

**COMPARATIVE ANALYSIS OF BANKING SYSTEM AND
FINTECH'S INFLUENCE AND FUTURE IMPLEMENTATION IN
INNOVATIVE & CONTEMPORARY ECONOMIC ENVIRONMENTS****Dhinender Lohmor****Dr. Daryab Singh**

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ABSTRACT:-

Despite the enormous changes the financial business has encountered in the midst of the past such colossal quantities of years, one component has gone on as before is: the major thought of the need clients have for banking administrations. In any case, the framework and perspective inside which these administrations are conveyed has changed messed up. “Undeniably people's necessities have not changed, and neither has the crucial thought of banking administrations people require. Nonetheless, how banks address those issues is absolutely exceptional today. In the new years, the financial business has been encountering quick changes which can likewise be found in the quick changing mechanical changes. Data and Correspondence Innovation (ICT) are the main regions which have changed with a flicker of eye. It has animated the telecom of banking data cutting down the costs of various monetary activities. The fastest creating banking propels integrate Electronic Asset Move (EFT), ATM, Mastercards, Tele-Banking, Versatile Application Banking and Web Banking. These headways increase the efficiency of banks by diminishing their exchanges cost”.

INTRODUCTION:- “The way banks work is affected by advancement. The history of computer technology and progress in Indian banks may be traced back to 1966. During that time, the Indian Brokers Association (IBA) and the Trade Banks Association (EBA) had made the first compensation agreement with the alliance, which answered the use of Regional Economic Machines (IBM) or Information and Communication technology Advancement (ICT) accounting equipment for the difference between branch splits. Later, on the advice of gatherings led by Dr. C. Rangarajan in 1984 and 1989 for the context of banking, the groundwork for massive scope enlistment of IT was laid”. According to RBI statistics, the main wave of financial innovation began in the 1980s with the use of Advanced Record Putting Machines (ALPM). The RBI prompted all banks to embark on massive branch computerization projects. There were two options: automate the front desk or automate the administrative centre. Several banks have chosen to

computerise their front offices. However, institutions such as Indian Banks focused on administrative centrerobotization so at branch level at the first stage. The second wave of improvement occurred in the late 1980s with the introduction of All-out Branch Robotization (TBA). Within a comparative branch, this automated both front-end and back-end exercises. TBA contained the complete automation of a certain branch, complete to its own data collection. The new open area banks entered the sphere of mechanisation in the third wave. Instead of having different data sets for each of their branches, these bankers chose different designs of having a single united data set. Because of the access of a good framework system, this was possible. Previously, banks were hesitant to route the entire transaction through a single data centre. However, as a few littler banks demonstrated that it could be done successfully, other banks began to show interest, and they also began combining their statistical models into a single data base. The banks came full circle on this move by selecting appropriate application programming to support joint exercise. With the evolution of the ATM implications, the fourth wave began. This was the crucial period for the client to reinforce his own unique interactions. Similarly, in 1994, the Hold Fund hosted a conference on 'Innovation Up-Level in the Financial Sector.' This chamber also came up with several proposals for component structures, such as the establishment of a separate location for financial innovation research and development. In 1996, the Hyderabad-based Foundation for Excellence and Advancement in Financial Research (IDRBT) was founded as a side project. It has established the Indian Monetary Net (INFINET) to coordinate research in financialization and provide consulting services to banks, in addition to providing educational and training facilities for the financial sector. It takes on the role of a hatchery in order to obtain advancement banking innovation. It has broadened its scope to include significant research in innovation in order to achieve a higher standard of innovation, as well as work on developing appropriate security solutions to protect large amounts of bank data. It establishes a plan for the financial industry's ICT restrictions to be gradually increased in order to meet general standards.

The path toward equipping clients over their own personal commerce proceeded with the Suvidha test in Mumbai after the arrival of ATMs, with a focus on mechanical advancements. This demonstrated the power of technology and how the axis may be stretched in unimaginable ways and at an unprecedented rate. As a result of this, all of the banks began to improve their retail movement routes. Their middle ended up increasing the number of clients that can serve for a reduced price. Web banking and flexible banking were the most important channels for these. Then came the organisations for distribution via diverse entryways. The RBI's persistent payment and settlement strategy is the main evolution in this. Exchanges between banks should be possible through the bank system, on the web, and electronically as needed when this is set up, ensuring speedier assembling.

