



DIGITAL BANKING : A FUTURE OF BANKING

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Abstract: -

Digital Banking, the robotization of conventional financial administrations, is the way to client commitment, better productivity, and control. Its reclassified banking by subbing a bank's actual presence with an internet-based presence and getting rid of the client's need to visit a branch. Computerized banking empowers clients to execute through various got advanced channels while the bank deals with information security, related risk alleviation, and administrative viewpoints. This is finished by incorporating on the web and portable financial administrations with the most recent advanced advances like investigation, web-based entertainment, creative installment arrangements, and versatile innovation and surpassing client assumptions, comfort, and experience.

Keywords: -digital, economy, finance, future, banking

Introduction: -

Digital Banking is the computerization of customary financial administrations. Advanced banking empowers a bank's clients to get to banking items and administrations by means of an electronic/online stage. Computerized financial means to digitize all of the financial activities and substitute the bank's actual presence with a never-ending web-based presence, wiping out a shopper's need to visit a branch. We can define the digital banking as banking done through the digital platform, doing away with all the paperwork like cheques, pay-in slips, Demand Drafts, and so on. It means availability of all banking activities online. In India, to continue on from actual check for KYC, video-based confirmation might be presented by the market controller for a superior cycle. Computerized investment accounts are additionally being presented by a few banks. These records are like the essential investment account, offering full financial offices to clients without keeping a base equilibrium, with a virtual check card convertible to an actual charge card.

The objective of the Study: -

1. To analyze the future of banking in various aspects.
2. To study the digital banking and it's features.

Research Methodology: -

Research Methodology is a systematic and organized medium through that a selected case or drawback may be explained. It refers to the scientific procedure for getting information supported by empirical observation and logical reasoning and its analytical, descriptive, and quantitative analysis.

Data Collection:-

Widespread secondary and primary data sources had been used for this research. A secondary source contains books, journals, newspapers, and information from Internet websites. The Secondary sources, explain the theoretical and conceptual concepts towards the future and features of digital banking in Indian economy. A detailed description of all the topics is taken into consideration.

Evolution of Digital Banking in India: -

In India, computerized banking began coming to fruition in the last part of the 1990s with ICICI Bank being the first to carry the support of their retail clients. Advanced banking became standard just in 1999 as web charges were diminished and there was expanded mindfulness and entrust concerning the web. Technology has revolutionized the banking industry around the world over the last two decades. Internet and mobile access have reached the furthest places in the world and connected people and organizations. This has changed customer expectations and organizational capabilities. With mobile connectivity and the associated infrastructure, fintech technology companies have entered the banking sector and launched a variety of customer-friendly products. To catch up with it, banks had to overhaul their processes and products to retain their customers. This led to the advent of ATMs (automated teller machines) and the beginning of digital banking. The next step was to meet the expectations of new customers. This has allowed banks to create better innovations, products and services. At the end of the 20th century, banks used technology to provide their

customers with 24/7 service. Today, customers can get bank details on their smartphones anytime, anywhere without the involvement of bank staff. In digital banking, all records are kept in digital format, and analytical techniques are applied to interpret the data into useful information, improve customer retention, and generate more business through customer-specific interactions. All of this leads to higher operational efficiency and higher profitability for banks. The Indian government's vision for a cashless economy is being accelerated by deploying Internet access nationwide, and online banking needs an hour thanks to COVID-19.

Types of Digital Banking Payment: -

Bank Cards:

Cards are used not only to withdraw cash, but also to enable other forms of digital payments. The card can be used for online transactions and point-of-sale (POS) machines. Prepaid cards can also be issued by banks. Such cards are not connected to your bank account, but will process the money loaded into them.

Unstructured Supplementary Service Data (USSD):

You can perform mobile transactions without an application or internet connection by dialing the number * 99 #. This number is national and promotes local financial inclusion. This service allows callers to browse an interactive voice menu and select the desired option on the mobile screen. The only pitfall is that you need to link the caller's mobile number to your bank account.

Aadhaar-enabled payment system "AEPS":

AEPS allows customers to successfully verify their Aadhaar number before initiating a bank transfer.

Unified Payments Interface (UPI):

UPI is currently the trendiest form of digital banking. UPI uses Virtual Payment Addresses (VPAs) to allow users to transfer funds without having to enter bank account details or IFSC codes. Another great feature of UPI is that you can use the application to consolidate all your bank accounts in one place. Funds can be sent and received 24 hours a day, 7 days a week, with no time limit. UPI-based apps in India are BHIM, PhonePe and Google Pay. The BHIM

application not only allows you to transfer funds to other virtual addresses and bank accounts, but also allows users to transfer funds to another Aadhaar number. More importantly, UPI-based payments are free.

