

Technological Advances Effects of Banking Sector

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Abstract

The banking industry in India has a huge canvas of history which covers the traditional banking practices from the time of Britishers to the reforms period, nationalization to privatization of banks and now increasing numbers of foreign banks in India. Therefore, banking in India has been traversing through a long journey. Banking industry in India has also achieved new height with the changing times. Nevertheless, the fundamental aspects of banking that is trust and confidence of the people on the institution remain the same. The majority of the banks are still successful in keeping with the confidence of the shareholders as also the stakeholders. However with the changing dynamics of banking business also brings new kind of risk exposure. Increased competition, changing business environments, globalization and the advancement of Information and Communications Technology are the important factors that have forced Banking and Financial services to change. It provides enormous benefits to consumers in terms of the ease and cost of transactions. But it also poses new challenges for country authorities in regulating and supervising the financial system and in designing and implementing macroeconomic policy. The major challenges that banking is facing is the security variability, lack of knowledge of end users, failure of bank transitions, user interface etc. In this paper we also conclude that what factors should be enhanced to improve banking.

KEYWORDS: Status, Implementation, Challenges, Opportunities

INTRODUCTION

The introduction of e-banking services is considered a breakthrough of the banking industry, bringing various benefits to both customers and financial institutions. In this era of modern technology, the implementation of banking services plays a significant role in helping financial institutions to remain competitive and adapt to the recent changes of the market. This study targets the implementation process of e-banking services in Vietnam, with two main objectives. The first goal of this study is to discover the reasons and motivations behind the decision to implement e-banking services. Secondly, the author investigates the implementation process and aims to figure out the challenges involved during the process. The author utilizes the use of deductive approach, qualitative research method as well as semi-structured interviews in this research on the implementation process of e-banking on the case company. The author studies existing literature and compare with empirical findings in order to discover answers to the research questions. The research provides readers with the answers to the two research questions posed. The main motivations for the implementation of e-banking services are to enhance the satisfaction level of customers and expand the market. The biggest challenges of the implementation process come from the lack of knowledge and unwillingness of customers as well as the under-developed infrastructure level.

Modern technology and communication technology has been developing with an astonishing swift pace as people advance further into the 21st century. With the Internet as its core, these modern technologies have been widely applied globally, especially in our world of economy. The world we live in has now become an Internet-based world with Information Technology becoming a growing trend. The world's trade has been changing shape rapidly after the introduction of Internet and the World Wide Web, with electronic commerce playing the main role in today's economy.

However, amidst all this turmoil India's Banking Industry has been amongst the few to maintain resilience. The tempo of development for the Indian banking industry has been remarkable over the past decade. It is evident from the higher pace of credit expansion; expanding profitability and productivity similar to banks in developed markets, lower incidence of non-performing assets and focus on financial inclusion have contributed to making Indian banking vibrant and strong. Indian banks have begun to revise their growth approach and re-evaluate the prospects on hand to keep the economy rolling. In this paper an attempt has been made to review various challenges which are likely to be faced by Indian banking industry economy rolling.

INDIAN BANKING STRUCTURE

The banks play a stellar role in the development of the nation with its high social content and commitment. The banks act as a development agency and are the source of hope and aspirations of the masses. Banking and finance is like oxygen to any democracy. The structure of the banking system is determined by two basic factors economic and legal. The development of the economy and the spread of banking habit calls for increasing banking services. The demand for these banking services affects the banks' structure and organisation. National objectives and aspirations result in government regulations, which have a profound influence on the banking structure.

CONCEPT

In recent time, we have witnessed that the world economy is passing through some intricate circumstances as bankruptcy of banking and financial institutions, debt crisis in major economy of the world euro zone crises. The scenario has become very uncertain causing recession in major economies like US and Europe. This poses some serious questions about the survival, growth and maintaining the sustainable development. However amidst all this turmoil, Indian banking industry has been amongst the few to maintain the resilience. The tempo of development for the Indian banking Industry has been remarkable over the past decade. It is evident from the higher case of credit expansion; expanding profitability and productivity similar to banks in developed markets, lower incidence of non-performing assets and focus on finance inclusion have contributed to making Indian banking vibrant and strong. Indian banks have begun to revise their growth approach and re-evaluate the prospects, on hand to keep the economy rolling. In this paper, an attempt has been made to review various challenges which are likely to be faced by Indian banking Industry.

As part of conversion process an entity should take in to consequence not only the banking sector that is currently applicable but also future changes in them. The

convergence of International Financial Reporting Standards shall change the entire picture of the organization structure of the company. It will transform the method of evaluation of company's performance including earnings management information & control system, reporting practices, valuation policies. Increased competition, changing business environments, globalization and the advancement of Information and Communications Technology are the important factors that have forced Banking and Financial services to change. It provides enormous benefits to consumers in terms of the ease and cost of transactions. But it also poses new challenges for country authorities in regulating and supervising the financial system and in designing and implementing macroeconomic policy.

