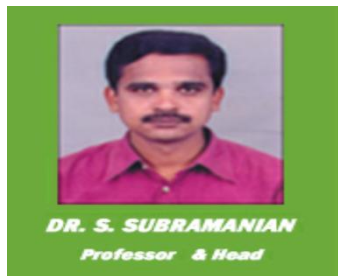




SMART BANKING TRENDS OF NEW GENERATION BANKS IN INDIA



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ABSTRACT

Banking sector is basically a link between those who have surplus capital and those who are in need of capital. It is an institution where carries out several functions. It provides safe custody for savings, income, offers facilities to the business men or professional as the cheque facility. The Indian banking sector plays an important role in national economic system, basically in the form of money circulation. Now the Indian government asked the

people of country to start actively using digital technology for all financial transaction because, India needs to root out corruption from the system. Several public and private sector banks have launched their respective e-banking platforms for their customers. There has been large transformation in the banking habits of customers including e-commerce and online shopping. They adopt mobile services for a diverse range of services in day to day routines for ordering foods, taxi booking, movie booking, mobile recharging, purchasing, etc. The smart banking trends are in the form of online banking, mobile banking, Branch banking, social media banking, Telephone banking.

This paper aims at presenting the Smart Banking Trends of New Generation Banks in India. The objectives of this study is to analysis the smart banking trends in India, to study about the new generation banks, to find the benefits of smart banking services in India. This study is based on the secondary data collected from different magazines, journals, sites and various studies on this subject have been referred in this study.

Key words: Banking trends, Internet banking, Mobile banking, Tele banking, Branch banking, and Social media banking.

INTRODUCTION

The banks encouraging people to save and it investing that money in various sectors, assistance in foreign trade, capital formation, providing essential in financial infrastructure and funds for backward regions, providing agricultural credit, promote primary sector, and it help the government to full fill almost every objective of planned economic development. Indian banking system is well developed system with different classes of banks –, 43 Foreign banks, 26 Public sector banks, 25 Private sector banks – 7 New and 18 old generation banks, 56 Regional and rural banks, 1589 Urban co-operative banks and 93,550 Rural co-operative banks with the Reserve Bank of India as the Head of the system. In the recent years, The Indian Banking industry now utilized the latest technologies like internet and mobile devices to carry out transaction and communication. This industry has been undergoing rapid change which is reflecting in banking reforms. It has the broadcasting of financial information which lowers the cost of many financial activities. In the last few years banking sector has introduced trendy products and services -credit cards, ATM, Tele-banking, Electronic fund transfer(EFT), Electronic clearing system (ECS), Real time gross settlement(RTGS), Internet banking, Mobile banking etc. this trendy product increase the efficiency of banks by reducing transaction cost.

NEW GENERATION BANKS

The India's first bank was the Bank of Hindustan, established in 1770 and the general bank of India established in 1786 but failed in 1791. The largest and oldest bank still in existence in India is the State Bank of India (SBI). The reserve bank of India was established in 1935. The Indian banking system can be classified in to two major groups – scheduled Banks and Non-scheduled banks. Private sector banks were nationalised at two stages during 1962 and 1980. As per the new policy of liberalization, privatisation, globalisation during 1991, government of India permitted new private sector banks in the country. These private sector banks are known as New Generation Banks. HDFC bank was the first bank to get a licence to open a bank branch under New Generation Bank; however, ICICI bank opens its first branch in the country. There are 7 new generation banks in the country.

1. UTI bank limited now known as AXIS bank limited
2. Developed Credit Bank
3. HDFC bank limited
4. ICICI bank limited
5. IndusInd bank limited
6. Kotak Mahindra bank limited
7. YES bank limited

NEEDFOR THE STUDY

The new generation banks adopt new technologies that can help banks to attract and retain customer, engage employees and increase revenue. The Indian banking sector to become the fifth largest banking industry in the world by 2020 and third largest by 2025 according to KPMG-CII report, India's banking sector expanding rapidly. The industry now utilized the latest technologies like internet and mobile devices to carry out transaction and communicate with the masses.

OBJECTIVE OF THE STUDY

- To study about the new generation banks.
- To analysis the smart banking trends in India
- To find the benefits of smart banking services.

RESEARCH METHODOLOGY

The present study is based on the secondary data collected from different magazines, journals, sites and various studies on this subject have been referred in this study.

SMART BANKING TRENDS IN NEW GENERATION BANKS

- **ONLINE BANKING**
- **MOBILE BANKING**
- **BRANCH BANKING**
- **SOCIAL MEDIA BANKING**
- **TELE BANKING**

ONLINE BANKING

INTERNET BANKING

Internet banking is a convenient way to do banking from the comfort of customer's home or office. It's a simple and secure way of banking and avoids the queues or delays. With this banking method the customer can pay bills, check account statement, transfer of funds, open a fixed deposit, recharge prepaid mobile bills /DTH bills and a lot more, Buy general insurance, pay Taxes and many more financial and non financial services.

E- STATEMENT

An e-statement is an electronic version of customers statement that customer can view and print right from computer. It helps to cut down on waiting time. Customer e-statement is available almost a week earlier than the paper statement. Enhanced privacy and security as access to customer's e-statements is through a username and password. Customer can view them, save them or print them.