By and large, it's clear that on-site ATMs, teller displays, swipe machines/stalls, and off-site internet organisations have sped up regular exchanges of consistently required purchases. Even the branch times are not particularly basic with the onset of optional movement channels. Phone and mobile banking, smart cards, check cards, battery-powered electronic sacks, and ATMs are all examples of cutting-edge banking workplaces that enable constant access, enabling 'Wherever Bank services' and 'While Banking,' which permits 24*7*365 time exchanges.

The ICT offices are the enablers for turning events around and providing a dominant client experience. Adoption of electronic portion systems, periods of SMS alerts against marketplaces, online swiping of deals against charge/Visas, web based web/e-banking, versatile banking, postures through reason for offer nodes (POS), and a large gathering of different items are all part of the regard could include progressions. Further advancements in the undertaking and lighting structure in India should be obvious as a result of such advancements in ICT and general connection point usage. The expansion of the Indian Monetary Organization (Content - rich), the Organized Economic Informing Framework (SFMS), VSAT connectivity, interface and adsl affiliation, fibre optics channels, and other ICT advancements have all contributed to a more powerful use of ICT for client convenience. Through the progression and development of Constant Gross Agreement (RTGS), Incorporated Asset The leaders Framework (CFMS), Electronic Clearing Methodology (ECS), Public Electronic Asset Move (NEFT), Truncation, Public Monetary Switch (NFS), advancement and exercises at Getting Firm Free from India Curtailed (CCIL), Truncation, etc., there have been hopped overhauls in the Indian percentage and settlement structures.

LITERATURE REVIEW:- (*Srikanth, 2013*)they discovered in their study that in most developing economies, a significant portion of the population, particularly low-income groupings, were denied access to basic financial services in regardless of the fact that there is widespread agreement on the necessity of financial intermediation.

(*Kumar, 2013*)They came to the conclusion in their study that a number of branches had an unmistakably positive impacts on investment inclusion. Both the fraction of factories and the size of the staff base were shown to be major predictors of the measures of penetration. Among the conclusions was the significance of a nation's environmental and social setup in influencing the banking habits of the general public. Using the tests for converging, it was shown that areas had a strong tendency to preserve their distinct levels of financial system, with little assistance for efforts to close the gap.

(Sachindra, 2013) Previously, I argued that the first step toward achieving comprehensive financial inclusiveness was to provide credit to the stressed and powerless segments of our general population. The states were required to play an important role in the economic markets. Due to inevitable market frustrations, which in the modern globalized environment were not an unusual occurrence. The work itself was necessitated by the market letdowns themselves. Both the marketplace and the administration as institutions had their limitations when it came to the formation of countries; nonetheless, it was critical to establish government ways that were sensitive to those limitations.

(Acholiya, and Keshari, 2013) It was discovered during their investigation that technological support was very vital for the efficient operation of the financial system in today's high-tech environment. If you didn't have role of information and communication technology, it was impossible to imagine the development of the banking industry. The International Trade Commission (ITC) has increased the importance of the financial industry in the state. In the banking sector, the gains that resulted from using technologies were the primary cause for its widespread adoption in the industry. It allowed banks to provide better service to clients in a safe, dependable and cheap way, allowing them to maintain a competitive edge over their competition.

(Anitha, 2013) "It is outlined the various technologies that could be credited to the account of the banking sector, including ATMs, credit cards, telebanking, mobile banking, internet banking through a website or mobile application, point of sale terminals, electronic cheque conversion, personal computer banking services, and electronic fund transfer at the point of sale, among others (EFTPOS)".

(Goel, 2013) In their investigation, they came to the conclusion that technological innovation in banks has resulted in more convenient, faster, time-saving, and less expensive means of completing financial transactions. Many individuals nowadays are gradually abandoning old means of obtaining banking services or cash, such as switching from cheques to debit/credit accounts and automated payment.

(RBI Report, 2013) It was discovered that information technology (IT) that's been specifically designed to facilitate the operation of the banking industry was often known to as digital banking. However, not all, if not the vast majority, of banking technology were of the kind that enabled banks to connect out to individuals who lived in distant places. Telebanking, internet payments, online banking via a webpage, ATMs, and kiosk devices were among the advanced devices used by institutions to broaden their customer

base and increase their market share. Despite the fact that they were employed in generally, but were also specifically leveraged to achieve the aims of financial intermediation that had been designated a priority.

