

AN ANALYSIS OF DIGITALIZATION OF BANKS THROUGH INNOVATION IN PRODUCTS AND SERVICES

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Abstract

All conceptions of what it means to be an employee in the banking business are rapidly evolving as the sector undergoes a vital transformation phase. It's a very visible tool with the potential to spur major development, facilitate growth, encourage modernisation, and entice alluring contests. Expanding access to banking services is only one of many advantages brought about by the growing popularity of online banking. The primary goal of this research is to examine how banks are becoming more digitally advanced via product and service innovation. To acquire the information needed for this study, one hundred employees from different banks, were randomly selected. The data on banking's digitalization has been analysed and interpreted using a frequency analysis approach. The research reveals that digitalization in banking industry have great impact upon the innovation and creativity of banking product and services.

Keywords: *Digitalization, banking industry, banking products and services, innovation and creativity in bank.*

Introduction

Bank comes from the Greek word "banque," which means bench. Jews used to take deposits and lend money on market benches. Later, "Banque" became "Bank." Babylon developed banking approximately 2000 B.C. Babylonians trusted palaces and temples. They deposited their surplus money with temples, which gave it back to them for gold or silver. During that period, similar activity was found in several other places. Caruso, (2018).

Non-bank competition increases as consumer tastes and demands change, socioeconomic and demographic developments, information technology, channel design, and government deregulation of the financial services sector all force the banking industry to adapt.

Technology has transformed banking. Computers replaced banks' human record-keeping in books. Since the data was initially stored on a local server, computerization was limited to the branch.

Technology and communication networks connected all branches. Before the 1970s, data from the branch's local server was batch-transferred to the bank's main server, and transactions showed in the account the next day. Technology lets any communication around the world in seconds. Telecommunications technology has halved the time, and transactions at any branch now show in the account quickly. Alt, Beck & Smits, (2018).

Rural Global grew 14.11 percent, compared to 9.66% in urban Global. Urban Global has 64.84% internet penetration, while rural Global has 20.26%. 500 million global internet users are expected by June 2018. The number of rural mobile users that access vernacular material (regional language) has grown from 45% in 2013 to 62% in 2018. These are significant since fewer than 10% of Globalns can use mobile devices without translating material into local languages. Rural Global is catching up in technology despite its lower education rate.

Literature Review

Khin & Ho, (2018) In his study "Employee impression on Knowledge Acquisition in Andra Bank - A Study," descriptive analysis showed that most respondents felt knowledge acquisition in Andra Bank is done through team meetings, training and development, and centrally coordinated activities.

Gomber, Koch & Siering, (2017) found that public and private sector bank staff had similar work environments. Motivation variables affecting job satisfaction were determined using ANOVA. Public-sector and private-sector personnel were similar. All responses show that training and development, which influences job satisfaction, is similar for public and private sector employees.

A survey Japparova & Rupeika-Apoga, (2017) of SBT workers in Palakkad District found that most staff felt internet banking services are better at recruiting younger clients than at improving banks' image. The study also found no significant differences in e-banking perception by age, gender, education, or experience.

This study examined Schuchmann & Seufert, (2015) Sivakasi public sector bank workers' views on internet banking. investigate internet banking use The Garrett rating showed that workers utilise mobile banking and that the website and email are their main knowledge sources. E-banking would assist satisfy client needs, according to most respondents. The study found that most respondents believe fraud is possible and that staff need specialist training.

Drasch, Schweizer & Urbach, (2018) found that the bank's role in promoting workplace technology is crucial. Most responders believe management is crucial to introducing new technology. Management support, coordination, and training and learning opportunities reflect employees' positive views about technology at work.

Dery, Sebastian & van der Meulen, (2017), The digitalization of all industries is a major challenge. It welcomes technology and business model realignment to better engage consumers at each touchpoint throughout the customer journey.

Research Objective

To study the responses of the banking industry to technological innovation.

Research Hypothesis

HO: There is no significant change in the responses of the banking industry to technological innovation.

H1: There is a significant change in the responses of the banking industry to technological innovation.

Material and Methods

Research Design

Descriptive research methods were used to analyse how banking services have become increasingly digital as a result of technological advancements. Descriptive research methods are those that systematically gather information on a phenomenon, state, or population in order to describe it.

Data collection

Gathering primary data requires tremendous attention since even a minor inaccuracy might change the results. Primary data can be collected through observation or questionnaire. This study used both strategies. Secondary data comes from newspapers, research papers, journal articles, books, magazines, websites, etc. This analysis used all available secondary data.

Sample size

Regional rural banks and cooperative banks are excluded from the sample population either because they do not qualify for inclusion in the sample or because they do not offer enough digital banking services to be included in the sample. In order to collect the data, the sample of 100 employees from different banks was selected randomly.

Data Analysis

The researcher creates a questionnaire by assembling all of the necessary questions and information about the study into one document. When enough responses have been collected, the questionnaire is finalised, and the

results are determined using statistical analysis. Research data have been analysed and interpreted using a frequency analysis approach.

