



A STUDY ON MODERN BANKING SERVICES AVAILABLE TO THE PEOPLE.

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Abstract:

The tremendous advancement in information technology and communication there is a rapid change in banking sector. E-banking has come up with various banking services which allowed customer to transact their account from anywhere and anytime using internet. The objective of the study is to observe the trend and growth of the modern banking services in India. The study is based on the secondary data which is being collected from annual report of RBI and represented in tabulation form. From the study the research found that there is a tremendous growth in modern banking services.

KEY WORD: BANKING, SERVICES, GROWTH, TREND, TECHNOLGY, RESEARCH AND DEVELOPMENT.

INTRODUCTION:

The information technology has become one of the vital features in the banking sector. With the proliferation in information technology and communication there is a rapid change in the banking sector. Innovation in the banking sector has changed the whole financial system in the economy. Now a day's banks are pushed to develop new and innovative techniques and customer oriented service to maintain competition against competitor. E-banking is defined as automatic delivery of banking product and services which includes traditional and modern banking services through internet. Internet banking allows customer to transact their account from anywhere and anytime using internet and it also avoids waiting in queue for banking services as time factor is very important for the customers, so modern banking services offered by banks in an effective way satisfies customer. E-banking is less expensive and reduces transaction cost. Modern banking delivery channels includes ATM, Debit card, Credit card, POS, NEFT, RTGS, ECS, Mobile banking etc.[1-5] the study "MODERN BANKING SERVICES IN INDIA" is undertaken to know the growth in modern banking servers in India.

ELECTRONIC DELIVERY CHANNELS:**Automated Teller Machine (ATM):**

The Automated Teller Machine (ATM) is a machine which facilitates basic banking activities viz, withdrawal of money, depositing money and checking of ones own balances etc. ATM does most of the functions of cashier in the bank. ATM is operated by plastic card issued by the bank which is called as ATM Card, with it special features. This plastic ATM Card is replacing cheque, personal attendance of the customer, banking hours and bank holidays restriction and paper based verification.

Debit Card:

Debit card is also known as plastic card which is used for making payment while making purchase, money comes directly from the user's account when transaction is made. Debit cards usually also allow for instant withdrawal of cash, acting as an ATM card for withdrawing cash.

Credit Card:

A credit card is a payment card issued to users (cardholders) to enable the cardholder to pay a merchant for goods and services based on the cardholder's promise to the card issuer to pay them for the amounts so paid plus the other agreed charges.

Point of Sale (POS):

The point of sale (POS) or point of purchase (POP) is the time and place where a retail transaction is completed. At the point of sale, the merchant calculates the amount owed by the customer, indicates that amount, may prepare an invoice for the customer (which may be a cash register printout), and indicates the options for the customer to make payment. It is also the point at which a customer makes a payment to the merchant in exchange for goods or after provision of a service. After receiving payment, the merchant may issue a receipt for the transaction, which is usually printed but is increasingly being dispensed with or sent electronically.

Electronic Clearing Service (ECS):

ECS is an electronic mode of payment / receipt for transactions that are repetitive and periodic in nature. ECS is used by institutions for making bulk payment of amounts towards distribution of dividend, interest, salary, pension, etc., or for bulk collection of amounts towards telephone / electricity / water dues, cess / tax collections, loan instalment repayments, periodic investments in mutual funds, insurance premium etc. Essentially, ECS facilitates bulk transfer of monies from one bank account to many bank accounts or vice versa. ECS includes transactions processed under National Automated Clearing House (NACH) operated by National Payments Corporation of India (NPCI).

