

INTERNET THEORY BANKING IN SYSTEM BANKING

Gentiana Gjino

PhD Candidate, European University of Tirana, Republic of Albania

ABSTRACT

New technologies are changing the way of functioning of the society and its various components: the only person to multinational companies. We are facing a complete change of paradigm not of a vertical type, which belongs to a single sector, but the indirect type. If the first case is essential to jump on the train of the new technology, in the case of indirect paradigm that is obvious and inevitable, and this is happening in these years. Initially it appeared that computer technology would be only a support to the way of living and working in industrial societies, rather than a changing factor. For many years it was thought that technology was only a useful tool to support traditional work, not understanding that represented a great opportunity expansion. After 90 years we witnessed major changes in production processes and techniques of human resources management, finance that would designate a "new paradigm" a new development model based on rules change from traditional, so-called "new economy". There should be surprised that in such a situation can be found banks to weak, but the time to recover is the package and exactly in this time must plan strategies that will define the future, "Customer oriented". The real cause of this reversal may be summed up in one letter: "E", i.e. Electronic.

METHODS AND METHODOLOGY

The study will use data from 2000 - 2011. These data will be taken from banks in Albania as well as Experience from Europe and beyond. It will analyze the problems of the banking system in Albania and successful cases in the world market. Will examine all types of banks ranging from traditional "brick and medicine" by continuing with the virtual banks and ending with banks -Brick to click "or -tulle and click".

It will be analyzed importance investment by banks in technology and the importance of creating competitive advantage through new technology, which are the channels you should use alterative banks and their advantages, virtual banks and their advantages in global finances, the importance of intimated and processing information, new strategies Cost leader "or -different". And its entirety this study will be qualitative.

The theory of innovation in banking systems

Electronic business - usually referred to as "e Business" or "e-business" activity can define who use information and information technologies (ICT) to support all business activities. The prefix 'e' electronic means. E-business is the term to describe businesses that operate on the Internet, or using Internet technologies to improve productivity or profitability of the business. E-business is significantly changes the economic structure, market and industry, market values, products and services and their turnover, customer profiling, customer behavior, labor market (Ilir Doci, 2009).

A term the "truncated" The definition of e-business E-business is used to describe businesses that operate on the Internet or use Internet technologies to enhance productivity or profitability of the business. Electronic business is the business that uses the computer as a

key element of its activities. Although this definition is exceeded, e-business (Ebonded increasingly too many authors of this field is referred to as Internet business. The most common implementation of e-business as additional activity, but over time becomes more and more as the primary activity.

ICT (information's and Communications Technology - Information Technology and Communication); It is a term that means all technologies for the manipulation and communication of information. Although it is assumed that ICT is synonymous with IT - Information Technology - Information Technology, ICT in fact encompasses all media and components that include a very wide ramification. These media or branches are:

- Maintain records - magnetic discs, magnetic tapes, optical disks, flash memories, etc.,
- Notes on paper;
- Transmission of information technologies - radio, television, and communications technologies through sound and pictures - microphones, cameras, phones, mobile phones. Satellite transmission technologies of information.
- Varieties of computer hardware (PCs, servers, routers)
- Rapid market development of personal electronic devices such as communication - cell phones, iPod, iPhone, MP3 player, etc. (Iilir Doci, 2009)
- A large variety of software application - from small tables developed packages personally to large companies and services "online software".
- Communications network operations and transmission of information, ranging from domestic network to large private networks operated by major commercial companies and ultimately to a leading global Internet network. In this group also includes wireless communication systems - wireless. Also this includes domestic private networks such as Intranet or large private networks such as Extranet. (Iilir Doci, 2009)

Relationship between e-business and ICT is integral. E-business cannot exist without ICT. One other definition of e-business (Ebonded is: E-business is the replacement of transactions based on the use of paper, human intermediaries, or transactions based on phone transactions through electronic networks. (Iilir Doci, 2009)

Implementation of ICT Infrastructure

ICT infrastructure bank presents all work tools through which banks enable electronic presence in the market. These tools are mostly hardware and software equipment of information technology or telecommunications. I have mentioned in the chapter of ICT media, but here we would refer specifically to banks and financial institutions. The importance of good strategic planning of ICT infrastructure is critical to a successful business of the bank. ICT Infrastructure components of the banks are (Iilir Doci, 2009):

- Servers - financial systems servers, web servers, email servers, servers and data storage (backup servers), etc.
- Computers - terminals, routers, switch equipment, etc.
- Computer networks within buildings banks (LAN)
- Computer and telecommunication networks between the central unit of the bank and its subsidiaries or branches of the bank;
- Equipment of payments and electronic transactions - ATM, POS;
- Financial software, monitoring software, ERP;
- Connection to the Internet;

- Web site and e-banking;

Also, as an important element of the strategy of ICT Infrastructure planning is ICT security system that will discuss more in the following chapters. In the chart below gives an ICT system infrastructure bank. In this scheme, the meaning of words is:

PSTN- Public Switched Telephone Network - The network of the national system / international telephone (Post and Telecom) which makes analog voice transmission.
ISDN - Integrated Services Digital Network - International Standard communication for the transmission of voice, video and data over digital telephone lines or normal telephone cables.

