

The Revolution of Upcoming Digital Banking



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ABSTRACT

New and improved technologies change the way people behave and interact in their daily lives. They change the essence of global business strategies, by changing customer behavior and expectations, business executives and competitive structures, so the banking industry is nothing. Most people in the banking industry agree that digital banking is a wave of the future. "Digital banking" is often confused with mobile banking and online banking, as all of this involves digital systems, in some way. Digital Banking is urgent, not a matter of subject matter, and these days digital transformation goes beyond banking. Digital Bank is introducing new and evolving technologies to the entire financial services organization, in line with relevant changes in internal and external corporate and employee relationships, providing improved customer service and more efficient and effective customer experience. Moving into the world of digital banks will not be smooth and will lead to further fragmentation in the financial services markets. Banks need to be radically transformed in their business, culture, and IT, and above all, they will need to put innovation in their backbone and use the data to build new business, revenue and customer engagement.

Keywords :- Digital Banking, Customer Behavior, Digital Banking, Banking Industry

I. INTRODUCTION

The challenge has the name: digital revolution and is very complex for banks, in the sense that they have to "fight" on two fronts: digital creation and digital integration. If the former is understood, perceived and therefore translated into well-defined operating strategies, many years ago with the proliferation of the Internet, the latter is very difficult, long lasting and dangerous, to the point of business survival. There are two aspects to the evolution of the digital business:

- Digital integration, which is an opportunity to make good use of and use digital methods to make it more efficient and effective and to improve existing resources and processes, and these operations can bring cost reductions and increase efficiency,
- Digital integration is a business opportunity and uses digital assets and skills to create new services that are important to customers, which can make a difference, new businesses, and new revenue.

Record	Differentiation	Innovation
Standardization	Unique process	Next competitive advantage
Operational frequencies	Current competitive advantage	
Common ideas	Better ideas	New ideas

Digital installation creates a new value based on digital assets and capabilities. Many banks are working on the first aspect, but they have the opportunity to continue developing the second aspect. Indeed, digital production is more than just installing analogue or visual resources with digital partners. Digitalization takes the view of digital emergence to change business models and the relationship between customer value and corporate revenue. But why do banks continue to more and more digitally convert? There are many reasons that can give explanations for this behavior, but perhaps the most important and influential factors, which have a profound impact on digital transformation of financial services, are the following methods.

Development of new technologies- The rapid development of new technologies, the Internet, Smartphones and tablets, in less than 10 years, and the challenge of new entrants (who only work with digital products) and new models, can add new dimensions to the changing role of the bank. The technology companies and start ups are rapidly expanding their operations to financial services, re-operating and competing - or collaborating - with banks and other financial institutions in various financial market segments or in operations that do not directly reimburse banking. This contributes to pushing banks to rethink how they operate.

1. Changes in customer expectations- Changes have also come from new customer expectations. Today's customers are not the same as they were a decade ago. Expectations for products and services have changed in just a few years. Digital users are a native of the digital age, born and raised on the Internet: the generation born between 1977 and 1994 is regarded as a complex technology, exposed to technology from childhood and inaccessible to most traditional marketing; and a generation born in the mid-90s to the early '00s, we are familiar with the media and the online environment where options are almost limitless. Both generations are highly connected and rely heavily on Smartphones / apps and even wearable to enjoy the best customer experience or gain the most popular content. They are quick to adapt to new developments and continue to search for information or advice on the Internet or on social networks. These digital consumers want more choice, faster access and more direct access to ready-to-use information and services. Expect fast, secure and easy banking products and services. They want banks to offer more than just transactions and expect them to understand their needs and act as trusted advisors.

