

# ROLE OF TECHNOLOGY IN BANKING

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**Abstract:** The purpose of the study is to explore the functions of technology in banking sectors and the benefits of using such technologies in banking. The study also expose the influence of the technology in banking sectors. A bank is a monetary intermediate and money generate by lending fund to the borrower, as well creating a debit and credit for the customers. In spite of advancement of technologies people were still preferred directed banking. Yet people are not aware about the technologies that have been updated, Since they have a threat towards safety. And some people have aware to utilize the ATM facilities. At last banks need to focus on creating awareness among the people about ATM, Net banking, Mobile banking.

**Keywords:** banking sectors, Net banking, technology, Mobile banking.

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## 1. INTRODUCTION

Banking is a financial service of monetary and lending to the borrower. Technology plays an vital role in banking sectors to make the work more easier and reduce the human efforts. At starting, technology was used by the business organizations and entrepreneurs mostly for work related activities. Indian banking industry in the middle of an information technology. The JAM (Jan Dhan, Yojana, Aadhaar) has brought a new shift in the way of look at banking. Aadhaar has become the financial backbone with over 90 per cent population in India. Indian banking industry in the middle of an information technology. If any one from our family wants to open a account in bank, have to give only just need to provide 12 digit number to bank account agent. Increase of competition has led to an importance of whole banking automation in this industry. Now a day technology includes mobile phones, transport vehicles, computer networks, gadgets with internet, network software, online money transfer, mobile banking apps, internet banking etc. It completely alter the feature of Indian banking system completely.

### OBJECTIVE OF THE STUDY:

- To study the role of technology in banking sector.
- To determine how the digitalization create impact in banking industry.
- To consult the ease of banking regulations.
- To study the impact of technology on service delivery.

### SCOPE OF THE STUDY:

The revise covers the technology has been used by the banking sector for providing services to the people. More specifically latest technology delivery channels, namely ATM/ debit card, credit card, Internet Banking, Mobile Banking etc. Factors like paradigm shift, and digitalization of payment discussed evidently. It pursued the government policies for development of technology.

## 2. TECHNOLOGY OVERVIEW

Indian government started implementation of varied policies for development of technology. These policies includes, Scientific Policy Resolution (1958), Technology Policy Statement (1983), Science and Technology Policy (2003) and eventually Science, Technology and Innovation Policy (2013). As of now, technology and innovation have a good impact

on economic process and social development in Republic of India. Indian Technology paved its means in streams like banking and finance, software, industry, nuclear technology, area technology, medical advancements, education, cars, communication sector etc.

### 3. REVIEW LITERATURE

Rishi gupta (2017) He talking about the impact of technology in facilitating cashless banking transaction. Technology enabled business correspondent(BC) model has been introduces in 2005 marked as the appearance of the digital led low cost model for banking access to the last mile. He has stated that next five years will be a critical as current development put India on a digital expressway. From banking reach to adopting various technology such as UPI( united payment interface, wallets, smart phones, etc and in the larger context of creating a digital economy, the India stack technology platform- a set of APIs that allow government, business, start-ups and developers to utilise a unique digital infrastructure has a potential to promote cashless, paperless and presence less transactions.

Khan & Mahapatra (2009). The main aim of this article was evaluating service quality of internet banking from customer's perspective. The survey was done by questionnaire containing 44 quality items with various target groups. There exist seven quality dimensions in this survey. It was explained that gender is hardly a bias for use and evaluation of service quality in most of the cases across various categories of customers according to demographic analysis of data. Using regression analysis, a valid mathematical model is proposed to assess the overall service quality. Finally the results found that the customers are satisfied in four dimensions like reliability, accessibility, privacy/security, responsiveness and fulfilment. Whereas in dimension called "user-friendliness" they are least satisfied. In spite of empirical findings, this article also provided guidelines for bankers to focus on things to needed to be improved.

Malhotra & Singh (2007). The purpose of this article is to examine the relationship between various banking characteristics, customer behaviour and banking adoption decision. This article consists information of financial years 1997-1998 to 2004-2005 collected from 88 banks panel data. The relationship is measured by logistic regression technique. The main limitations of this study are its scope and samples collected. This article provides empirical literature on diffusion of financial innovations and technology in banking sector.

Ashiya (2006) examined developments created by electronic payments. Author has completely evaluated about the different mode of electronic payment used across the world. The objective this study is to find out the present offerings and development provided by the electronic payment. The different mode of e-payments that author has seek out are plastic cards, credit cards, debit cards, sensible cards, electronic cheques etc. These electronic ways which provide excellent instrument for the payment system. Though it become a good enough tool, the security makes more concern. However the technology may be use as a tool for the improvement of client loyalty and business of banks because it had reduced the danger & value and will increase the client loyalty.

