

## **THE EMERGING TRENDS IN DIGITAL BANKING AND FINANCIAL SERVICES**

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### **Abstract:**

The banking industry had created a digital platform to adapt and full fill customer needs. Previously banking words is come with time consuming process .The customers are keep a track on the transaction or balance through a documents. Now the total scenario is change just due to the concept of digitalization. It try to fulfill the requirement of customer changing demand day by day. We can see everywhere paper less banking with 24\*7 service availability. Day by day changing trends and technology is a major force behind that innovation in the digital banking sector. With the customer expectation banks are adapt the new digital changes in their product and services. The person can transfer money or purchase anything with one touch of button and get update of past and present purchase or transaction. Banking sector changes their working culture as per the transformation phases to fulfill the demand of customer. The banking doesnt have any expectation to this shift. With making a digital transformation bank are try to shift a new business models and introducing fully digital banking services.Day by day modern technology changes the face of banking sector with advance and customer friendly services. As per the expectations of customer advance trends are come in the market like AI based security, customer centric culture, cloud computing, with developing ecosystem, addressing gap between customer and banking service. The customers and business which reshape the banking landscape relying more on the digital banking and their regular activities. On the other important factor with upcoming new trends cyber security will gain more importance in upcoming days.

**Key words:** Digital banking, Customer expectation, Trends, transformation phase, AI based security, customer centric culture, addressing the gap.

## **Digital Banking**

The today's customers of banks prefer a digital banking and access their services through their laptops, PCs or Mobile. Digital Banking is mechanism of traditional banking services. The customer can perform banking operations without visiting banks via electronic or online mode.[1] Now a day customers of banks are becoming more dependent on digital banking services, and it is reflected in the current trends of digital banking services. Banking financial services are customer friendly just a one click of mobile they can do transaction. To fulfill the expectation of customer services the banks are adapt the newly emerging digital trends.

### **Banks performing digital operations like:**

1. Deposit of cash
2. Cash withdrawals
3. Cash transfers
4. Various Bill Payments
5. Services for financial products.
6. Portfolio management
7. Loan Management
8. Investment in financial services

### **Objectives of the study:**

1. To study the innovative trends in the digital banking sector that change the entire scenario in the banking services and their product.
2. To examine the various latest emerging trends in the banking sector.

### **Research Methodology:**

The paper is based on the explanatory various secondary data available in the National, International journals ,research papers, websites, magazines articles etc.

**Evolution in the digital banking:**

In the last few decades banking sector undergoes in the new transforming phases. Which convert traditional banking to the modern digital banking with a very drastic changes in their services.

**The first transformation phase:**

In this phase the banking operations are more transactional and technology centric. The banks are try to give their services to the customers through the ATMS , Call Centers, Telephonic Banking .

**The second transformation phase:**

The second transformation phase is comes with SMAC technologies (Social, Mobile, Analytics and Cloud) that influence the current banking services and the product today. In this phase financial institutions moves the personalize banking services.

**The third transformation phase:**

The third transformation phase means current phase is driven by modern technology such as Block chain ,Artificial Intelligence, API Banking, and Internet Robotic Process Automation of Things which have the potential to dramatically alter the banking landscape. These technologies, when harnessed together, will be able to provide high level of personalization and enhanced customer experience, transform the banking operations, changing the very essence of how the banking industry operates today. [2]

**Digital Banking Services:**

1. Obtain bank statement
2. Mobile banking
3. Cash withdrawal
4. Bill payment
5. Finance
6. Manage cheques
7. Moniker transaction record [3]

**Digital Banking Payments:**

1. Banking cards (Debit/credit or prepaid cards)
2. Unstructured Supplementary Service Data (USSD)
3. Aadhaar Enabled Payment System (AEPS)
4. Unified Payments Interface (UPI)
5. Mobile Wallets
6. Bank Prepaid Cards
7. PoS (Point of Sale) Terminals
8. Internet Banking
9. Mobile Banking
10. Micro ATMs

**Emerging trends in Digital banking:****1. Implementing a customer-centric culture**

The banks are adapt the changes which is changing with a customer preference. According to client need they remove a practices and upgrade a new technology. It means create a digital journey with customer at center.

**2. Expand digitization in across all services:**

Due to the technical advancement and pandemic situation Banks are try to provide a digital services so customer will not visit to branch and easily access their accounts from home.

**3. Addressing the gaps:**

Traditional and modern banking can leave a gap between the customer expect and banks provide. There are different types of gaps are there like low service quality gap, communication gap, designing of product and service gap, overpromising ,emotional gap –what customer feels.[4]

#### **4. Developing a consistent ecosystem:**

The main issue of digital banking is lack of consistency. The website updating or across apps elements and behave differently. Customer expects all channels consistence experience.[4]

#### **5. AI-Based Security**

Artificial intelligence not only assist in making better business decisions but also it can also improve the user safety within Bias digital platforms. AI technology can monitor the customer behavior online mode or platform to better recognize and alert users and provide security . [5]

#### **6. Cloud COMPUTING:**

There is a immersive growth in the use of the cloud computing in the new trend digital banking. Its related to the software, data warehouses and networking tools are available in the internet. There are different tools provided by cloud computing in banking like Increased productivity, Cost efficiency, Global scalability Speed, Adequate security, Reliability.

#### **Conclusion:**

The banking sector changes with the continuous and drastic changes in the modern technology banks are also transform with taking advantage of technology. Today's customers business related with the banks are more relying on the digital banking and their activities. The major newly introduced banking trends are reshape the banking scenario. The banking standard and policies are totally customer based, more open and Customized.

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