



## New Technology in Banking Services

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Banks play a vital role in the socio-economic development of our country. Banks offer several facilities to enhance the standard of living of our citizens. In the past, owing to lack of information and proper guidance, the general public could not avail the full benefits from the banking industries to improve their standard of living. Customer service management is a key component of business today. The concept is very crucial as it incorporates customer, customer service, customer satisfaction, customer value, customer loyalty, customer retention, etc. In one word, it is linked to customer Relationship management and Customer Experience Management. So far as jargons are concerned, more or less relationship marketing, CRM and customer service management are interchangeably used. Relationship marketing attracts, maintains and enhances customer relationship. Banking scenario has witnessed epoch – making changes from traditional to modern, manual to technological, inward looking to outward looking, inbound efforts to outbound strategies, task – oriented to customer – centric. This transformation has been triggered by bank reforms, deregulation, and competitive environment. Banks have thus moved from the sellers' market to buyers' market.

### UNDERSTAND THE CUSTOMER

The customer can appreciate and can help in the design and improvement of the product or the service. The organisation just has to take regular feedbacks and reactions from their employees as their internal customer base just as it is one with the regular customer. Also improvements must be carried out based on their suggestions. This is very important since it may cause harm to the image and the credibility of the organisation if they don't work upon the suggestions and the feedback. The desired end-product of every marketing strategy is customer satisfaction. To achieve customer satisfaction in today's turbulent and unsteady market, banks just as any other major organisation, have started to realize the potential within the organisation.

### DIGITAL EMPOWERMENT

The digitisation of the activities and procedure across various departments in our country makes every citizen digitally empowered. One of the objectives of digital india initiative is to bridge the gap of digital divide through empowerment. The key components of this vision are:

- Universal digital literacy.
- Universally accessible digital resources.
- All documents / certificates to be available on cloud.
- Availability of digital resources / services in local languages.
- Electronically submission of documents.
- Collaborative digital platforms for participative governance.

### TRANSACTION THROUGH DIGITAL CHANNELS

All the banks are now increasingly using digital platform to deliver services, market their products and to reach out to customers. Channels of digital banking are:

- Internet banking
- Mobile banking
- SMS banking
- Call Centre
- POS Terminals

- ATM
- E – Wallet
- Social networking websites
- Other websites

Most of the banks are having their presence in social media platforms. Videos of products and services are now uploaded in various online platforms. The share of electronic payments is continuously increasing in terms of both volume and value. Several payment channels viz, cards (including credit, debit and prepaid varieties), near field and cardless, electronic, internet and mobile based, are growing in big proportions.

### CUSTOMER RELATIONSHIP MANAGEMENT

Customer Relationship Marketing (CRM) is the latest buzzword and banks are using this tool to acquire new customers, to retain the old customers and to service the existing and new customers. CRM processes that help to form individualized relationships with customers (to improve customer satisfaction) and provide the highest level of customer service to the most profitable customers.

### ECRM

Electronic CRM concerns all forms of managing relationships with customers making use of information technology (IT). ECRM is enterprises using IT to integrate internal organization resources and external "marketing" strategies to understand and fulfill their customers' needs. As the internal is becoming more and more important in business life, many companies consider it as an opportunity to reduce customer – service costs, tighten customer relationships and most important, further personalize marketing message and enable mass customization. ECRM is being adopted by companies because it increases customer loyalty and customer retention by improving customer satisfaction, one of the objectives of ECRM.

### CORE BANKING SOLUTIONS (CBS)

CBS is a type of banking in which a person who opens a bank account in a particular branch of a bank will be a customer of the bank rather than being a customer of a particular branch. Core banking is all about knowing customers' needs. Providing them with the right products at the right time through the right channels 24 hours a day, 7 days a week using technology aspects like Internet, Mobile ATM etc.

### AUTOMATED TELLER MACHINE (ATM)

ATM is an electronic machine, which is operated by the customer himself to make deposits, withdrawals and other financial transactions. ATM is a step in improvement in customer service. ATM facility is available to the customer 24 hours a day.

### PHONE BANKING

Customers can now dial up the bank's designed telephone number and he by dialing his ID number will be able to get connectivity to bank's designated computer. The software provided in the machine interactive with the computer asking him to dial the code number of service required by him and suitably answers him.

