

# NEW TECHNOLOGICAL CHANGES IN INDIAN BANKING SECTOR

<sup>1</sup> Dr. G. Vinayagamoorthi, <sup>2</sup> S. Josephin Arulmozhi

<sup>1</sup> Assistant professor, <sup>2</sup> Research scholar

<sup>1</sup> Department of Commerce,

<sup>1</sup> Alagappa University, Karaikudi

**Abstract:** The new money related year in India has seen a fuel development in the saving money area with the advancement of advancements like Unified Payments Interface (UPI), appropriation of cloud innovation... and so forth the Banking difficulties of changing needs and client's bits of knowledge, new directions and making more mechanical developments for clients in the banks. These days we have E-Banking framework alongside money notes. India's money related framework can make another instrument alongside liquidity and security. The Indian keeping money segment where presented Arrival of the card, presentation of Electronic Clearing Service (ECS) in 1990's, EFT, RTGS, NEFT, versatile saving money, web based managing an account are the different developments in saving money. This paper high points out the new mechanical changes in Indian saving money part.

**Index Terms - Indian Banking Sector, Challenges of Banking, New Technological Changes, Product and Services.**

## I. INTRODUCTION

Today Indian saving money Sector is a prospering Industry; it's chiefly centered around new Banking mechanical developments. Banks made to utilize innovation to give powerful quality and administrations to the client and get fast. In the ongoing situation has been changed, there are around 340 banks are working in India, in which are open and private banks. Today every one of the banks began with the distinctive channels, similar to ATM, Charge cards, Debit Cards, Mobile Banking, Internet Banking, and so forth. Be that as it may, Net Banking made it a simple route for clients to do their managing an account exchange from different spots. In 2020 India's managing an account area is a fifth biggest managing an account part and 2025 the saving money framework was a third biggest saving money segment on the planet. The Indian Banking System can't overlook the new mechanical difficulties and banks are additionally confronting extraordinary challenges, that the advancements approach and technique. This paper looks at with every one of the developments and new mechanical changes in the keeping money part.

## II MANAGING AN ACCOUNT TRANSFORMATION

1. Consolidation of Bank up 1961
2. Geographical and Functional Term 1966
3. Consolidation of Branches from mid-1980s to 1991 Innovation in Indian Banking

These days the Indian managing an account part has seen number changes. A large portion of the Banks started to take an inventive test towards keeping money with the targets, to make more clients, and thus to the banks. The administration aftereffect of directions, charge arrangements, globalization, progression, privatization to bring hazard up in the financial market. The monetary advancement being developed and plan the execution of creative money related process. the budgetary year inventive managing an account division are utilizing Internet Banking, Mobile Banking, Debit Card, Credit Card, Automatic teller machine, Fund Transfer, RTGS, NEFT, EFT, ECS, Advisory Services, Payment Utility bills, finance Transfer, Insurance Schemes, Check Books, Travel Checks and esteem included administrations. The present advanced age and hyper-associated condition expects banks to rethink their business consistently, and Indian banks are standing out with regards to changing from computerized to really computerized. The year 2017 will be the same for the Indian managing an account part; there will be development energized by creative activities, for example, Unified Payments Interface (UPI) and innovation. Our best picks for significant innovation inclines that will reshape Indian saving money are as per the following:

1. Open saving money - an associated biological community for budgetary and non-monetary administrations with numerous fundamental specialist organizations is the eventual fate of keeping money.
2. Banking procedure Banks are now making strides in cloud reception. Innovations are changing the substance of business—Big Data, square chain, man-made brainpower (AI), will be utilized utilizing distributed computing. Plans of action for combining banks will likewise be to a great extent driven by the procedure.
3. Block chain – the banks endeavor to meet the expanding requests of clients; square chain will be one of the empowering influences for rethinking forms. The present year 2017 will progressively move some undertaking, item and use square fasten to robotize between authoritative procedures. The new Emirates NBD and ICICI Bank Partnership to dispatch a square chain pilot arrange for global settlements and exchange back is progressing in this innovation.
4. Artificial Intelligence-can possibly change both front office and back office activities with its self-enhancing programs—at ICICI Bank. The banks will investigate the ideas to incorporate the conversational interface into their Omni channel system.

