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Changing the Face of Banking – What the Future Holds!

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Abstract

Changing economic rhythm is forcing banks and banking to change; the future uncertainty is creating several questions as to what the structure of banking should be and how most of the banks will decide their competitive posture in these turbulent times. This paper makes an attempt to present some of the major trends or to highlight some changes that will be adopted soon by the banks, to become more efficient as well as to effectively face the challenges of frequently fluctuating economic tides. Banks and banking as we have seen and experienced might not exist in the near future, and the next generation of banking customers might grow with a much different experience. Some of these expected changes are already visible on horizon and may soon become a full-fledged reality in next 5 years. Technology would play the biggest role in changing the face of banking as we know it today.

Keywords: Banking, Economic Cycle, Alternate Channels, Banking Operations

Introduction

Change is the constant dynamic! Every day banks and banking are changing. These changes are making the banking environment more dynamic and vibrant, which adds pressure on banks to perform, as well as making customers feel a bit insecure as to the safety of their money and the return on their investments. This journey has been a consistent one and was initiated after the 1980s crisis and has become more essential after the Asian Tiger Crisis of the 90s. Banks realised the value of change and geared themselves for the change. They have been trying to add constant value to their customers; they started consolidation by getting into mergers and acquisitions, along with the adoption of the super-house concept, where they tried creating and offering a big and vibrant portfolio to the customers, thereby adding more value to customers' experience and generating more opportunities to expand their revenue base. Common belief was if you offer more services and products under one roof and create convenience of transaction, then the customer will come to you and it will be easy to lure and retain the customer.

Now, these bulky product portfolios no longer look attractive from the perspective of the bottom-line and operational effectiveness. Though the above changes supported banks and their revenue for some years, in return, the additional costs and expected economies of scale that consolidation and the super-house concept were supposed to generate actually have become diseconomies of scale. The changed economic scenario and frequent recessions forced the banks to cut costs, thereby limiting their hiring and manpower costs, thus forcing the banking industry to adopt modern and powerful technology, claiming to add more value and a unique banking experience to the customers. The adoption of new technology indirectly facilitated banks to reduce human involvement in the banking process, thereby resulting in reduction of wage bill.

Rising levels of banking NPAs, as showcased in the case of Greece, Italy, Portugal, Ireland, India, and Spain, are placing an extra burden on the bottom-line, as well as forcing banks to adopt drastic measures and change the way they are structured and operate. Banks' balance-sheets are under stringent constraints and evolving at a rapid pace. Management of too much liquidity and idle cash is also hurting banking operations. Though the writing on the wall is not very encouraging, banks are moving too slowly towards change and most of them are not ready to move out of their comfort zone.

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In a worldwide research conducted by Fitch, one major observation was that the banking industry is moving too slow and legacy firms are failing to differentiate themselves. According to Forrester, "In a market where one-third of all customers say 'all banks are basically the same', it would make sense for Bank executives and their teams to obsess over how to differentiate. Though there are talks about how to differentiate but the efforts to differentiate are really amiss."

Focus is only on adoption of technology and adding value to customers' experience. However, the question is: are banks all over the world really able to add value and differentiate the customers' experience from their counterparts, thereby generating more value for the customer and translating the same as an addition to the bottom-line? The answer to this question is evident by the latest performance indicators that discuss the criticality of NPA levels, the shrinking bottom-line, and the decline in capital adequacy at great length.

The presented scenario raises concerns and forces an ardent theorist to predict the future trend or emerging trends in the global banking industry and how these trends are going to change the face of the modern banking industry. The certainty of these trends are to be checked and time will surely tell how these predictions will become a reality, as the modern day banking industry would not be left with any option but to adopt some or all of these trends to survive and grow. Presented trends are not all-inclusive and there would be many more to come; some might not be needed as the economic situation might change and the cycle of repetitive global recessions might be broken. Only time will tell how things are going to unfold.