Mobile Wallet:

With a mobile wallet, you don't have to remember your 4-digit card PIN, enter CVV details, or carry cash with you. Mobile wallets store bank account and card details, easily add funds to your wallet and pay to other merchants with a similar application. Popular mobile wallets include Paytm, Freecharge and Mobifik. However, mobile wallets usually have a limit on how much you can deposit in your wallet. In addition, there may be a small fee for depositing money from your mobile wallet to your bank account.

PoS terminals:

Typically, PoS machines are portable devices that read a card to authorize and complete the payment. Supermarkets and gas stations opt for this method of payment. However, with digital banking thriving, PoS terminals have evolved into more than physical PoS devices. Virtual and Mobile PoS terminals have surfaced, which makes use of the mobile phone's NFC feature and web-based applications to initiate payment.

Internet and Mobile Banking:

Commonly known as e-banking, internet banking refers to obtaining certain banking services over the internet, such as fund transfers, and opening and closing accounts. Internet banking is a subset of digital banking because it is limited to core functionality only. Similarly, mobile banking uses banking services through mobile-based applications.

Advantages of Digital Banking:

The benefits of advanced financial expansion the degree of productivity and execution of the bank, save time and exertion for the clients as well as the representatives of the bank, as well as available 24 hours administration, including public occasions, and severe control of banking exercises, and sending and getting records rapidly.

1. Save exertion and time where the client can lead banking exercises without going to any bank central command, where he can keep it at home or in the library, which saves his time and exertion.
2. Simplicity of banking exchanges in electronic banks and speed of dealing with them.
3. Notwithstanding the dependability of income and the speed of income, give higher security and lower hazard of actually take a look at control.
4. Computerized banking is portrayed with cash installments of the organization/association, which adds to the concurred time for the translation date and sets up for the installment of the monetary exchange.
5. To go through with monetary exchanges at YUSR because of the dropping of the programmed trade process, which requires the client to visit the bank to store the expense of his exchange.
6. Decreasing dependence on paper shapes, as all exchanges are done electronically, adds to the decrease in the expense of paying their authoritative expenses for natural banks and clients.

Disadvantages of Digital Banking:

Mobile banking with that technology is still at risk, as new technologies can certainly be risky and economists warn about the potential dangers of mobile banking system transactions, including:

1. Difficulty in determining the liquidity of an electronic bank, which cannot know or limit internal and external transactions of the bank.
2. It is easy to hurt the national economy of a country that cannot monitor banks significantly and can send money at the push of a phone button.
3. Forging some cards can be a victim of fraudulent transactions. Professional computer technicians can remove information from sensitive structures by accessing your account or copying someone else's information.
4. Fraud is always expected to affect the loss of operations and accounts across banks and cause technical errors that can become viruses that infect electronic devices and destroy systems.

5. Widen the gap between customers and banks. It can act as a bullion without proper collateral or bank fraud.

Future of Digital Banking:

According to a Deloitte research report on absolute necessities for a completely advanced bank, each bank endeavoring to turn out to be completely computerized require the accompanying as the critical drivers for their prosperity

1. Choice to arrange cash
2. Adjustable standing choices
3. Accounts connected to burden exceptions status
4. Card obstructing highlight
5. Development toward security vaults
6. Mix with securities exchange speculation channels
7. Monetary administration examination
8. Empower gathering of records of various banks
9. Effectively available help

An undeniable supplanting of actual branch keeping money with advanced financial right currently appears to be an unrealistic dream. Computerized financial proves to be useful for repeating banking fundamental capacities. Nonetheless, clients lean toward human communication for more significant and unpredictable choices, for example, while taking a credit or arranging the provisions of the advance.

Conclusion: -

As clients keep on searching for helpful choices, computerized financial remaining parts an unflinchingly famous decision. While banks look to computerized to give security and cost-proficiency, the genuine worth of digitalization is what it can offer customers. This possibly raises contest among banks to remain applicable in the computerized scene, however as indicated by Raconteur, conventional banks enjoy a benefit in the reach and intricacy of items they offer, as well as a current customer. Not with standing which monetary

foundations will pull ahead in the race for business, obviously the ideal opportunity for digitizing is presently.

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