

## **A STUDY ON UNICORN OF INDIAN BANKING SYSTEM**

**Dr.Harshali Gomase**

Matrix school of management studies pune

### **Abstract**

Unicorn Bank has acquired newly deal with its entry in the FinTech companies. Whether you know to distinguish Unicorn Bank are a bank which does not have presence and the bank connect with their client through digital technology. The word is a mixture of the two terms Information advance Digital Technology and Artificial Intelligence. The current basic objective of a Unicorn Bank is to deliver for a massive digital banking experience to the consumer. The Unicorn Banks have made an effort to define themselves between the services delivered by the staff of the banks and being concentrate only on delivering flawless banking experience to the consumers. My paper is formed on the review of secondary data obtainable through various sources and a comparative research is done to define the role of unicorn banks in the India.

The objectives of paper to complete the following goals: 1. identifying the future of Unicorn Banks in India 2. Differentiate of Unicorn Banks with traditional Banks. Research design using Qualitative & Quantitative information from various secondary data is adapted to finish this research. A Comparative method is also adapted to analyse the position of Neo Banks and Traditional Banks. To finding gap between the need of the consumers and the services offered by traditional banks. The services delivered are to ensure high level services delivered to the clients. Banks also ensure that the clients have a pressure and stress- free transaction.

Keywords:

Neo banks, comparative study, planning of neo banks, services, future needs of banking industry

### **Introduction**

Neo Bank has gained popularity recently by penetrating in the Fin-Tech sector. If you want to define Neo Banks is digital bank and they interact with their client through digitally only. The term is a mixture of the two terms Information Technology and AI. The current basic objective of a Unicorn Bank is to deliver for a massive digital banking experience to the consumer. The Unicorn Banks have made an effort to define themselves between the services delivered by the staff of the banks and being concentrate only on delivering flawless banking experience to the consumers. To work out of universal thought process is important because when advance technology is determined in the Fin-tech sector. The way Fintech division has built up, and the way banking system has come on digital platform itself increased reach and integrates Fintech method for its clients. The conceptual idea of Unicorn Banks is more challenge and providing the right or better way of doing. The output of feedback on clients handling, management, convenience and transparency is supreme. It always non-Banking service delivers of banking services as the Reserve Bank of India (RBI) has not sanctioned for their 100% digital banking services license, they can only work through their respective partner bank. Partner bank is a well-established bank in the nation. These Banks deliver immediate services to the consumers in respect of opening new account, receiving and performing payments, allocation and settlement solutions, it helps the MSME's to improve their trustworthiness.

In this universe of innovation, banking system moved to digital but there are some loopholes. Unicorn Banks serve as the most appropriate after alternative due to their Cost-Effective Model. Establishment of Unicorn Banks in India is a back breaking process, due to hard RBI guidelines.

It was in 2019 when RBI allowed these Neo Banks to operate in the Indian Banking environment with a circumscribed ecology.

### **Objectives**

The current paper is formed on the review of secondary information adopted through various sources and a comparative research is done to study the goal and role of Unicorn banks in the India. The research fulfils the following objective.

1. To identify the future of Neo Banks in India
2. To Comparison of unicorn Banks with traditional Banks

### **Review of Literature**

1. **Bhasin,2020-** In his research stated the role of unicorn Banks in India. The study emphasized the integration of technology and artificial intelligence to deliver a flawless service for the client. The paper also focused on the enterprises which are looking forward to enter the Indian Market.

2. **Palepu,Advait Rao,2019–** In his research aimed at establishing a relation with Capital Investment and the reachability of Neo Banks. The study also focused on the need for the limitations that were being imposed by RBI on these NEO Banks. The author also specifies that the prospect of Neo Banks in India shall flourish more and in a better manner in the Indian Market in comparison with any other market as the need and requirement of obtaining digital services is comparatively more in the country.

3. **Agarwal and Nagar,2020-**in their study has pointed about the constant changing environment in the banking industry. They have mentioned about the basic difference between Neo Banks and digital banks. They have also highlighted the essence of Neo Banks by bringing out their benefits and shortcomings. The study has also brought to light the mechanism in which these Neo Banks function and operate.

4. **Hopkinson,TurcamKlarova and et al,2019-**The study highlighted the essence of the transformation brought about by the Neo Banks. It underlined the importance of the emergence of these Neo Banks and the reasons behind the same. The study suggested that it is only due to Neo Banks that the customers can invest in mutual funds. The flexibility of investing and using banking services as and when they want and also how customers can get an additional interest via investing in these Neo Banks.

