- ❖ Data and Analytics Integration:
 - ❖ Banks now utilize data analytics and customer insights gathered from online interactions to enhance their services. Analyzing customer behaviour and preferences helps in designing targeted financial products, improving risk management, and offering more relevant and beneficial services to customers.
- ❖ Security and Trust:
 - ❖ The shift to online banking has necessitated a focus on cybersecurity and data protection. Banks have had to invest significantly in robust security measures to ensure the safety of customer data and transactions, fostering trust in online banking services.
- ❖ Transformation of Traditional Banking Model:
 - ❖ The internet has challenged the traditional banking model by reducing the dependence on physical branches. While physical locations remain important, online banking has become a pivotal component, allowing banks to expand their reach, reduce operational costs, and innovate in service delivery.

In essence, the internet has fundamentally transformed the nature of banking services by enhancing accessibility, personalization, and efficiency while also demanding robust security measures and a shift in traditional business models. This evolution continues to shape the future of banking, with technology playing a central role in redefining how financial services are accessed, delivered, and experienced by customers.

Advantages Of Banking Services

- Convenience and Accessibility: Customers can conduct transactions and access services at their convenience, reducing time and effort.
- Cost Savings: Online banking reduces operational costs for banks, allowing for potentially lower fees and better interest rates for customers.
- Global Reach: Internet banking breaks geographical barriers, enabling global transactions and services.
- Efficiency: Transactions are processed faster compared to traditional banking methods, improving overall efficiency.
- Improved Customer Service: Online platforms offer faster query resolution and easier access to customer support.

Limitations Of Banking Services

- **Security Risks:** Online banking faces cyber security threats such as hacking, phishing, and identity theft, necessitating robust security measures.
- **Digital Divide:** Not all individuals have equal access or comfort with technology, leading to a potential exclusion of some demographics.
- **Dependence on Technology:** System outages or technical glitches can disrupt services and affect customer trust.
- **Privacy Concerns:** Concerns about data privacy and the potential misuse of personal information persist.
- **Lack of Personal Interaction:** Some customers prefer face-to-face interactions and personalized services, which online banking may lack.

2. The importance of the e-commerce business factors

Customers are the lifeblood of a business. They decide whether to purchase a company's products or the products of a competitor. They may be persuaded to try a product once. If satisfied, they are more likely to purchase from the company again. They may encourage friends and family to buy as well. Companies with satisfied customers are likely to be successful. Those that are unable to satisfy customers will soon fail.

Customer characteristics for e-commerce:

There are certain types of consumers who are likely to be internet customers. They are people who are comfortable with technology and innovation. An innovation is a new and unique product, process, or idea. Most people are reluctant to try something that is totally new. However, a small percentage of the population (about two percent) is considered to be innovators. Innovators want to be the first to try new products. When businesses began selling products online, innovators were their first customers.

Products For E-Commerce:

The primary reason people purchase from a business is directly related to its products. (Kleindle and Burrow, 2005) Product characteristics play a major role in the successful marketing of a product on the Internet. (Kiang et al., 2000) The form of some products is modified with the use of the internet. Electronic books, e-tickets, digital photographs, and online bill paying are examples of changes in the form of traditional products.

Digital products for e-commerce:

Digital technology has allowed businesses to develop a new generation of products. Companies develop and market a variety of digital products. Those products are designed for both business and consumer markets. Two categories of digital products are content and technology. Digital content consists of information in digital format including video, audio, text, and graphics. The content is converted to business and consumer products such as newspapers, magazines, online games, photos, graphics, and videos.

Developing products for e-commerce:

The development of personal computers, the internet, and digital technology has generated opportunities for new products. Many existing products can be marketed more widely to prospective customers. Additionally, many new-to-the-world products have been developed as a result of recent technologies. The internet allows companies to mass customize a wide range of products. Examples of products that are being custom manufactured include eyewear, clothing, golf clubs, bicycles, fishing rods, and CDs. Smaller businesses use customization to gain competitive advantage. Larger businesses use customization to lower costs. Customers receive and pay for only the features they need.

3. Conclusion

This paper describes the ways that some marketing activities are performed as businesses have turned to e-commerce. Findings show that the growth of Internet technology has enormous potential for businesses. Aust. J. Basic & Appl. Sci., 5(9): 1784-1789, 2011 1789 There are certain types of consumers who are likely to be internet customers. They are people who are comfortable with technology and innovation. If the business expects consumers to use the internet to purchase its products, marketing efforts should be directed toward innovators and early adopters. Internet brings new issues that must be considered and may require a rethinking of the existing marketing mix. The internet allows companies to mass customize a wide range of products. Internet makes pricing and competitor information faster and more transparent, meaning that market forces also tend to act faster and perhaps more efficiently. The Internet introduces the concept of interactive marketing, which has enabled advertisers to interact directly with customers. It allows information to be accessed without geographical location constraints and offers the possibility of delivering messages enhanced by colour, sound and animation

effects, as well as two-way interactions. Using the Internet, manufacturers can sell directly to customers and provide customer support online. In this sense, the traditional intermediaries are eliminated, or disintermediated. It is significant for managers to understand what value is, how it is created and how it could be added. The internet provides many opportunities for companies to increase economic utility and, therefore, customer satisfaction. The internet has revolutionized banking services, offering unprecedented convenience, accessibility, and efficiency. While the advantages are significant—cost savings, global reach, and enhanced customer service—limitations such as security risks and digital exclusion need careful consideration. Striking a balance between technological advancement and maintaining robust security measures is crucial. Ultimately, the future of banking likely involves a hybrid model, blending online convenience with personalized customer experiences to cater to diverse preferences while ensuring the security and reliability of financial services.

References

1. Aldin, N., & F. Stahre, 2003. Electronic commerce, marketing channels and logistics platforms-a wholesaler perspective. *European Journal of Operational Research*
2. Avlonitis, G.J. & D.A. Karayanni, 2000. The Impact of Internet Use on Business-to-business Marketing. *Industrial Marketing Management*.
3. Chen, S., 2005. *Strategic Management of e-Business*.
4. West Sussex, England: John Willey & Sons. Drew, S., 2003. Strategic use of e-commerce by SMEs in the east of England. *European Management Journal*.