

TECHNOLOGY IN BANKING SECTOR – BOON OR BANE FOR PEOPLE

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ABSTARCT

Technology is playing a vital in all sectors now a days. It is mostly being used in banking sectors. Implementation of internet banking, ATM's, CDM,s, Online transactions, banking apps have paved a new way in banking sectors. It is helping both banks and people. Transactions became easy, quick and accurate with help of technology. All business organizations, firms, employees and all sections of people are using technology for their day to day transactions. Before implementation of technology, even a small transaction takes lots of time as, people are unawareness of banking apps. This article provides, details regarding advantages and disadvantages of technology in banking sector. And it also provides suggestions for drawbacks of banks in using technology.

Keywords: Banking Sector, Technology, Internet Banking, Banking Apps

INTRODUCTION

Technology is something which reduces the human efforts. It makes the work automated, quick and accurate. All our day to day activities depend on technology. At starting, technology was used by the business organizations and entrepreneurs mostly for work related activities. Now a day's technology includes mobile phones, transport vehicles, computer networks, gadgets with internet, network software, and online money transfer, mobile banking apps, internet banking etc. During 2014-2015, India did world's fastest financial inclusions in less than a year by using technology call JAM (Jan Dhan Yojna, Aadhar, Mobiles).

OVERVIEW OF TECHNOLOGY

In India, government started implementation of various policies for development of technology. These policies includes, Scientific Policy Resolution (1958), Technology Policy Statement (1983), Science and Technology Policy (2003) and finally Science, Technology and Innovation Policy (2013). As of now, technology and innovation have a great impact on economic growth and social development in India. Technology paved its way in streams like banking and finance,

software, service industry, nuclear technology, space technology, medical advancements, education, automobiles, communication sector etc.

MAJOR TECHNOLOGICAL ADVANCEMENTS IN BANKING SECTOR

- Massive Investments in Digital Transformation.
- Digital Only Banks
- Automated Teller Machines
- Telephone Banking
- Internet / Online Banking

LITERATURE REVIEW

Demetriades, P. O., & Luintel, K. B. (1996). In this article, the author collected the information from Reserve Bank of India. This is to examine various banking sector controls. Financial deepening was negatively influenced by exception of lending rate ceiling. It was also suggested that financial deepening and economic growth are jointly determined by ergogeneity tests done in this article. Finally it was concluded that factors which ever affects financial deepening also influences economic growth in the country.

Joseph, M., McClure, C., & Joseph, B. (1999). This article is the research done by taking 440 electronic banking customers with 300 useable questionnaires. The questions was analysed and results are found. This article investigates the impact of technology in Australian Banking. Author explains that technology plays a vital in banking sector now a days, and it reduces cost and eliminates uncertainties.

Khan, M. S., & Mahapatra, S. S. (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, P., & Singh, B. (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.

Singh, B., & Malhotra, P. (1970). In this article, author explained the measures to fill gaps between knowledge about internet banking. In this paper author did a survey on commercial banks that are using online banking and presented the data. He investigated the profile of commercial banks using univariate statistical analysis with respect to profitability, cost efficient and other characteristics. He said that there is a difference between internet and non-internet banking at the end of the first quarter, 2004. Finally he mentioned that there is no significant correlation between profitability and offerings of internet banking.

BENEFITS OF USING TECHNOLOGY IN BANKING SECTOR

The two main advantages of technology are speed and convenience. Other than that there are few more advantages of the technology in banking sector:

1) REGULAR ACCOUNTS AND SERVICE ACCESS:

Due to advancements in technology, banks are now can be accessible 24/7 by customers. For instance, Ally Bank is giving phone access to real life customer service agents. This is extremely helpful to people at the time of emergencies.

2) LESS VISITS TO BANKS:

Previously for small bank transactions also people have to go to nearby banks. It will be difficult for people, who are living in remote areas where, there are no bank facilities. Due to recent technologies, the numbers of people who are visiting to banks have become less. People now are completing their transactions in houses itself.

3) QUICK TRANSACTIONS:

Technologies are making banks to complete transactions quickly. Before these advancements even a small transactions takes a lot of time. Whereas now, large transactions are handled by banks both through offline as well as online. Almost all the banks have their own banking apps for quick transactions.

4) ONLINE FUND TRANSFERS:

Transferring funds through online is another technology in banking sector. These fund transfers includes, transferring funds from one bank to another bank, from our account to

relatives account, for money deposits etc. All these transactions are made available in online reducing people's efforts and time.

5) EASY PAYMENTS:

Making payments is daily activity of people. People make number of payments in single days. There are many banking apps for easy payments of bills in various places. Apps like pay tm, phone pe, BHIM etc provides services like easy payments of bills. Not only for retail shops, payments can be electricity bill payments, mobile bill payments, movie ticket payments, hotel bills, transport bills etc.

DRAWBACKS OF USING TECHNOLOGY IN BANKING SECTOR

Introducing technology in banking sector made the work easy for both banks and customers. Other than advantages there are some disadvantages of using technology in banking sector. Here are the main problems encountered by most of the people:

1. TRADITIONAL BANKING HABITS:

Even though there is tremendous implementation of technology in banking sector, people still follows traditional banking habits. Even now they are going for nearby banks for small bank transactions. Their banking habits are unchanged and their efforts of still high. There is need for banking marketers to focus on these people to use online banking. People should come to know how online banking reduces their pain, efforts, time and cost.

2. SECURITY:

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.

3. TRANSACTION DIFFICULTY:

Though online banking makes transactions easy, sometimes cash deposits and withdrawals take much time. One of the largest online banking apps PayPal take 3-5 days roughly for showing deposit amount in the accounts. Sometimes transactions may fail. This shows lots of inconvenience to people in case of emergency. This happens not only with mobile apps but also with ATM machines.

4. TECHNICAL ISSUES:

Online banking apps, internet banking, ATM machines sometimes doesn't work due to technical errors. These technical issues include improper internet access, network failure, devices shutdowns etc. One day technical issues may incurs millions of losses to banks. Due to technical issues important data and information can be lost and accounts may be blocked.

5. UNAWARENESS:

In India 50% of population are not aware of technology in recent times. They don't have the knowledge of using online banking. These people can be cheated easily and frauds may happen. Awareness should be given to people for using internet and online banking.

SUGGESTIONS

- 1) Awareness should be given to people in rural areas to make use of technology for bank transactions.
- 2) Proper network and software maintenance have to be done, to avoid interruptions during transactions.
- 3) Banking apps should be easy to operate, without complexities.
- 4) All banks should try to launch their banking apps in related language for providing services to all sections of people.
- 5) Banks should take proper security measure to protect customer's bank account details.
- 6) Using of telecommunications to bring awareness among people is suggested.

CONCLUSION

On the basis of analysis, it can be concluded 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 and time. The only problem that exists with current technology is threat of losing bank account details. If banks take proper measures to avoid these hackings and threats, technology will be a boon to banking sector.

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