



INFLUENCE OF TECHNOLOGY ON THE PERFORMANCE OF INDIAN BANKING SECTOR - A REVIEW

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knowledge and awareness, security, safety, service quality, productivity, and profitability.

KEYWORDS: Core Banking; Mobile Banking; E-Banking; ATM; Phone Banking; Vendor Management System.

ABSTRACT

Banking system plays a very important role in the Indian economy. It is like a central nerve to a nation's economy as it caters to the financial needs of credit in all the domains of the society. The growth and advancements in technology has led to a paradigm shift in the entire banking operations and systems. Further the development of e-banking created a massive change in terms of fulfilling customers' divergent needs. The two fold objectives of current budget, namely, demonetization and GST, purely depend on digital banking. The present study explores the influence of technology in banking sector among customers by reviewing the relevant literature from the earlier studies. An in-depth study on the impact of technology in banking, reveals the factors such as, effectiveness of data management, value added services, level of

INTRODUCTION

Information Technology has made a revolution in each and every sphere of human life. Indian Banking System has reached every nook and corner of the country. Indian Banking System is no longer kept to just the metropolitans, yet has come to try and to the remote corners of the nation. The current technological environment facilitated in providing multiple and innovative contemporary services to the customers. Expectations of the customers have increased due to the impact of technology, increase in modern technology and increase in global literacy levels. Globalization, liberalization and privatization have brought remarkable changes in the banking service sector in India. Competitive pressures have also forced the banks to reconsider the way they do business. The traditional over-the-counter banking is slowly losing its prominence due to self-service techniques and competitive pressures by banks. Computer, telecommunications and internet have revolutionized banking service by offering alternate services by shifting towards internet banking. This enabled customers to access banking services in different ways on their smart phones and computers.

Introduction of Information Technology in banking industry has led the banks to store, assimilate and process information



electronically. Banks have embraced latest technologies to survive and grow in the changing market environment. Thus, the banks are able to deliver the provisions required for customers and offer the best solution from their product or service. This technological advancement in banking sector such as online banking, mobile banking, telebanking, ATM/Debit card and credit card has led to the advancements in the payments and settlement systems.

Banks have been the earliest in India to adopt technology by automating systems and streamlining their processes. Introduction of tech advancements have enabled banks to keep a high level of security, check fraud, abuse or pilferage, and to minimize the risk and cost of handling cash. Introduction of non-cash payment modules like RTGS, NEFT, NECS, UPI and digital wallets also play an instrumental role in transforming the banking services.

2. THEORETICAL BACKGROUND

Obviously, to recognize and inspect the effect of ICT on bank's execution and client benefit conveyance, the specialist detonated different articles/diaries, pertinent writing and existing routine with regards to Electronic keeping money. In today's business, rivalry, deregulation and globalization have constrained Banks to offer administration 24 hours around the world, while the criticalness disadvantage, then again, lies in its burden and security factors. Notwithstanding, both these elements have a noteworthy and significant effect on bank's execution and client benefit convey. The relationship that spins between ICT consumptions, bank's execution conveyance is restrictive upon the degree of system impacts. In the event that the systems are low, ICT is probably going to:

- 1.Reduce finance costs.
- 2.Increase piece of the pie.
- 3.Increase income and benefit.

Besides, in a more extensive point of view, ICT, deregulation and globalization in the keeping money industry could lessen the salary surges of banks and accordingly the key reactions of the banks, especially the pattern towards interior cost cutting, mergers and allegations are probably going to change the elements of the managing an account industry. This paper tries to decide whether banks have earned higher wage and conveyed a great administration than in customary way. The principle issues that can anticipate buyers emphatically incorporate the accommodation part of the administration, convenience and its similarity with their way of life.

Information and Communication Technology and Banks' Performance :-

In any case, look into on the effect of ICT on bank's execution is lacking and the accessible examinations are a greater amount of US, European and Australian saving money industry Movements of stores from financial records to currency advertise store accounts, expanded utilization of facilitated stores, and higher normal wage rates for bank workers were additionally watched for snap and mortar banks. acceding and candidate countries? (ACCs) adoption of e-banking, classified e-banking adoption factors in two categories:

1. ICT variables: These components include web entrance rates, aptitude of purchasers in utilizing web and related innovations, disposition towards innovation, security and protection concerns.
2. Banking components: This classification incorporates confide in keeping money division, saving money culture, Electronic saving money culture and Internet saving money push.

Significance of ICT in the Banking Industry

ICT upheaval has twisted the customary saving money plan of action by making it feasible for banks to break their usual ranges of familiarity and esteem creation anchor in order to permit client benefit conveyance to be isolated into various organizations. Along these lines, for instance, fundamentally Internet banks circulate protection and securities and in addition managing an account items, yet not every one of the items they disseminate are created by their gathering

Consumers' Behavior in The Banking industry :-

Consumer behavior is dynamic and to be studied regularly. Expanding mindfulness, globalization, deregulation, expectations for everyday comforts and urbanization has prompted increment in the changing inclinations and the same has constrained the Banking business to change their item elements and client benefit conveyance. The investigation of buyer conduct is necessary to the managing an account industry, in order to think about preferences of buyers every once in a while with the goal that the items and client administrations can be offered likewise. Clients have their own novel needs, requests and inclinations in a specific portion.

CONCLUSION:-

The review of studies is related to digital technology in banking sector. The role of technology is most important in the present scenario. Indian banking sector is one of the fast emerging industries in the world. Over the past era, banks portrayed a drastic improvement by the introduction of new technological solutions. The installations of ATM network, growth of the internet, development of mobile phones and telecommunication technology have carried out a revolution in the services delivered by the bank. Banks realized that the technology can help them to achieve a better competitive position. Still, banking sector is creating the awareness to the people about e-banking, mobile banking, credit card facilities, business loans and home loans facilities, to ensure demonetization in the country, which will make the financial transactions transparent. This revolutionary change could eliminate the black economy on the one hand help the people at grass root level to get the financial assistance from the banks producing necessary documents on the other.

Hence, internet banking and digital banking assures the best financial practices throughout India which is desired by our prime minister and ultimately every citizen of India.

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