How the Banking Industry of the Future is Going to Look

Economies are changing, thereby making it mandatory for the financial industry to change as well. Among the turmoil, the struggle to survive and to maintain momentum, besides the projected movement towards another economic meltdown, which might be a big one after 2008, all add up to the pressure on the bottom-line and liquidity management. Several transferences are restructuring the global banking scene to the point where banks must profoundly reconsider what it takes to compete in today's dynamic environment to sustain, rather than focus on growth. The speed of transformation and modification is likely to speed up due to several technical innovations and the changing economic scenario, with a handpicked across-the-board frontrunners evolving as victors during the next three to five years. These goliath banks will expand share of their business in their core markets by bring in requisite changes in their strategies, in addition to initiating operational modifications to contend crossways boundaries and restrictions to venture into new avenues, leaving countless miniscule banking institutions struggling to survive and prove their worth of survival and their relevance. We might look at banking monopolies as several small or big but inefficient players, who might find it uneconomical to run the operations and would be taken over by the governments and merged with bigger banking entities. These big banking players too will crumble under the burden of an altered balance-sheet and managing a large customer base with limited resources at their disposal, and that too, under constant monitoring by regulators and the markets.

In a research undertaken to identify upcoming trends in the banking industry, the top three trends identified were: first, the industry is going to remove friction from the customers' journey (61%); the next two most mentioned trends were the improved use of data and advanced analytics, and refinements in multichannel delivery (mentioned by 57% and 42%, respectively).

There are fundamental shifts that are being felt quite aggressively and these shifts are altering the tactics and approaches used by banks to compete in the time to come.

The old-fashioned formula of distribution-led growth is losing relevance in the modern day dynamic market setting, especially with a breakdown in the relationship between branch footprint and resultant growth. Banks are now contending on delivering customer experience, with market leaders moving and covering larger ground in comparison to their lagging counterparts.

In all retail businesses, including banks, modern day customers now expect interactions and buying processes to be kept simple, spontaneous, as well as impeccably linked and networked across various physical and digital touch points. Banks are severely financing in effectively meeting these customer expectations, but have struggled long to keep pace with the winds of change and wrongly been focusing on the disoriented objective of constructing a 'less bad' experience for customers, rather than creating the one that the customer might find 'outstanding'.

Numerous banks are troubled by outdated IT infrastructures and outdated and out-tuned data, and data that is not synced. As a consequence, only a numbered few could be termed true leaders in terms of generating customer value and providing an outstanding experience. Even for these leading institutions, usually only 50% to 62.5% of the customers rate their consumption experience as first-rate or outstanding. This holds true across product categories, including those such as cash disposal, cards, loans disbursal, and management of deposits that have been able to generate higher digital adoption rates.

It could be easily deduced that the banks that will excel at deploying new technologies (e.g., automation and machine learning) and the ones with a more digital-centric channel mix will surely have a structural cost advantage in the long run. This cost advantage would make them more efficient, while allowing them to generate economies of scale by attracting a large number of users, due to lower pricing acting as a key discriminatory variable between them and the others, thereby catering to a large customer base, which would further strengthen their position and help reduce cost and optimise their capital investments in the updating of technology.

The modern day banking relationships are getting unbundled along product lines, fueled by digitisation and, much more increasingly, by regulation or de-regulation; the biggest profit pools are being brought under attack. Only a few banks will be able to bear, sustain, and reverse these trends, using advanced data and analytics competences to construct deeper, meaningful, and broader relationships with their valued customers.

In the short run, these shifts will surely merge to strengthen the competition, as several new entrants would seek to drive beyond the horizons of outdated operational frontiers.

The Trends

Banks as we know them, and the way we consume banking services, is soon going to be altered; opportunities to go to a bank branch and interacting with bank staff face-to-face might soon all become a talk of the past. Recognition that you get as an esteemed customer and your search for a known face in a bank branch to get speedy service all might come to an end. Banks might become faceless and would exist only in technology or in cyber-space. Your banking would only be the interaction with artificial intelligence and a piece of sophisticated machine (updated version of today's ATM) that provides you cash, helps to deposit cheques, transfer money, pay bills, prints passbook, and would soon start offering foreign exchange and debit and credit cards as well. You could call a toll-free number and someone would come to your house to collect cash or to hand you over your cheque book, much like what a courier company does today.

Loan applications are to be made via a secured tab and documents could be uploaded and validated by digital signature and could be authenticated by some government documentation or process, like the data connected to the Aadhaar Card in India or via a Unique ID, as applicable in several nations throughout the world. This application for loan might be processed by a specialised service centre in China, which might be carrying out the same process for several banks in several different nations. For several 100 kilometres there might not be even a single bank branch and all services are delivered via a special secured tab issued by your bank, and some basic services are processed through mobile applications or via tele-service centres.

