

## Impact of E-delivery Channels on Recent Bank Transformation in India

RAJINDER KUMAR UPPAL\*

---

---

### Abstract

The present study analyzed the impact of e-delivery channels on the productivity of various banking groups in the pre-and-post, e-banking period which is responsible for the recent bank transformation. In order to know the impact of e-delivery channels on the productivity of various bank groups in two time periods, the study used correlation and regression analysis methods in the pre-and post-banking period. A human productivity index and an IT index have been developed. In the study period, the time period is deliberately divided into two parts, the pre-banking period (1996-97 to 2000-01) and the post-banking period (2001-02 to 2019-2020). The study concludes that the human productivity index of various bank groups is positively correlated and statistically there is a significant difference in a group's performance in two periods. The substantial improvement in productivity is evidence of the Bank's transformation.

---

---

**JEL Code :** G21; G28; G32; G33

**Keywords :** Bank Transformation; Human Capital; IT Index; Bank Group; Productivity; India

### I. Introduction

SINCE THE BEGINNING OF economic liberalization in the early 1990s, India's banking sector has experienced unprecedented growth and quality improvements. Initially offering only plain vanilla banking services, banks have gradually transformed themselves into universal banks. With ATMs, Internet banking, mobile banking, and social banking, banking is now available anywhere. Globalization and the entry of new products have a significant impact on the domestic banking sector, forcing banks to adjust the product mix and operations to compete in the global environment where the IT Act of 2000 has also gained a new dimension and created a

---

1 Presented at IIF International Research Conference & Award Summit, November-December 2021

\* Professor in Economics, Baba Farid College of Management and Technology, Bathinda, Uppal Street, W-1, Gill Road, Near PUDA Colony, Malout, Punjab, 152107, INDIA

*Submitted October 2021; Accepted July 2022*

#### 4.6 Policy Implications

The major policy implication of this research is that in the emerging competition public sector banks immediately adopt all the time savvy and cost effective technologies otherwise they will lose their potential customers and there will less place for them in the market. They have started to adopt new technology but still more technology adoption is need of the hour. The public sector banks should not consider IT as a threat rather it should be considered motivation for them.

#### V. Conclusion

The post-e-banking period is steadier, with notable gains in employee and branch productivity with a major impact on Group IV, which is obsessed with technological advancement and proficient management of innovation. The post-e-banking era substantiates the augmentation of productivity of all banks, but partially IT-oriented banks are more diverse, and this is mainly due to a wider branch network and poor IT infrastructure. IT with other facets is a decisive artifact of transformation, where banks' productivity is a little evidence. IT index shows an upward trend as an industry. Among all e-channels, mobile banking has a strong effect on productivity followed by internet banking. A positive correlation of IT with productivity anticipates future scope for further technological developments. As a whole, it can be concluded that the post-e-banking period has improved productivity excellently through the increased use of IT, specifically mobile banking and internet banking. The use of information technology contributes to improving productivity further by increasing business and reducing establishment expenditures. The substantial improvement in productivity is evidence of the Bank's transformation.

#### References

- Agarwal, J.D., Manju Agarwal, Aman Agarwal and Yamini Agarwal, (2018) "The Theory of Money, Wealth and Efficient Currency Markets : Modeling M5 as Money Supply with Crypto-currency", *Finance India*, Vol. XXXII No. 2, June 2018, pp. 405-457
- Agarwal, J.D. and Aman Agarwal, (2004) "*Literature in Finance Vol. IV : Financial Systems and Markets*", IIF Publications, Delhi
- Al-Smadi, M.O. and S.A. Al-Wabel, (2011), "The impact of electronic banking on the performance of Jordanian Bank", *Journal of Internet Banking and Commerce*, Vol. 16, No. 2, pp. 1-10
- Anbalagan, (2017), "New Technological Changes in Indian Banking Sector," *International Journal of Scientific Research and Management*, Vol. 5, No. 9 pp. 7015-7021.
- Ansari, Seharish, and N. Khan, (2017), "E-Banking in India: Progress and Challenges", *International journal of Innovative Research and Advanced Studies*, Vol. 4, No. 9, pp. 334-340
- Bodla, B. S. and Neeraj, (2014), "Influence of E-Delivery Channels on Productivity of Commercial Banks in India", *International Journal for Business*, Vol. 11, No. 1, pp. 17-27

Chauhan, V. and V. Choudhary, (2015), "Internet Banking in India: Challenges and Opportunities in Indian Context", *Journal of Management Sciences and Technology*, Vol. 2, No.3, pp.29-40

Chengalrayulu, P. D., (2020) "e-banking services in public and private sector banks in india- with special reference to SBI and ICICI bank", *International Journal of Social Science and Economic Research*, Vol. 5, No. 9 pp. 2638-2649

Kaur, R., (2012), "An impact of It on Branch productivity of Indian Banking in the Era of Transformation", *Journal of Internet Banking and Commerce*, Vol. 17, No. 3, pp.1-10

Kumar, D., (2020), "Digital Transformation in Banking -Theoretical Aspects on Banking Future," *Journal Global Value*, Vol. IX (Special Issue), pp.50-56