5. **Kothari,2017-**The study does not include anything on the lines of Fin Tech or Neo Banks, but the study explains the functioning of a commercial bank. The study helps to draw a comparison between the Neo Banks and Traditional Bank

### **Research Methodology**

Research Design adapts Qualitative and Quantitative information from different secondary sources is adapted to conduct this research study. A Comparative system is also used to compare the situation of Unicorn Banks and Traditional Banks. We have analysed and compared leading traditional banks and Neo banks to identify and analyse the present role and structure of Unicorn banks.

### **Findings**

Unicorn Banks are Plan of action-oriented banks which trust on their partnered banks to work in an efficient manner. They are advanced digitally operated banks which operate on the mixture of Artificial Intelligence and Information Technology. The structure of Unicorn Banks is classified into three major verities:

#### **Core infrastructure**

#### **B2B/B2C models**

### **Used by**

#### **Core framework**

The Unicorn Banks provides backside help to their partnering banks through this operation. They give solutions to the traditional banks with the objections or queries created by the consumers of Partnering bank.

#### **B2B/B2C Model**

Through this platform these Unicorn banks shared end to end services to the partnering bank clients.

#### **Users**

Unicorn Banks have end users for their services delivered. Technology companies, Financial Companies all refers the services given by these Unicorn Banks.

#### **Comparative research of Unicorn bank and traditional banks**

1. When compares the Traditional Banks with unicorn banks cost of operation are very cost effective. It does not have any operational and logistical cost attached to it.
2. Unicorn Banks are completely on digital bank, but this orientation also removes the feel of banking i.e., interaction with the clients which facilitates many product ideas as well.
3. Unicorn Banks shares 24 hours services to its clients, but it not necessary the clients to visit their banks.
4. Unicorn banks worked on advance technology but it's one of the biggest flaws as well. Every information is digitally driven. Any variations in the policy will not be entertained at all.
5. It's not easy to obtaining licence for Unicorn bank, it's hardly difficult.

#### **Conclusion**

This research is based on unicorn banks are becoming the new product service of Indian banking culture. They have rightly found out the gap between the requirement of the consumers and the services offered by traditional banks. The services delivered by them ensure immense services delivered to the clients. They also sure that the clients have a stress-free transaction.

#### **References**

1. Belgavi, V. (2019). PWC. Retrieved October 15, 2020, from PWC.in: <https://www.pwc.in/consulting/financial-services/fintech/fintechinsights/neobanksandthenext-banking-revolution.html>
2. Detrixhe, J. (2019, August 01). Retrieved October 15, 2020, from QZ.com: <https://qz.com/1679197/when-will-digital-banks-like-n26-and-revolut-start-making-money/>
3. D'souza, V. (2019, April 16). Retrieved September 29, 2020, from Entrepreneur India: <https://www.entrepreneur.com/article/332315>
4. ankoorwarikoo (2021) case study on youtube <https://youtu.be/TKc1nUDWaSk>
5. through discussions.
5. Rodrigues Doritta Cristina., Noronha Eurico Matheus. "What companies can learn from unicorn startups to overcome the covid - 19 crisis." Journal of Innovation and management Review.
6. Rattan Gayatri. "Unicorn Startups and their journey: A case study of two Indian startups Swiggy and paytm." International journal of creative research thoughts.
7. Damasceno Tavares Luiz Andre., Morini Cristiano. and Pannellini Lucas Gean. "Lessons from the fastest Brazilian Unicorn." Journal of Emerald Insight.
8. Aggarwal Saumya., Gupta Pooja. "Study of unicorn startup management and profitability." Journal of Social Sciences and research work.
9. Patil. S., Wadajkar. V. "Indian Startup: Shining unicorn." Vidyabharati international interdisciplinary research journal.

10. Salas MarrugoLina., Moron Perez James. and Acevedo Tordecilla Veronica. “ Unicorn gallop rampant through China and India: Successes and Similarities 2020.” Journal of RevistaMundo Asia Pacifico.
11. Bock Carolin.,Hackber Christian. “Unicorns- What drives Multi Billion dollar valuation.” Journal of Business Research.
12. PanigrahikumarAshok., Shah Umanag. and Jain Puru. “A Unicorn in making: a case study of Shopkirana.” RVIM Journal of Management Research.
13. Gupta Om Jee., Singh Anurag. “Impact of Relationship Management on customer loyalty of E Wallet users: A study of Paytm Enterprise.” SMS Journal of Entrepreneurship and Innovation.