Banking on e-banking

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Online banking is a relatively new concept in Bangladesh. Like any new technology, along with the potential, it brings with it a rush of questions relating to its design, acceptability and potential risks.

In the global banking scenario, cheques are passé now, and new methods of e-banking are widely welcomed. If Bangladesh's banks are to stay within the competition, they will have to move fast and initiate efforts to build the foundations for a good e-banking system.

In the system of e-banking, funds are transferred through an exchange of electronic signals between financial institutions, rather than exchange of cash, cheques or other negotiable instruments. With the expansion of global information and communication technology (ICT) infrastructure and internet, e-banking is set to play a pivotal role in the national economy.

Newer modes of electronic transactions are being introduced rapidly, from ATMs, telephone banking, PC banking to internet banking. Developing alternative distribution channels is important in terms of reducing costs and improving competitiveness. It also increases the financial institutions' ability to retain and expand their existing customer base. The common factors associated with e-banking are ease of use, transaction security, convenience and speed.

Currently, online banking provides five basic services worldwide. It allows the users to view their account balance and transaction history, pay bills, transfer funds between accounts, request credit card advance and order cheques. Some banks also allow services such as stockmarket transactions, and the submission of standardised accounting payment files for bank transfer, to third parties.

As technology evolves, different kinds of electronic banking system emerge, each bringing a new dimension to the interaction between the user and the bank. The ATM was the first well-known system that was introduced to facilitate the access of the user to his/her banking activities.

Currently, the banks are considering online banking as a powerful "value added" tool to attract and retain new customers, while helping to eliminate costly paper handling and teller interactions in an increasingly competitive banking environment.

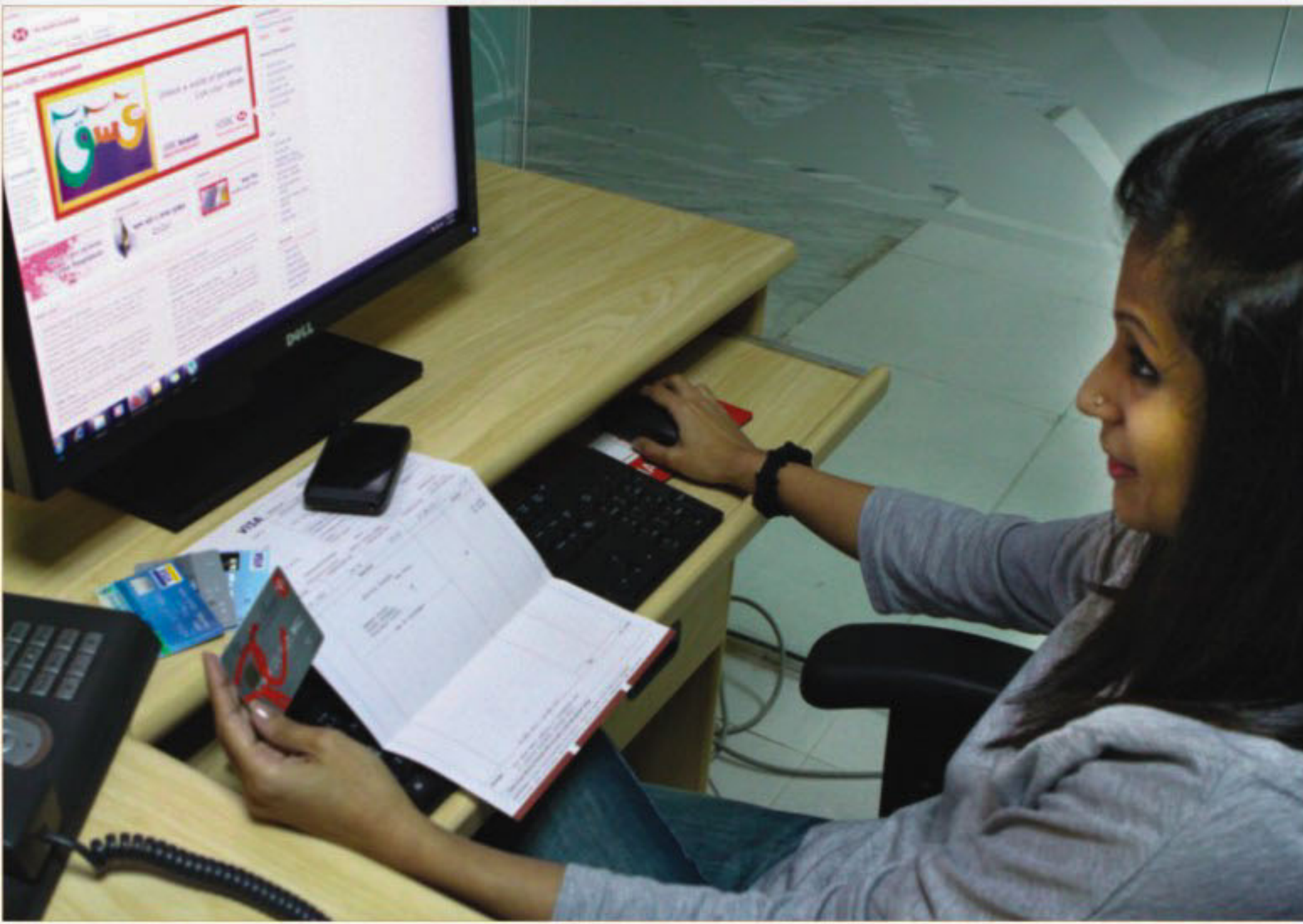E-banking is now a global phenomenon. Apart from the developed world, the developing countries are also experiencing strong growth in such transactions.

