

DIGITAL BANKING IN INDIA: RECENT TRENDS AND FUTURE PERSPECTIVE

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Abstract:

The banking system of a nation fundamentally affects the development of the nation. Therefore the banking system needs to be simple and understandable for the people of that nation. The Indian banking sector is moving in line with the banking system of the developed countries of the world. In the age of technology, in the 21st century, the Indian banking sector has transformed its products and services into a form of digitalization, which can be said to be the demand of today. The study of recent trends regarding digital banking services is very much needed so from the analysis of current trends where the Indian banking sector needs to improve on the consumer side and the banking sector side. It is clearly understood. To survive in the cut-throat competition and maintain profitability, it is necessary to implement the current trends and changes as per the demands of the time. This research focuses mainly on the study of current trends, the future effects of which on the Indian banking sector are also discussed in this study. This study will be beneficial for Indian banks to make the necessary plans and decisions regarding consumer-oriented banking products.

Key Words: Digital Banking, Indian Banking Industry, Banking Sector, Banking Services, Customer Satisfaction

Introduction:

In general, we are well aware of the development of any economy which is based on the financial system of that country and that financial system consists mainly of the banking system. Various services are provided to the public and the business entity to conduct financial transactions, it can be called a banking system. In the 21st century, India has embarked on a technological revolution, which has significantly affected the growth of the economy and has become a necessity. We all know that technology-based digital banking services are used by the customer at any place, at any time as per his convenience. Moreover, it has become a top-rated and preferred service among the customers. Such services include ATM, credit card, debit card, banking app etc. The modern Indian banking sector is now evolving with the concept of marketing at the center of customer expectations, needs and desires. It is also sure that there will be a great need for expert opinion and study on the current structure and trends of digital banking in India and the challenges that the banking sector will face in the future. Here, this study presents an in-depth concept of digital banking services and discusses various aspects such as recent trends, future implications and challenges. The review will be useful for strategic planning for the Indian banking sector shortly.

Meaning of Digital Banking:

According to the FFIEC (2), Digital-banking is defined as the "automated delivery of new and traditional banking products and services directly to customers through electronic, interactive communication channels."

Literature Review:

A literature review is an in-depth study by the author of various previous researches on the subject, including various articles, research papers, reports and books. Below is a brief presentation of further research done by the author in the past.

1. **Dr. P. R. Revathi [2019]** in her research paper on "Digital Banking Challenges and opportunities in India". It is safe to say that online banking services have made a significant contribution to the growth of the banking industry in India over the last two decades. Moreover, it is inevitable that online banking services have proved to be very beneficial to customers and have become a matter of choice. Consumers use these services at their convenience, but today the Indian banking sector is facing some challenges and problems with the use of digital banking services. The primary purpose of the study is to provide an in-depth analysis of the challenges and strategic opportunities facing electronic banking services. The study will significantly help the Indian banking industry to meet these challenges in the years to come.
2. **Monika Kataria [2019]**, has undertaken a research study entitled "Digital Banking in India: Recent Trends, Advantages and Dis-advantages". India has a very competitive market in the banking sector, so all the banks do their best to provide customer satisfaction. Due to the radical technology change, it has also had a significant impact on the Indian banking industry. Indian consumers have also happily embraced digital banking services, which have become very popular among consumers. The study is mainly based on secondary data, and its main objective focuses on the recent trends, advantages-disadvantages and future usefulness of digital banking. In general, it can be said with certainty that the Indian banking sector has now reached a stage in the field of technology so that old and traditional banking services can no longer be provided to the customer. To keep pace with modernity, Indian banks must adapt to the current consumer-oriented approach and implement the latest trends positively.

3. **Aarti Sharma and Nidhi Piplani [2017]**, conducted survey on “**Digital Banking in India: A Review of Trends, Opportunities and Challenges**”. The banking system is the fundamental and foundation for the development of any nation, as presented in various researches. With a simple banking system, the people of the country can also create savings and conduct financial transactions without hesitation. Changes adopted by the banking sector through technology directly affect the growth of the economy. Now the level of education among Indian consumers is increasing significantly day by day. Consumers now prefer to use various banking services with security at their convenient time and place, so the use of digital banking services is also seen to be increasing. Indian banks strive to meet the expectations and needs of their customers through technology and digitization. In this study, the author provides an in-depth look at the latest trends in digital banking services in India, its implications, available opportunities and future challenges, which will be useful for the Indian banking sector in meeting the challenges ahead.
4. **Utpala Vanmali [2016]**, in her article titled “**Digital Banking – Roadway to Success**”. This study mainly focuses on knowing the current status by taking feedback from digital banking service users through questionnaires. In particular places, unique research emphasizes secondary data and will help the managers and senior authorities of the Indian banking industry for future strategic planning. In summary, the author states that 60% of the total customers use digital banking services successfully. However, there is still a need to conduct awareness and training programs in rural areas to increase consumers' confidence in the banking sector. Fear of using the services will be removed.

