

IMPACT OF COVID-19 PANDEMIC ON E-BANKING SYSTEM IN INDIA

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ABSTRACT

The COVID-19 pandemic has the potential to be one of the most catastrophic threats to the financial services industry in a century. The impact of COVID-19 on banking will be a significant drop in demand, decreased incomes, and production shutdowns, all of which will harm banks' business. Digital financial services enable social distancing; they enable governments to quickly and effectively dispense funding to people in need; and they enable many consumers and businesses to fast access online payments and financing. As a result of the pandemic, the shift to E-banking has accelerated, putting the existing trend several years ahead of schedule. Furthermore, this was not a one-time occurrence, but is continuing. Many of those who have made the move to internet services for the first time want to do so in the future. The goal of this research is to determine the role of electronic banking in halting the Covid-19 pandemic. To meet the goals of this work, a survey study using a questionnaire was conducted.

Keywords: Banking, Financial, Cashless, Transactions, Pandemic.

I. INTRODUCTION

The COVID 19 pandemic has wreaked havoc on everyone's lives, infecting people in 185 nations. Lockdown, work from home, social isolation, and just a few necessary services were allowed to open due to the lack of a vaccine for this disease. The only way to keep this issue under control was to impose a curfew and restrict people's movements. All commercial activity have been halted as a result of the actions taken by all governments, leaving all firms, banks, and financial institutions to count losses and costs. The fundamental question that has arisen is whether or not E In this new environment that Covid 19 has established, collaboration between banks and technology continues to be the key to success in finding answers to

challenges. As the infection spreads, the business impact might be just as severe, resulting in profit warnings, store closures, and recognition defaults among companies that rely largely on China's enormous purchasing power. In order to keep the spread under control, In response to the Covid 19 pandemic, numerous governments throughout the world, including India, have implemented measures such as national lockdown, social separation, the shutdown of public transportation, the closure of production plants, and mobility restrictions. People's movement was restricted due to the stoppage of personal transportation, railroads, domestic travel, and travel via aircraft on both the domestic and foreign fronts. This pandemic has had a significant impact on financial markets such as bonds and stocks, as well as commodities markets like as

gold and crude oil. A negative economic impact was seen in global financial markets such as the United States, the United Kingdom, China, and India.

Hospitals, medical shops, diagnostic centres, local grocery / vegetable fruit shops, banks, post offices, and other critical services were open in India during the four lockdowns and Unlock 1. As retail banks struggled to keep up with demand, electronic banking via the Internet and mobile banking became a popular means to conduct business. Important transactions such as cash, clearing, and funds transfers like as RTGS and NEFT were permitted under the norms of the Indian Banks Association in the event of an emergency. Corporate, regional, circular office, and sales and relationship managers all recommended working from home. This has had a negative influence on electronic banking in major industries such as aviation, manufacturing, retail, and hospitality, while a few areas, such as online grocery shopping, Internet and mobile banking, and recharges, have seen a growth in Electronic banking. According to the World Retail Banking Report 2020, 57 percent of customers prefer to use the internet and 47 percent prefer to use mobile banking instead of going to a bank branch.

In 2017, demonetization compelled consumers to engage in digital commerce. People were obliged to use alternative cash transactions like as NEFT, RTGS, IMPS, E wallets, and credit cards because cash was unavailable. This was not only practical, but it also saved money on cash handling. It also helps banks improve their operational efficiency; therefore, they are focusing on diverting clients to digital channels.

Due to a Corona virus attack in 2020, the entire country was put under lockdown. The Corona virus has caused both personal and economic pain. Banking services are

considered important services, hence India's Central Bank decided to operate at a reduced capacity. They made the decision to only open one branch every 5 kilometres. It has to protect thousands of workers while keeping the economy operating. Customers received at least four services from all banks in the country: cash deposits and withdrawals, cheque clearances, government transactions, utility bill payments, and remittances. In addition, to encourage digital financial transactions during the Covid-19 outbreak, the government has cut fees for digital trade transactions and ATM cash withdrawals.