2. The digital challenge for banks:- These days moving to a digital banking environment will not be easy and will lead to the fragmentation of financial services markets. Indian and global banks will need to implement state-of-the-art solutions for their system, including multi-client experience platforms, advanced CRM analytics and marketing, and open platforms for app stores and APIs ready to achieve the openness and expertise needed to grow and expand globally digital. Growing and growing in Digital world Banking System Beyond must be a powerful transformation of their business culture in the IT space, in particular, a traditional digital bank needs to use innovation in its backbone and use data to create better customer engagement, increase revenue and new business solutions. It is clear these days that the idea that “globally including the Indian Bank-ing System needs to be considered as a Digital Journey that will be

developed and implemented at higher altitudes that meet the challenges of the digital age and not just as a destination. The transformation of Digital Banking does not need to be limited to Retail Banking and the entire private and commercial banking system needs to benefit from the same strategies and principles that apply to the introduction of standard tools, to better customer engagement in the new digital age. The readiness to enter the new digital banking system will need to be tackled effectively and efficiently, as the wave of the future follows four digital digital strategies, which will allow the banking sector to gain market share and control costs. These days moving to a digital banking environment will not be easy and will lead to the fragmentation of financial services markets. Indian and global banks will need to implement state-of-the-art solutions for their system, including multi-client experience platforms, advanced CRM analytics and marketing, and open platforms for app stores and APIs ready to achieve the openness and expertise needed to grow and expand globally digital. Growing and growing in Digital world Banking System Beyond must be a powerful transformation of their business culture in the IT space, in particular, a traditional digital bank needs to use innovation in its backbone and use data to create better customer engagement, increase revenue and new business solutions. It is clear these days that the idea that “globally including the Indian Bank-ing System needs to be considered as a Digital Journey that will be developed and implemented at higher altitudes that meet the challenges of the digital age and not just as a destination. The transformation of Digital Banking does not need to be limited to Retail Banking and the entire private and commercial banking system needs to benefit from the same strategies and principles that apply to the introduction of standard tools, to better customer engagement in the new digital age. The readiness to enter the new digital banking system will need to be tackled effectively and efficiently, as the wave of the future follows four digital digital strategies, which will allow the banking sector to gain market share and control costs.

- Launch a digital product that is different from the existing type of bank, allow the bank to differentiate its digital offerings from its other services and offer a completely different feel and price structure to its online customers.
- Modernizing the digital experience is therefore very similar to all other digital experiences that bank customers have.
- Incorporate new digital skills beyond online banking and mobile banking to remove new types of digital assets.
- Remove the paper and create a set of digital processes to compete in the digital world

FinTechs with its new business models such as mass refunds, P2P, P2P and B2B, and disruptive technologies seriously question the banking business model, despite the fact that it belongs to banks that have been developing computer and information technology. They attack the banking industry on almost every major point of their list of values (loan time, payments, required funds, etc.) completely. However, risks and leaks go hand in hand, and banks can reap huge profits, if they immediately comply with the actual practice. As McKinsey suggests in a recent study “that digital arbitrators can see 35 percent of total revenue spent, while winners can earn more than 40 percent or more profit”. But in order to achieve that, banks need to be familiar with the fact that digital banking and within the banking industry is not an option, or an option: it is an existing, confusing decision made by the will of banks. In other words, digital banking is a do-it-yourself challenge for banks and new digital institutions that oppose it will soon be destroyed technologically, as key stakeholders, including investors, clients, markets, etc. they retreated against their "conservatism". In addition, banks must acknowledge that they are conducting business during the Fourth Industrial Revolution and will affect the current business model, such as previous changes and innovations used throughout history, using the same method and process of creative design.

3. Indian Banking System digital even more- The Banking Sector in India has made many efforts to provide their sophisticated offerings to digital channels where the need is easier to engage more impatient Indian online consumers. Indian consumers have always benefited from the opportunities for web development and mobile banking, simultaneously implementing these services as free add-ons to their browsing account. Nowadays the number of Indian buyers who like to search online for products and providers has increased by about 15%, although most of them still go to bank branches to complete their transactions according to their old habits. It takes a lot of effort to buy and meet Indian customers online, and overall sales growth is greatly affected by the success of this effort. Often even in India it has become apparent the growing trend of electronic cash flows for the renewal of telephone bills such as universal providers of Vodafone-Telecom Jio Mobile and Plus companies, TV Private Programs payments, fines, bills, taxes, Services that have led to a reduction of money, by supplying with the rest of the electrical channels all 150-200 million, within a few years and there is a growing number of transactions. The Indian market has a unique opportunity, combining a very small legacy of classic technologies, as well as products with a clear vanilla banking system. India like Europe and the rest of the world is embracing this digital revolution by opening up new everyone opportunities in the Indian Banking System and their customers. In this context, the Government of India is committed to supporting and promoting digital programs as a powerful tool for the state's growing awareness and openness of our society that promotes economic development and enriching citizens. What about the situation of Digital Banking in India, where we are and what will be the next future strategy to implement such a digital transformation project? Global momentum is somehow delayed, as there are not many programs in this area. We are seeing an increase in customer demand for quality, mobility and an increase in price sensitivity. And the percentage of people accessing the Internet, either from home or