National Electronic Funds Transfer (NEFT):

NEFT is a facility enabling bank customers in India to transfer funds between any two complete details such as receiver name, bank account number, account type, city, branch name etc. should be furnished to the bank at the time of requesting such transfer so that the amount reaches beneficiary account.[5-9]

Real-time gross settlement (RTGS):

Real-time gross settlement are specialist funds transfer systems where the transfer of money or securities takes place from one bank to another on a "real time" and on a "gross" basis. Settlement in "real time" means a payment transaction is not subjected to any waiting period, with transactions being settled as soon as they are processed. "Gross settlement" means the transaction is settled on one-to-one basis without bundling or netting with any other transaction. "Settlement" means that once processed, payments are final and irrevocable.

Mobile banking:

Mobile banking is a service provided by a bank or other financial institution that allows its customers to conduct financial transactions remotely using a mobile device such as a Smartphone or tablet. Unlike the related internet banking it uses software, usually called an app, provided by the financial institution for the purpose. Mobile banking is usually available on a 24-hour basis. Some financial institutions have restrictions on which accounts may be accessed through mobile banking, as well as a limit on the amount that can be transacted.

OBJECTIVE OF THE STUDY:

1. To discuss modern banking services in India.
2. To observe trends in banking services.
3. To measure the growth of services provided in banking sector in India.

REREARECH METHODOLOGY:

This study is undertaken by researcher using the secondary data. The data used are published in annual report of RBI and various books and websites and the same has been presented in table and graphs.

VARIOUS ELECTRONIC BANKING DELIVERY CHANNELS

Electronic Channels		YEAR		Growth (%)
		2019	2020	
No. of ATM deployed	On-Site	1127444	1244981	10.4
	Off-Site	1105392	1174779	6.3
No. of POS deployed	Online	14039781	17590401	25.3
	Offline	4073	7237	77.7

Source: Annual Report of RBI

Electronic Channels		YEAR		Growth (%)
		2019-20	2020-21	
RTGS	Volume (millions)	98.3	107.8	9.7
	Value (billions)	824,578	981,904	19.1
ECS DR	Volume (millions)	224.8	8.8	-96.1
	Value (billions)	1,652	39	-97.6
ECS CR	Volume (millions)	39.0	10.1	-74.1
	Value (billions)	1,059	144	-86.4
NEFT	Volume (millions)	1,252.9	1,622.1	29.5
	Value (billions)	83,273	120,040	44.2
Credit cards	Volume (millions)	785.7	1,087.1	38.4
	Value (billions)	2,407	3,284	36.4
Debit cards	Volume (millions)	1,173.6	2,399.3	104.4
	Value (billions)	1,589	3,299	107.6
Mobile Banking	Volume (millions)	308.46	798.59	158.9
	Value (billions)	2862.57	10,288.9	259.4

Source: Annual Report of RBI

FINDINGS:

1. From the study we can infer that there is an increase in the number of ATM's deployed and an increase in the number of POS deployed in the year 2019-20 when compared to 2020-21.
2. Numbers of POS deployed are more than the number of ATM's deployed.
3. There is also an increase in value and volume of transaction in RTGS and NEFT.
4. There is a tremendous increase in the volume and value of transaction of debit card, credit card and mobile banking in the year
5. 2020-21 when compared to 2019-20, which shows that usage of e-banking has increased in recent trends of banking sector.
6. The study reveals that the banking sector has introduced various electronic channels which make transactions easier and same has been accepted by the customers.

SUGGESTIONS:

As per the study, we can say that the banking sector is introducing various electronic channels which also increase the size of customer base so for banking industry serving mass market of India is the biggest challenge. The better we understand our customer the better we will be successful in fulfilling the needs of the customers. Now a day's

customers need internet banking, mobile banking so consumer awareness should be created significantly higher as compared to previous years and also banks must cut their cost of their services.

CONCLUSION:

In the present scenario banking industry is re-defined and re-engineering with the use of information technology and it is sure that the future of banking will offer more services to the customers with the continuous innovation in the product and services. Thus there is a paradigm shift from the seller's market to the buyer's market in the industry and finally it affected at the bankers level to change their approach from conventional banking to convenience banking and mass banking to class banking. The shift has also increased the degree of accessibility of a common man.

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