- **Worldwide Banking System and Influence of Covid-19**

The COVID-19 pandemic has had an impact on almost every facet of life all around the world. The financials of the corporate sector have already begun to suffer as a result of lower productivity and lockdowns. Supply chain disruptions, manufacturing setbacks, and crippled health-care systems all necessitate a sizable public fund and stimulus to keep things running smoothly. The economy has already been devastated by income from tourism and the entertainment industry, among other things. As a result of the pandemic, financial markets have already suffered massive losses of up to Rs 59.87 trillion. Investor confidence is at an all-time low, and it's becoming clear that maintaining good assets and earnings will be difficult for banks around the world. Many loan repayments may stop as a result of the shutdowns and slowing income, particularly in Europe and the United States, leaving banks dry.

- **Covid-19 and e banking**

The continuing pandemic in India has resulted in a significant increase in electronic banking, raising consumer expectations for rapid and personalised services. Most of their banking

needs are being met through digital channels, both online and mobile, by a big number of people who are staying at home. As a result, traditional branch visits and face-to-face encounters with bank employees are declining.

Banks, on the other hand, have been expanding their digital footprints across the banking industry since March 2020. Banks are employing digital channels to provide a variety of services, such as video KYC for new customers, deposits and withdrawals, outbound remittances, payment collections, and so on. The National Payments Corporation of India accepted a WhatsApp proposal late last year that would allow users to send and receive money using the messaging service.

RBL Bank saw a huge opportunity to advance its electronic banking projects to serve customers amid the health crisis and prepare for the post-Covid-19 era as the pandemic affected economic activity, including banking and financial operations. "The usage of advanced digital channels across business segments expanded by 98 percent in 2020, reflecting the enormous importance we pay to our digital journey," RBL Bank's Head of Branch Banking Surinder Chawla stated. The current pandemic has provided us with an opportunity to put our technical capabilities to good use and successfully promote digital transformation across all business segments."

The Bank has provided paperless client onboarding, Aadhaar and video KYC, contactless debit cards, cardless cash withdrawals, Tap and Pay through mobile, Scan and Pay, payments and remittances, UPI-based collection, and chatbot, among other services, during the past several months. It has also been forming strategic alliances through open banking.

II. REVIEW OF RELATED STUDIES

Kumar, Vikas & Kumar, Sanjeev. (2021) [1] The COVID-19 outbreak has hit India's economy like a tonne of bricks. At the macro level, it has impacted all sectors across the country. Before the covid-19 outbreak, the economy was already in a precarious state, and the economy is likely to experience a prolonged recession as a result of the stoppage of economic activity and statewide lockdown. The severity of the economic slowdown is determined by the kind and duration of the nationwide shutdown. With a big population and a greater reliance on informal labour and unsystematic banking, the economy has become a source of disruption. The economic harm is greater than current estimates. The impact of the COVID-19 issue on the Indian economy and banking industry is discussed in this article. The research consists of secondary data analyses based on several research articles released on the COVID-19 pandemic epidemic. The study paper also examines the Reserve Bank of India's and the Indian government's policies at the national and state levels to improve the country's current economic status.

Gurusamy, Karunanithi (2021) [2] A few years ago, the Indian banking sector began its digital transformation path. While the initial goal may have been to curb new-age player rivalry by forcing banks to use digital technology. It's critical to not only deal with the COVID-19 problem, but also to plan for recovery afterward. Banks can try to expand digitally because both urban and rural India have significant mobile penetration and data availability. Furthermore, the current situation has boosted both bankers' and consumers' familiarity with technological use. To enable electronic banking for their consumers, banks might collaborate with technology companies or develop their own digital solutions. Customer Perceptions of E-banking Services after Covid-19 is the topic of this article.

