TECHNOLOGICAL INNOVATION IN INDIAN BANKING SECTOR

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ABSTRACT

Transformation is taking in Indian banks from all verticals, and subtle and not so subtle makeovers in banking products are dynamically altering the face of banking. The research paper focuses on the way transformation is affecting the banking sector and the way use of IT products have changed the face of banking in India. It reveals current environment of the banking industry; the factors that have brought changes in the industry; and the way these changes have contributed to the development of banking. This paper concludes that financial market has turned into a buyer’s market. Banks are have now bloomed into one-stop Supermarkets. Their focus is shifting from mass Banking to Class banking with introduction of value added and customized products. Technology now allows banks to create what looks like a branch in a business building’s lobby without having to hire manpower for manual operations. These branches are working on the concept of 24 X 7 working made possible due to Tele banking, ATMs, Internet Banking, Mobile Banking and E-banking. This technology driven delivery channels are used to reach maximum customers at lower cost and in most efficient manner. The beauty of these banking innovations is that it puts both banker and customer in a win-win situation. The need of an hour is to design a system to promote marginal efficiency of investment in technology and widen the gap between marginal benefits and marginal cost involved in Banking transformation with special reference to technological upgradation.