RECENT TRENDS IN DIGITAL BANKING

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ABSTRACT:

The primary goal of the study of digital banking is to gauge consumer knowledge of tech products. The demand for anytime, anywhere banking in the current environment necessitates innovative, resilient, secure, optimized, and prepared to fulfill the demands of empowered and tech-savvy clients. Simply switching from traditional banking to the digital realm is digital transformation. It represents a crucial shift in how banks and other financial organizations understand, relate to, and serve their consumers. Due to the development of new technology-based products and services, the banking industry is currently on a new growth trajectory. Digital Banking have effectively leveraged technology and introduced several variants of traditional products and new e-based services. While using ATMs to withdraw cash has grown in popularity, other services like mobile banking and internet banking are not being utilised to their full potential. Customers are still not using the full range of services available in ATMs. This study will undoubtedly assist the bank branches in understanding the degree of client knowledge of technological goods and assisting them in taking the necessary actions to improve. The mainstreaming of the unbanked economy can be accelerated by the rapid adoption of digital banking. The banking sector has grown to incorporate transactions that take place outside of physical locations, such as online and through mobile phones and tablets.

KEYWORDS: Technology Savvy, Digital Transformation, Customer Awareness.

INTRODUCTION:

Digital banking means the digitization of all traditional activities of bank through ATM machines, debit cards, credit cards, mobile banking, electronic banking, virtual cards and other. With the help of these instruments, the consumers are doing bill payment, withdrawals, transfer of payment etc, we also know about our account details at any time without going bank and any time we transfer money at any place and any other account. The banking industry in India expanded with development of country the banking sector contribution development of our country is very large. High-level services, such as websites, Google searches, instant transaction services, etc., are all part of digital banking. Banks in India are moving to conventional banking. Indian government also takes a lot of remarkable actions towards this convenience banking practice. At present, it is moving towards digital banking services. Everything that would happen in the Indian banking industry will be centred on digitalized banking. Even so, there was a feeling in 1980 that the Indian banking industry needed to be computerised in order to improve client services in a comfortable and convenient manner. In banking, a digital revolution is only getting started. We are already in phase one, where the majority of conventional banks provide their clients with top-notch websites and mobile apps. An alternative strategy is to make digital not just an extra feature, but a fully integrated part of the mobile experience. Customers would use their smartphones or tablets to do everything from open new accounts, make payments, and settle credit-card billing disputes—all without ever having to enter a physical branch. The advent of digital banking has completely changed how simple bank transfers are done as well as the banking industry as a whole. It has facilitated the customers assisting them to check their account detail, pay online bills and transfer money from one account to the other in a faster way. This has helped the end user to enjoy a methodological financial life.

OBJECTIVES OF THE STUDY:

1. To study about the recent trends in digital banking in India.
2. To analyse the advantage and disadvantage of digital banking in India.

THE EVOLUTION OF DIGITAL BANKING:

Over the past 20 years, technology has transformed the financial sector in ways we could never have predicted. The internet and mobile technology connected people and organisations worldwide, even in the most isolated areas. This transformed customer’s expectations and the way organizations functioned.

With the help of relevant infrastructure and mobile connectivity, fintech technology businesses entered the banking industry and introduced a range of user-friendly solutions. Banks had to redesign their procedures and goods to stay up with the competition and keep consumers. Automated Teller Machines (ATMs), the first step in the development of digital banking, were introduced as a result. The following step was to satisfy the higher standard of client expectations. This encouraged banks to release improved inventions, goods, and services. By the 20th century's close, banks were using technology to provide consumers with services that were available around-the-clock. Customers can now use their anytime, anywhere banking services on their smartphones without even interacting with the banking employees. With digital banking, all records are maintained in digital form, data is interpreted to useful information by applying analytical methods, better customer engagement is offered and more business generated through customer-specific interaction. All of this results in increased operational effectiveness and more revenue for the bank. The Indian Government’s vision of a cashless economy has been hastened by making internet access throughout the nation with online banking being the need of the hour due to Covid 19.
REVIEW OF LITERATURE:

Bharath Kumar Meher & Abhishek Kumar Gupta, in 2020, the study made an attempt to find the causes of vacillation in using digital banking by MSMEs in India. The study set up sense of instability due to cybercrimes, demand of smart bias and businessman who aren’t willing to expose all the business deals to banks and government having a fear of paying further levies and are spooked about the fraud or hacking of accounts.