Narinder Bhasin and Anupama Rajesh (2021) [3] The COVID-19 outbreak has affected people in 185 countries and has significantly altered their lives. Lockdown, work from home, social isolation, and just a few necessary services were allowed to open due to the lack of a vaccine for this disease. The only way to keep this catastrophe under control was to impose a lockdown and restrict people's movement. All commercial activity have been halted as a result of the actions taken by all governments, leaving all firms, banks, and financial institutions to count losses and costs. The fundamental question now is whether e-collaboration between banks and technology will continue to be the key to success in finding answers to problems in this new environment created by COVID-19. This chapter looks at how banks and Fintech might work together to alleviate the difficulties caused by the COVID-19 pandemic and mitigate the imminent economic consequences in India and around the world through electronic banking partnership.

Ashish Bagewadi and Devang Dhingra (2020) [4] Since India's independence, the banking sector has played a significant and critical part in the country's socioeconomic development. The banking sector is the lifeblood of any country's economy. It is the most important pillar of any financial sector and plays a significant influence in the country's economic development. Our study compares and contrasts the banking sector in India before and after Covid-19. The impact of Covid-19 on the population is also discussed in the paper. This was accomplished through random selection, and their responses were summarised using graphs to aid comprehension.

Naresh Kumar Sharma (2020) [5] The current Corona Virus outbreak has affected every part of our lives and compelled billions of people to remain in their homes. Consumers

have been forced to avoid physical retail shops as a result of this. Almost all firms are scrambling to respond in the testing environment, leaving only a few commercial organisations unscathed by the pandemic threat. Customers' anxiety and the current lockdown restrictions have compelled marketers to find new tactics to reach out to them. The current pandemic has created an opportunity for businesses to create groundbreaking products and market-leading marketing techniques in order to gain market share. Banking is one of the most important service sectors in India, contributing significantly to the country's economic growth. The banking industry has developed in recent years, adopting a client retention strategy based on providing high-quality services. The current pandemic has created an opportunity for banking and non-banking financial firms to use electronic banking services to implement novel marketing initiatives. According to the research, the majority of clients are unwilling to visit physical offices and prefer to use technology-driven services instead. This situation has provided an opportunity for the financial services industry to develop technology-enabled banking services backed by online marketing methods in order to reach a wider audience of clients.

Jitender Singh and BhagBodla. (2020) [6] In order to combat the COVID-19 Pandemic, the Indian government declared a complete lockdown in the country on March 24, 2020, which was later prolonged until May 3rd, 2020 in the second phase. Though the shutdown was required and unavoidable in order to prevent the spread of Novel Coronavirus (Covid-19) and preserve lives, it will have a significant impact on our economy's many sectors. Banking and non-banking financing businesses (NBFCs), which constitute the backbone of the Indian economy, are no exception. This article attempts to examine the impact of the pandemic on banks and NBFCs as a result of

the lockdown, which has resulted in the closure of all commercial organisations, educational institutions, government and private offices, suspension of public and private transportation, and other measures. The conclusion is based on the opinions of numerous groups, including academics, financial institutions such as the IMF and the World Bank, and consultancy businesses. The required information is gathered through secondary sources of information.

Sornaganesh et al (2020) [7] The covid-19 pandemic may hasten the world's transition to digital payments. have proven to be dependable and long-lasting, and the general public continues to have a high level of trust in them. However, the lockdown and the shutdown of firms have resulted in lower overall transaction volumes. To assist in the recovery and to lead the formation of this payments ecosystem to evolve quickly and to help design the post-digital payment methods that are employed in pandemic situations.

John Aliu (2019) [8] Customers' lives have been made easier by the use of internet banking and e-payments, which make online transactions more convenient. In internet banking, the effects of intention, attitude, perceived utility, and convenience of use have long been acknowledged. However, few research have looked at these themes in the context of COVID-19 pandemics. The purpose of this study is to investigate the influence of COVID-19 on consumers' electronic banking and e-payments usage using a conceptual model drawn from TAM. During the PLS SEM, a sample of 219 respondents was analysed. According to the findings, the desire

to utilise electronic banking has a considerable beneficial impact on electronic banking and e-payment utilisation. Similarly, during COVID-19 pandemics, attitudes toward electronic banking have a considerable favourable impact on intention to utilise electronic banking and e-payment. During COVID-19 pandemics, perceived usefulness and simplicity of use have a strong favourable impact on attitudes toward electronic banking and e-payment usage. The study's managerial implications are examined, as well as its shortcomings and ideas for further research.

