



e-ISSN:2582-7219



INTERNATIONAL JOURNAL OF MULTIDISCIPLINARY RESEARCH IN SCIENCE, ENGINEERING AND TECHNOLOGY

Volume 7, Issue 12, December 2024



INTERNATIONAL
STANDARD
SERIAL
NUMBER
INDIA

Impact Factor: 7.521



6381 907 438



6381 907 438



ijmrset@gmail.com



www.ijmrset.com



International Journal of Multidisciplinary Research in Science, Engineering and Technology (IJMRSET)

(A Monthly, Peer Reviewed, Refereed, Scholarly Indexed, Open Access Journal)

Traditional Banks and Financial Technology in Digital Transformation

Riya Tagore, Dr.G.Sathish Kumar

MBA Student, NIMS University, Jaipur, Rajasthan, India

Assistant Professor, NIMS University, Jaipur, Rajasthan, India

ABSTRACT: FINTECH or financial technology has significantly made a wide spread booming impact on traditional banking like SBI, HDFC, AXIS and many other financial service providing sectors which has provided a e-web and e-commerce platform at one place ,one click. Fintech is basically a coverage of business activity and other service in developing new technology, trends to commercialization. The financial industry, and especially the banking sector, is heavily regulated because of its role as a key infrastructure of market economies. Disruptions in the supply of financial services may have huge consequences in terms of welfare losses as witnessed by the long history of financial crises.

In this report we will see the positive narrative aspect in financial service sector with digitalization and new trends in consumer preferences. Fintech may be understood as the use of innovative information and automation technology in financial services. 52 New digital technologies automate a wide range of financial activities and may provide new and more cost-effective products in parts of the financial sector, ranging from lending to asset management, and from portfolio advice to the payment system.

KEYWORDS: Digital Transformation, Traditional Banks, Digital Banking, Competitive Strategy, Financial Technology

I. INTRODUCTION

The world's reliance on advanced technologies is increasing day by day. The demand for the banking, finance, and insurance sectors has increased more than ever. In today's competitive time, with recession and corporate companies implementing mass layoffs, BFSI companies are keeping their hopes high. The BFSI companies are providing opportunities and career growth to both fresher's and working people. The eligibility criteria for these companies are very flexible with fintech technology.

These nationalized banks are the majority of lenders in the Indian economy. They dominate the banking sector because of their large size and widespread networks. India's banking sector is sufficiently capitalized and well-regulated. The financial and economic conditions in the country are far superior to any other country in the world. Credit, market and liquidity risk studies suggest that Indian banks are generally resilient and have withstood the global downturn well.

II. OBJECTIVE OF THE STUDY

- To know the impact on banking sectors through fintech
- To explore the benefits of digitalization and new technology
- To know the services provided through these strategies with already existing system of traditional banks.
- To know the competitive strategy used in the Indian market

III. LIMITATION OF THE STUDY

- It will only cover the impact on Indian market.
- It will ignore the negative aspect of the study.



International Journal of Multidisciplinary Research in Science, Engineering and Technology (IJMRSET)

(A Monthly, Peer Reviewed, Refereed, Scholarly Indexed, Open Access Journal)

IV. METHODOLOGY USED

Secondary Data: Journals, Magazines, Articles, Online Resources

V. LITERATURE REVIEW

During the last decades there has been digital transformation in the economy with the policies of government in support of urban as well as rural areas by providing schemes, agri-businesses and sustainable development. Encouraging machine learning and artificial intelligence with business element and strategy in traditional and fintech intuition.

Regularity authority and digitalization goes hand in hand in providing efficient planning, avoiding fraudulent activities and aims at securing consumer's trust in the money market.

RBI and other financial agencies like SEBI, reflects its performance through cashless payment and forming policies in associations with macroeconomics policies to mitigate associated risk with banks and support fintech as to view as a global recognition with world banks and IMF.

VI. COMPETITIVE STRATEGIES FOR DIGITAL TRANSFORMATION

Adoption of Fintech Innovations Collaboration with Fintech Start-ups : Traditional banks are increasingly recognizing the benefits of partnering with fintech start-ups. These collaborations allow banks to leverage the agility and innovative prowess of fintech companies, resulting in faster and more efficient service delivery. By integrating fintech solutions, banks can offer cutting-edge services without the lengthy development times typically associated with in-house projects. For instance, many banks are partnering with fintech firms to offer seamless payment solutions, peer-to-peer lending platforms, and block chain-based services. These collaborations not only enhance the banks' digital portfolios but also provide a competitive edge in a market increasingly dominated by digital-first players.

In-house Development of Fintech Solutions : While partnerships are beneficial, some traditional banks are investing heavily in developing their own fintech solutions. This approach allows them to maintain greater control over their technology stack and tailor solutions to their specific needs. In-house development teams are often focused on creating advanced mobile banking apps, AI-driven chat bots for customer service, and robust data analytics platforms. By building their own solutions, banks can ensure that these technologies align perfectly with their existing infrastructure and regulatory requirements. This strategy also allows for a more personalized customer experience, as banks can directly integrate feedback into the development process.

Attracting foreign exchange in the market: Decades over post independence the involvement of foreign exchange markets has substantially grown in the globalization period. Now traditional banks have a wide opportunity to interact directly through digital mode as streaming platforms become central to data strategies, companies can keep updates on its international branches as well as bringing suitable possibility for foreign exchange and increase in country GDP.

VII. IMPACT ON TRADITIONAL BANKING AND FINTECH

- The observing innovations such as whatsapp, chatbots and traditional banking collaborating with application (payzapp with HDFC bank)
- Even traditional banks started to acquire fintech institution to track transactions and benefit from fintech systems.
- Since traditional banks are reevaluating their policies and adopting customer-centric approach, this allows them to offer personalized services and product with fintech platforms.
- This involves features like real-time transactions, paperless account opening, and digital customer query support.



International Journal of Multidisciplinary Research in Science, Engineering and Technology (IJMRSET)

(A Monthly, Peer Reviewed, Refereed, Scholarly Indexed, Open Access Journal)

VIII. FINDINGS

The result of literature analysis on digitalization in traditional banking and fintech states a practical advances with current scenarios and enhancing transparency and accountabilities in a makeover in the Indian economy and how changes in one policies or technologies will provide over a edge in long term period.

IX. CONCLUSION

Banks are also encouraging their customers to manage their finances using mobile phones. Indian banking industry has recently witnessed the roll out of innovative banking models like payments and small finance banks. RBI's new measures may go a long way in helping the restructuring of the domestic banking industry. The digital payments system in India has evolved the most among 25 countries with India's Immediate Payment Service (IMPS) being the only system at level 5 in the Faster Payments Innovation Index (FPII).

REFERENCES

1. **Journal of Humanities, Arts and Social Science, 2023 - hillpublisher.com,**
2. **International Journal of Interdisciplinary Finance 2023 - injmr.com**
3. **<https://rbi.org.in/Scripts/AnnualPublications.aspx>**



INTERNATIONAL
STANDARD
SERIAL
NUMBER
INDIA



INTERNATIONAL JOURNAL OF MULTIDISCIPLINARY RESEARCH IN SCIENCE, ENGINEERING AND TECHNOLOGY

| Mobile No: +91-6381907438 | Whatsapp: +91-6381907438 | ijmrset@gmail.com |

www.ijmrset.com