Your safety vaults and banks' cash handling services might be outsourced to a third party vendor specialised in managing excessive liquidity or managing ideal cash by investing it in good opportunities throughout the world, thereby reducing the concerns of liability management from the banks. Several may become unemployed and thousands have to be given additional training to work in this modernised industry. There will be jobs that will have a very different nature of work and need entirely a new set of skills for effectively carrying out the changed job descriptions.

There are several trends, mostly enabled by the use of digital technology, which are at the heart of the transformation of the banking industry. Two key reasons for these trends to gain in popularity are: first, the growth in movement of new, non-banking players, especially the telecom and payment companies, along with the NBFC, in the industry; second, the emergence of customer experience as a central consideration for banks as they create and execute their competitive strategies. The customer expects digital banking to be as tranquil and unified as ordering a pizza, asking an item to be delivered via online purchase, or booking a flight with a single swipe on a mobile application.

- *Confusion for Regulators to Regulate or De-Regulate* – Environment being competitive and clouded with economic uncertainty, several complications are present; the situation is not an easy one to make changes, and nor is it right to let situations take their own course. The time is ripe to decide on deregulating the industry, so the industry could take action to safeguard its existence, as well as to plan the future course of action.

  This is also the time when the governments all over the world would mostly be tempted to control the banking to have a hold on issuance of liquidity and cash-inflow within the economy. The government tries to bind banking services to control the money supply; these extra controls curtail the freedom of banks and take away their liberty to manage a balance-sheet at will. Given the freedom to decide their own way forward, banks could be made more profitable and vibrant.

  Profitable as well as healthy banks would help an economy better able to cope with recession. This paradox puts regulators in a fix: whether to de-regulate or regulate the banks more. This utter confusion places banks and banking, along with the economy, in jeopardy. Regulators all over the world are already getting jittery about taking this decision and the situation is going to become more complex with the passage of time.

- *Introduction of Open Banking* – Banking regulatory bodies in different markets are also contributing to the substantial disruption of banking, mainly by making a very consistent effort to bring increased transparency in banking operations, as well as by promoting competition within the industry by lowering the entry barriers.

  Open banking is a fin-tech term usually used by the financial services industry, as it entails the delivery of most of the banking services via use of mobile applications developed by a third party service or application provider. Open banking will permit the networking of accounts, besides usage of data across institutions as needed, for operating various accounts and services, financial institutions, and third-party service providers. Open banking is fast emerging as a foremost source of modernisation and service delivery experience improvement that is needed to restructure the banking industry.

  Open banking, one of the most prominent regulatory progresses distressing innovation in addition to competition in the banking industry, is staged to have exponential growth and has a presence in wide global markets, though at varying stages of adoption in 35 markets in the world, dealing in products and services that accounts for roughly 90% of the revenue in these markets. As the early adopters, the UK and several constituents of the European Union have initiated fully functioning open banking regimes; for example, in the UK, where open banking is being rapidly rolled out as a major banking initiative and a regulative policy measure, the number of new entrants in the market has increased by almost more than 60% in the last few years.

- *Rise in E-Banking* – E-banking is gaining momentum, and all over the world, more customers have started using e-banking. Mobile apps, introduction of blockchain and Big Data are also enabling the spread of e-banking and cultivating the fertile ground to support sporadic growth on mobile- and Internet-based banking services.

  The rise in e-banking services has another impact on banking; as the services are delivered to where the customer is, via mobile phone or by using other electronic devices, the visits by customers to the bank branch are reduced. Another dimension affecting reduction in bank branch visit is the actual consumption of e-services, or more importantly, the willingness or eagerness to use e-services. The rate of branch visit reduction is tied to consumers' inclination, as well as preparedness, to obtain banking products or services online or on handheld devices. To bring the point home, we can look around the world to find a high level of readiness and preparedness on the part of the modern day user of technology to consume banking services online, such as the 80% to 90% of banking customers in the Nordics who are open to buying digital products for banking and most of the other financial products, compared to the 50% to 60% in North America and Southern Europe.