III. RESEARCH METHODOLOGY

The goal of this research is to determine how effective electronic banking may be in combating the Covid-19 pandemic. A survey was undertaken in India to determine the influence of covid on E-banking services. Questionnaires were used to collect primary data. A questionnaire that is used to gather primary data. The 100 respondents provided us with primary data. The questionnaire consists of five questions, each of which is worth five points, all of which are relevant to feeling safe when using internet banking. In the survey, 1 means you feel extremely unsafe, 2 means you feel unsafe, 3 means you feel normal, 4 means you feel safe, and 5 means you feel really safe.

IV. DATA ANALYSIS

- **Demographic Profile**

Gender

Table 1: Gender of Respondents

Particular	Frequency
Male	62

Female	38
Total	100

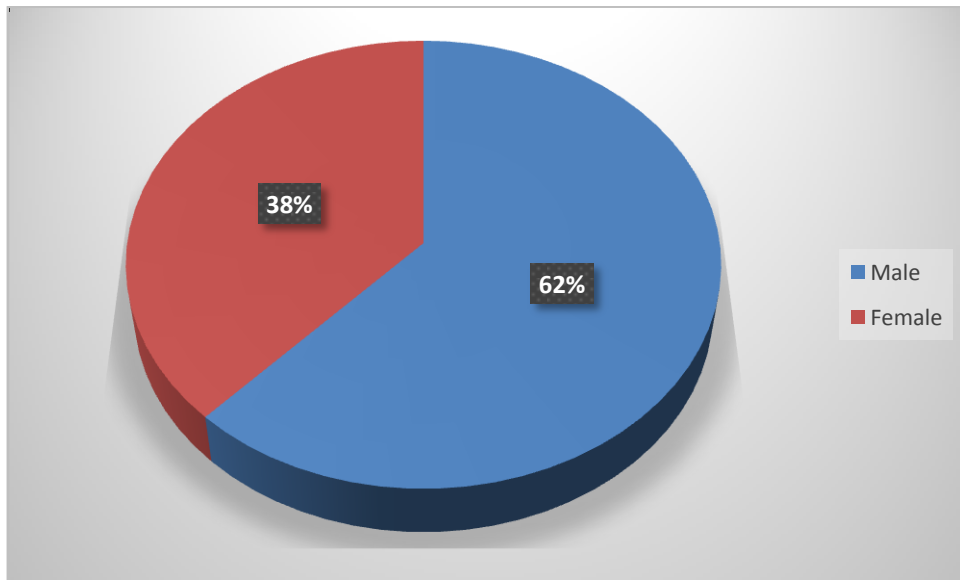


Figure 1: Graph showing Gender of Respondents

Occupation

Table 2: Occupation of Respondents

Particular	Frequency
Employed	15
Agriculturist	11
Business	30
Student	25
HouseWife	9
Retired	10
Total	100