Kumar, G. and V.M. Shenbagaraman, (2017), "A Study on customer's perception of online banking and e- service quality among Chennai customers," *International Journal of Business Excellence*, Vol. 11 No. 1 pp. 72-94

Malhotra, Pooja and B. Singh, (2010), "An analysis of Internet banking offerings and its determinants in India", *Internet Research*, Vol. 20, No. 1, pp.87-106

Manikyam, K.R., (2014), "Indian Banking Sector- Challenges and Opportunities", *IOSR Journal of Business and Management*, Vol. 16, No. 2, pp.52-61

Mashali, A. N., (2020), "Development of e banking channels and market share in developing countries.", *Financial Innovation*, Vol. 6, No. 12 pp. 23-27

Meharaj, B., (2019), "Online Banking and Customer Satisfaction: Evidence from India," *Asia Pacific Journal of Management Research and Innovation*, Vol. 15, No. 2 pp. 23-28

Mohammad, O.A. and A.A. Saad, (2011), "The impact of e-banking on the performance of Jordanian banks", *Journal of Internet banking and Commerce*, Vol. 16, No. 2, pp. 1-10

Natarajan, K. and K. Duraisamy, (2012), "Profitability Performance of Commercial Banks in Electronic Era", *Global Journal of Management and Research*, Vol. 4, No. 2, pp. 15

Nayak, R., (2018), "A Conceptual Study on Digitalization of Banking- Issues and Challenges In Rural India," *International Journal of Management, IT and Engineering*, Vol.8, No.6 pp. 1-6

Nirbhay, M., (2017), "A Study of the Customer Perception of the Risk of Cash and Cashless Transaction," *KAAV International Journal of Economics, Commerce and Business Management*, Vol. 4 No. 4 pp. 103-119.

Oniore, J. and V.U. Okoli, (2019), "Impact of Electronic Banking on the Performance on Money deposit banks in Nigeria", *International Journal of Economics and Financial Research*, Vol. 4, No. 9, pp. 83-90

Paul, J and R. Trehan, (2011), "Enhancing customer base and productivity through e-delivery channels - study of banks in India", *International Journal of Electronic Marketing and Retailing*, Vol. 4, No. 2-3, pp.151-164

Sachdeva, K and S. Kumar, (2017), "Impact of e-banking on the Performance of Commercial banks in India; A Panel Data Approach", *International Journal of Applied Business and Economic Research*, Vol. 15, No. 9, pp. 55-67

- Sharma, D., (2012), "Does Technology Lead to Better Financial Performance? A Study of Indian Commercial Banks", *Managing Global Transitions: International Research Journal*; Spring 2012, Vol. 10, No. 1, pp. 3
- Shettar, R. M., (2019), "Digital Banking An Indian Perspective. *IOSR Journal of Economics and Finance*, Vol.10, No. 3 pp. 01-05.
- Shrivastava, D. K., (2020), "Study on Digital Transformation of Banking In India," *JAC: A Journal of Composition theory*, Vol. 13, No. 7 pp. 23-31
- Simran, J.K., A. Liaquat and H. Kabir, (2021), "An Adoption of Digital Banking Channels in an Emerging Economy: Exploring the Role of in-branch efforts," *Journal of Financial Services Marketing* Vol. 2, No.1, pp. 3-7.
- Simriti, A. and R. Kumar, (2021), "Present status of e-banking in India: Challenges and Opportunities", *International Journal of Creative Research Thoughts*, Vol. 9, No. 9, pp. 555-561
- Singh, R. R. and N. Kaur, (2019), "Interaction between Online Banking and its Impact on Financial Performance of Banking Sector- Evidence from Indian Public Sector Banks", *International Journal of Recent Technology and Engineering*, Vol. 8, No. 2511, pp. 836-39
- Singhania, V.S. (2018), "Digital Technology in the Realm of Banking: A review of literature," *International Journal of Research of Finance and Management*, Vol. 1, No. 2 pp. 28-32
- Sumathy and Vipin, (2017), "Digital payment systems: Perception and Concerns among Urban Consumers" *International Journal of Applied Research*, Vol. 3 No. 6 pp. 1118-1122
- Sumra, S.H. and M.K. Manzoor, (2011), "The Impact of E-Banking on the Profitability of Banks: A Study of Pakistan Banks", *Journal of Public Administration and Governance*, Vol. 1, No. 1, pp. 31-38
- Uppal, R., (2019), "E-Delivery Channels Based Banking Services- An Empirical Study in Punjab.", *Global Journal of Arts and Social Sciences*, Vol. 1, No. 1 pp. 23-27.
- Uppal, R.K., (2011), "E-Delivery Channels in Banks-A Fresh Outlook" *Journal of Arts Science and Commerce*, Vol. II, No.1, pp. 180-191
- Verma, P.K. and A. Tanwar, (2022), "Impact of COVID-19 on E-Banking in India", *Shodhsamhita*, Vol. VIII, No. 4, pp. 21-33.