However, client inclination to buy a product online varies, though the collective finding suggests a greater readiness and eagerness in all markets, which in real terms is far ahead of actual digital sales being made in the present. Considering the existing situation, and the shortfall in meeting online service delivery consumption expectations, the banks are required to catch up fast to the consumer necessities and expectations. Leading banks all over the world are using first- and third-party data (e.g. geospatial, browsing behaviour), which is a robust marketing technology stack providing a 360-degree view of customers, along with executing effective multi-channel campaigns to reach clients in real time, alongside an agile operating model such as creating cross-functional marketing war rooms that generate several alternative marketing strategies to effectively generate new customers, besides providing a wider reach to the existing customers. With these elements in place, progress can be rapid; a North American financial institution just attained 300% growth in annual online product sales in less than a year. This trend leads us to the next trends in line, like the reduction in number of branches.

- *Reduction in Number of Branches and ATMs or other Delivery Points* – The rising cost of maintaining consumer contact and management of extensive branch and individual ATMs is causing constant pressure on the banks' bottom-line. These ingredients of consumer experience are no longer being found viable by several large-scale players. Banks are in a constant search to provide consumers with other touch points via which more value could be added to consumer experience, and cost of delivery of services and maintenance of consumer contact could be brought down substantially.

  A few years back there was a time when banks with higher branch concentration profited from a network influence – the more the branches, the greater the probability of attaining and holding customers. The association between deposit growth and branch density has been severely weakened in the last decade or so. This effect is quite visible from the fact that deposits with the 25 largest US retail banks have nearly doubled in the last 8-9 years, whereas their collective branch numbers was reduced by close to 15% in the same time frame.

  Continuing with the trend, it could be expected that in the next three to five years there is expected to be large-scale contraction in the number of branches and ATMs that large-scale banks have been maintaining till date. Though the signs of these branch network contractions are very much visible since the last decade or so, the economic downturn and volatility in recent times have speeded up the things and heightened the necessity to undertake the exercise at the earliest.

  Although there have been erstwhile episodes of branch contraction, they were undoubtedly snarled with economic cycles, especially recessions and projected downwards spiral or economic contractions in the short run; the present trend of belt-tightening plus reduction in the banking touch-points was initiated almost a decade ago. Besides, it continued even through a season of vigorous economic progression. Banking branch numbers are shrinking throughout North America, the UK, and Europe, though the speed of contraction of bank branches, installations of new ATMs, along with limiting the expansion of physical touch-points differ substantially among these regions.

  Players who have been able to diagnose the trend and mastered the art of predicting the economic outlook are ahead of the laggards by a great margin. Moreover, these banks have reduced the number of branches and other contact points (Physical Channel of Distribution) by as much as 71% (mostly evident from the substantial number of branch reduction in the Netherlands).

  Most banks are either forced or have mandatorily started to use advanced analytics and technological advancements, along with the adoption of electronic solutions, for physical branch contact to reshape the physical footprint and consumer contact. The focus is not going to be on only reducing the numbers, but on optimising the branch network to gain maximum impact at substantially lower cost. This strategy might have far-reaching consequences on the future of banks; therefore, it requires careful planning, along with a deep understanding of consumer preferences in every micro-market being catered to by the bank.

- *Charges for Bank Branch Visit to be Borne by Customers (Increase in Service Charges and other Associated Costs)* – Until the financial crisis of 2007-2008, any retail bank's aggregate share of deposits was closely interconnected to the magnitude of the branch network in which it has maintained. Even after explosion in the use of the Internet, though the use grew rapidly, customers still preferred to visit bank branches for several services such as account servicing, besides learning more about, as well as, buying new products. The mere existence of a physical branch in the vicinity generated a sense of security, confidence, and conviction towards the bank.

  The cost of customer servicing has spiked and banks are feeling the heat of entertaining customers' requests and their visits to the branches. Extra manpower is needed to manage the traffic, and this extra expenditure eats up some of the profitability and puts pressure on already thin margins. In a country like India, the big three new-generation private sector banks, i.e. ICICI Bank, HDFC Bank, and Axis Bank, have started to charge a certain fee in case the customer carries out more than four cash transactions (including both withdrawals and deposits) within a months' time at the home or original branch.

  The message from the banks is clear. They are not finding it profitable to entertain the customer within branches; therefore, other means of interactions are being explored and a lot of investment has been infused in modern technology, to deliver service within the ease of the customer's home. Banks find capital investment in technology as a more erstwhile decision, as cost of servicing a customer in a bank branch is the highest. The estimated cost of bank branch transaction for any bank is around $2.