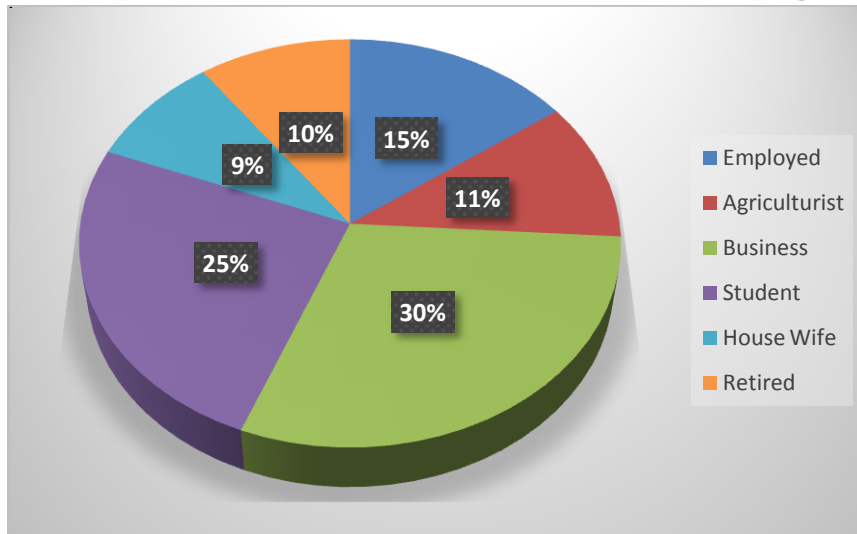


Figure2: Graph showing Occupation of Respondents

The reader and user of the findings can see the details of the responders, which provides a clear result. The table below shows the respondents' information, which is used to generate the following findings. Respondents

included both men and women, as well as a variety of occupations, so the results reflect the general outcome of all segments of society.

Table3: User Safety of Electronic banking during Covid-19 Virus Pandemic

Items	Maximum Satisfaction	Actual Satisfaction	Percentage
Using Electronic banking for Payment of Bills	5	4.8	96%
Using Electronic banking for Mobile and dish T.V recharge	5	4.76	95.20%
Using Electronic banking for payment of Online Shopping	5	4.28	85.58%
Using Electronic banking for payment of offline purchase online shop	5	3.76	75.18%
Transfer of Cash for other works	5	4.68	93.60%
Average	5	4.456	89.10%

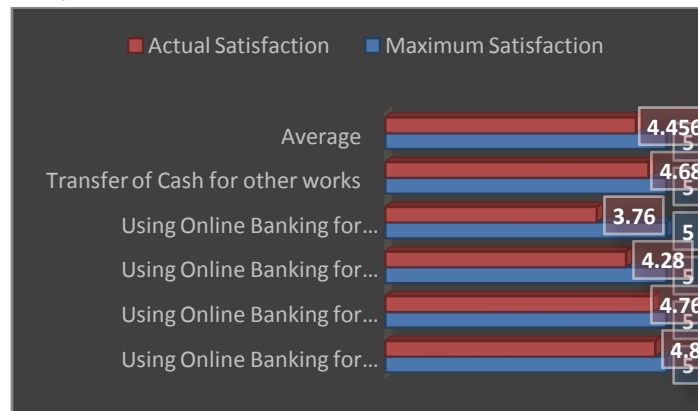


Figure3: User Safety of Electronic banking during Covid-19 Virus Pandemic

People are highly happy when they use internet banking, and the overall safety rating is 89.10 percent. Transferring funds for other purposes is the safest activity in terms of Covid-19 security in electronic banking. Customers are 96 percent confident that they are secure from Covid-19 when using Electronic banking to pay bills. Customers who use Covid-19's electronic banking for mobile and dish T.V recharge feel safe 95.20 percent of the time. Customers are 85.58 percent confident in Covid-19's security while utilizing electronic banking to pay for online purchases. Customers trust Covid-19 75.18 percent when using internet banking to pay for offline goods and services purchased in the shop. Customers are 93.60 percent confident in Covid-19's security when utilizing electronic banking for cash transfers and other purposes.

V. CONCLUSION

Finally, the current study looks into how COVID-19 affects customers' use of electronic banking and e-payments. According to the findings of the study, the intention to utilise electronic banking has a considerable beneficial impact on electronic banking and e-payment usage. Similarly, during COVID-19 pandemics, attitudes toward electronic banking have a considerable favourable impact on intention to utilise electronic banking and e-

payment. During COVID-19 pandemics, perceived usefulness and simplicity of use have a strong favourable impact on attitudes toward electronic banking and e-payment usage. The results of this study will help the bank lower its operating costs, generate significant revenue from electronic banking and e-payment transactions, and encourage them to offer more financial products and services in the future that will meet the needs of their customers, such as point of sale, cardless and cashless payment systems, electronic banking, and so on.

There are numerous management and practical ramifications to the study. Using the electronic banking and e-payment system, for example, is an online option to the increasing issue of lockdown and COVID-19 quarantine. Many banks, on the other hand, are having severe issues with their clients' embrace of technology. Future research could build on the current study's findings by incorporating other theories that examine the relationship between intention and conduct.

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