*(RajmohanandSubha, 2014)*In their paper, they addressed the use of technologies for financial inclusion, and they said that technological developments have unquestionably bolstered the growth and completeness of the saving money component, hence boosting comprehensive economic advancement. According to them, information technology not only improved the concentrated competence of the budgetary administrations division by strengthening back-end authoritative processes, but it also improved the front-end jobs and assisted in lowering the exchange charges for the customers. By making small price retail trades less costly, less time-consuming, and speedier for the maintaining an account portion of the business, as well as for rural consumers, it has the potential to facilitate access to financial services. The Reserve Bank of India has been actively involved in saddling innovation for the betterment of the Indian storing money sector for a long period of time.

*(SinghandRastogi, 2014)*According to the research, contradictory to the large percentage of authors who advocate for the use of digital banking for digital payments, it is critical not to initiate electronic payment systems for the poor so because majority of people in this classification is uneducated and the costs of providing payment systems for a large number of accounts with small deposits would be prohibitively expensive and therefore unprofitable. Furthermore, they asserted that access to finance, in conjunction with govt development programs, could contribute to the overall business and monetary progress of the country; and, as has been the case in most developing countries, advancing financial services to everybody in the nation could be the primary driver of economic progress.

*(Bansal, 2014)*determined that a large number of individuals in the nation did not contact corporations and monetary organizations, so keeping them away from the vision of the nation's money-related advancement. The main reason for modest inclusion was the absence of a suitable transportation model as well as items that might meet the financial needs of low-wage families, according to the explanation. A simple and practical solution was required by the banks in order for them to be able to accumulate their speculative reserves while still being able to participate in the official banking markets. Affiliating bank balances with UIDN authentication, as proposed by the government, might place the country in an unmistakably advantageous position in the pursuit of economic inclusion. The administration, the Reserve Bank of India, and the banking sector were all working together to bring every outlying area of the nation into the mainstream financial system.

DATA ANALYSIS:- TABLE- 1

What do you think is the reason of financial exclusion					
		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Low financial Literacy	13	13.0	13.0	13.0
	Low regular income	21	21.0	21.0	34.0
	Underdeveloped IT infrastructure in rural areas	21	21.0	21.0	55.0
	Reluctance banks for providing services in rural areas	22	22.0	22.0	77.0
	Reluctance of employees/ agents for providing services in rural areas	15	15.0	15.0	92.0
	6	8	8.0	8.0	100.0
	Total	100	100.0	100.0	

