

# Chapter 4

## Web-Based Electronic Money for Online Banking

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### ABSTRACT

*Online transaction payment for the purpose of introducing web-based electronic money as an alternative way of online transaction payment, the main areas that cover in this chapter include research of current payment system, limitation of current payment, what are e-money and the current state of electronic money. It will discuss the proposed web-based electronic money as an alternative for online payment and the benefit of web-based e-money. Online payment transaction is a form of a financial exchange that takes place between the buyer and seller facilitated by means of electronic communications for conducting e-commerce and online purchasing. This chapter includes research of current payment system, limitation of current payment, what are e-money and the current state of electronic money.*

### INTRODUCTION

Mobile banking services are on the complete iterations of current assistance that use the banks presents day structures and infrastructure. Actuality that online banking infrastructure is already in area and reusing existing components is a cost-effective way to build new systems, mobile banking location based banking is as subsequent new release of net banking. For mobile banking we agreed to apply the subsequent infrastructure: 'that kind of execution of economic services within the area of which, the customers make use of mobile communication strategies at the side of mobile devices. In the context of net banking, mobile website banking falls inside that definition. The net banking, internet site accessed is an internet site through a mobile device. A mobile website is a website optimized for viewing

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on a mobile tool that require authentication in the form of a different device. For financial institution the Random Reader is used handiest for registering for the primary time and, relying at the transaction, during transfers, and for SMS Banking the Digipas is continually used for logging in and for transfers. The Random Reader and Digipas are devices which are used to generate responses to a data obtained from the bank so as to authenticate the consumer.

## **INFORMATION TECHNOLOGY IN BANKING SECTOR**

The banking devices have to protracted manner seeing that independence from nationalization to liberalization. It has witnessed transition from a slow business organization to a extraordinarily proactive and dynamic entity. This transformation has been in large part brought approximately by means of liberalization and economic reforms that allowed banks to discover new commercial enterprise opportunities in place of generating revenues from traditional streams of borrowing and lending. These economic reforms that were initiated in the early Seventies brought in a completely new environment for the banks. The banks are now offering innovative and attractive generation based multi channels to offer their products and services. The process began inside the Seventies, where computers have been introduced as ledger posting machines. Technology has been deployed in variety of again-workplace and consumer-interface supports of banking. In the early Eighties Reserve Bank of India uses a mechanism to speed up the temporary operation in banking sector. An excessive-stage mechanism turned into fashioned to attract up a phased plan for computerization and mechanization inside the banking sector. The consciousness turned into on customer service. For this motive, two models of department have been developed and implemented. The second committee constituted in 1988 a plan for computerization and automation to other areas such as budget control, e mail, BANKNET, SWIFT, ATMs, I-banking and so forth. In the last decade, facts technology has introduced extensive modifications in the banking quarter. It has supplied a possibility to banks for offering different products and services to their clients the usage of today systems. Apart from operations, development in generation has played a vital role within the distribution method of industrial banks. Banks, which have been traditionally counting on important channel i.e. To supply services have now commenced supplying their product and carrier through sort of modern and generation based channels which consist of channels inclusive of Internet Banking', Automated Teller Machines (ATMs)', Mobile Banking', Phone Banking', TV Banking' and so on. All those new channels of distribution are in the area of e-banking or I-banking. Electronic banking has been around for quite a while in the form of automatic teller machines (ATMs) and cell phone transactions. In recent instances, it has been converted by the internet a new channel that has facilitated banking transactions for both clients and banks. As measurement of strategic choices, banks in India have been investing and persisted to make investments extensive amount of finances on laptop and associated technologies anticipating sizeable payoff. According to the Boston Consulting Group (2011), the advanced costs on information technology (IT) for banks on the whole is Rs 6,500 Cr. In keeping with yr, approximately 2.7 in keeping with 100% in their sales is in addition possibly to increase up to Rs 10,000 Cr. Annually in the coming years. Further, Reserve Bank has unique emphasis on generation infusion within the each day operations of banks. The IT Vision Document, 2011-17 of the Reserve Bank design the roadmap for implementation of key IT packages in banking with unique emphasis on faultless release of banking contributions via effective implementation of Business Continuity Management (BCM), Information Security Policy, and Business Process Re-engineering.

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