Dr. (Smt.) Rajeshwari M. Shettar, Shri Hurakadli Ajja Shikshan Samiti’s in the study paper, DIGITAL BANKING AN INDIAN PERSPECTIVE, covered part of digitization in Indian banking, compass of digital banking, digital banking trends, technological mileposts in Indian banks. The study set up that, digital banking has reduced the operating costs of banks which made banks to charge lower freights for services and offer advanced interest rates for deposits. The study also set up that, digital banking has enormous implicit to change the geography of fiscal addition. Easy use of digital banking can accelerate the integration of unbanked frugality to the mainstream.

Manisha Verma, in the study paper, A Rise of Digital Banking in India, A Case Study of HDFC Bank, the study revealed that the maturity of the repliers uses net banking services and felt it better than traditional banking for developing an effective and speedy agreements.

Bharath Kumar Meher & Abhishek Kumar Gupta, in 2020, the study made an attempt to find the causes of vacillation in using digital banking by MSMEs in Bihar. The study set up sense of instability due to cybercrimes, demand of smart bias and businessman who aren’t willing to expose all the business deals to banks and government having a fear of paying further levies and are spooked about the fraud or hacking of accounts.

Dr. Parameshwar Singh Maravi(2020), in the paper, Perception towards Cashless Transaction among Rural People with Special Reference to Anuppur District of MP An Empirical study, revealed problems faced by common people in cashless deals and the study showed that people weren’t fully apprehensive about cashless, and the shopkeepers weren’t interested to vend the products through cashless and some shop keepers weren’t having installation and there’s a lack of trust through cashless mode. The study revealed that nation has moved towards cashless frugality after demonetization and government has developed unique abatements and freebies on electronic deals. Study recommended that there’s a need to produce further mindfulness more POS and further ATM should be enforced.

RECENT DIGITAL BANKING TRENDS:

Artificial Intelligence Robots: The majority of banks employ chatbots or AI robots to help with customer support services. These technologies include robotic process automation, chatbots, machine learning, and intelligent analytics. By eliminating the possibility of human error, this technology gives consumers precise solutions. Additionally, it aids with financial decisions and can spot dishonest activity.

Virtual Banks: The newest and most innovative banking trend is virtual banks. These banks function entirely online, offering everything from credit and debit cards to money transfers and other services. Like traditional banks, these Virtual Banks are not present everywhere. They are also referred to as fintech businesses. These banks include Paytm Payment Bank, Current Company, and others.

Smart Wearable: With the development of smartwatch technology, the banking and financial services industries hope to give banking consumers a wearable that will give them greater control and convenient access to the bank. Therefore, this technology will support upcoming trends in retail banking by enabling users of wearable computers to access key banking services with a single click.

Phone Banking: The next big thing in banking is calling in to access a variety of services, day or night. The banking industry has only recently upgraded to phone and mobile banking. Its channels are operated by bank telebanking executives or interactive voice response systems (IVRS).

Satellite Banking: Future technical advancements in the global financial sector include satellite banking. By connecting the communication linkages in various areas of the country, it is anticipated to assist in resolving the issues of weak terrestrial places.
**Biometric Verification System:** The biggest trend in the banking industry is also this one. A biometric verification solution, first and foremost, enhances security and aids in the KYC procedure. Second, in the future, using biometrics, users won't need to add their cards or pins to the ATM in order to make a cash withdrawal.

**Blockchain Technology:** Blockchain is well-known for digital currency like Bitcoin, which makes it possible to track transactions in a safe and verifiable manner. Blockchain can be used to encourage transparency during payments and currency exchange in banking because it is both very secure and simple to use. Additionally, it may enable banks to save costs and enhance customer satisfaction.

**UPI (Unified Payments Interface):** The use of UPI has altered how payments are made. This is a real-time payment system that makes use of a mobile platform created by the NPCI to facilitate immediate inter-bank transactions. Unlike other internet banking systems, UPI enables funds transmission 24 hours a day, 365 days a year. Use of UPI is quick, secure, and simple. Google Pay, Paytm, Bhim UPI, and other examples.

