


Chapter 14

Role of Technological Innovations in the Development of an Indian Banking Sector

Mohamed Syed Ibrahim

 <https://orcid.org/0009-0006-3546-275X>

Government Arts College (Autonomous), Periyar University, India

ABSTRACT

With the advent of information technology, there has been an opening up of new markets, new products, and improved productivity and efficiency in the banking sector. Commercial banks in India are now becoming vibrant markets, and technology allows banks and financial institutions to create what looks like a branch in a business building's lobby without having to hire for manual operations. Today, the banks are running in the concept of 24X7 working, made possible by the use of technological innovations. Almost all financial institutions and banks in India are using the advanced technological innovations like ATM, mobile banking, digital money using debit and credit cards, etc. This study is attempting to evaluate the vibrant usage of information/technological innovations. The study is diagnostic and exploratory in nature and makes use of secondary data. The study finds and concludes that the commercial banks in India have significantly improved their working performance with the help of information technology.

INTRODUCTION AND BACKGROUND OF THE STUDY

Banking system plays a vital role in the economic development of a country. The structure of the banking system in India consists of two parts: (i) unorganized sector and (ii) organized sector. The unorganized sector comprises moneylenders and indigenous bankers. The organized sector consists of commercial banks, cooperative banks and regional rural banks. Besides the above institutions which provide mainly short-term credit to business, there are a number of specialized terms lending institutions which provide long-term requirements of industry, agriculture and foreign trade. Post office savings bank which is 110 years old is another segment of the banking system. The Reserve Bank of India, the central bank of the country is at the apex of the banking structure in India.

DOI: 10.4018/978-1-6684-8953-6.ch014

Role of Technological Innovations

The information technology using by the banks are providing better and speedy services to its customers. Most importantly, the latest technology delivering channels like ATM, Debit and Credit Cards, Internet Banking Mobile Banking etc. Indian government started implementation of varied policies for development of technology. As of now, technology and innovations have a good impact on overall economic growth. Technology occupies enormous sectors like banking and finance, medical advancements and communication sector etc.

Review of Related Literature

Considerable amount of research has been done in the area of role of information technology in the development of banking sector. The literature obtained by the investigator is briefly reviewed in this part.

Mega Jain and Popli.G.S. (2012), titled in their paper “Role of Information Technology in the Development of Banking Sector in India” concluded that the efficient use of technology has facilitated accurate and timely management of the increased transaction volume of banks which comes with larger customer base and Indian banking industry is greatly benefited with the advent of information technology and innovations.

Vinay Numar (2016) studied and elaborately discussed how innovations helped the development of banking sector.

Anbalaghan.G (2017) in his paper analyzed the examined with all innovations and new technological changes in the banking sector.

Rajesh Kannan.S and Neeraja Basker.B (2018) in their paper concluded that technology in banking sector eliminates people as well as bank efforts, cost and time.

Ravi.B and Shanbulingappa F. Nallanavar (2021), in their study highlighted the new innovations in the banking sector at the state and national level banks.

Objectives of the Study

The study aims to gain insights into the concept of information technology and innovations in development of an Indian Commercial Banks. The following broad objectives are laid down for the purpose of the study.

- (a) to assess the performance with regard to the Automated Teller Machines (ATM) of selected and leading public and private sector banks;
- (b) to analyze the performance in terms of debit and credit card issuance by the banks.

Research Methodology and Tools Applied

This research covers the selected and leading public and private sector banks in India using innovative banking services like ATM, Mobile Banking Debit and Credit Cards etc., Data and information gathered from secondary sources which included books, journals, research studies, published data from various issues of RBI and relevant websites.

The collected data and information have been processed on computer. To reach certain relevant results, the data collected from all resources have been tabulated, analyzed and interpreted with the help of appropriate statistical techniques. In order to analyze the data and draw conclusions in this study, various

7 more pages are available in the full version of this document, which may be purchased using the "Add to Cart" button on the publisher's webpage:

www.igi-global.com/chapter/role-of-technological-innovations-in-the-development-of-an-indian-banking-sector/328404

Related Content

Going Online in the PC Graveyard: The Sociocultural Evolution of Japan's Mobile Internet

Inkyu Kang (2011). *Global Media Convergence and Cultural Transformation: Emerging Social Patterns and Characteristics* (pp. 180-199).

www.irma-international.org/chapter/going-online-graveyard/49604

Off to a Quiet Start: Discourse on Introversion and Virtual Onboarding

Shawna M. Gann (2022). *International Journal of Social Media and Online Communities* (pp. 1-14).

www.irma-international.org/article/off-to-a-quiet-start/305865

An Abstract Framework for Modeling Argumentation in Virtual Communities

Tudor Groza, Siegfried Handschuh, John G. Breslin and Stefan Decker (2009). *International Journal of Virtual Communities and Social Networking* (pp. 37-49).

www.irma-international.org/article/abstract-framework-modeling-argumentation-virtual/34094

Feminism, Leadership, and Social Media: The Feminists From the Nigerian #EndSARS Protests

Abiola Martins (2022). *International Journal of Social Media and Online Communities* (pp. 1-18).

www.irma-international.org/article/feminism-leadership-and-social-media/308288

Position Independent Mobile User Authentication Using Keystroke Dynamics

Baljit Singh Saini, Navdeep Kaur and Kamaljit Singh Bhatia (2019). *Hidden Link Prediction in Stochastic Social Networks* (pp. 64-78).

www.irma-international.org/chapter/position-independent-mobile-user-authentication-using-keystroke-dynamics/227198