Jain and Hundal (2006) represented the importance of mobile banking and barriers within the adoption of mobile banking. The paper examined the forces which will act as barriers in mobile banking services adoption. The main aim of the study is to seek out the explanations why the customers had not absolutely accepted the technology though it provided profuse advantage to the bank customers as compared to the previous technologies. This study spot out the barriers in access issues, inability of service suppliers within the adoption of mobile banking services. The result from this study is all about that the buyers got demoralized by the difficult perform whereas accessing the mobile banking services that cause rise in their discontentedness level, as no correct steerage was provided to them. The researchers instructed that service suppliers ought to bear in mind of the issue of their customers.

Loforet and Li (2005) in their study investigated the market level of standing of online and mobile banking in china. The main aim of this study was to spot the target customers for online and mobile banking and to match the angel of users and non users towards e-banking with relevance variety of things like technology, security, convenience, etc. The result showed that online and mobile banking users were predominantly males not essentially young and extremely educated. Security was the foremost issue that threaten Chinese shopper for the adoption of online banking.

Hogarth and Hilgert (2004) decorated that electronic banking technology represents a spread of various services, starting from ATM convenience and direct deposit to automatic Bill payments(ABP), Electronic fund transfer (EFT) and pc banking , the utilization of e-banking technologies have been grownup within the USA, where as others are adopting it

slowly. The author has advised that e-banking technologies couldn't be aggregate into one class and thus, "one size fits all" wouldn't work. The utilization of e-banking depends upon however it helps in saving time, decrease the errors, up inaccurate accounting and preventing in manipulation of information.

#### 4. ASPECTS ABOUT TECHNOLOGY IN BANKING SECTOR

The banking industry is the one that has heavily dealing on computerized records and the ability to access crucial information quickly and easily. However the benefits of technology in banking have become more even noticeable in recent years as phone, online and mobile banking has revolutioned the way we take care of our finance.

In previous generation, the only way to know about the how much money you had in the bank was to keep a detailed log book or to visit to our local branch and ask the teller to check the ledger of our account. Then along came with the innovation known as ATM machines, which allows us to withdraw the cash from convenient location and check our balance while we are at it. Nowadays with mobile banking apps its possible to check our balance any time and any place.

Another one of the key benefits of technology in banking is that allow us to pay the bills quickly and without bother. We can arrange to have them paid by direct debit every month at a time that suit us, or we can make the transfers as and when the bills come in. This means that there is no physical visit to the branch for the bill payment and we can make it on time. People who find difficult to manage their money can arrange for as many bills as possible to be paid just after their salary clear their account so that they came to know the essential are covered before they can spend on useless.

But perhaps one of the most exciting benefits of technology in banking is that no need to carry around a wallet full of notes and coins. The role of technology will be crucial in the cashless society as all our financial information will be stored on swipe cards and key fobs. Already many retail outlets are offering smart pay solution which allows you to make payment easily eg; paytm, google pay, phonepe apps which helps to be smarter in the payment. More than this, our smartphone are going to play bigger role in the cashless transactions. Apple, Samsung have already launched their payment systems. You just need to use phone to pay anywhere.

At the other end it turns to be a threatening to the customers, Security is one of the most important aspects of the online banking. Previously if a thief wants to steal a person's money, they have to do physical work like breaking walls of houses. Whereas now, after online banking, just by getting person's details they can steal their money in bank accounts. This is the biggest threat for people who are using online banking. Hacking of bank accounts is becoming more common now a days.

Online banking apps, net banking, ATM machines typically doesn't work thanks to technical errors. These technical problems embrace improper net access, network failure, devices shutdowns etc. Someday technical problems could incurs variant losses to banks.

#### 5. SUGGESTIONS

- 1) The banks need to provide enough awareness about the internet banking to their respective customer.
- 2) Many customers are feeling risk in e-banking so the banking industry needs to eliminate those risks accordingly.
- 3) Maintenance of the software should be done at the periodic interval to avoid the technical interruption during the transaction.
- 4) Security measures should be taken by all the banks to safeguard the customers details from the hackers.
- 5) Customers need to avoid the usage of apps like paytm, phonepe, googlepay rather than bank apps.

#### 6. CONCLUSION

On the basis of analysis, it can be resulted that, updating of banking services with technology made tremendous changes in providing services. Technology in banking sector eliminates people as well as bank efforts, cost, time. At the future it become fully automated and traditional way of banking system will comes to an end.

The only problem that exists with current technologies is threat of losing bank account details. If the banking industry take appropriate measure to avoid these hacking and threats, technology will become a great advantage for the future generation.

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