The government's emphasis on building a digital Bangladesh, setting up an ICT park, raising allocation for developing ICT infrastructure, waiving taxes on computer peripherals and other measures, including the automation program of the banking sector have brightened the prospects of e-banking.

Bangladesh Railway owns a high-speed optical fibre network (1,800 km) parallel to the railway lines that cover most of the important parts of the country. This optical fibre network can be used as the backbone network of e-banking in Bangladesh. Some banks are already using this network for conducting online transactions, ATM and POS services.

Proper software, infrastructure and manpower are important for the implementation of e-banking.

Internet penetration is a key factor for the growth of e-banking. The takeoff phase of internet banking needs at least 30 percent internet usage among the population. Moreover, the government may provide subsidy for surfing cost, organise training and widen multiple access facilities like web, telephone, ATM, etc.

Moreover, adequate legal framework and security are essential.

Mobile banking is a prospective area for two reasons: it covers almost all activities involved in retail banking; and mobile phone network has already been spread all over the country covering more than 30 million people.

Because of convenience, a sizeable share of the unbanked people can be brought under the network, especially in the rural areas. In this context, it is important to formulate relevant acts, policies, and adopt guidelines.

Although e-banking has bright prospects, it involves financial risks as well. The major risks will come from operation (security risks, system design, implementation and maintenance risks), customers' misuse of products and services, legal issues, strategy, reputation, credit, market and liquidity.

Bangladesh is now lagging behind in acquiring the required quality of banking services to effectively compete in the global market. Therefore, the banking system needs upgradation for which urgent measures are needed for the rapid expansion of e-banking.

Notebook craze continues
Qubee fair ends today

ADIL MAHMOOD

It's been three years since the inception of laptop fair, yet its appeal still remains unchanged among the city dwellers.

Like Sharmili, a seventh grader who had come to visit the three-day laptop exhibit styled 'Qubee laptop fair 2011' that kicked off Wednesday, with her father, wanted to buy a netbook with all her savings, approximately Tk 25,000!