Results and Discussion

Question 1: Does technology brings innovation and creativity in the banking services and products?

Does technology brings innovation and creativity in the banking services and products?	Frequency
Yes	70
No	20
Can't say	10

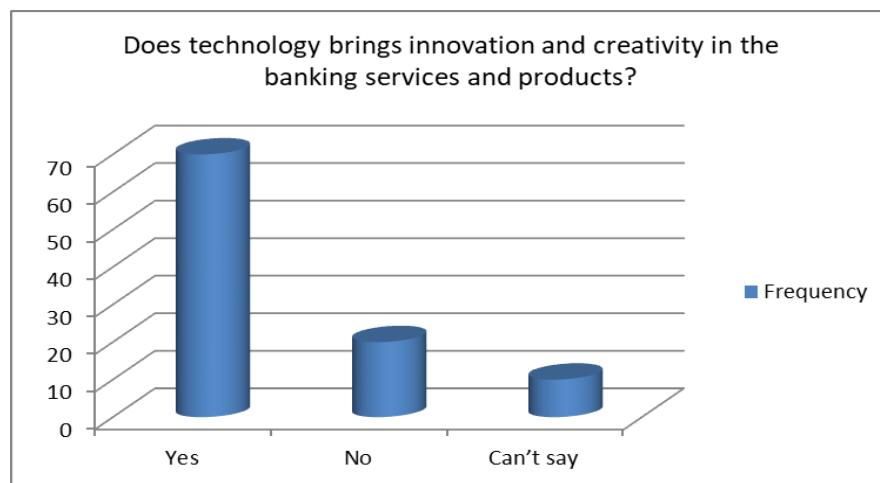


Figure 1: Technology brings innovation and creativity in the banking services and products

Interpretation and analysis: On the basis of the above graph and table it has been assessed that from 100 employees in the survey, 70 employees stated that technology brings innovation and creativity in the banking services and products. On the other hand, 20 employees stated no technology brings innovation and creativity in the banking services and products. Thus, on the basis of the gathered data in the survey, it has been analyzed and assessed that technology brings innovation and creativity in the banking services and products.

Question 2: Do you agree that implementation of digital technology increase productivity and efficiency of bank employees?

Do you agree that implementation of digital technology increase productivity and efficiency of bank employees?	Frequency
Strongly agree	80
Agree	10
Disagree	5
Strongly disagree	5

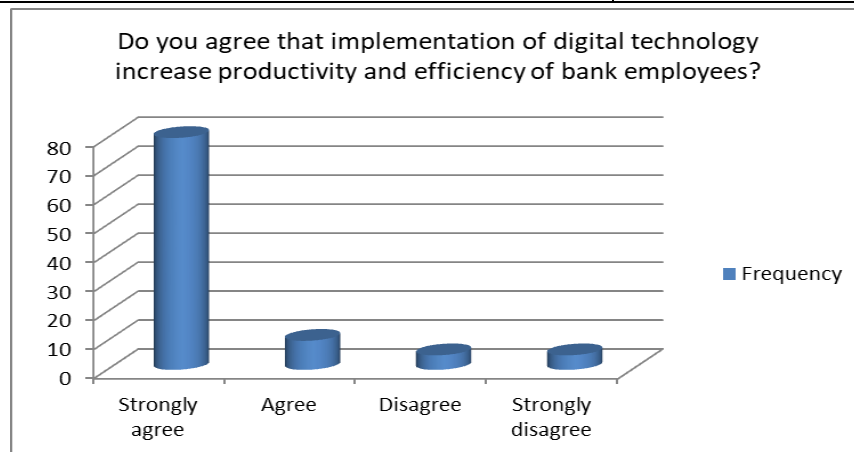


Figure 2: Implementation of digital technology increase productivity and efficiency of bank employees

Interpretation and analysis: On the basis of above graph and table it has been shown that majority of respondents stated that implementation of digital technology increase productivity and efficiency of bank employees. From 100 respondents in the survey, 80 respondents are strongly agreed with the statement that implementation of digital technology increase productivity and efficiency of bank employees. On the other hand, 5 respondents are disagreed with the statement that implementation of digital technology increase productivity and efficiency of bank employees.

Conclusion

Comparisons of customer satisfaction and service quality may be made across different digital banking services offered by different institutions. Developments in technology are a continuous process. As the capabilities of digital banking tools continue to advance, the demand on banks to expand their offerings of digital banking products and services will only increase. Thus, the method for conducting the study continues. Because new products and services are always being released, the model will need to be updated often. The current research isn't perfect, but it's the first to propose a trustworthy model that's been statistically tested to assess Digital Banking's service quality and/or employees happiness. The research has identified that the digitalization had increased the whole quality of service, and increased the employees overall satisfaction and performance. Banks and other financial organisations may use this model to better understand where they might enhance or fill in the gaps in their digital banking services.

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