

## Impact of Modern Banking System in India

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### 1.1 INTRODUCTION

Banking industries is fast growing with the use of technology in the form of ATM on-line banking telephone banking Mobile banking est. Plastic card is one of the banking products that cater to the needs of retail segment has seen its number grow in geometric progress in recent years today the concept of core banking has made anywhere and anytime banking a reality along with technological service have also developed technological banking product are carried out through the medium of high technological at a fraction of the cost to the customer this focus on how the technological services in banking sector luring the sustainable development.

#### ❖ **Impact of Modern Banking Services: -**

Technology has been one of the most important factors for the development of the nation. Information and communications are significant part in the field of technology which is used for accessing, processing, storage and dissemination of information electronically. Banking industry is growing rapidly with understanding the requirements of customer by offering technological services like ATMs online banking, telephone banking, and mobile banking and so on. This growth has been strongly supported by the development in the field of technology. With the development of information technology, the world has become a global village and it has brought a revolution in the banking industry. Bank customers are becoming very demanding and it is the extensive use of technology that enables banks to satisfy adequately the requirement of customers.

#### ❖ **Today's mordent Banking System: -**

Banking is today's flourishing industries Focus on technological innovation. Banks play an important role and active role in the economic development of country banking systems of any country needs to be effective efficient and disciplined because it brings about a rapid growth in the various sectors of economic liberalization brought several change to Indian services industries technology is revolutionizing all areas of human invidious and activity it has right now brought it E-banking which is gradually replacement the traditionally branch banking internet banking has emerging as the biggest focus and targetable area the customers are able to choice their banker from a number of bankers offering wide range of services and delivering quality services the commercial bank in India are now becoming more market oriented and customers friendly internet banking and is having a significant impact on the banking relationship Banking industries is fast growing with the use of technologically in the form of ATM, on line banking telephone banking Mobile banking this growth to understand the modern banking services and to know the impact of technological banking services to aware of the impact of modern banking services system to realize the benefits of modern banking services.

### TECHNOLOGICAL BASED MODERN BANKING SERVICES

Use of advanced technology has led to the shift from traditional banking methods to modern banking methods. Currently, the most common and useful technology based banking methods are online banking Mobile Banking Video Banking Telephone banking, ATMs Plastic money and so on.

- **On line Banking: -**

It empowers customers to conduct financial banking transactions on a secure website which can be operated by retail, virtual bank, credit union or building society. It makes banking faster and easy. The Following are transaction and non-transaction application of on line banking services. Remote video connection it can be performed over purpose built banking transaction machines (ATM) or through bank branches enable with video the following bank activity: -

- ❖ *Customer authentication*
- ❖ *Cash and cheque deposits*
- ❖ *Cash and coin withdrawals*
- ❖ *Account transfer and bill payments*
- ❖ *Processing new account and loans*
- ❖ *Bank consultations and enquires*

- **Telephone banking: -**

It is a bank service Provide by financial institution allowing its customers to conduct banking transitions over the telephone institutions which over the telephone banking services exclusively over telephone are called phone bank. They use specially technology to modern the customers by providing bank and account related information over a telephone.

- **Benefits and worth of the telephone banking: -**

Automated phone answering system (IVRS) system interactive voice recorded System Phone keypad response resources voice recognition capability.

- **Features of telephone banking: -**

- ✓ *Account balance information*
- ✓ *List of latest's transaction*
- ✓ *Electronic bill payment*
- ✓ *Fund transfer between one Accounts to another account*
- ✓ *Loan and account application*
- ✓ *Online account opening*
- ✓ *Debit or credit card replacement*

- **Mobile banking: -**

Mobile banking is a system that allows customers of financial institutions to conducted a number of financial transactions through a mobile device such as mobile phone or personal digital assistance it is used for performance through mobile devise It is used for performing through mobile device such as a mobile phone or a Personal Digital.

- **Assistant (PDA) banking activities such as:**

- ✓ *Balance checks*
- ✓ *Account details*
- ✓ *Portfolio management Account transactions*
- ✓ *Payments and investments*

Credit applications and other transactions Mobile Banking enables connection with customers throughout the customer life cycle in a much better way than before.

**Its main objectives are: -**

Building customer relationships reducing cost and gaining revenue Promotion of banking organization brand Personalization of banking experience

**• ATM (automated teller machine): -**

ATMs are electronic machines which are operated by a customer himself to deposit or to withdraw cash from bank. For using an ATM, a customer has to obtain an ATM card from his bank. The ATM card is a plastic card, which is magnetically coded. It can be easily read by the machine.

**➤ Advantages of ATMs: -**

- ✓ ATM provides 24 hours' service
- ✓ It gives convenience to bank's customers
- ✓ It reduces the workload of bank's staff
- ✓ It provides service without any error
- ✓ It is very beneficial for travelers
- ✓ It may give customers new currency notes

**➤ Facilities of ATMs: -**

- ✓ Cash withdrawals
- ✓ Cash deposits
- ✓ Balance enquiry or checking the balance in the bank account
- ✓ Request for statement of account
- ✓ Change of personal identification number (PIN)
- ✓ Cheque book request
- ✓ Transfer of funds from one account to another account
- ✓ Other facilities like bill payments

**➤ Plastic money: -**

Plastic Money is a must need of our busy life. Today plastic money is the best alternative of the cash. It is also safer to traveling with a plastic money card than cash. Today it is very easy to carry money without having a lot of cash or gold. This is a new idea of present life-style which has made money transition so easy that anybody can carry it with him or her in a pocket. Benefits of Plastic Money: - Purchasing power, Time saving, additional Credit limits

**➤ Cyber cash: -**

Cyber cash is pioneer in the electronic commerce industry and the leading provider of Internet payment technologies and services. It enables merchants to accept secure payments on the Internet with more ease, flexibility, reliability and cost-savings than any other solution.

**REFERENCES:**

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