ELECTRONIC FUNDS TRANSFER (EFT):

Electronic funds transfer is a system by who wants to make payment to another person or company. The customer can approach his bank and make cash payment or give instructions to transfer funds directly from his account to the receiver account. Complete receivers details should be furnished to the bank at the time of requesting for such transfers of amount. Reserve bank of India (RBI) is the service provided of electronic fund transfer (EFT).

NATIONAL ELECTRONIC FUND TRANSFER (NEFT):

National electronic fund transfer is a safe and effective to transfer any amount of money quickly. NEFT is a flexible payment option because low processing charges. NEFT is a highly dependable method of making payments and receiving funds online. NEFT transfer is really quick and rabbit settlement.

UNIQUE PAYMENTS INTERFACE (UPI)

UPI is an online payments solution which will facilitate the transfer of funds instantly between person and person using a Smartphone. UPI can be used both to send and receive funds. The system was launched in April 2016 by the RBI Governor Raghuram Rajan.

SAFE BANKING

The new generation banks provide safe banking security. The banks are not asked for security details like customer's internet banking or phone banking password on the email, phone or otherwise. The banker never discloses the customer's password to anyone, even to the bank's staff.

MOBILE BANKING

Mobile banking is a service provided by a bank that allows its customers to conduct financial transaction using a mobile device such as a mobile phone or tablet. Mobile banking facilities may include knowing about account information, transactions of funds, portfolio management services, real time stock quotes, ATM location, Scheck book and card requests, etc.

SMS BANKING

SMS banking service provides instant notification about customer transaction as and when it happens. Now the SMS banking help always in a position to detect unauthorized access to the customer account. It helps to know balances and mini statements instantly by just sending a message to the bank.

TOOL FREE NUMBER

Toll free number is a kind of customer care services provide by the Bank. The benefit of toll free number is that one gets the queries answered round the clock without paying any money on phone. However these numbers are free through landline and mobile phone. Now

the customer can have an instant access to the important information like balance and mini statement by just giving a call on a toll free number. This service would provide non-transactional services in an easy, fast and secured manner. The customer care services work 24 hours a day 7 days a week.

MOBILE WALLET

Mobile wallet is a new concept in India that has been surpassing credit card usage and is slowly beginning to replace the traditional payment methods. A mobile wallet, in simple terms, is a virtual mobile-based wallet where one can store cash for making mobile, online or offline payments. There are various types of mobile wallets in India, such as open, semi-open, semi-closed and closed – depending on the type of usage and payments that can be made. Wallets are growing rapidly as they help in Increasing the Speed of Transaction. Some examples of Indian mobile wallet companies are Paytm, momoe, Payumoney, CitymsterPass, Citrus, mobikwik, etc.

BRANCH BANKING:

Branch Banking is still an integral part of Indian banking system as most Indians still believe in cash transactions and prefer to visit banks in person for routine banking operations. Bank branches are the face of the banks where customers can visit and talk to the officials for getting better insights into new policies, investment schemes, other banking services etc. The personal touch in every service leaves a great impact on the minds of customers. However, banking in India has changed its facets and ways of doing business over the years especially after the onslaught of technology and its manifestations. People have started to drift towards latest modes of banking like ATM, Cash deposit Machine, and Doorstep banking etc.

ATM BANKING

An automated teller machine (ATM) is an electronic banking outlet. This facility is the most popular device in India, which enables the customers to withdraw their money 24 hours a day 7 days a week. Each cardholder is provided with a secret personal identification number (PIN).. Based on the RBI (Reserve Bank of India) report in 2017 there are 206609 ATMs are installed in India.

CASH DEPOSIT MACHINE

Cash deposit machine is self-service terminal, to deposit cash without any manual intervention of the branch officers. The main use of the cash deposit machine is to get Instant

credit in account immediate receipt, no need to fill deposit slip and stand in long queues. Currently these machines are available in all the new generation banks.

DOORSTEP BANKING

Now the introduce Door step banking (DSBS) for pickup and delivery of cash/cheque from and at the doorstep of customer. No minimum amount restrictions to pickup/delivered. The customer can avoid transit risk (robbery, theft) of carrying cash to and from the bank.

SOCIAL MEDIA BANKING

The new generation bank has launched a multi-social payment app across social platforms such as Face book, Twitter, WhatsApp, SMS or email. The app allows sending and receiving money without asking for bank details.

HDFC bank has leveraged the popularity of wearing devices in the country and has launched 'Watch banking' with its Apple watch. The bank will provide all its banking services through all wearable devices across platforms like iOS and Android.

TELEPHONE BANKING

It is a bank service provided by financial institutions allowing its customers to conduct banking transactions over the telephone. Institutions which provide banking services exclusively over telephone are called Phone Banks. They use special technology to modernize the customer by providing bank and account related information over a telephone. Benefits of Telephone Banking are automated phone answering system Phone keypad response resources Voice recognition capability Features of Telephone Banking Account balance information List of latest transactions Electronic bill payments Funds transfer between customer accounts Loan and account applications Purchase and redemption of investments Cheque book orders Debit or credit card replacements.

CONCLUSION

The banks has learned a lot from its mistakes and failures and gradually following the foot prints of their developed countries. People are still keeping their savings in the banks. There are millions of families have mobile phones but no bank accounts. The new generation banks introduce smart banking trends, innovative products and services to attract the customers. The smart banking trends to increase the bank account holders. The banking sector leads our

Indian economy to grow from lower to higher level. The new generation banks can change the banking method in an easy way with a help of digitalisation.

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