5. More things to bank - The year 2016 was the time of portable first methodology. Indian banks utilized the expanding appropriation of portable to give tweaked contributions on their applications.

6. Banking engineering disentanglement the new innovation is the bedrock of managing an account structural improvement. The New Year will see banks move to componentization rather than the conventional solid design. At the end of the day, complex engineering will be separated into littler nibble estimated pieces for simplicity of arrangement and redesign for particular functionalities. The Indian government has clarified that India will be yanked far from a money-based economy. GST rollout will give facilitate force to the Indian economy. In 2017, banks won't just need to stay aware of the developing desires for a billion associated clients, yet they'll likewise need to ensure that they are classes in front of the rising rivalry. (Source: <http://www.huffingtonpost.in>)

### 2.1 Different Players of the Banking Industry

- Enhancing core banking value
- Revamping the digital agenda
- Moving from information to insight
  
- Dealing with a changing risk regime
- From cash to electronic modes of payment
- Grappling with financial inclusion
- Empowering employees
- Accelerating innovation

## III RECENT TRENDS IN BANKING

The Indian banking business has changed dramatically over the past 25 years, due in large part to technological change. The various factors of innovations in banking and financial market are ECS, RTGS, NEFT, ATM, and Retail Banking. Etc., and including more product and services.

### 3.1 ATM

The mechanized teller machine or ATM, is such a confused bit of innovation that it doesn't have a solitary innovator. Today we utilize ATM are an amalgam of a few distinct innovations. Programmed Teller Machine empowers the clients to pull back their cash 24 hours every day 7 days seven days. ATMs can be utilized for money withdrawal, installment of service charges, stores exchange between accounts, store of registers and money with accounts, adjust enquiry and so on.

### 3.2 Electronic Payment Services

- a. It is chiefly in light of the e-administration, email, internet business, e-tail and so on.
- b. EPS Being produced in US for presentation of e-check
- c. Negotiable Instruments Act

### 3.3 Real Time Gross Settlement (RTGS)

- a. Introduced in India Since March 2004 • Operated by RBI
- b. Transfer Funds from their record to the record of another bank • Fast Funds exchange (2 hours)

### 3.4 NEFT

- a. Nationwide installment framework
- b. One to one Fund Transfer

### 3.5 Electronic Funds Transfer

Electronic is a framework whereby any individual who needs to influence installment to someone else/to organization and so on. Subtle elements receiver's name, financial balance number, account compose (reserve funds or current record), bank name, city, branch name and so forth. RBI is the specialist organization of EFT.

### 3.6 Point of Sale Terminal

- a. Linked online to the electronic client data documents in a bank
- b. Plastic exchange card
- c. customer's record is charged and the retailer's record is credited

### 3.7 Tele Banking

- a. Entire non-money related counts on phone
- b. Automatic Voice Recorder
- c. Manned telephone terminals are utilized

### 3.8 Electronic Data Interchange (EDI)

The electronic trade of business archives like buy arrange, solicitations, shipping sees, getting advices and so on in a standard, PC prepared, all around acknowledged configuration between exchanging accomplices.