from their mobiles is increasing rapidly especially from mobiles. On the positive side, it seems that the Indian market has a unique opportunity, by combining a very small legacy of old technology, a combination of vanilla products and obvious services. This situation allows India projects especially those related to the digital environment to be much simpler and less expensive, faithfully costing billions in mature markets. Many big banks like ICICI, Axis, HDFC, SBI, IDBI, Punjab national bank etc. Digital transformation becomes a strategic guide for all through the implementation of Digital Banking Projects. Most of the new initiatives and the dedicated budget go into this direction, and based on their digital strategies other major banks are making significant investments in the same area, in the same area. The radical modernization of electronic channels is still not evident on a large scale, and we see some important developments in branch transformation, such as innovations that allow for self-service access to banking services, and the modernization of supporting processes, but there is still a long way to go. In the meantime, digital signature initiatives with identity cards show strong promise, but further investments in the regulatory environment, increased knowledge and education of the judicial system, as well as the eventual opening of digital signature to other competitors, which could result in lower costs, are needed. Promoting cooperation among banking operators, financial institutions, and providers has resulted in the need to develop structures and close certain gaps in the legal structure in order to establish an acceptable environment for citizens, service providers, and the banking system to use modern payment instruments and reduce operating costs and cash use. The Indian government strongly backed and supported digital initiatives and projects as the most successful tool for modernizing governance, growing society's awareness and transparency, stimulating economic growth, and enhancing citizen services. Even then, the number of digital services necessitates more changes, such as overcoming the old way of operating and overcoming the mindset of using

booklets, while also creating strict security and operational rules in order to make citizens' lives simpler, lower service prices, and ensure total security in digital systems. As previously mentioned, some Indian banks are working to integrate their systems. Bank and Society General have started pilot programs in this area, with many banks piloting the authentication service at one of its main branches since January 2016, with the aim of identifying customers who make external bank transfers by reading their ID cards with biometric readers, and Society General in India is working to integrate the electronic card. There are also attempts to incorporate the authentication service with the bank's services.

II. CONCLUSION

As we discussed and commented, the banking sector structure was mainly focused on transactions and money handling, but today, banking has changed from transactions to interactions, which are centered on data management - the more information you glean from data, the greater your ability to offer engaging client experiences," Muralitharan says. Digital bank not only provides detailed guidance and history on the digital revolution in banking, but also monitors the developments and how the mobile internet is changing the nature of customer and corporate relationships with their banks. The implication is that banks must digitize, which is a challenge because becoming a Digital Bank necessitates new services based on 21st-century technologies, and these businesses – both giants and start ups – are aggressively entering the financial sector, leveraging technology and delivering continuous innovation to constantly upgrade their arsenal and compete – or collaborate – with banks. Financial institutions must undergo a business transformation, investing in the gradual upgrade of their legacy systems in order to provide the digital services demanded by customers. Customers, competitors, regulatory agencies, and, most importantly, governments will push banks in India

and around the world to become more digital, and it is only a matter of time. The promise of anytime, anywhere banking with transparency and convenience will eventually bring together today's branch-based traditional players with the no-frills offers of direct banks and i-Banks.

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Cite this Article

Dr. Vinay Devlal, " The Revolution of Upcoming Digital Banking", International Journal of Scientific Research in Science and Technology(IJSRST), Print ISSN : 2395-6011, Online ISSN : 2395-602X, Volume 3, Issue 8, pp.2038-2042, November-December-2017.