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## BENEFITS OF DIGITAL BANKING FOR CUSTOMERS AND BANKS

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### Abstract

this research work aims to examine the benefits of digital banking for both customers and banks. With the rapid advancements in technology, digital banking has transformed the way banking services are delivered and accessed. This study explores the advantages and opportunities offered by digital banking to customers, including convenience, accessibility, and enhanced user experience. It also investigates the benefits for banks, such as cost savings, operational efficiency, expanded customer base, and improved customer engagement. The research analyzes the impact of digital banking on various aspects, such as financial inclusion, security, innovation, and customer satisfaction.

**Keywords:** digital banking, bank service, phishing, account, deposit, loan, ATM, pandemic, transaction, method, secure, control, social media.

### Introduction.

Digital banking is banking activity conducted entirely online, either through a website or mobile app. It lets customers perform banking transactions and access banking services remotely, without having to visit a physical branch. Digital banking has become increasingly popular in recent years due to its convenience and utility. Customers can easily access their accounts with smartphones, tablets, laptops, desktops at any time, from any location, and perform a wide range of transactions, such as checking account balances, transferring funds, paying bills and applying for loans. The benefits of digital banking became more conspicuous during the COVID pandemic when physical branches could not be approached due to social distancing period which confined people to their homes.

## Main part

**The evolution of Digital Banking** - Technology brought unimaginable changes to the banking industry all over the world in the last 20 years. Internet and mobile access reached the remotest corners linking up people and organizations across the world. This transformed customer's expectations and the way organizations functioned.

With mobile connectivity and related infrastructure fintech technology companies entered the banking sector and launched a variety of customer convenient products. To keep up, banks had to re-engineer their process and products to retain their customers. This led to the introduction of Automated Teller Machines (ATMs), the beginning of digital banking.

The next stage was to meet the new level of customer expectations. This pushed banks to come out with better innovations, products, and services. By the end of the 20th century, banks were offering 24 x7 services to customers with the help of technology. Today, customer carry their anytime anywhere banking facility with them, on their smartphones without even involving the banking staff.

**The problems that customers face in using digital bank services** - Failed connectivity and lack of consistent and accurate data is a major concern with banks. Banks are working towards pre-empting the problems with greater demand load rising from digital technologies. Nowadays, digital banking customers are facing to Phishing and are being deceived by it. To avoid this, data entry should be automated. Of course, customers should know that digital bank employees do not ask for their personal information. Phishing is a form of online scam where "phishers" attempt to gain customer account information such as user names, passwords, PINs (Personal Identification Numbers) or Social Security numbers. This is accomplished by creating official-looking emails with pop-ups or links that appear to be from your bank, online retailer or government agency. These deceptive communications are the tools the phishers use to attempt to gain your confidential information.

The most important thing to remember is that no reputable business will send you an email requesting your personal account information. Any email you receive asking for this information should be considered phony and brought to the attention of the business being phished.

Also, antivirus software can often detect methods used by phishers attempting to steal your information. But it is imperative that your antivirus software be updated as frequently as possible.

Finally, if you are unsure as to whether or not an email or message is legitimate, call the company directly. That way you can be sure that you are speaking with a representative of that company and that your personal information will not be compromised.

With digital banking, all records are maintained in digital form, data is interpreted to useful information by applying analytical methods, better customer engagement is offered and more business generated through customer-specific interaction. All this leads to improved operating efficiency and better income for the bank.

Here are some of the primary benefits offered by digital banking.

### First. Convenience

The ability to bank wherever and whenever you want is one of the main benefits of mobile and online banking solutions.

Many mobile banking apps, for instance, let you deposit checks remotely. At the same time, you can check your balance, transfer funds and set up a notification to alert you if you overdraft your account—all without the need to visit a branch. It's a real time-saver.

Digital banking also offers additional conveniences, such as the ability to go cashless.

### **Second. Features**

Many banks' mobile and online experiences offer just as many features as banking in person—if not more.

Banking apps typically let you complete everyday banking tasks, like viewing statements and account balances, transferring funds and paying bills. Mobile check deposit, which lets users cash checks from their phone, is also common.

### **Third. Security**

Security is an important priority for financial institutions and that extends to mobile and online banking.

Threats exist everywhere, including inside bank branches. Fortunately, many banks make it easy to take extra security precautions. For example, your bank may let you add multifactor authentication to your mobile app and online bank account.

Many mobile banking apps also let you use biometric authentication to log in. Many foreign bank's app, actually in Europe, for instance, provides biometric login options that require your fingerprint or facial recognition. Your bank may also scan for certain risks automatically.

Overall, you may be more secure than you think when using digital banking. It's been reported that digital payments and e-wallets actually offer more security in some cases than a physical card, giving some users even more reason to use digital banking tools nowadays.

### **Fourth. Control**

Having control over your finances with the ability to self-serve is another significant benefit of digital banking, as is real-time access to managing and moving money as you see fit. Unlike banking in person, mobile banking apps and websites generally have no restrictions on when you can perform banking tasks, like depositing a check or moving money from one account to another.

Banks are continuing to advance the features offered on their digital banking platforms. Automated savings tools and push notifications for events like low balances or overdrafts are commonplace. In many cases, you can even activate a new debit or credit card from your app.

### **Conclusions.**

Major benefits of digital banking are: Business efficiency - Not only do digital platforms improve interaction with customers and deliver their needs more quickly, they also provide methods for making internal functions more efficient. While banks have been at the forefront of digital technology at the consumer end for decades, they have not completely embraced all the benefits of middleware to accelerate productivity.

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