

Impact of Information Technology on the Banking Sector

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ABSTRACT

Purpose: *This paper presents a brief overview which is linked to the bank network and its role in IT. It is also about the study of the role of the Government which has also played a proactive role in this by formulating policies and providing infrastructure, there are some advantages and disadvantages too, which need to be examined, and challenges faced by banking sectors and a few key positive and negative opinions on basis of SWOT analysis.*

Methodology: *The data has been collected from a variety of sources, including newspapers, research papers, websites, and journals. The information has been analyzed and synthesized to provide a comprehensive overview of the topic.*

Findings: *This research aims to provide a comprehensive overview of the extant research on the impact of information technology (IT) on banking. The findings suggest that IT has had a positive impact on banking in terms of efficiency, profitability, and customer service. However, the findings also reveal that IT has harmed employment in the banking sector. The banking sector in India is passing through tectonic changes with the onslaught of digital technologies. Traditional banks, which were dependent on human interaction and paperwork, are today struggling to keep pace with the new-age disruptors such as mobile payments, peer-to-peer lending, etc. They can now easily switch between banks depending on their needs and requirements. At the same time, banks are also looking to partner with FinTech to gain a competitive edge.*

Originality: *A robust banking system makes the lives of the average individual easier, its real impact is felt in the smooth functioning of businesses. The smooth flow of credit and mobilizing of savings are the hallmarks of an economy with an effective banking system.*

Research Type: Descriptive Study.

Keywords: Information Technology, Digital Banking, Fintech, SWOT analysis, Customer Satisfaction.

1. INTRODUCTION :

A strong banking sector is essential for the health and growth of any economy [1]. A healthy banking sector provides the credit and capital that businesses need to invest and expand, and it helps to create jobs and economic growth. A healthy banking sector also supports consumers by providing them with access to affordable credit and financial services. However, a healthy banking sector does not just happen by accident. It requires strong regulation and supervision to ensure that banks are operating safely and soundly. This in turn requires a commitment from all stakeholders – including banks, governments, and the wider public – to work together to create and maintain a healthy banking sector. The health and proper functioning of banks are a prerequisite for economic growth and prosperity [2]. To understand the impact of digitalization on banks and the broader financial sector, it is important to first understand what digitalization means in general, it can be described as the process of moving from manual systems to digital or automated ones. This is causing banks and financial institutions to change the way they operate and to make sure they are compliant with the new rules. To compete, they'll need to adopt innovative technologies & strategies that will allow them to streamline processes, provide personalized service, & adhere to ever-changing regulations. They must also focus on developing new

customer experiences that are convenient, efficient, and secure. The banking sector provides the channels through which financial resources are channeled from savers to borrowers, thus promoting capital formation and economic growth. A strong banking sector is also important for maintaining financial stability. In times of economic crisis, banks are typically the first to feel the effects. A strong banking sector helps to minimize the negative impacts of a financial crisis and promotes a quicker recovery. As we rely so much on technology, banks must also use technology to stay connected with their customers and provide them with the best services possible. The global banking sector is still adjusting to the post-financial crisis environment, which has seen several disruptions and changes. In this new era of banking, where technology dominates and customers demand faster, more convenient, and seamless services, it is critical for banks to not only keep up with the latest trends but also embrace innovative technologies - including those in the nascent field of artificial intelligence - to stay ahead of the curve and provide value-added services that differentiate them from their peers. Information technology has played a pivotal role in this transformation, and its impact will continue to be felt in the years to come. Digitalization in the financial services sector has been a process that has been a long time in the making. It is this technology-enabled transformation of the financial sector as a whole that is colloquially referred to as “FinTech” (an abbreviated form of “financial technology”) [3]. Digitalization has changed the business landscape in several ways. Perhaps most notably, it has given businesses the ability to make better decisions through the use of data. With the right tools and processes in place, businesses can collect and analyze data more efficiently, allowing them to make better decisions that improve their bottom line. It has also led to more efficient workflows. By automating tasks and streamlining processes, businesses can operate more efficiently and effectively [4]. This reduced overhead costs and leads to increased productivity, both of which contribute to a healthier bottom line, digitalization has given businesses several advantages that help them be more successful. As the world continues to digitize, those that don't embrace this change will be at a severe disadvantage.

2. RELATED RESEARCH WORK :

The effects of information technology on banking and its contribution to economic growth have been the subject of extensive research. The following is a list of various authors' contributions to this subject. A systematic literature search was conducted using the Google Scholar database to review papers published from 2012-2022 with the keywords "information technology", "Fintech in banking" and "digital payments". The key results are listed in table 1.

Table 1: Contribution from various authors on the importance of information technology on Indian banking and how digitalisation has spread the importance in present generation.