"All my friends in the school have one, so I should also have one for myself"!, said Sharmili.
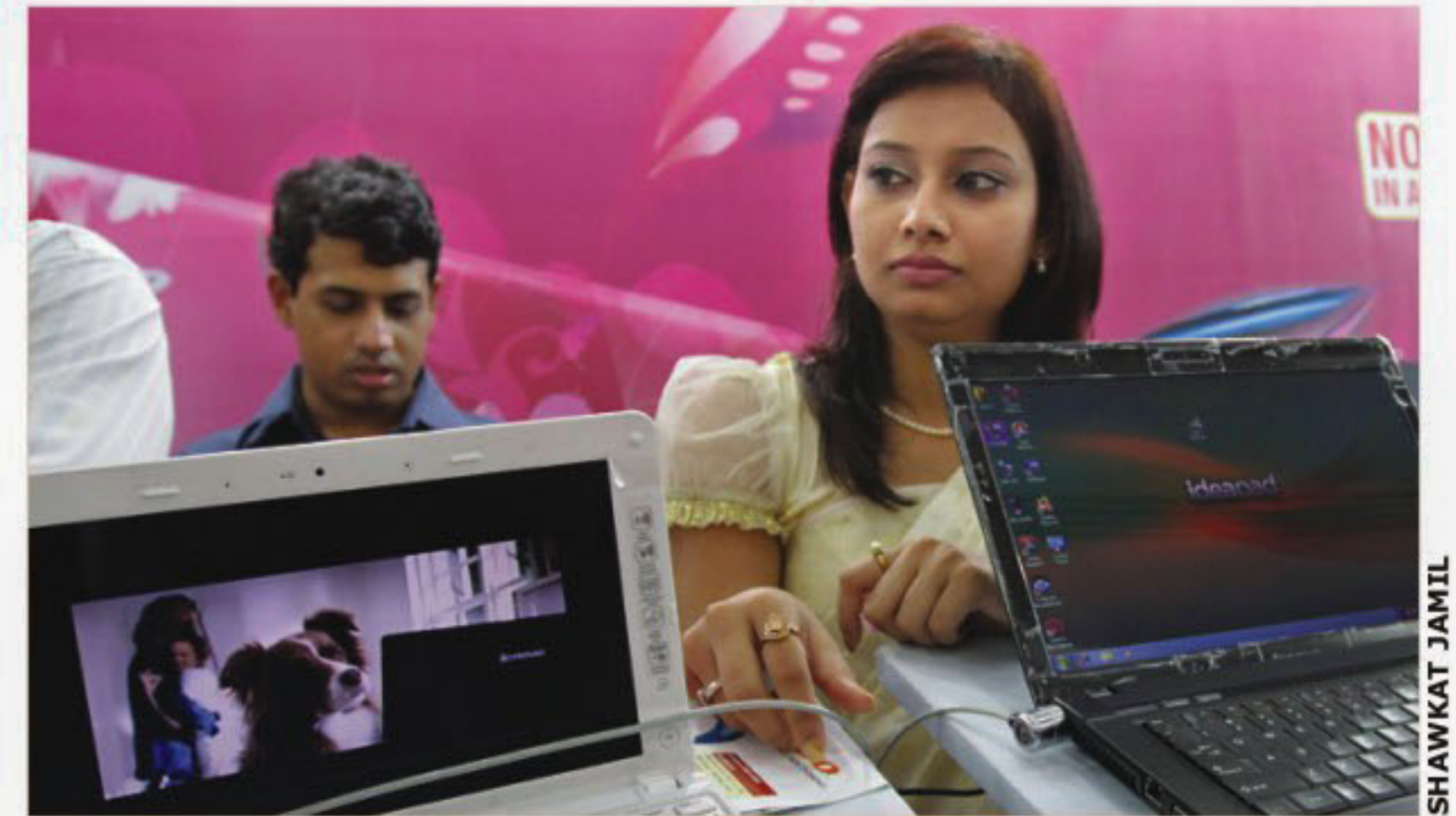
Though her dad did not seem to be much happy about buying a netbook as she already got a desktop computer in her possession, but he had to admit to this reporter that trend is the last word for the kids of her

SHAWKAT JAMIL

daughter's age and generation as well!!

The on-going exhibit is the 4th edition of this kind in Dhaka. The port city Chittagong experienced three fairs as well in the last three years.

Total 21 stalls and 18 pavilions housed in the fair and it would remain open from 10:00am to 8:00pm.

All the known brands like Samsung, Asus, HP, Gateway, Lenovo, Haier, Dell, Fujitsu, Prolink, Apple, Acer, MSI, Sony, Compaq, Flora PC, Gigabyte were there but visitors seemed taking more interest on the top of the lines HP, Dell, Apple, Sony and Toshiba.

When asked, business manager of distribution sales (Apple) Shamsul Abedin said: "It's not about money anymore. People seek quality as well. We also bring trendy products and

that attracts the youngsters too".