Need of the study:

While digital banking services are being used successfully by consumers in India, it is clear that there is still a need to refine these services through customer experience further. Consumers' perceptions of digital banking services have many drawbacks and weaknesses, leading to a specific type of consumer feeling insecure about using these services and avoiding services. Thus, more research is needed to ensure that digital banking services can be successfully provided to customers through the banking sector in a more efficient manner in the future. Soon there will be a need for much research in the Indian banking sector to make the necessary changes in the digital form of banking services and focus on customer-oriented matters; the author has presented the study here.

Objectives of the study:

1. To study about the recent trends and innovative changes regarding digital banking in India.
2. To study the future effects of digital banking services in Indian banking sector.
3. To help the Indian banking sector to face the future challenges towards digital banking in India.

Limitations of the study:

The study focuses primarily on digital banking services in the Indian banking sector. Here is a look at the current trends in consumer opinion regarding online banking services and their impact on customers. The author gives an in-depth look at the usefulness of online banking services to consumers. How to deal with the challenges of digital banking in the future is also briefly discussed.

Research Methodology:

This study is primarily based on the secondary data related to the subject, which includes the author who has studied various researches of the past, such as research papers, articles, reports, newspapers and books. The present study focuses entirely on exploratory analysis. Hence the field of digital banking introduces the theoretical concept in India.

Current Scenario:

The Indian banking sector is witnessing a significant increase in the use of digital banking services. Consumers are increasingly embracing online banking services. Therefore, the Indian banking sector has also made arrangements for customers to avail banking services from anywhere without visiting the bank at their convenience. The concept of digital banking is currently evolving rapidly in the banking sector, and Indian banks are conducting result-oriented research on how to provide these digital banking services to customers more efficiently and satisfactorily. According to the current RBI report, the educated and youth in India are now using digital banking services more and more. Unusual circumstances are likely to increase in the number of users of digital banking services soon.

Recent trends of Digital Banking:

It is safe to say that 21st-century customers will no longer accept traditional banking services. Instead of traditional banking services, customers are embracing the changes that change over time, so that in today's age of smartphones, consumers want to be able to use banking services successfully at their convenience through the use of mobile. It is, therefore, inevitable that the banking sector will have to make the necessary changes in the banking services or products through continuous new research and innovation in the digital banking sector. So here are some of the current trends and innovations for these changes that strongly affect digital banking.

1. Bank accept as a service digital platform	5. Concentrate on safety & security-Ai Based
2. What consumers are wishing	6. Set awareness programs of Digital Banking services for users
3. Push your man power to keep prior users	7. Focus on CRM
4. Upgrade design of product and services to language	8. Paperless Currency

1 Bank accept as a service digital platform:

The banking sector is a service sector, so banks will inevitably have to develop a leading digital platform for online banking services. The digital platform involves providing banking services to the customer through technology more efficiently and efficiently. The primary purpose of the digital platform is to provide financial services to customers with security and protection. Thus, for banks to provide more efficient and fast services to customers in a market dominated by smartphones, the Indian banking sector must strive to make the digital banking service platform more substantial and more efficient to maintain customer confidence and increase profitability.

2 What consumers are wishing?

It is essential for the customers to be satisfied with bank services. If the banking sector provides the services or products as per the customers' expectations or desires, then the customers will not have any problems with the bank. In the current era of marketing, it should not be forgotten that the consumer is paramount in all business sectors, and the banking sector should focus mainly on the trends of the customers. Thus it is expected that the Indian banking sector should provide banking products or services as per the customers' expectations.

3 Push your man power to keep prior users:

The banking industry should inform its workforce that users are paramount and should plan for the future with them at the center. Each bank employee from top to bottom should work with the users in mind so that the relationship with the customers and the bank is maintained forever. Renowned economist Philip Kotler has said that the consumer is the king of the market. The Indian banking sector should prioritize users rather than make profitability the main objective to automatically increase profitability. Thus, the banking sector should draw its employees' attention because emotional relationships with customers are more established and critical.

4 Upgrade design of product and services to language:

The main goal of creating a digital platform in banking services is to make banking services quickly and securely available to the general public through technology. It is necessary to provide complete information to the customers through language through which the banking services are being provided to the customers through digital technology. Consumers should be given instant information about all the products of retail banking, focusing on consumers so that they can use it easily without any hesitation. Thus the banking sector needs to keep changing its products or services in the latest form and in the present times as per the customers' requirement.

5 Concentrate on safety & security-Ai Based:

The banking sector in India should implement AI-based security and securities system, although this method is mostly part of India's current use. Artificial intelligence helps make better business decisions and significantly increases the security and privacy of banking transactions made by AI users. The AI method keeps users alert and vigilant during the use of banking services, monitors customer behavior, and prevents them from making a mistake. The AI system provides a safe and secure shield to every transaction of digital banking. Thus, in the age of modern technology, it has become imperative to increase the security and safety of financial transactions in the banking sector to maintain consumers' confidence.

6 Set awareness programs of Digital Banking services for users:

Young users in India generally prefer to use the medium of digital banking. The use of digital banking services by consumers in India has been increasing significantly over the last ten years. However, there is still a large segment of consumers who are located in rural areas and are afraid to do digital banking. To satisfy such customer segment, the banking sector should increase awareness about the use of digital banking services and organize programs so that these customers can use online banking services fearlessly so that fears and doubts about digital banking services are removed from the customers.

