



Recent Trends in Customer Services of Commercial Banks in India

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ABSTRACT

Commercial banks, besides performing the modern banking financial services, play a significant role in the economic development of a country. The role of commercial banking assumes much importance especially in a developing country like India. Today, we are having a fairly well developed banking system with different classes of banks – public sector banks, foreign banks, private sector banks both old and new generation, regional rural banks and co-operative banks with the Reserve bank of India as the fountain Head of the system. In the recent past, banking sector in India has working towards providing improved services to its clients by adopting new technologies and introducing faster and improved payment systems.

KEYWORDS : Banking, E-Banking, Mobile Banking, EFT, Modern Banking

Introduction

The banking sector has been immensely benefited from the implementation of superior technology during the recent past, almost in every nation in the world. Productivity enhancement, innovative products, speedy transactions seamless transfer of funds, real time information system, and efficient risk management are some of the advantage derived through the technology. Information technology had also improved the efficiency and robustness of business processes across banking sectors. Indian banking sectors has made rapid strides in reforming itself to the new competitive business environment. Indian banking industry is the midst of an IT revolution. Technological infrastructure has become an indispensable part of the reforms process in the banking system, with the gradual development of sophisticated instruments and innovations in market practices.

E-Banking

Where banking operations are carried out through electronic means, it takes the form of e-banking. Electronic means of banking include electronically operated devices such as computers, ATM, etc. However, in modern times, electronic banking involves different types of transactions. E-banking takes place through 'Electronic Fund Transfer' (EFT). The EFT uses computer and electronic technology as a substitute for cheques and other paper transactions.

Internet banking

Internet banking is taking the lead and has become the most popular and convenient mode of banking amongst the customers. Banking transaction that takes place in a virtual ambience on the website of a banking company or a financial institution is termed as 'Internet banking'. The essence of internet banking lies on-line access by customers of banking and financial services.

Mobile banking

Mobile banking refers to the banking activities that are carried out on mobile (cell) phone. That is, banking is enabled, even while a person is on the move. Mobile banking offers the entire internet-based banking services such as on-line account opening, account verification, funds transfer, etc. under the gamut of mobile banking the following services are available:

- **SMS Banking services**

SMS stands for 'Short messaging Services'. The service enables the mobile banking customers to access SMS server through their mobile phone. The Customer can avail the following services under the SMS banking: Making balance inquiry, Making query of the last five transactions, sending mail to the bank's Relationship Officer, Changing SMS password and opting out of SMS.

- **WAP Banking Services**

Banking done through WAP (Wireless Application Protocol) enabled phone is called 'WAP banking'. WAP enabled mobile phone is miniature computer monitor. In order to use WAP banking, one needs to connect to Internet on the WAP enabled mobile phone. Therefore, it is important that the customer obtains a current Internet connection.

Telephone Banking

Banking and financial services are delivered to the customer of a bank through the medium of telephone. Telephone banking services makes use of an automated voice response system. A secure, fast, and convenient way to obtain a range of services by using a telephone without visiting the branch, e.g. information on account, conduct of selected transactions, report loss of ATM card, order a chequebook, draft, etc.,

ATM-The cash machine

The most visible, and perhaps most revolutionary, element of the virtual banking revolution is the cash machine or the Automated Teller Machine (ATM), as it is more popularly known. ATMs are known for their speed and convenience giving 24 hours access to bank customers to operate their bank account in the physical environment with the help of machines. The machine is used to render certain essential banking functions such as deposit taking, cash withdrawal, account balance verification, etc. with the help of a personal Identification Number (PIN) system. ATMs have the following features: such as, Anywhere Banking, Anytime Banking, Anything Banking, Safety, User Interface, Visual Messages, Swallowed card and ATMs Security.

Electronic funds transfer (EFT) system

The EFT was launched by the Reserve Bank of India in the year 1995. The system allows for the instantaneous transfer of funds between banks and among banks through the electronic mode. The system was introduced with a view to modernizing the funds transfer mechanism within the country. These systems when compared to the existing payment systems are fast, minimize the paper work, provides for automatic reconciliation, works towards better customers/investor service, and infrastructure developed for these systems can be used by banks for introducing new payment/cash management products for their customers.

Conclusion

In modern times, information exchange takes place at great speed. The dependence of people on computing devices such as computers, cellular phones, pagers, facsimile machines, e-mail and the Internet is growing at galloping rate. Such a growth has made the real-time exchange of information a reality. At the same time it has also thrown challenges to modern enterprises, which prompt them to act in a proactive manner so as to stay competitive in the business world. The banking today is re-defined and re-engineered with the use of information Technology and it is sure that the future of banking will offer more sophisticated services to the customers with the continuous product and process innovations.

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