**Universal Banking:** Now, any procedure may be completed in a single step. For a hectic existence, electronic comforts are offered. The following list of services offered by E-Bank:

1. Check account balance
2. Keep track of account transactions
3. Make third-party payments
4. Transfer funds
5. Download transactions
6. Order chequebooks
7. Request stop payments
8. Apply for a Loan

**Hybrid cloud Technology:** The requirement for speedy communication is the largest issue that the digital or modern era has brought to banking. To solve business challenges more quickly, banks must be able to deliver resources across the organisation in a timely manner. Additionally, the hybrid cloud enables banks to provide their clients with fresh, cutting-edge services. For instance, online accounting software Zoho Books and ICICI Bank have a partnership. This enables retail companies or shop owners to use Zoho Books to automate the fundamental reconciliation procedure. The cooperation provides users with several payment choices and supports online data submission.

**ADVANTAGES OF DIGITAL TRANSFORMATION IN BANKING:**

**Convenience:** Any device can access personal and business bank accounts; all you need is an Internet connection and a few simple screen clicks. Due of their ability to manage the information on their own profile and regularly monitor their account balance, this increases customer happiness. (Add new mailing address, e-mails, telephone numbers, etc.). Additionally, checks can be promptly emailed to your email address, eliminating the need for a trip to the bank.

**24/7 Service:** Even on weekends, online banking services are accessible around-the-clock throughout the year. There is no need to wait in line or for the bank to open before performing some tasks. The advantages of using digital solutions are enormous.

**Time-Saving:** Another benefit is that you may access the account from home, which saves you a lot of time. It is incredibly convenient because tasks that once required an hour or more at the bank may now be completed quickly from home or any other location with an Internet connection.

**Automated Transfers:** Even to other financial institutions, direct banks can offer an infinite number of automated transfers (accept payroll deposits or offer automatic bill payment) without charging more.

**Security Issues:** One of the most significant problems that businesses and organisations are working to solve is cybersecurity. Accounts cannot be totally shielded from scammers, phishing attempts, hackers, etc. by even the most advanced software that safeguards preliminary data. Not all banks nowadays are able to provide a wide range of online services. There are some, nonetheless, that demand your presence at the conventional banks.

**Transactions:** The attendance in the bank office may also be necessary for complex transactions. Additionally, not all digital banks allow for overseas transactions.
CHALLENGES OF DIGITAL TRANSFORMATION IN BANKING:

**Competition With Non-Financial Institutions:** Amazon aims to give its consumers access to banking services. Facebook enables users to transfer money straight to other people's bank accounts, cutting out banks from the transaction. But because banks are more tightly regulated, they are safer. They must quickly transition to digital.

**Online Payments:** Not all banks can accept contactless or online payments. This is because banks lack the resources, expertise, and secure internet platform necessary to offer any other payment alternative save physical checks. With readily available online services like Apple Pay and PayPal, it becomes even more difficult to compete.

**Technologies:** Technologies: The system that offers online banking services needs to be updated frequently and have a high level of security. Cybersecurity is one of the most important issues nowadays that banks should take into consideration first of all. Once more, the bank must design a thorough plan, select the right technology, and assemble a qualified team that can quickly transform concepts into reality using the most recent software and accessible resources. As technology advances, **systems must be upgraded frequently, making the process of digital transformation seem rather unending.** New technologies will open the door for the development of new services, which will again call for ongoing maintenance and support. In the coming years, digital revolution in banking will pick up speed. Financial institutions should take into account the current state of affairs, work out a profound strategy, and use the right tools in order to succeed in the future. Although the process of digital transformation in any industry—be it banking, healthcare, or any other—is difficult and expensive, it has the potential to increase customer satisfaction by making services more secure and quickly provided. As technologies develop and enhance, the banking industry will also get better and better year by year.

**CONCLUSION:**

The banking industry in India is very essential and crucial to the growth of the economy. Technology utilisation has led to increases in efficiency, productivity, and penetration. Banking is an integral part of financial activity today and digital banking in India is highly advanced. The impact of banking technology on the financial performance of the public and private banking sectors was the study's main focus. It has been taken into account that SBI, a public sector bank, and ICICI Bank, a private sector bank, have ATM, NEFT, RTGS, and mobile transactions. Their technology index has been designed with the aid of the digital transactions and measured the relationship between the banking technology and the operating profit and the business per employee. Technology will be the key to the future of banking. Therefore, banks should look for the change's initiating factor. Indian banks must prioritise the quick and ongoing adoption of new technology. However, there needs to be a push for education among consumers and retailers as well in order for the growth of digital payments to boost the sector's operational viability.

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