TCP / IP - the transmission of data

LAN - Local Area Network - Local Network.

WAN - Wide Area Network - wide network of computers

HDLC - High Level Data Link Control, protocol data transmission, which enables the devices to control the flow of data and correct any mistakes. ISO standard is adopted on the standard Synchronous Data Link Control (SDLC) proposed by IBM.

ATM - Automatic Teller Machine - known to us as ATM, is telecommunication computerized device that offers customers financial institutions access to financial transactions in public spaces without the need for contact with the employees of that institution. In modern ATMs, the customer is identified after the introduction of the card (monetary), which contains a unique number. Authorization will be granted after that press customer personal identification number (PIN) (Iilir Doci, 2009). Terminals - Every computer connected to the serial connection, mainly support UNIX Operating System or Windows, with limited functions and uses no use programs only bank dedicated software.

POS - Point of sales - represents a place of payment in a shop, which is called POS terminal device that enables transaction or payment by card in person supervision seller. This enables the terminal at the same time invoice printing (Iilir Doci, 2009). New ICT systems of banks must meet three main requirements:

- The last schedule of services - infrastructure needs to support 24-hour operation, 365 days a year. Additional support should be provided due to the growing use of ATM (ATM) and Internet usage.

- Replacement of windows of banks with online computer terminals, and information system built a broad network of bank computer

- Increase the speed of the network to support and cope with the large volume of data in circulation. Also it is important to install new technologies of communication and connections which are used at the same time fast and efficient. (Iilir Doci, 2009)

Online Banking

Online Banking - Interaction with technology and consumer value dynamics in the banking industry. We all have heard of the online banking, but not all of us have used it himself. People continue to pay phone bills, electricity and water, the respective counters and continue to withdraw or deposit money in person at bank counters (Ervin Myftaraj, 2014). It happens to see on the Internet, different interests that banks offer on deposits, commissions that they hold for the account or conditions to be met to get a loan. However, when it comes to decide

to act, feel better and more confident when we are within the walls of a bank, in front of a natural person, which in turn illustrates our services and advises us that in his opinion, is more appropriate for us. Using online banking does not mean to change the habits of using the money, but, with the help of information and communication technologies, overcoming possible schedules, loss of time and bureaucratic aspects of traditional banking to manage personal finances quickly and more efficiently. (Ervin Myftaraj, 2014)

A good part of commercial banks offer various forms of online banking, otherwise known as internet banking or electronic banking (e-banking). The challenge of this industry is the design of this new channel for the provision of banking services in a simple and reliable to be used by customers. After all, banks have generations who strive to earn the trust of clients and cannot risk everything with a confusing site, tedious and, above all, not sure. Banks all over the world and most of the banks in Albania, already offer an online service, called e-banking. E-Banking allows customers to perform a variety of transactions online, without having to go to the bank. All banks are present on the Internet with a site of their own, which provides general information on the bank and the services it provides. However, online banking goes a step further as via the Internet, allowing customers to enter their accounts online 24 hours a day, 7 days a week, directly from their homes or offices and to carry out banking operations that want. (Ervin Myftaraj, 2014)

Internet Banking

Since their beginnings, banks serve to keep our money safe. While preserving our money, they allow us to take the interest on the money deposited. Traditional banks have been doing this for centuries now, and our days banks are continuing in the same direction, offering traditional services and new services in different ways (Klodiana Gorica, Ermelinda, researchgate.net). The spread of information technologies and communications, increased use of personal computers, facilitating Internet connectivity, as well as wide spread of mobile phones, they have attracted the attention of banks towards the possibility of internet banking. Another reason that made handy use of this channel was the need to minimize costs and simultaneously increase the efficiency of banking services. In this way, banks used the main characteristic of the Internet, interoperability, developing the structure of banking service delivery to meet the growing needs of their clients and at the same time, to increase their income.

Internet banking has a few years in circulation. Initially, he was introduced in the '80s, however, only in the mid-90s was widely spread and has since advanced. Over the last decade, electronic banking transactions have grown enormous. Internet banking (e-banking) can define a distance services, offered through electronic channels of distribution and communication, products and new services and traditional banking. However, it should be noted that internet banking at least in its current stage does not attempt to replace traditional channels of distribution of banking products. He stands with a set of channels, ranging from traditional ones (like counters subsidiaries) to the automatic (as ATMs, POS), in the framework of the meeting and to strengthen client-bank report to realize the so-called strategy refers multi-channel several different types of services through which customers of the bank can seek information and apply retail banking services via computer, television or mobile phone (Klodiana Gorica, Ermelinda, researchgate.net). The advantages and benefits of Internet Banking; Internet banking fulfills many functions in the relationship between the bank and its clients. Besides the presentation and knowledge of the banking institution, and its initiatives, this service offers benefits such as:

