

Full Length Research Paper

The Role of Electronic Banking in Driving Financial Inclusion in Developing Countries: A Case Study of Pakistan

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The primary goal of this research is to determine the significance of e-banking in Pakistan. In the banking industry, electronic banking is an important sector. E-banking has brought about a huge change in the Pakistani banking system. Because of its low cost and time savings, electronic banking has a wide reach in developing and underdeveloped countries. E-banking is an internal system that allows the customers to stay in touch with their accounts by using a mobile device, etc. The aim of this study is to focus on the impact of electronic banking in Pakistan. In this era, the life of every person is affected by this technology. Around the world, e-banking is getting popular. There are many countries that are utilizing this technology, like Pakistan. In this study, we focus on the performance of electronic banking. Almost 70% of banks have shifted to internet banking from non-internet banking. The core function of this transfer is its low cost. This paper discusses ICICI, the world's most famous internet bank, and the progress of E banking over the last 20 years. Banks in Pakistan are controlled by the State Bank of Pakistan. It is one of the oldest banks in Pakistan, which was formerly named the Reserve Bank of India before 1947. E-banking is a key driver for changing the world at a staggering rate. It is said to be a truly global phenomenon that has made truncations very easy. In this study, three angles are discussed. 1) Impact of strategic activity 2) impact of strategic activity 3) discuss the influence of perceived risk in information technology. E-banking is the latest technology in this area.

Keywords: Pakistan, E banking, era, ICICI, state bank.

INTRODUCTION

In the world, e-banking is a self-service technology. In the 1990s, businesses began to use E-banking. Electronic banking is widely used due to its low cost. ATMs are the first type of e-banking. Recently, e-banking introduced new channels that benefit both banks and customers. The first benefit of electronic banking is that it offers quick services at a low cost. Electronic banking is becoming increasingly popular. In the last 20 years,

E-banking banks are making very much progress. ICICI is the most well-known bank in the world for providing the best internet banking services. The first step towards progress is the use of an ATM. The best financial transactions in the world are done online. Banks in Pakistan are controlled by the State Bank of Pakistan. It is one of the oldest banks in Pakistan, which was formerly named the Reserve Bank of India before 1947. Banks are used by 9% of the population in Pakistan. In Pakistan, there are various types of banks that work for the country's prosperity and development, including: Nationalized scheduled banks Agriculture, development bank, commercial bank, Islamic bank.

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Table 1 Electronic Banking in Pakistan

e-banking in the world				
Bank	Number of Banks	Number of Banks With Websites	Number of Internet Banks	Internet banks as a percentage of banks in category
Private Sector				
Banks	25	29	18	60.9
New	8	9	9	102.0
Old	25	29	15	48.6
Public Sector				
Banks	25	29	28	93.8
SBI Group	9	9	9	101.0
Nationalized	25	25	19	95.0
Foreign Banks	25	26	9	25.7
All Banks	142	156	107	527

The rapid development of technology is creating competition in financial institutes all over the world. To gain a competitive advantage, it is necessary to implement E-banking in Pakistan, which includes online banking through the internet, bank operations through cellular (mobile), etc. But there is also the problem of cybercrime. Cyber-crimes used by faculty and students for academic work and by other authorities: Purdue's computing environment mainly consists of two mainframes. Neither was associated with the emerging Internet. punched card system, and "dumb terminals" (a monitor and keyboard but with no computing power or memory machines) were obtained through Security is primarily composed of two systems. To begin, you will need accounts and passwords to access the machines they control. Second, remote management systems and the physical security of sensitive data handled by the former educational system were separated. We have anti-virus firewalls, tools, and vulnerability assessments. scanners to, or an intrusion detection system is used for, This type of equipment was not found in a ventilated automated teller machine. ATM is the latest technology in this current era, which is used to withdraw money at any time by using a valid card with which one can operate his account. According to the 2001 World Bank survey, electronic banking progress in developing countries is near 6%. In Brazil, the total number of users of e-banking is nine million. There are 1.26 million users in Mexico. In many developing countries, electronic banking is still expanding in developing countries. E-banking is now being used in African countries. Because of this, e-banking has destroyed the previous banking system. It's reasonably priced. Industries and countries are just using banking due to its fast service. While electronic banking has helped save time, traditional banking is time-consuming and wasteful. E-banking introduces a new concept and a new development to the world, and banks in Pakistan are under control.

