

Retail Banking Trends in India

Bhadrappa Haralayya *

Email Correspondence*: bhadrappabhavimani@gmail.com

¹ HOD and Associate Professor, Department Of MBA, Lingaraj Appa Engineering College Bidar, Karnataka, India

Abstract:

Retail Banking is a venture variation received by all banks due to the fact that there are several solace factors for banks, specifically. Obtaining a huge purchaser bottom, to choose item benefits, higher rate and productivity, scope for strategically pitching and as much as offer of economic items and broadening financial product to increase per customer deals and clearly better risk thought. Together with the changing period worldview being the idea process power of the retail financial blast, banks are the usage of top-notch procedures with the guide of planning ordinary business starting storehouses, reengineering present items and creating stock, administrations, stations, connections to great time the part of clients 'wallets. The report on cell financial bills expressed that the cell financial charges market in India is expected to achieve one, 000 billion UNITED STATES DOLLAR in 2023, which is anticipated at 6. 2 Billion USD in the financial year 2019. The particular Retail Banking area in India has come an all- inclusive breaks way from regular activities to phase tasks computerized. In addition, this lovely change actually remains.

Keywords: Digitalization, Banking E-service, Cyber security.

1. Introduction

The retail banking sector provides financial services to individual consumers and the general public to manage their banking needs. Customers' retail banking requirements are fulfilled through local bank branches where banking representatives provide customer service for services ranging from account opening and operations to debit or credit cards, cooperative deposit schemes, fixed deposits, and so on.

2. Retail Banking Services

The main characteristic of retail banking is to provide savings and current accounts to customers as a secure method to store and keep money and earn interest. Customers can use payment cards which are convenient for withdrawals and payments. Customers can also access various types of loans from banking institutions for purposes ranging from financing their businesses to purchasing a vehicle or a house.

As a retail banking model in 2021, the banking sector is experiencing disruption due to the COVID-19 pandemic. Overnight changes in consumer behavior changed the overall trend in retail banking.

3. Top Retail Banking Trends In India

Digital Transformation

The substantial trend that the Indian retail sector needs to adopt is digital transformation to enhance customer experience and manage internal processes. Product design and delivery will open new

*Hod and Associate Professor, Department Of MBA, Lingaraj Appa Engineering College Bidar, Karnataka, India.

opportunities for banking institutions and customers. Better customer experience, improved efficiency, higher performance execution, and faster processing are just a few benefits.

AI-Enabled Personalization

The coming year will witness the banking sector's distinct interest in AI and Machine Learning technology to drive predictive personalization as a key to streamlined financial marketing. Advanced analytics and data will prepare the retail banking industry to target products and innovations to the right customers and will help drive better sales and numbers.

Cybersecurity and Data Privacy

While the retail banking sector is investing in digital technology, it is finally developing a fully conscious yet substantial effort to ensure the security of customers' privacy and data. As security breaches and fraudulent transactions have caused ripple effects, customers are becoming less patient with these mistakes.

Consequently, data and information security protocols for internet and mobile banking packages and other digital payment channels are a top priority for retail banks in India. This has led to various investments in security solutions and fintech companies by the retail banking industry.

Cloud Computing

With concerns about security and availability, cloud computing was initially rejected by banks in favor of in-house IT infrastructure. However, the banking demands of the new age are encouraging banks to focus on cloud computing. This can help banks optimize processes, enhance operational performance, create flexible models that reduce time to market, provide an advanced customer experience, and more. The banking sector also specializes in cloud server security by using clean technology to prevent hackers and prevent data leaks.

Green and Sustainable Banking

Increased consumer awareness for sustainability is making the retail banking industry go Green. Environmental pressures further disrupt the already thin profit margins. Accordingly, various substantial retail banks are taking initiatives to adapt to climate risks through sustainable risk management strategies and creating environmentally friendly activities.

Incorporating environmental risks into credit assessment processes is a significant retail banking trend. Reducing carbon footprints, using renewable energy resources, offering interest rates and flexible payment options for zero-emission vehicles are a few examples of eco-friendly services.

Banking-as-a-Service (BaaS)

With changing customer expectations, retail banking in India will experience a significant shift in BaaS where banks partner with airlines, e-commerce, hospitals, logistics providers, and FinTech associations for financial services. With this model, banks can monetize their data and infrastructure and also expand their market reach.

Workforce Transformation

Banks have begun evolving their workforce to keep pace with the characteristics and emerging technologies of digital banking. The banking sector now considers short-term and contract workers to have a distribution

of talents. Even the regular workforce can be retrained and upgraded to adapt to digital change and various models like banking with AI and ML.

Non-Financial Risk (NFR) Management

Operational and essential risks like inefficient processes and human error (HR, Data, Regulation, Infrastructure, etc.) are the fundamental drivers of significant mistakes. Hence, a reasonable process and serious oversight of the methods adopted by banks will be under the radar of the modern retail banking sector to reduce the complexity of NFR.

Distributed Ledger Technology

DLT-based operations are also an emerging retail banking trend because they can be cost-effective and secure. This technology is considered reliable for cross-border payments, trade finance transactions, and centralized digital currency.

Corporate Ownership

Following guidelines from the RBI governing body on corporate ownership, the retail banking sector is now expected to be the playground for a range of new players with current absences. This will mark a new era in India's retail banking sector as it will allow many organizations of all sizes, who have been eager to take advantage of the opportunity, to target superior customer experience globally.

4. Conclusion

Unexpected challenging circumstances are causing the retail banking sector to abandon its traditional model and become a more sustainable, resilient, and agile banking innovation. These evolving retail banking trends will help retail banks become better and more successful.

5. References

- [1] Basha, J., & Haralayya, B. (2021, April 30). Performance analysis of financial ratios – Indian public non-life insurance sector. SSRN. <https://ssrn.com/abstract=3837465>
- [2] Haralayya, B. (2014, March 28). E-finance and the financial services industry. SSRN. <https://ssrn.com/abstract=3844405> or <https://doi.org/10.2139/ssrn.3844405>
- [3] Haralayya, B. (2016, April 2). Study on performance of foreign banks in India. SSRN. <https://ssrn.com/abstract=3844403> or <https://doi.org/10.2139/ssrn.3844403>
- [4] Haralayya, B. (2019, April 30). The productive efficiency of banks in developing country with special reference to banks & financial institution. SSRN. <https://ssrn.com/abstract=3844432> or <https://doi.org/10.2139/ssrn.3844432>
- [5] Haralayya, B. (2018, April). Review on the productive efficiency of banks in developing country. Journal for Studies in Management and Planning, 4(5). <https://ssrn.com/abstract=3837496>
- [6] Haralayya, B., & Saini, S. K. (2018, April). An overview on productive efficiency of banks & financial institution. International Journal of Research, 5(12). <https://ssrn.com/abstract=3837503>

6.Conflict of Interest

The authors declare that there are no conflicts of interest regarding the publication of this article.

7.Funding

No external funding was received to support or conduct this study.