S. No	Field of research	Focus	Outcome	References
1	The New Trend of Indian Banking Digitalization.	The importance of financial services during pandemics is highlighted in this study, along with the rise of electronic banking and total digital payments and settlements in banking transactions over the three years from 2018 to 2021.	The spread of the internet and mobile banking services has directly and favourably affected consumers' lifestyles as a result of the Covid-19 pandemic. The Covid-19 pandemic led to the creation of financially oriented products and services with cutting-edge technology. Additionally, the banking sector is seeing an uptick in all forms of digital banking.	Khandelwal & Dave, (2022). [5]
2	How India's financial markets and banking operations are being impacted by digitization	The paper focuses on Digitization is helping to facilitate the growth of the e-commerce and mobile banking industries in India.	Digitization is impacting banking transactions and financial markets in India in several ways. It is reducing the time and cost of transactions, increases transparency and	Kapadia & Madhav, (2020). [6]

			efficiency, and providing greater access to financial services.	
3	Governance of Information Technology in Tunisian Banking	To assess the perceived effectiveness and simplicity of implementing IT governance practices in the Tunisian banking sector, a Delphi study was conducted for this article.	The findings indicate that structural practices are thought to be more efficient and simpler to apply than process and relational mechanisms. This study contributes to a better understanding of how IT governance is currently being implemented in less developed nations.	Harguem et al., (2022). [7]
4	India's banking system and also its rapid rise.	The focus of this essay will be on the development of the banking industry and its importance for economic growth. It will be shown how pivotal the banking sector is for any healthy economy.	The banking industry will continue to play a crucial role in the development of the country and the growth of the economy. The government needs to create an environment that is conducive to the growth of the banking industry. This includes ensuring that the banking sector is well-regulated and that there is a healthy level of competition.	Haralayya & Aithal, (2021). [8]
5	The Beneficial Effects of the Banking Reform in India	The Indian banking sector has undergone significant reforms in recent years. These reforms have had a positive impact on the growth of the banking sector. In this article, we will study the overall impact of these reforms on the growth of the Indian banking sector.	This study found that despite the economic crisis Indian banking sector maintained steady growth. The study attributed this growth to the consolidation of the banking sector, the monetary policy of the Reserve Bank of India, and the government's commitment to reforms.	Hussain, (2020). [9]
6	The Cost Efficiency of Scheduled Commercial Banks in India	The purpose of this study is to analyze the cost efficiency of scheduled commercial banks in India.	The results of the study show that, on average, scheduled commercial banks in India are cost-efficient. There is some variation in cost efficiency scores between banks, but overall, Indian banks are doing a good job of controlling costs. The regression analysis shows that bank size, foreign ownership, and urban location are all positively associated with cost efficiency.	Haralayya & Aithal, (2021). [10]
7	Banking sector challenges	The paper focuses on how the banks have been under immense pressure in recent years and what remedies are taken to come out of such things.	The outcome shows that banking is facing some challenges, but it is still a vital part of the global economy. And Banks are providing essential services to both individuals and businesses	Goncharuk, (2016). [11]

			as they play a major role in the world economy.	
8	Financial Inclusion	Focuses on the study of financial activities that help to develop economic activity and promote development. In recent years, the banking sector has come under immense pressure as a result of the financial crisis.	The outcome of the study shows that one of the most appealing markets for banks is India because of its fast-growing economy. However, it is still an important part of the global economy and its role in promoting growth cannot be understated.	Kharuri & Manjunatha, (2018). [12]
9	Digital payments	The paper concentrates on how the digital payment landscape is currently transforming, with new players and technologies entering the market.	With all of this growth, it is clear that the digital payments landscape in India is ripe for further development. In the coming years, we can expect to see even more innovations in this space, as businesses and consumers alike continue to embrace digital payments.	Mahesh & Bhat, (2022). [13]
10	Customer satisfaction in banking	The purpose of this study is to investigate the impact of internet banking service quality on customer satisfaction. In recent years, the number of people using internet banking services has grown rapidly.	The findings of this study will contribute to our understanding of customer satisfaction with internet banking services and will help banks improve their service quality. However, there is still a lack of research on how service quality affects customer satisfaction in this context.	Firdous & Farooqi, (2017). [14]

3. RESEARCH GAP :

The banking sector has been experiencing a lot of changes in recent years due to the advancement of information technology. Some of these changes have had a positive impact on the industry, while others have been more negative. However, there is still a lack of research on the overall impact of information technology on the banking sector. This research gap needs to be addressed to better understand the future of the banking industry.

4. RESEARCH AGENDA :

The banking sector has undergone a radical transformation in recent years due to the advent of information technology. Banks have been able to reduce costs, improve efficiency and expand their customer base by making use of IT. In this research agenda, we will investigate the impact of IT in the banking sector, with a focus on the role of government and how it has affected business models and competition on basis of technological innovations in the Indian banking system.