  It could be anticipated that the high wage bill is something that these banks would like to do away with, and it would only be possible if any branch could be operated by a maximum of two employees; in addition, the branch network within the country could be brought down to a minimum of four to five. The message from the banks is quite clear. They are not interested in serving those who are not technology savvy, and if you are one, then please be ready to pay extra (up to 1.25% to 3% of the total value of the transaction within a bank branch) fee for carrying out that transaction in a bank's branch.

- *Rise of Small Finance Banks* – As per the policy document created by the Reserve Bank of India (RBI), on November 27, 2014, a small finance bank is a private financial institution authorised by the issue of license to strengthen the objective of financial inclusion, by undertaking basic banking activities, i.e. accepting deposits and lending funds to the un-served or underserved sections, including small businesses and poor farmers and traders, along with micro- and small-business units and the unorganised sector. Small finance banks are going to stay and would expand exponentially, though not the way they were conceived to grow. They will start acting as a channel for banking services in those areas where modern technology would not be able to penetrate; in addition, they would also help the government effectively meet its objectives of financial inclusion, along with balancing regional development, to take the financial services and products to the poorest of the poor.

  The model could be replicated by some of the African (under-developed) countries, as they might find small finance banks to be useful for their developmental agenda. Countries with low technology insemination would also adopt these banks and model. It would be an interesting option to be adopted by developed nations to provide services in case the poor weather hinders online delivery or in the case of the breakdown of technology.

- *Disintegration of Big Banks to Make Each Activity Self-Dependent and Profitable* – There have been continuous concerns about several big banks in the world that are too-big-to-fail. Regulators all over the world have toughened their stand on these large institutions with regards to following prudential norms. With the pressure of following prudential guidelines combined with diminishing margins, reduction of bank branches, and greater reliance on technology to deliver financial products and services, the profit-oriented existence of big banks or institutions would not be justified. Already, around 32% of the global financial institutions are facing heat due to poor margins and extravagant costs of operations. The only strategy available for these banks is to become lean organisations and try to induce operational effectiveness and efficiency. For this purpose, they have to restructure their product portfolios and bring stringent discipline to their practices of balance-sheet management. They need to reduce cost, reduce workforce, reduce outlets, and expand exponentially the customer base, so the volumes could be generated.

The introduction of Dodd-Frank is mandating banks to absorb any losses with capital, and in the long-term, it might result in a compromise on capital adequacy norms, along with reduced ability to manage risk. Banks also feel that in a true sense they have to generate more revenue from thin air, as capital would get absorbed to make up for the losses incurred. With limited staff and reduced touch points or outlets, the work pressure will mount, as more customers would be approaching the available touch points. This would make management and effective physical delivery of too many products and services next to impossible, and banks have to decide what products or services could be merged and delivered without incurring additional costs, without compromising on efficiency. Such products would be retained by them and those that are not profitable would be culled.

This process would result in the disintegration of banks, as some services would be dropped, some would continue, and others would be handed over to the third party vendor or agencies that might be able to deliver certain critical services more effectively.

The process of portfolio consolidation would result in the disintegration of larger banks as they would find several ineffective products to be churned out. There would be numerous non-revenue-generating services; in addition, cost-incurring services critical to customer retention and satisfaction would also be there and these banks would find themselves unable to deliver them effectively. Along with the above two categories, there would be definite low-revenue, low-income-yielding products that might be incurring more than the proportionate cost to manage and to be delivered. These low revenue products would be handed out of the portfolio to certain third-party vendors or to small project teams, to gain more discipline in product portfolio, along with strengthening the bottom-line.

- *No Human Interference in Service Delivery (Global Processing Cell and Outsourced Operations)* – Mounting pressure to bring down cost of operations and enhance bottom-lines are forcing banks to shed additional staff and adopt the lean look. Larger branch networks and smaller coverage areas per branch are also placing additional pressure on banks to adopt a more effective human resource policy and to adopt multi-tasking recruitment practices. With these limited human resources they would not be able to meet all the service needs of a customer; the same is visible in the adoption of smart ATMs, cash deposit machines, and passbook printing kiosks. The deductive reasoning suggests that humans are slowly but gradually being replaced with technology and complicated pieces of machinery.

  This trend again could not be continued for long and banks would soon feel the need to shed these technological initiatives as well, and would seek a cash-tree kind of alternative where several players may be within the country or at the global level, and they would have a single customer care or service centre to provide services. Regional Processing Cells (RPC) are closing and are being consolidated. This trend of shrinking numbers would further gain momentum and RPC operations would be handed over to third-party specialist vendors, who would be providing their knowledge-based specialised services to several banks across the globe.

