

Chapter 5

Marketing of Banking Services in India

Rakhi Arora

Jaipur National University, India

ABSTRACT

Banking sector plays an important role in Indian Financial Sector. It has a long history that has gone through various stages of development after Liberalization, Privatization, and Globalization (LPG) has taken place. The Indian banking sector is broadly classified into scheduled banks and non-scheduled banks. The scheduled banks are those included under the 2nd Schedule of the Reserve Bank of India Act, 1934. The scheduled banks are further classified into: nationalised banks; State Bank of India and its associates; Regional Rural Banks (RRBs); foreign banks; and other Indian private sector banks, which are controlled and governed by Reserve Bank of India (Central Bank of India) and Ministry of Finance. In this era, the government has issued licenses to the new entrants to establish new banks to serve the Indian society. This chapter focuses on to show the various undergone phases of Indian banking system, growth of deposits and credits, technological development in Indian banking sector, services provided by the Indian banks, benefits and challenges faced by the Indian banks.

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OBJECTIVES OF THE CHAPTER

1. Indian banking system has a great history in various phases. Readers would understand the origin and growth of Indian Banking System.
2. Every bank is offering various services to end customers under an umbrella. Readers would come to know about various services provided by Banks in India for their customer's satisfaction.
3. Various challenges are being faced by the Banks all over the world as E-banking is in practice now a days. Readers would come to know about the challenges faced by Indian Banks.
4. The Central banks of India reviews the monetary policy every year and takes the necessary steps to control the money supply. In this context, readers would understand the marketing mix for Banks in India.

CASE LET ON CYBER CRIMES IN THE BANKING SYSTEM

Bank is a financial institution, offers today a menu of choices related to every aspect of financial services. Now days, people are becoming techno savvy and market of e-banking is increasing. Banks are also providing online services to their customers according to their needs in present scenario which is also resulting in increased cybercrimes. Many a cases have come into picture related to this like the clones of/duplicate debit cards are being made and used for shopping. More surprisingly when we get a call saying “please tell your debit card number and PIN to renew this or for official purpose”. How these types of activities can be stopped even when we are using password protected services. It is also now days exceptional to know about physical bank robbery rather criminals are attacking at ATMs to steal money. Even thousands or lakhs or crores of rupees are being transferred by the criminals within seconds to other accounts using IT (Information Technology). Therefor it is a big challenge of cyber-crime for the banks with a strong level of security system used by the banks.

INTRODUCTION

A bank is a financial institution which deals with the monetary activities by accepting deposits, lending to the various parties against securities and performing agency service to its customers.

Banking sector is the blood vascular system of our economy. It has a positive role to play in the economic development of the country as repositories of people's

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