

INOVATIONS IN COMMERCIAL BANKING SERVICES IN PAKISTAN



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ABSTRACT

Banks have been around since 3000 BC, with their core functions remaining the same to this day. However with the use of technology, commercial banks have innovated their services much. This research sought to find out what were the innovations in the commercial banking services. The research also investigated the impact of these innovations on the commercial banking sector. The research was based in Pakistan, and thus focused on the Pakistani banking sector. The major innovations in the Pakistani banking sector consisted of two categories; card based payment systems and electronic banking. It was found that in Pakistan, Credit Cards, Debit Cards, ATM cards, Smart Cards and Preloaded Cards have gone through much innovation. It was also found that many banks in Pakistan today use internet banking, and offer services over their web sites. A few banks have also started mobile banking services. These banks and many others from around the globe are not only benefiting from attracting customers because of their innovatory services, but are also saving on costs. It was found that almost in all cases, the cost of the innovatory services was much cheaper than the traditional services. The research concludes with suggestions on further improving the innovation process, which will not only help the banks to capture the local market but also the international one.

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