However, Md Azharul Islam, executive of corporate sales (HP) of Smart Technologies Ltd disagrees with Sahmsul's comment and he rather emphasized on price competitiveness of the laptop manufacturers and price sensitivity of the potential customers as well.

"We know fashion is important, but our sales rate did not go up only concentrating on this lone factor. Carefully surveyed market demand, consumers' buying ability and on the top of all, quality assurance helped us to set the standard that we have", said Azharul.

Every year, the issue of price ceiling differentiation of the last day from the first day raised a lot of question in customers' minds. It was seen that those who bought a laptop on the first two days had to pay a bit more than the one who bought a products at the last moment. Allegations roll like the participating companies in the exhibit want to raise their sales figure with the discounts at the last moment.

Denying the allegation, Rakibuzzaman Talukder, assistant manager, corporate sales (Acer) of Executive Technologies Ltd said the stunt pulled off as the organisers do not want any laptop-seekers go back empty handed at the last moment.

Today is the last day of this year's laptop extravaganza. The entry fee is Tk 20 and the venue is Hotel Sheraton.

Don't miss it, guys!!

Microsoft Windows vulnerable to new type of attack

REUTERS, Boston

Some versions of Microsoft Corp's Windows operating system are vulnerable to attack from hackers exploiting a flaw in the software that could allow them to remotely take control of a personal computer.

The software giant warned of the problem on Tuesday in a special alert. It said it has yet to develop software to plug the hole in Windows or to figure out a workaround to the

problem.

Microsoft said it is not aware of any attacks that tried to use the vulnerability, which involves the way Windows renders graphics on versions of Windows XP, Windows Vista, Windows Server 2003 and Windows Server 2008.

The problem does not affect Microsoft's most-recent PC operating system, Windows 7, and its newest operating system for servers, Windows Server 2008 R2.

Starz launching Spartacus on Facebook

REUTERS, New York

"Spartacus" is coming to Facebook, becoming one of the first major TV properties to get a social game.

"Spartacus: Gods of the Arena" will test-launch on Thursday to the first 10,000 fans who register on Facebook. The full public launch is set for January 20, the day before the namesake "Spartacus" prequel premieres on Starz.

Social media gaming publisher 6waves -- which, with more than 75 million monthly active users, is one of the largest players in the space -- will help Starz launch the game.

Starz hopes the game will engage existing fans -- it already has 750,000 members on the "Spartacus" Facebook page -- and reach new ones, as well as make money via the sale of virtual goods inside the game.

In a similar recent play, CBS and Ubisoft launched social game "CSI: Crime City" in October. It had more than 1.9 million monthly users as of Monday.

TECHPHOTO
Engkey

This handout photo shows an English-teaching robot (R), "Engkey", standing in front of children at an elementary school in Daegu, 240 kms southeast of Seoul. Almost 30 robots have started teaching English to youngsters in a South Korean city, in a pilot project designed to nurture the nascent robot industry.

PHOTO: AFP / HO / DAEGU METROPOLITAN OFFICE OF EDUCATION

Firefox takes top browser spot in Europe

REUTERS, Helsinki

Mozilla's Firefox browser has overtaken Microsoft's Internet Explorer as the leader in Europe, the first time Microsoft's browser has lost its top spot in a major market, a web analytics firm StatCounter said.

In December, the open-source Firefox took 38.1 percent of European market share, while Internet Explorer's share slipped to 37.5 percent. Google Chrome saw its share rising to 14.6 percent from just 5.1 percent a year earlier.

"This appears to be happening because Google's Chrome is stealing share from Internet Explorer while Firefox is mainly maintaining its existing share," Aodhan Cullen, StatCounter chief executive, said in a statement.

"We are probably seeing the impact of the agreement between European Commission competition authorities and Microsoft, to offer EU users a choice and menu of browsers from March last year,"

Cullen said.

In December 2009, European Union regulators accepted Microsoft's pledge to give consumers better access to rival browsers, ending a long antitrust dispute.

Since the beginning of March, Microsoft offered Europeans the option to choose from among 12 browsers on the more than 100 million old and new PCs that use its Windows software.