

Electronic or Internet Banking: Presence and Trends

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Competition and changes in technology and lifestyle have changed the face of banking. With the traditional branch based business on the decline, banks are now seeking for alternative ways to provide and differentiate their services. Customers, both corporate and retail, are no longer willing to queue in banks, or wait on phones, for the most basic of services. They demand and expect to be able to transact their financial dealings where and when they wish. With the number of computers and smart phones increasing every year, the electronic delivery of bank services is becoming the ideal way for banks to meet their clients' expectations.

For many people, electronic banking means 24-hour access to cash through an automated teller machine (ATM) or Direct Deposit of pay checks into checking or savings accounts. But electronic banking involves many different types of transactions, rights, responsibilities — and sometimes, fees. Electronic banking services are a range of banking and other services or facilities that use electronic equipment and include online banking, ATM and debit card services, phone banking, SMS banking, electronic alert, mobile banking, fund transfer services, Point of sales banking, E-statements and other e-commerce or value added services.

Around half (51%) of adult Europeans use internet banking. This share is constantly increasing and has doubled since 2007, when it stood at 25%. Internet banking is particularly popular among 25 to 34 year olds, with 68% using this facility. The use of internet banking tends to increase in line with the education level of the user. While only 24% of those with low education use e-banking, 77% of those with high education use this service. Among EU Member States, internet banking is most common in Denmark (where 90% of people aged 16 to 74 said they were using it) and the Netherlands (89%), followed by the other Nordic countries - Finland (87%) and Sweden (86%). The lowest shares were registered in Bulgaria (5%) and Romania (7%). Less than 30% of those between the ages of 16 and 74 use internet banking in Greece (25%) and Cyprus (28%). <https://ec.europa.eu/eurostat/web/products-eurostat-news/-/DDN-20180115-1>

In the paper, we firstly discuss the history and the presence of e-banking mainly in EU countries and how the ICT development and achievements influenced it later what are the trends and expected changes in electronic banking and what kind of new services will banks offer to their clients and customers.

Keywords: electronic banking, internet banking, EU countries, ICT, trends