### TELE-BANKING

Tele banking is another innovation, which provided the facility of 24

hour banking to the customer. Tele-banking is based on the voice processing facility available on bank computers. The caller usually a customer calls the bank anytime and can enquire balance in his account or other transaction history.

### INTERNET BANKING

Internet banking enables a customer to do banking transactions through the bank's website on the Internet. It is a system of accessing accounts and general information on bank products and services through a computer while sitting in its office or home. This is also called virtual banking.

### MOBILE BANKING

Mobile banking facility is an extension of internet banking. The bank is in association with the cellular service providers offers this service. For this service, mobile phone should either be SMS or WAP enabled. These facilities are available even to those customers with only credit card accounts with the bank.

### VOICE MAIL

Talking of answering systems, there are several banks mainly foreign banks now offering very advanced touch tone telephone answering service which route the customer call directly to the department concerned and allow the customer to leave a message for the concerned desk or department, if the person is not available.

### DEBIT CARD

A debit card (also known as a bank card or check card) is a plastic card that provides an alternative payment method to cash when making purchases. Functionally, it can be called an electronic check, as the funds are withdrawn directly from either the bank account or from the remaining balance on the card.

### CREDIT CARD

Credit cards, debit cards are used widely for telephone and Internet purchases, and unlike credit cards the funds are transferred from the bearer's bank account instead of having the bearer to pay back on a later date.

### SMS BANKING

Short Message Service (SMS) is a communication service standardized in the GSM mobile communication system, using standardized communications protocols allowing the interchange of short text messages between mobile telephone devices.

### ELECTRONIC FUNDS TRANSFER (EFT)

Electronic funds transfer or EFT refers to the computer-based systems used to perform financial transactions electronically. The term is used for a number of different concepts

### CHALLENGES AND OPPORTUNITIES OF BANKING SERVICES

Banking transactions are becoming complex by launching of so many new products with latest technology. However, banks were able to achieve the target of Government of India's highly ambitious plan of universal financial inclusion within the stipulated timeline but it is not enough only to open the account by every household to achieve the goals of financial inclusion.

Even after opening an account with bank, people are not able to use their account due to lack of awareness. What is required today is the basic information and awareness about the financial management / products ( deposits, loans and other financial products, etc) should be provided to them so that they will get the direct benefits of these products and services. The Indian banking sector is faced with multiple and concurrent challenges such as increased competition, rising customer expectations, and diminishing customer loyalty. The banking industry is also changing at a phenomenal speed. As banks develop their strategies for giving customers access to their accounts through various advanced services like e banking, mobile banking and net banking, they should also regard this emerging platform as a potential efficiencies and as a vehicle for new revenue sources. Banking industry's opportunities includes

- A growing economy
- Banking deregulation

- Increased client borrowing
- An increase in the number of banks
- An increase in the money supply
- Low government – set credit rates and

Larger customer checking account balances. Developing countries like India, has huge number of people who don't have access to banking services due to scattered and scattered and fragmented locations. But if we talk about those people who are availing banking services, their expectations are raising as the level of services and products provided by different banks.

### CONCLUSION

The technology orientation has become inevitable. In creating a viable and efficient banking system, which can respond adequately to the needs of growing economy, technology has a key role to play. The technological challenge is to identify suitable areas of automation, selecting appropriate software and priorities the implementation on suitable and cost effective hardware so that in ultimate analysis, gains outweigh the cost. There is a greater responsibility on the part of bank to inform their customers and make them aware about various products and services launched by them on real time basis as per changing customer needs, hopes and expectations in the era of fast changing new technologies. Banks will have to develop and make a strong digital ecosystem to make the people aware about the information so that they will be inspired and motivated for their valuable contribution in the economy. Empowerment that can be achieved through various channels of the digital banking to build a very strong, prosperous, sound and sustainable economy.

No doubt computerization has played a key role in expanding the business. Still it is difficult to quantify the weightage. It was too early to expect miracles in the business as the branches are still grappling with the problems emerged because of IT, so let the system stabilize and then it would definitely prove more rewarding.

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