SCOPE

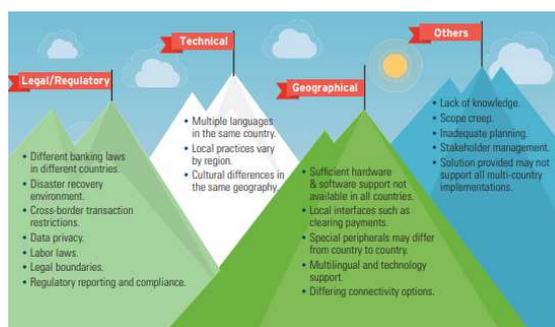
Whether banking industry development supports Palestinian economic growth or not is critical question empirically. Thus, this study examines the impact of some banking sector indicators on gross domestic product using quarterly data. The empirical model was carried out using ordinary least square regression to prove that output is significantly influenced by boosting banking sector toward growth. The result reveals that banking credits are positively related to economic growth. This indicates that banking industry development tends to improve productive capacity of Palestinian economy as case of supply leading. However, interest rate, customer's deposits and number of branches have not significant impact on economic growth. Finally, the result of this paper provides some important lesson to the Palestinian authority policymakers: there is strong real benefit from Banking credits policy due to the significant effect on Palestinian economy.

OBJECTIVES

To Initiates advance planning for introduction of new system or service in banking industry. To promote education and knowledge of the law and practice of banking. To promote and develop in India sound and progressive banking principles, practices and conventions and to contribute to the developments of creative banking. To be a customer centric organization known for its differentiated customer service. To offer a comprehensive range of products to meet all financial needs of customers. To be a top creator of shareholder wealth through focus on profitable growth. To transform the customer banking experience into a fruitful and enjoyable one. To leverage technology for efficient and effective delivery of all banking services. To have bouquet of product and services tailor-made to meet customers aspirations.

BENIFITS

When a global bank implements a core banking system in a multi-country environment, additional challenges that add to the complexity of the program tend to arise. The challenges involved in a multi-country environment can be classified under four broad heads.



The main benefit from the bank customers' point of view is significant saving of time by the automation of banking services processing and introduction of an easy maintenance tools for managing customer's money. The main advantages of e-banking for corporate customers are as follows: Reduced costs in accessing and using the banking services. Increased comfort and timesaving - transactions can be made 24 hours a day, without requiring the physical interaction with the bank. Quick and continuous access to information- Corporations will have easier access to information as, they can check on multiple accounts at the click of a button. Better cash management- E-banking facilities speed up cash cycle and increases efficiency of business Processes as large variety of cash management instruments are available on Internet sites of Estonian banks.

Reduced costs- This is in terms of the cost of availing and using the various banking products and services

Convenience- All the banking transactions can be performed from the comfort of the home or office or from the place a customer wants to.

Speed - The response of the medium is very fast; therefore customers can actually wait till the last minute before concluding a fund transfer.

Funds management- Customers can download their history of different accounts and do a —what-if‖ analysis on their own PC before affecting any transaction on the web. This will lead to better funds management. Therefore, to have effective Customer Relationship Management system is become key issue in internet banking services. The effective CRM system enables banks to gain better customer intelligence, precision in customization and better managed customer relationships through their virtual presence. The growth of E-banking has greatly helped the banks in controlling their overheads and operating cost. Many repetitive and tedious tasks have now been fully automated resulting in greater efficiency, better time usage and enhanced control.

Challenges in E-Banking

The ability to adopt global technology to local requirements: An adequate level of infrastructure and human capacity building are required before developing countries can adopt the global technology for their local requirements. The ability to strengthen public support for e-finance: Historically, most e-finance initiatives in developing countries have been the result of cooperative efforts between the private and public sectors. If the public sector does not have the necessary means to implement the projects it is essential that cooperative efforts between public and private sectors,

along with the multilateral agencies like the World Bank, be developed to facilitate public support for finance related initiatives. Confidentiality, integrity and authentication are very important features of the banking sector and were very successfully managed the world over in pre-internet times. Communication across an open and thus insecure channel such as the internet might not be the best base for bank-client relations as trust might partially be lost. E-Banking has created many new challenges for bank management and regulatory and supervisory authorities. They originate not just from increased potential for cross border transactions but also for domestic transactions based on technology applications which raise many security related issues. The Basel Committee on Banking Supervision's Electronic Banking Group has defined risk management principles for electronic banking. They primarily focus on how to extend, adapt, and tailor the existing risk-management framework to the electronic banking setting. It is necessary to know whether the efforts undertaken by the RBI are sufficient to ensure a reasonable level of security. Fifth, there are some serious implications of international e-banking. It is a common argument that low transaction costs potentially make it much easier to conduct cross-border banking electronically. For many banks, cross border operations offer an opportunity to reap economies of scale. But cross-border finance also needs a higher degree of cross-border supervision. Such cooperation may need to extend to similar supervisory rules and disclosure requirements (for efficiency and to avoid regulatory arbitrage) and some harmonizing of legal, accounting and taxation arrangements.