7 Focus on CRM:

Maintaining customer relationships has become very important in today's competitive world. Relationship managers usually have skills on how to maintain a relationship with customers. Complete information about customer interaction, price negotiations, their needs, expectations and desires can be obtained by the relationship manager skillfully by meeting the customers face to face. Besides, it can successfully prepare customer-oriented banking products or services and present them to the customer. In general, such managers can strategically plan for the success of banks and meet the needs of their customers through the knowledge gained through their outstanding skills and expertise.

8 Paperless currency:

In general, the corporate sector in any nation now places more emphasis on the use of paperless currency. Demand for paperless currency is also increasing in India. The digital banking platform has proved to be very useful for paperless currencies. The medium of digital banking has proved to be a boon for conducting financial transactions in the B2B sector, which entrepreneurs in the business world have gladly acknowledged. Digital banking platforms such as cryptocurrency and bitcoin are being used to conduct international financial transactions at home and abroad. Thus, it is inevitable that digital banking services are leading today and will continue to lead significantly among consumers in the future as well, mainly for conducting financial transactions through paperless currencies.

Future of Digital banking in India:

Most of the Indian banking services are being introduced to the consumers in the form of digitalization through technology, and Indian consumers are using these services successfully. The future of technology-related banking services in the world is always bright. The attitude is clear from above. The following is a brief presentation on the future effectiveness of digital banking services.

1 Technological development of nation:

The use of technology in any business sector of the nation has become indispensable, and it has become necessary to provide technology-based services or products. Digitization is generally based on technology, and it is also confident that the demand for digital banking services will be higher soon. So, it can be said with certainty that the nation will develop based on technology. Banks in countries worldwide are currently providing and developing technology-based banking services so that India can achieve the same development as the rest of the world. Thus, it can be said that the need for innovation and change or research in the field of technology in India in the future will be specific.

2 Increase recruitment in Banking sector:

We all know that the Indian banking sector is successfully providing digital banking services to customers through the Internet. The implementation of digital banking is expected to significantly increase the employment of technology-skilled people in the Indian banking sector in the future, thus creating a huge need for specialists and specialized candidates in the technology-based business world. The per capita income of the nation's people will also increase, and the standard of living of the people will go up.

3 Consumer's value:

Now in the age of technology, the corporate sector has acknowledged that the customer is at the center of all business sectors in terms of marketing. It is also confident that the business sector will have to take customer-oriented steps. Now in the future, the customers' needs, wants, and conveniences will be of particular importance, so it can be said that the banking sector will have to focus on customer-oriented matters. Thus, based on the current trends, it can be said that the importance of the customer will increase day by day in the business sector, and ignoring the customer will prove fatal for the banking sector. If any business entity has to survive in the future and maintain the required profitability, it will have to formulate customer-oriented strategic planning. Therefore, in the end, the customer's desires and needs will be important in the Indian banking sector, and the value of the customer will increase.

4 Successfully face to competition:

Researchers and entrepreneurs are predicting increased competition in the future for consumer-expected digital banking services. Suppose the banking industry does not improve or innovate digital banking services that customers expect in the future. In that case, it will be difficult for them to survive in the killer competition at the end. To face the fierce competition of the future, the banking sector has to think more about providing services more efficiently with the customer expected online banking services at low cost, at their convenient time and place, with security and complete safety. It is now confident that the Indian consumer will never accept the old traditional services. The Indian banking sector will now have to gear up for various risks against future competition.

5 Virtual banking:

Due to the radical changes in technology, the Indian banking sector is now providing most of the services to the customers in the form of virtual or digital banking. Customers are enthusiastically using banking services through this virtual technology. The services that are being provided to the customers through digital banking, which can also be known as virtual banking in the real sense. Most of the retail banking services are now being converted into virtual banking by Indian banks. Experts are predicting that the demand for digital banking will increase soon. Thus, digital banking can now be identified with the new term virtual banking. One of the fundamental limitations of virtual banking is that a smartphone or computer must be connected to the Internet.

6 Future Challenges:

The Indian banking sector will undoubtedly face many challenges or questions in the future to provide digital banking services to customers with ease and security. Experts believe that the future is very bright in the field of digital banking.

Online banking among customers face challenges. The Indian banking sector must undoubtedly be prepared to face challenges such as awareness of service operation, fear mitigation, reducing transaction cost, building a robust technological framework, maintaining the privacy and security of transactions made by customers.

Conclusion

The banking sector in every nation's economy is truly the backbone of the economy. The banking sector implements the economic reform plan and monetary policy of that nation. The growth of any economy depends mostly on the banking system of that country. This study mainly focuses on the emerging trends of digital banking services and their effectiveness. It is essential to study current trends for strategic planning. Digital banking services have become very popular among the customers, and they are also trendy among the customers, so the author's thoughts on the impact and role of the current trends on the banking sector of India in the future are work in progress. These are the challenges or problems facing the Indian banking sector in the future concerning digital banking services. The author of this study presents its approximate discussion. This study will be beneficial for the Indian banking sector to formulate strategic planning.

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