by the State Bank of Pakistan. An automated teller machine (ATM) is a computerized telecommunications device that provides the customers of a bank with permission to enter into financial dealings in a public place without the need for bank staff. On most modern ATMs, the customer is identified by inserting a plastic ATM card with a magnetic stripe or a plastic smart card with a chip that contains a unique card number and some security information, such as a name, account number, and issue or expiration date. Safety is given by the customer entering a personal identification number (PIN). ATMs have many functions, including the following: deposit/withdraw amount, Paying routine bills, fees, and taxes (utilities, phone bills, credit card payments, etc.) Printing bank statements Updating password Purchasing (lottery tickets, train tickets, concert tickets, movie tickets, shopping mall gift certificates, Games and promotional features Donating to charities Adding pre-paid cell phone credit However, it has some limitations, such as vision impairment, so a blind person could not use it. It is the latest version of banking in this current era, and it seems to have a bank in its pocket. Mobile phone banking provides consumers with 24/7 access to bank operations such as fund transfers, utility bill payment, viewing bank statements, and receiving account updates. The use of the internet can help us assess our account information. It allows us to transfer money and check our information using our PC and smartphone. Electronic cash can be transferred using a mobile phone or a computer. It is one of the easiest modes of payment and receives the amount. The introduction of e-banking enables consumers to perform the operations of banking more conveniently, such as payment methods and more user-friendly banking services. Many changes have occurred in Pakistani internet banking, such as the ability to transfer money and collect cash without being physically present. E-banking

Item	2001	2002	2003	2004	2005	2006	June 2007
No of online branches	323	451	778	1,582	2,476	3,266	8876
No of ATMs	207	258	398	551	785	1,216	3415
No of Debit Cards Holders (000)	241	414	735	1,258	1,873	4,256	8777
No of Credit Cards Holders (000)	216	293	368	396	807	1,256	3336

is the less time-consuming method that enables consumers to purchase any product by sitting at home in no time, confirm tickets for travel, and facilitate business. It is a payment that helps to tackle the problem right there on the spot. Through which we will first deal and then pay. Payments will be based on the terms and conditions of

Objectives

- 1 It is best way to save the time. E banking is useful to reduce operation expenses
- 2 E banking has main role to reduce hectic manual work .Chance of errors is very low in case of E banking.
- 3 It is also helpful to provide the cash management to internet market optimization including see, pap etc. It is a 24 hours service we can take funds at any time
- 4 E banking is very convenience way there is no need to stands in long lines and visits. With the help of e banking payment of utility bills are easy

Literate Review

Conceptualization of E-Banking Electronic banking services to raise awareness seem inextricably linked to electronic commerce. In the literature review, I present some observations: these concepts (in 2002, "Feather Man," "Phone," "2002 Pavlou," and "2003 Pollard") about electronic banking services appear inextricably linked to electronic commerce. Ruyter) more integrated (D. collected more Ruyter in 2001) only one service, which is non-critical customer support. Transactions and business dealings are processed, and data is exchanged between time and space. (Pavlov and Weathermen, 2002) With these products, we have electronic commerce. When I use digital products and services industry.

Turban (2002) ET established industry standards in electronic commerce transactions involving pure electronic products and the provision of a physical (Turban 2002 ET). field of electronic banking services such as those used in many businesses. Airline travel agencies Rental car companies, real estate agencies, job placement agencies, broker houses, such as online magazine publishers, newspapers, sports videos, music, and other digitizable information, management consultancy firms, and educational institutions, deliver online service in electronic commerce and electronic business information using electronic service (2001 D. Rooter ET). The abovementioned problem led us to conceptualize the creation of electronic service, interactive center electronic content, and internet-based customer service (2001 de Rooter ET). Typically, the employer's fulfillment employee is on the brand name of IS success (Bailey 1983), and in the same way, most customers satisfy the label of a product based on their mental perceptions of the product (Pearson, 1983), which is normally taken into account in studies. UIS and EUCS balance have been used to determine customer satisfaction ultimately through electronic service information about worth and quality variables of the electronic system (Bailey 1983 and Pearson 1983 say the same, De Lone 1992 and McLean 1977) and moll licker models to build up connection relationships among the backgrounds of customers with which they use products to determine customer satisfaction such as quality structure, adopt consequently correspond

