

E-Commerce

UNDERSTANDING THE ROLE OF DIGITAL FINANCE IN
MODERN BUSINESS

Agenda

- ✓ INTRODUCTION TO E-COMMERCE
- ✓ ROLE OF BANKING IN E-COMMERCE
- ✓ OVERVIEW OF ELECTRONIC BANKING (E-BANKING)
- ✓ TYPES OF ELECTRONIC BANKING SERVICES
- ✓ SECURITY IN E-BANKING
- ✓ BENEFITS, LIMITATIONS, AND RISKS
- ✓ FUTURE TRENDS IN E-BANKING
- ✓ CASE STUDIES AND REAL-LIFE EXAMPLES
- ✓ CONCLUSION AND Q&A

What is E-Commerce?

- ❖ E-Commerce stands for '**electronic commerce**'
- ❖ Buying, selling, and exchanging goods, services, and information via electronic networks (mainly the internet).
- ❖ Key types:
 - ❖ B2B: Business-to-Business (transactions between businesses)
 - ❖ B2C: Business-to-Consumer (businesses sell to end customers)
 - ❖ C2C: Consumer-to-Consumer (individuals sell to each other)
- ❖ Advantages: 24/7 global availability, speed, convenience, reduced operational costs.

The Role of Banking in E-Commerce

- ❖ Secure, efficient financial transactions are the backbone of e-commerce.
- ❖ Banks serve as trusted intermediaries.
- ❖ Electronic banking services make online shopping, payments, and money transfers possible and seamless.



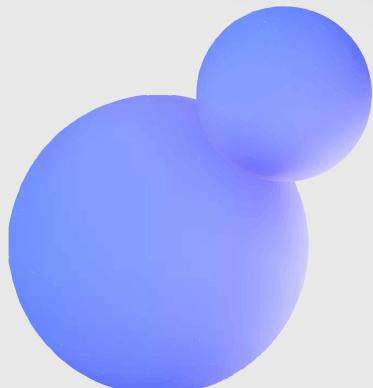
What is Electronic Banking (E-Banking)?

- ❖ E-banking = Delivery of banking services through digital means (internet, mobile, phone, ATM).
- ❖ Revolutionized traditional banking:
 - ❖ Customers perform transactions anytime, anywhere.
 - ❖ Reduces costs and increases efficiency for both banks and customers.



Types of Electronic Banking Services

- ❖ Online (Internet) Banking
- ❖ ATM & Debit Card Services
- ❖ Phone Banking
- ❖ SMS Banking
- ❖ Electronic Alerts
- ❖ Mobile Banking



Online (Internet) Banking

- ❖ Accessing banking services via web-based platforms.
- ❖ Key services:
 - ❖ Funds transfer (between accounts, other individuals)
 - ❖ Bill payments (utilities, tuition, credit cards, etc.)
 - ❖ Account management (statements, check balance/transactions)
 - ❖ Investment services (mutual funds, deposits, etc.)
- ❖ Security: Password protection, encryption, two-factor authentication, timed session logout.
- ❖ Advantages: 24/7 availability, reduced bank branch visits, easy record keeping.

ATM & Debit Card Services

- ❖ ATM Services:
 - ❖ Automated Teller Machines available 24/7
 - ❖ Functions: Cash withdrawal, deposit, balance inquiry, mini-statement, fund transfer
- ❖ Debit Cards:
 - ❖ Plastic/electronic cards linked directly to checking or savings accounts
 - ❖ Used for purchases (in-store, online), cash withdrawal
 - ❖ Security via chip-and-PIN, transaction alerts
 - ❖ Benefits: Anytime cash access, convenience, wide acceptance.

Phone Banking

- ❖ Perform transactions via landline or mobile phone
- ❖ Common services:
 - ❖ Balance inquiry, recent transactions
 - ❖ Fund transfer
 - ❖ Cheque book or card requests
 - ❖ Account/product information updates
- ❖ Advantages: No internet needed, accessible from basic phones, 24/7 service.

SMS Banking

- ❖ Uses SMS/text messages for banking queries and alerts.
- ❖ Examples:
 - ❖ Balance inquiry: “BAL <Account No>” to a special number
 - ❖ Mini statement request, last transactions, cheque status
- ❖ SMS Alerts:
 - ❖ Instant notification for deposits, withdrawals, account login attempts, large transactions
- ❖ Secure but users should be aware of phishing/SMS scams.

Electronic Alerts

Automated alerts via SMS or email notify customers of:

- Large/suspicious transactions
- Salary credits or major deposits
- Low balance warnings
- Bill payment due dates

Helps customers monitor accounts and detect issues quickly.



Mobile Banking

- ❖ Access account via dedicated mobile banking apps (Android, IOS).
- ❖ Services:
 - ❖ Check balances, transfer funds, pay utility bills, mobile recharge
 - ❖ Apply for loans, open new accounts
 - ❖ Digital wallets and QR-code-based payments
- ❖ Advanced features:
 - ❖ Biometric authentication (fingerprint, face ID)
 - ❖ Cardless ATM withdrawal
- ❖ Increasingly important as mobile usage surges.

Security in Electronic Banking

- ❖ Digital banking increases exposure to cyber risks; banks employ robust security:
 - ❖ Encryption: Protects data during transmission
 - ❖ Multi-factor Authentication (MFA): Something you know (password), have (phone), or are (biometric)
 - ❖ SSL/TLS: Secure channel between user and bank server
 - ❖ Automatic log-off after periods of inactivity
 - ❖ Real-time monitoring: Detects suspicious activity/fraud attempts
- ❖ Customer responsibility:
 - ❖ Never share passwords/OTP, regularly monitor accounts, update contact info.

Benefits of Electronic Banking

- ❖ Convenience and accessibility
- ❖ Time and cost savings
- ❖ Fast and real-time transactions
- ❖ Global reach
- ❖ Reduced use of cash
- ❖ Easy record keeping
- ❖ Enhanced financial control for customers.

Limitations and Risks

- ❖ Cybersecurity threats: Phishing, malware, hacking
- ❖ Technical issues: Outages, slow connectivity
- ❖ Digital literacy: Not suitable for all demographics (some customers prefer face-to-face support)
- ❖ Privacy concerns and data breaches.

Trends in E-Banking

- ❖ Mobile-first approach: Most banking now via smartphones
- ❖ AI and automation: Chatbots for customer service, AI-driven fraud monitoring
- ❖ Integration with e-commerce: Seamless checkout/payment within shopping apps/websites
- ❖ Rise of neobanks/digital-only banks.

Case Examples

- ❖ Paying university tuition online using e-banking
- ❖ Setting up recurring utility bill payments
- ❖ Using SMS banking for instant account alerts
- ❖ Mobile app for transferring funds to friends/family.

Conclusion

- ❖ Electronic banking is central to the evolution and success of e-commerce.
- ❖ Offers convenient, secure, and flexible ways to manage and move money.
- ❖ Adoption continues to grow globally and shapes the future of commerce.

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Q&A

ANY QUESTIONS?

Thank you

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