



EMERGING TRENDS OF UNIVERSAL BANKING IN INDIA

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ABSTRACT

Universal banking is the fastest growing sector of the banking industry. It, by attending directly the needs of the end customers, is having glorious future in coming years. The term 'Universal Banks' refers to those banks that offer a wide range of financial services, beyond commercial banking and investment banking, insurance etc. Universal bank is a place where all financial products are available under one roof. Corporates can get loans and avail of other handy services, while individuals can bank and borrow. In India, universal banking sector as a whole is facing a lot of competition ever since financial sector reforms. Banks therefore, are now competing for increasing their business. The ongoing reforms process, growing use of technology, increased competition and product innovation has all put the banking sector on a high growth trajectory. However, significant challenges lie ahead for the banks in the country as they gear up to embrace international standards. The issue of universal banking resurfaced in India in year 2000, when ICICI gave a presentation to RBI to discuss the time frame and possible options for transforming itself into a universal bank. Indian banking, with the help of Universal Banking has technology edge and better business models, compared to pre-liberalizations era. Today, they are able to attract and gain more volumes simply because they meet their customers' requirements better than anyone else. However, there is a need for constant innovation in universal banking. This requires product development and differentiation, micro-planning, marketing, prudent pricing, customization, technological upgradation, home / electronic / mobile banking, effective risk management and asset liability management techniques.

KEYWORDS: - Universal Banking, Banking Industry.