  Banks would focus more on effective management of their balance-sheet, whereas focus would be on efficient credit disbursal and recollection, though the credit analysis and approvals would be done by third-party experts. There would be specialised collection agencies that would be providing their cost-effective services to several banks.

- *Rise in Number of Virtual Banks* – Virtual banks have emerged fast and they are here to stay. Consistent pressure on brick-and-mortar outlets to perform and their consistent failure to perform makes adoption of the virtual model lucrative. As on date, throughout the globe, more than 100 digital banks have been launched in the last few years, including N26, Monzo, and Revolut in Europe; WeBank, Digibank, and Jenius in Asia; SoFi, Marcus, and Moven in the US; and Nubank in South America. Several banking entities have either launched or are seriously considering launching a digital-first model, as it might extend their existence and would surely prove vital to the operations by reducing the fixed costs of operations and provide an uncanny ability to reach a wider customer base.

- *Banking Integration with Fin-Tech (Micro ATMs)* – There are several banks in the world that have proceeded speedily to adopt digital banking platforms, much more advanced than mobile banking and Internet banking, as their central channel for customer interactions as well as delivery. In advanced economies such as in the UK, one bank with a digital platform makes approximately 52.38% of the sales through digital channels. These modernistic banks delivering banking services remotely via the use of digital platforms are finding quite a lot of takers, even in the historically branch-dependent small business segment. In Nordic Nations, a range of banks and fin-techs are finding the remote value propositions being delivered digitally are an attractive proposition for the small businesses.

  Introduction of micro-ATMs are also taking over banking channels in a big way. A micro-ATM is a card swipe machine through which banks can remotely connect to the banking system and disburse cash and other related services to their clients in remote locations. They are quite similar to Point of Purchase (POS) terminals in their functionality.

  The role of fin-techs and technology does not stop at providing services remotely or by modernising ATMs; it goes much wider and further and should translate into the ability to generate translation of customer data, especially the purchasing patterns and consumption habits, into personalised products and real-time offers, to deliver a realistic experience to the customer and to help convert customer satisfaction into delight. This ability of data analytics and converting the same into delightful offers is very critical. In the last eight to ten years, the volume of data accessible on any specific customer or a prospect has increased exponentially. The concurrent challenge is to convert this voluminous available data into an actionable plan that should result into an extremely appropriate offer for the selected customer, and the same has to be delivered at the most opportunistic moment. Credit card companies have been long offering discounts on detailed payments classes or with selected outlets or retailers; however, this is not sufficient in today's turbulent times, and more dedicated and highly customer centric offers are needed to attract and to retain customers. Today, banks need to improve offers; they need to deliver offers using location (locale of marketing). Offers could be made to improve loyalty and share of spending by providing location-specific offers as and when a customer enters a coffee shop, movie theatre, or car dealership, and this could be achieved with the help of fin-tech.

- *Emergence of China as the Global Banking Services Provider (Low-Cost Fin-Tech and Outsourced Service Provider Globally)* – As visible by the recent shifting of banking processes to China by some of the large banking corporations, it could be expected that soon China would emerge as the global banking service provider, and several third-party Chinese vendors would be providing services to the global banking consumers. China has a comparative cost advantage, as it is already a low-cost manufacturer and has very effective, disciplined, and cheap workforce. China's ability to replicate technology and build upon the latest innovations also makes it an emerging low-cost fin-tech giant. Further, it is very difficult for any nation to replicate its capabilities as a very cost-effective outsourced service provider.

Conclusion

Most of the banks with a long standing history are considered to be the trustworthy brands in global financial markets; therefore, these banks must apply their brand equity judiciously, as it is, beyond doubt, a very precious asset for them. The presented research work discussed the various challenges and opportunities that the current banking industry faces and how these forces are altering the ball games to force the banking giants to adopt new practices and structures. The write-up also suggests trends that are either visible or may soon be visible within the banking industry, and the long-term impact that they will have on the current structure and operations of the banks.

Banks globally are endeavouring to fight the competition. The competition from global banks and technological innovation has compelled the banks to rethink their policies and strategies. Finally, the banking sector will need to master new business models by adopting new technology, as well as adopting new structures, along with adding new dimensions to provide value-added customer services with the help of continuously changing technology, which has become an integral part of modern day banking.

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