METHODOLOGY

For the completion of this study, focus on electronic banking and customer requirements. The primary data is used because we want to know how to please customers with electronic banking products. Primary

data collected in the form of questions that were filled out by the ultimate consumer and collect quantitative numeric data because that's primary data that's easily available, and we have included closed-ended questions. To meet the requirements of our studies, we met with different bank officials to gain technical knowledge of different banks' E-Banking. We also included all queries in the question to complete our studies in all aspects. In our study work, we have focused on Pakistan's banking sector in the city of Faisalabad. We polled three or four banks, one of which is the HBL Raja Road branch. UBL branch near the bus stop Standard Chartered Bank railway road branch and Fysal Bank D ground branch We carried out this study in Pakistan because many previous studies have been performed on electronic banking, but our study is unusual because it depends on different variables such as electronic banking products, cyber crimes, and the security of information transactions and the viability of internet access. We learned from these variables. We have collected data from 200 people through email, courier, and voice chat. We also sent a questionnaire with an envelope attached and a printed mailing address for the response. Questionnaire We conducted studies on the effects of electronic banking on customer requirements and discovered that people were satisfied with electronic banking products and services. We defined some variables above that would impact customer satisfaction. Major variables are electronic banking products, cybercrimes, and the availability of internet access and security in information transactions. Customers believe in electronic banking products based on this variable, and we define the satisfaction of the customer based on five questions for each variable. We categorized the questions into five categories, such as 1=fully disagree 2=disagree 3 = somewhat agree 4=agree 5=completely disagree People have only checked the satisfy option. We distributed 200 questionnaires to male and female bank customers. The format of the questionnaire is as follows: Internet Banking.

Questionnaire used for Survey 1.
 Name _____
 2. _____ Bank
 Name _____ 3.

What is the level of your agreement with the statements below? Please choose 1 if you are totally disagree 2=if disagree 3=if slightly agree 3=if agree 5=if totally agree, Internet banking is a developed world tendency but not yet fit to our society? 1 2 3 4 5 02 our banking sectors are competent enough (having infrastructure, skilled labor.

Final resources) of the Internet banking adoption/implementations by its competitors. 1 2 3 4 5 03 the bankers are well awareness of IT and have access to computers and Internet in office. 1 2 3 4 5 04 we have necessary infrastructure such as in-house technician, 1 2 3 4 5 management and other technique to deploy Internet banking. 05 The political and legal environment is supportive to conduct business on the Internet. 1 2 3 4 5 06 our bank is allocating sufficiently funds in projects

related to Internet banking and e-commerce. Our banks have adequate human, financial, and technical resources for Internet banking adoption and implementation. 1 2 3 4 5 8 Customers have no or little trust in internet banking. 1 2 3 4 5 09 Do you believe the banking industry has a clear vision for technologies like Internet banking? 1 2 3 4 5 10 In our bank, strategic-level management is willing to adopt and implement Internet banking. 1 2 3 4 5 6 We will face challenges in implementing changes such as internet banking. 1 2 3 4 5 12 The telecommunications infrastructure of our country is competent and efficient. 1 2 3 4 5 13 In most cases, customers prefer the traditional way of doing business. 1 2 3 4 5 14 There is a lack of awareness or IT knowledge among customers. 1 2 3 4 5 15 Customers feel reluctant to do electronic banking transactions because of security. 1 2 3 4 5 Problems: During the research, we encountered some difficulties with some users not being able to obtain what they desired from them. Even some of them considered it legal or received some notification from the banks. They felt reluctant to fill it. But we convinced them to do this and gave some briefings about the questionnaire. After this, we got good results from the clients of the bank. It is filled by men and some women as well. We assigned 1 = 100, 2 = 80, 3 = 60, 4 = 40, and 5 = 20 ratings to the responses. We present this rating in the diagram, which is below. We found different results from the 200 customers. The customer's main concern was question number one. We will hope that the banking sector will consider our work and our recommendation. 120 100 80 60 40 20 0 1 2 3 4 5 6 7 8 9 10 11 12 13 14 15 1 2 3 4 5 Conclusion Electronic banking is the most commonly used every day because everyone has a busy life and needs to be prompt and well organized. The best way to transfer money in electronic banking is from one accountant to another at the same or another bank. In electronic transactions, crimes have increased day by day, so electronic banks need to maintain and retain customers to provide protection. They should provide unique passwords and maintain high-profile security. This will help to maintain unauthorized access to the user's account and not let it be easily hacked. Customers' trust and loyalty are based on five factors: the facility's reputation, its ability to respond quickly to customer inquiries, its consistency, its comprehension, and its guarantee of service quality, as measured by the customer satisfaction process.

