RECENT TREND IN CHANGES BANKING SECTOR SYSTEM OF INDIA AND IT'S DEVELOPED IN ADOPTING TECHNOLOGY

Vitthal Santosh Rathod
Research Scholar, Pratibha Niketan Mahavidhalaya Nanded.
vitthalr25@gmail.com

Abstract
Today the banking industry is stronger and capable of withstanding the pressures of competition. Internationally accepted prudential norms have been adopted, with higher disclosures and transparency, Indian banking industry is gradually moving towards adopting the best practices in accounting, corporate governance and risk management. The paper examines the new trends in the banking sector in India. The various opportunities for banking sector have also been discussed. The paper also discusses the Information Technology (IT) with regards to banking sector, as it plays an important role in the banking sector. Further, the future prospects of banking sector have been stressed upon.
Keywords: *IT, Banking*

Introduction

In the recent past, the banking industry in India has undergone a major change because of disintermediation, deregulation, liberalization, globalization, financial sophistication, technological development, densification in the product and services. Out of these, deregulation, technological innovation and changes the globalization are significantly affecting the banking services.

Due to liberalization deregulation, bank and finance institutions are free to choose their segment, product/service and customer. Ssimilarly, customers will also free to choose product/services from alternative sources. This will lead to increase competition and more risk for effectively dealing with for which banks/financial institutions have to be highly innovation.

Modern changes in the banks system have to be well-versed in information technology its users and applications. Information technology (IT) has wide ramification for the entire gamut of issues concerning the banking sector. The growing internationalization of banking operation necessitates flexibility in financial policies to raise and sustain economic growth. In this context, the switchover from manual operations to reliable and time saving operations has to be rendered possible through appropriate application of IT.

Objectives of the Study

1. To Know the Recent Trend Changes in Banking Sector.
2. To Study Banking System in India.
3. To highlight various challenges faced by banks in the changing scenario.
4. To know the new technology in banking system.
5. To Study of developed in Adopting Technology.
6. To Find strategy of technology system.

Research Methodology

The present study employs a descriptive and analytical research methodology to examine the technological transformation of the Indian banking sector. The methodology is designed to systematically investigate the adoption of modern technologies such as digital banking, mobile banking, internet banking, artificial intelligence, blockchain, cloud computing, fintech solutions, and digital payment systems, and their influence on banking operations, customer services, financial inclusion, and institutional performance.

A descriptive research design is adopted to describe recent technological developments and changing trends in the Indian banking system, while an analytical approach is used to evaluate the effectiveness, benefits, challenges, and overall impact of technology adoption on banking performance.

New Banking Technologies

New technology in banking is already transforming the financial sector, and the traditional banking landscape is set to rapidly change in the next five years. Safety features, such as advanced cryptography and biometrics, will help protect against bank scams, and remote applications will make it easier than ever to do your banking without visiting a branch — but if you do, the experience is likely to be much more customer-friendly. Here's a look at the how banking technology will change data sharing and the way your money is handled.

1. Block chain Technology

Block chain technology is set to fundamentally transform banking and financial services. It decentralizes financial management from a central authority to a widespread network of computers. Financial transactions are broken down into encrypted packets, or “blocks,” which are then added to the “chain” of computer code and encrypted for enhanced cyber security — it’s been compared to “email for money” by block chain startup CEO Blythe Masters. Because the technology has the potential to improve numerous facets of banking — and is the basis for other banking technology trends like bitcoin — it’s no longer a question of if block chain will change the banking industry, but when, according to the Wharton School of the University of Pennsylvania.

2. Upgraded ATMs

ATMs transformed the bank tech system when they were first introduced in 1967. The next revolution in ATMs is likely to involve contactless payments. Much like Apple Pay or Google Wallet, soon you’ll be able to conduct contactless ATM transactions using a Smartphone.

Some ATM innovations are already available overseas. For example, biometric authentication is already used in India, and iris recognition is in place at Qatar National Bank ATMs. These technologies can help overall bank security by protecting against ATM hacks. It might take some time to see ATM upgrades in the U.S. financial system because of the strict regulations governing North American banks, according to Biometric, which is a leading global provider of biometric security systems.

3. Proliferation of Non-Banks

Banks are hoping that technology will allow them to deliver a faster, more transparent experience to consumers. A large portion of their resources, however, is necessarily dedicated to security, compliance and other industry-specific requirements, which has allowed non-banks — or financial service providers that are not regulated by the banking industry — to flourish, according to a 2016 report from market intelligence firm Greenwich Associates. Since these companies can devote a greater percentage of their assets to cutting-edge financial technology, they might be able to innovate more rapidly than traditional banks, attracting tech-savvy customers in the process.

4. Apple Store-Style Experience

The in-bank experience of the future might be more like shopping at an Apple store. Because so many people now can download user-friendly banking apps or easily find an ATM to handle basic banking transactions, the typical in-bank customer today is seeking help involving a personal interaction. Banks hoping to increase sales in the future are considering this transformation as a way for customers to engage more directly with the bank and its products, just like in an Apple store, directing customers to interact with tech kiosks for some transactions and reserving person-to-person interaction for answering questions or addressing needs unique to the individual consumer.

5. Automated Financial Services Employees

Vikram Pandit, who ran Citigroup Inc. during the financial crisis, said up to 30 percent of banking jobs could disappear within the next five years due to developments in technology, in a 2017 interview with Bloomberg television. Many employees of Wall Street’s largest firms already have to adapt or look for other positions due to the use of technologies such as machine learning and cloud computing, which automate their operations, according to Bloomberg.

6. Mobile and Digital Banking

The mobile and digital transformation in the banking system has only just begun and growth is already explosive. Banks are investing heavily in digital banking technology, in which customers use mobile, web or digital platforms to use banking services. Artificial intelligence solutions, such as chatbots, often assist customers in simple tasks such as making payments. In a Forbes survey on banking customer engagement from late 2016, 86 percent of banks indicated that these types of services represent their top technology investments.

7. Partnerships

Although banks can pour lots of money into technology, the fastest way to deliver financial innovation in the future is likely going to involve strategic partnerships. Fast-growing companies that already have new-wave fintech or social media platforms in place could make excellent partners for traditional banks seeking to enhance customer experience. Card-linked marketing company Cardlytics, which engages in data analytics, is partnering with several financial institutions like Bank of America to leverage secure purchase data in order to tailor marketing based on consumers’ card use.

Conclusion

The present research paper is given to the information technology has changes in the banking system. It is expected that banks and financial institutions should continue experimenting with new technology and electronic information-based services. Today’s banking is adopting technology banks would spend lesser time on back-office work and can therefore focus their attention on marketing and cross selling.

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