### 3.9 Internet Banking

#### Customer management

Banks need to clearly articulate and measure the expected benefits from the winning strategies which would be dependent on the value various initiatives provide customers. These include:

- a. Customer segmentation

- b. Co-creation
- c. CRM to customer experience
- d. Use of alternative channels
- e. Effective cross and upsell

#### IV CUSTOMER MANAGEMENT

Internet banking is more convenient than traditional forms of banking-per age group

##### 4.1 Risk management and information security

- a. Risk management methods include:
- b. Credit systems
- c. Enterprise Risk Management Systems
- d. Liquidity risk systems

##### 4.2 Technology in training and e-learning

- a. ERA of liberalization and reforms in the country
- b. Increase in investment on training and development by banks in India

##### 4.3 New technology

- a. Adoption
- b. Productivity
- c. Responding to skills deficiencies
- d. Staff performance management (Source: <http://www.ey.com>)

##### 4.4 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.

##### 4.5 Core Banking

Core banking is a banking service provided by a group of networked

##### 4.6 Corporate Banking

Corporate banking, also known as business banking, refers to the aspect of banking that deals with corporate customers

##### 4.7 Investment Banking-

Mainly two ways of fund creating  
Corporate Finance and  
M&As

##### 4.8 Smart Card

- a. Chip Based Card
- b. Pin
- c. Powerful Cards like ATM, Credit Card, Debit Card

##### 4.9 Product and Services of Innovative Banking

###### 1. Bank Automation

- 1) Speed Up
- 2) Friendly and Flexibility
- 3) Towards Less transactions

###### 2. Banking Branches

- 1) Cash Withdrawal
- 2) Cash Deposit
- 3) Account Statement
- 4) Cheques
- 5) Fund transfer
- 6) Balance Enquiry
- 7) Purchase of Demand
- 8) Draft Pay Order
- 9) Repayment of Loan Account

###### 3. Demat Services – Provide online trading facility

###### 4. Microfinance- Income Producing Activities, Build Assets, Stabilize Consumption

###### 5. Plastic Money-it is alternative to cash and convenient to carry

###### 6. Mobile banking-Balance Enquiry, Fund Transfer

#### V CONCLUSION

The saving money division in India has turned out to be harder in term of advancement and monetary development the quantity of clients in the budgetary segment. In the cutting edge will assume an indispensable part in additionally fortifying the

keeping money division. These days, the new innovation is certain that the eventual fate of saving money will acquaint more offers and administrations with the clients with the bust managing an account item and developments. Managing an account area likewise expanded the availability of a typical individual to bank for his efficiency and necessities.

The Indian keeping money area has enhanced the terms and new Technology. The inventive keeping money innovation changing changes have changed the substance of Indian managing an account and monetary area. The managing an account framework has enhance the manifolds regarding item and administrations, innovation, saving money framework, exchanging office and so forth it is the obvious that the keeping money framework has developed in India to contrast and other nation. Future, the banks understands their client and bank will meet their prerequisites. Indian Banking Sector furnish better administrations with other created banks.

## REFERENCE

### JOURNALS:

- [1] Dr.G.Anbalagan.Ph.D, Assistant Professor, Periyar University Constituent College of Arts and Science Idappadi, International Journal of Scientific Research and Management (IJSRM) ISSN (e): 2321-3418 Index Copernicus value (2015): 57.47
- [2] Aruna R.Shet (2015), Assistant Professor, Zew Horizon College, International Journal of Scientific Engineering and Research (IJSER), ISSN (online):2347-3878, Impact Factor 92015):3.79.
- [3] Sandeep Kaur (2015): "A Study on New Innovation in Banking sector ISSN; 2319-7064, IJSR, IF:6.39
- [4] Ms.Charu Modi, Assistant Professor Jeeva Sewa Sansthan Group of Institutions for Women Faculty of Management Bhopal, " Innovative in Indian Banking Sector – Use of Technology.
- [5] Mr. Birenjan Diga, Faculty Department of Mangement Studies, AI-Amen Institute of Management Studies, Bangalore, " Technology Change & Financial Innovation in Bankingl.

### WEBSITES

- [1] <http://www.icmrindia.org>
- [2] <http://www.cxotoday.com>
- [3] <http://www.ey.com>
- [4] <https://www.slideshare.net>
- [5] <https://link.springer.com>