CONCLUSION

Electronic banking is the most normally utilize every day because everyone have busy life style and needs to be prompt and well-organized work. In the electronic banking is best way of transaction of money from one accountant to another accountant of other or similar

bank. In electronic transactions, crimes have increased day by day, so electronic banks need to maintain and retain customers to provide protection. They should provide unique passwords and maintain high-profile security. This will help to maintain unauthorized access to the user's account and not let it be easily hacked. Customers' trust and loyalty are based on five factors: the facility's reputation, its ability to respond quickly to customer inquiries, its consistency, its comprehension, and its guarantee of service quality, as measured by the customer satisfaction process.

RECOMMENDATIONS

Banks' IT systems are more comfortable and secure when transacting over the internet. Develop some new, different things that will not face any problems regarding IT because some ATMs have problems like hacking passwords. Unauthorized access to the user's accounts introduction of new techniques that eliminate the chance of hacking any transaction. Make sure that the computer system of the bank is used or administered only by bank employees. Never provide unauthorized access to bank systems. Always use properly maintained and serviced computer systems. The operating system should be complete with the latest update of security software

at the normal interval. Activate the automatic updates and remain in touch with your software service representative or supplier regarding the security issues. Use the latest virus protection programmed with regular automatic updates against spyware, viruses, and Trojans, or activate a personal firewall for the protection of your computer system. Maintain your confidential information in a safe place. The data on a PC can be leaked out, so we recommend that you not store them on your PC.

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Appendix A

Questionnaire

We conducted studies on the effects of electronic banking on customer requirements and discovered that people were satisfied with electronic banking products and services. We defined some variables above that would impact customer satisfaction. Electronic banking products, cybercrime, and the availability of internet access, as well as the security of information transactions, are major variables. Customers believe in electronic banking products based on this variable, and we define the satisfaction of the customer based on five questions for each variable. In our questions, we arranged five categories such as 1 = strongly disagree, 2 = disagree, 3 = slightly agree, 4 = agree, and 5 = strongly agree. People just tick the "satisfied" box. We distributed 200 questionnaires to male and female bank customers. The format of the questionnaire is as follows:

Internet Banking Questionnaire used for Survey

1. Name _____
2. Bank Name _____
3. What is the level of your agreement with the statements below? Please choose 1 if you strongly disagree, 2 if you disagree, 3 if you slightly agree, 4 if you agree, and 5 if you strongly agree with the given statements.

1= Strongly disagree, 2= Disagree, 3= Slightly Agree, 4= Agree, 5 = Strongly Agree

01	Do you agree that Internet banking is a developed world tendency but not yet fit to our society?	1	2	3	4	5
02	Our banking sectors are competent enough (having infrastructure, skilled labor. Final resources) of the Internet banking adoption/implementations by its competitors.	1	2	3	4	5
03	The bankers are well awareness of IT and have access to computers and Internet in office.	1	2	3	4	5
04	We have necessary infrastructure such as in-house technician, management and other technique to deploy Internet banking.	1	2	3	4	5
05	The political and legal environment is supportive to conduct business on the Internet.	1	2	3	4	5
06	Our bank is allocating sufficiently funds in projects related to Internet banking and Ecommerce.	1	2	3	4	5
07	Our banks have sufficient resources (such human, finance, and technical) for Internet banking adoption/implementation.	1	2	3	4	5
08	There is no/ lack of trust of customers on internet banking.	1	2	3	4	5
09	Do u think, banking sectors exist a clear vision on such as Internet banking.	1	2	3	4	5
10	In our bank, strategic level management are willing about Internet banking adoption and implementation.	1	2	3	4	5
11	We will face difficulty in bringing the changes in introducing internet banking.	1	2	3	4	5
12	The telecommunication infrastructure of our country is competent enough and efficient.	1	2	3	4	5
13	In normal, customers prefer for conventional way of working business.	1	2	3	4	5
14	There is less/lack of awareness or IT knowledge among customers.	1	2	3	4	5
15	Customers feel reluctant of doing electronic banking transactions because of security.	1	2	3	4	5

Problems

During the research, we encountered some issues with some users not being able to obtain what they desired from them. Even some of them considered it legal or received some notification from the banks. They felt reluctant to fill it. But we convinced them to do this and gave some briefings about the questionnaire. After this, we got good results from the clients of the bank. It is filled by men and some women as well. We assigned 1 = 100, 2 = 80, 3 = 60, 4 = 40, and 5 = 20 ratings to the responses. We present this rating in the diagram, which is below. We found different results from the 200 customers. The customer's main concern was question number one. We will hope that the banking sector will consider our work and our recommendation.