GRAPH-1

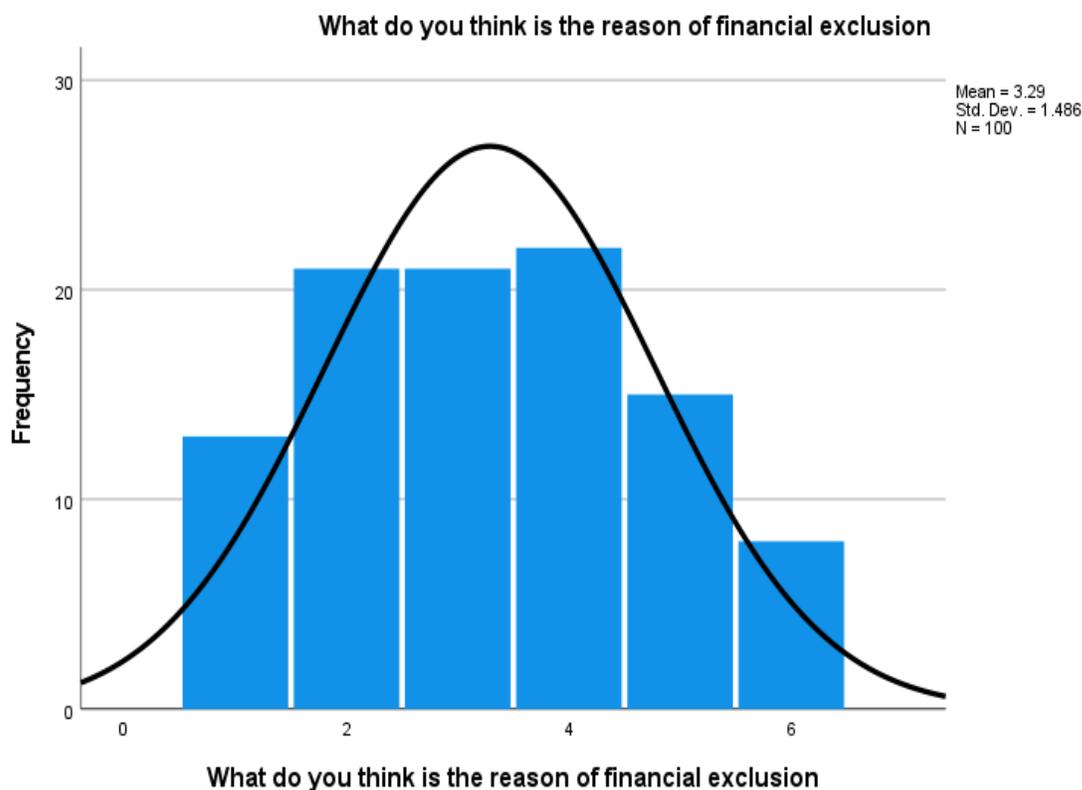
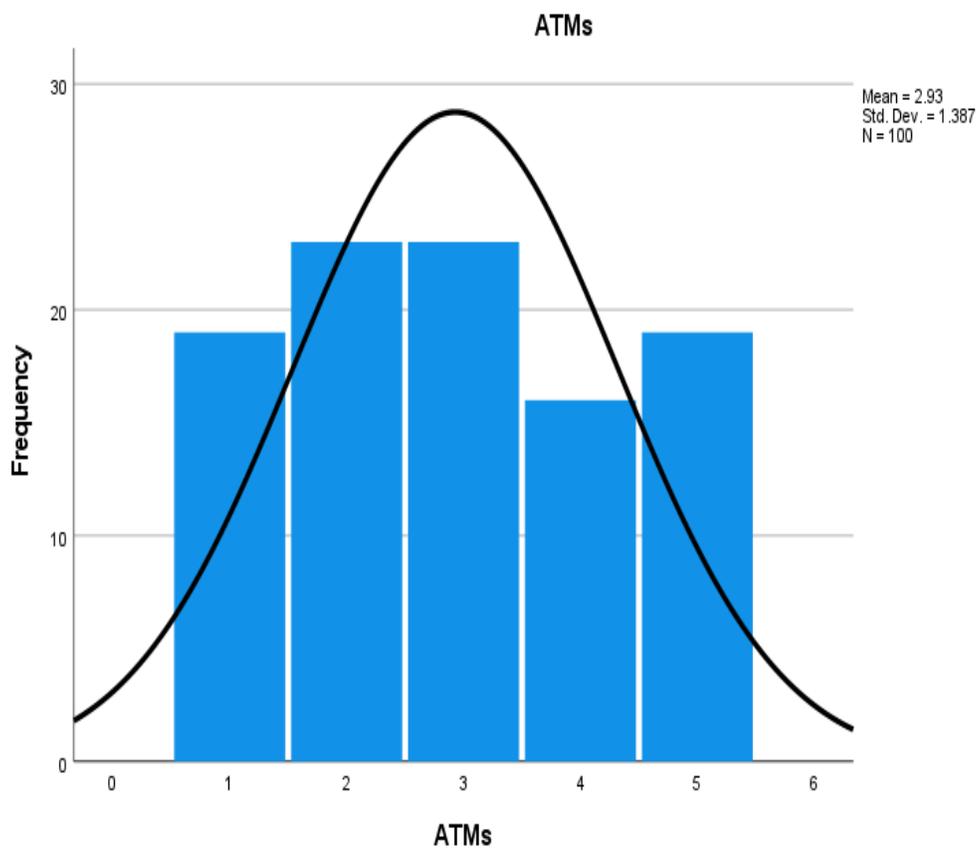


TABLE- 2

ATMs					
		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Strongly Disagree	19	19.0	19.0	19.0
	Disagree	23	23.0	23.0	42.0
	Neutral	23	23.0	23.0	65.0
	Agree	16	16.0	16.0	81.0
	Strongly Agree	19	19.0	19.0	100.0
	Total	100	100.0	100.0	

GRAPH-2



Above table includes the data of respondents as per their knowledge if they are fully aware from the ATMs technology. 19% respondents are strongly disagree while 23% respondents are disagree. 23% respondents were neutral over the question and 16% respondents were agree while 19% respondents were strongly agree.

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