- Convenience: unlike bank counters, websites shut banks do not, they are open 24 hours a day, 7 days a week. It is not necessary to lose time waiting in line, since banks are now only a click away.
- Anywhere: if you are away from your city or even abroad, you can connect instantly to the bank and your account and take care of personal finances.
- Speed of transactions, often realize and confirm accounts online banking transactions faster than ATM-machines.
- Efficiency: you can enter and manage all your accounts, including deposits, pension funds, securities, etc., and all this from a single web page.
- Efficiency: a large part of the banks offer on their web sites, sophisticated instruments, alarms or management programs to help you manage all your assets more efficiently. Another advantage of online banking is cost control and reduction. Thousands clients can use this service at the same time, without the help of cashiers and clerks bank. In thus, reduced administrative work and with the costs of paper, various forms or letters, which brings a significant rise the bank's profit margin and, consequently, the reduction of the tariffs that banks apply to their customers?

Such a service has a special importance for people with disabilities, who can enter their own accounts online and perform desired operations directly from their home without having to physically go to the bank or charge a third person with personal finance management. Online window is not just a service or saving more time, for this category of people. It guarantees them something very important to them, after giving emancipation and restores dignity, allowing operating independently and maintaining their confidentiality (Klodiana Gorica, Ermelinda, researchgate.net).

Costs and shortcomings of Internet banking; although internet banking provides more convenience, speed and efficiency, adoption and its use should be well thought out. Regarding banks, the choice of online brings to them than past costs related considerably. Costs largest investment in technology. At first, these costs go towards the purchase and installation of hardware and software systems; secondly to reorganize the internal structure, personnel hiring Informaticien, for security and for integration with internal systems unfortunately informative. For costs do not end here. Technology moves very fast steps to pursue its own pace, and to maintain and improve the quality of service delivery, needs constant technology updates. Also to consider the costs for systems maintenance, repairs possible defects, technical assistance and Internet connection. As regards customers, the fixed costs they have to cover are the first ones to hardware and software device (computer, modem and software needed). On the other hand, the costs for using the service include technological costs (in case of hardware malfunction or software), the costs for connecting to the Internet and depending on the specific conditions of each bank, monthly subscription fees and commissions for banking operations performed. In the event that you do not use this technology and you will need to register and to follow a computer course, of course, these are other costs. Besides the costs to be covered, there are some flaws or disadvantages:

- the beginning of the service may take some time: to enroll in the program online to your bank, you may need to appear in person at the bank, fill out a form and wait until you assigned username (user name) and password (password). (Klodiana Gorica, Ermelinda, researchgate.net)
- Learning curve: at first, bank websites may look complicated to navigate. Plan to spend a little time to read various instructions and to learn how it works and what it offers your bank's online service.

- Technical problems: if for different problems you cannot achieve with the Internet connection, you will not be able to log into your online account to perform actions for which you need. Also, internet banking may be slow if you are using a 56k modem of (Klodiana Gorica, Ermelinda, and researchgate.net).
- cannot deposit or withdraw money, through internet banking, you cannot deposit cash into your account or checks. However, you will need to go to bank. And to withdraw cash, you will need to appear in your bank teller or ATM to the closest. (Klodiana Gorica, Ermelinda, researchgate.net)

CONCLUSIONS

The Internet can communicate with anyone and from anywhere, you can read, can culture (or if you're foolish), can be informed, you can buy and sell goods and services, can pay the household bills Business, pay and get paid, can publish, listen to music, to see concerts and movies, you can make professional training school by correspondence, and other endless other everyday things of life of every one of us. The greatest progress in this new world of information technology (IT) has become since the late 1980s onwards. No progress can be thought of in the world today, the computer connected to the world of IT. During 2012, over 425 million people had access to online banking services. This figure represents about 28% of Internet users. In the first place to obtain this service ranks America, while Europe ranked second with around 35% penetration, followed by Latin America with 25%. But let's look at some facts and figures to show the trend of this service more and more demanding and accessible:

- 36% Of US consumers are willing to open an account in a bank that is completely virtual if it offers better service and safer, versus about 60% of global consumers seeking a personalized service.
- 70% Of American consumers are satisfied with the growth of virtual communication to banks.
- 73.5% of consumers use online system for paying bills while a third of Americans use mobile residents to pay bills.
- 76% Of French Internet users perform online banking operations.
- 88% Of Internet users in Sweden carry out banking transactions online.
- 59% of Internet users worldwide online controls the balance of bank accounts.
- 61% of bank customers in the UK pay their bills online.
- ING is a leader of online banking portal in Europe with 11.2 million users,
- The Dutch and the French are the biggest users of online banking Regulation in Europe.
- France Is the largest market of online banking Regulation in Europe, with 25.8 million users.
- 87% of Internet users in Germany use online banking services.

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