LIMITATIONS

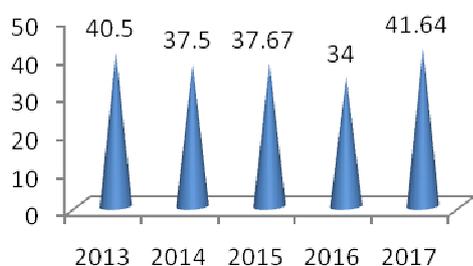
According to the research findings, certain areas are identified as the most critical while adopting a new technology. These identified areas must be thoroughly considered by the banks, especially in financial environment to increase their customer base. Reduction of risk related to day-to-day transactions performed through mobile device enables customers to build up trust in the banking services being offered. The degree of service expansion done by the bank periodically motivates customers to adopt the technology, as it offers versatility in its offerings. Sophisticated technical infrastructure should be developed in order to ensure reliable and timely provision of services to customers. First, the limitation concerns the nature of the measures used. The measures included in this research were all based upon the literature review of technology enabled service quality participating different mobile banking customers from public and private banks. Therefore, the potential for data inaccuracies due to item misinterpretation or predisposition to certain responses on the part of the participant does exist. Second, this study has covered the mobile banking customers of public and private banks but the foreign banks were excluded from the study. Future research work can be extended by comparing mobile banking services provided by the foreign banks also. To find out more accurate results about mobile banking services and customer satisfaction. Forth, apart from effectiveness of services and customer satisfaction there are number of other variables which may be considered in future research such as; IT, customer loyalty, trust, experimentation, etc. on which banking sector rests. Fifth, due to rapidly changing technology every time there is need to incorporate new paradigms so it is difficult for the researcher to concentrate on dynamic nature of the findings and results. Sixth, as this study has some financial restrictions for carrying this concrete result to be heightened and also for giving the practical shape, it needs some funds to be formulated for the study. Seventh, this study started 4-5 years back from now so there may be some significant

change in the technology which needs to be integrated in the future research. Eighth, this study has left some scope for other researchers for exploring new concepts on IT services in various sectors. Ninth, due to restrictions of time, money, it is not possible to cover all the parts of India so sample has taken from the M.P region.

RESULT AND ANALYSIS

We selected a continuous observation method because of the low frequency of some behavioural problems. Recordings each lasted two hours and covered the entire period in which the user was working at the Day-Stay unit. Data obtained by The Observer provided extensive information about the frequency or duration of behaviours, and this allowed us to design a person-centred intervention, aimed at reducing or eliminating challenging behaviours and increasing the occurrence of appropriate behaviour.

RATIO

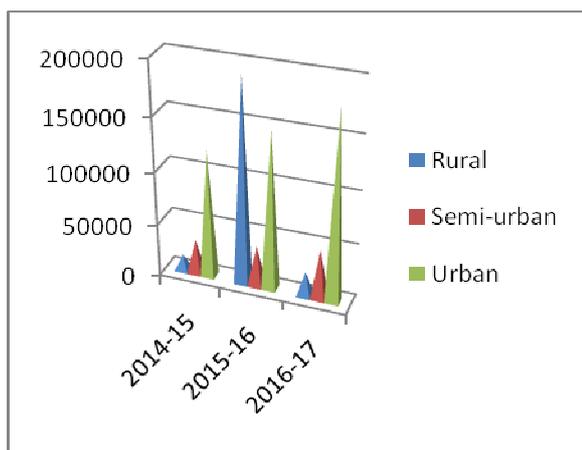


In this above chart discussed above that the challenging behaviour that the banking sector. In this report is analyzed and compared by using the last four years challenging data.

Implementation challenging

The implementation level of the increase over the three year period and this increase is reflected in the rural, semi-urban and the urban areas both at the state and all India level.

Area	2014-15	2015-16	2017-18
Rural	14918	192351	22405
Semi-Urban	32432	38513	46822
Urban	119966	149358	177765
Total	167316	207106	246992



The aggregate deposits in all the Scheduled Commercial Banks in the State increased from Rs.207106 crores in 2015-16, registering a 19 per cent growth. Tamil nadu accounts for 6.27 percent of the all India aggregate deposit. Increase in deposit in Tamil Nadu can be attributed to the increase in the number of bank branches, growth in savings deposit and routing of all welfare scheme like SHG's, school scholarship, etc. through the banks.

CONCLUSION

The banking industry has been a leader in the e-business world in recent years. The e-banking revolution has fundamentally changed the business of banking by scaling borders and bringing about new opportunities. In India also, it has strongly impacted the strategic business considerations for banks by significantly cutting down costs of delivery and transactions. It must be noted, however, that while e-banking provides many benefits to customers and banks, it also aggravates traditional banking risks. Compared to developed countries, developing countries face many impediments that affect the successful implementation of e-banking initiatives. One of the benefits that banks experience when using e banking is increased customer satisfaction. This due to that customers may access their accounts whenever, from anywhere, and they get involved more, this creating relationships with banks. Banks should provide their customers with convenience, meaning offering service through several distribution channels and have more functions available online. Other benefits are expanded product offerings and extended geographic reach. With all these benefits banks can obtain success on the financial market. But e-banking is a difficult business and banks face a lot of challenges.

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