5. OBJECTIVES :

- 1) To examine the involvement of technology in the banking sector and the role of government.
- 2) To investigate the massive changes in the Indian banking sector as a result of technological advancements.
- 3) To assess the challenges of Information Technology.
- 4) To know the positive and negative outcomes of technology in the banking area on basis of SWOT analysis.

6. RESEARCH METHODOLOGY :

The information was compiled using a secondary data method. This information was used to generate the findings and conclusions presented in this document. Further to that, the opinions and perspectives

of various people from various organizations have been studied to gain a better understanding. The study reveals that there has been significant growth in the number of digital banking transactions in India and also identifies the factors driving such growth and the challenges faced.

7. INFORMATION TECHNOLOGY IN THE INDIAN BANKING :

Banks all over the world are using information technology (IT) extensively to increase their efficiency and meet the competition. Banks are now able to offer a range of innovative products and services to their customers, as well as expand their reach to new areas [12]. The banking sector in India is undergoing a digital transformation with the adoption of new technology across all levels of the organization. This is being driven by the need to improve customer experience, reduce costs, and increase operational efficiency.

Technology is reshaping the way banks operate and delivering new banking experiences to customers. Some of the key technology trends that are impacting the banking sector in India are mobile banking, artificial intelligence, blockchain, and cloud computing. Mobile banking is one of India's most popular banking services, with over 85% of banks offering this service to their customers. Banks are offering mobile banking apps that allow customers to manage their finances on the go. Customers can use mobile apps to check their account balances, transfer funds, pay bills, and more. Artificial intelligence is being used by banks to offer personalized services to customers and to detect and prevent, by making use of IT, banks can stay competitive and cater to the needs of their customers. Technology is used in all areas of banking such as product development, marketing, human resource management, and customer service [13]. However, the use of IT in retail banking is more pronounced than in other areas of banking. Banks are using IT to provide specialized services to their customers, open new branches in new areas Etc. The bankers and other people connected with this traditional system were not in favour of any change. They thought that their jobs would be at stake and the whole process of transactions would be hampered. But gradually as they realized that change is the law of nature and it is always for good, they started accepting it and even helped in its implementation [14]. It is normally noticed that banks in India are highly resistant to adopting new technology and introducing new banking measures. Over the years, however, several factors have ushered in the mechanization and eventually digitization of banking functions in the Indian Banking Industry. This eventually led to banks setting up Local Area Networks (LAN) interlinking the personal computers of the employees within a branch. Over time, as banks and their networks grew, the introduction of Core Banking Systems (CBS) became an eventuality. Centralized Online Real-Time Exchange (CORE) banking enables customers to access their accounts and perform other related banking transactions on an "anywhere, anytime" basis. This made banking location independent and drastically increased the efficiency of the banking workflow. Branches could now operate over the same network, thereby reducing the internal miscommunication and confusion that often prevailed earlier. Customers of a bank could now access the same services irrespective of the branch [15].

8. ROLE OF THE GOVERNMENT :

The government has had an immense role to play in the rapid digitalization that has taken place over the past few years. As pressures have mounted in moving the country toward a more tax-compliant economy, cashless transactions are the best way for the government to track the flow of money. The Information Technology Act, of 2000 brought about a legal framework within which internet activities could be governed. The law applies to all online transactions in India and provides for penalties and even prosecution for non-compliance [16].

The demonetization drive conducted in 2016 was a definite signal of the intent to shift to a cashless, more compliant economy. Coupled with the introduction of technologies such as IMPS and UPI to ease the transfer of funds instantly, there is a definite push on the authorities' side towards a more digitized banking system. The government's introduction of the Unified Payments Interface (UPI) is a vastly successful measure toward increasing the convenience of transacting online [16]. The launch of UPI through the government-owned platform BHIM (Bharat Interface for Money) developed by the National Payments Corporation of India (NPCI) made it possible for users to transact online without quoting their bank account details merely through the use of a virtual ID. The use of a virtual wallet is also rendered redundant as the flow of funds is routed directly through the bank accounts of the respective participants in a transaction. Almost all payment platforms in the country now support UPI

such as Paytm, PhonePe, Google Pay, etc. Transaction fees for UPI transactions are currently kept minimal to encourage the adoption of such technologies. Recent amendments in the tax laws also necessitate making payments through banking channels. The Government of India along with RBI has introduced many e-Services for banking, to attract the general public towards digital banking [9].

9. ASPECTS INFLUENCING THE SCOPE OF DIGITAL BANKING IN INDIA :

Digital banking is an important part of the banking sector in India. The Reserve Bank of India (RBI) has been encouraging the use of digital banking services in the country. The scope of digital banking in India is growing rapidly as more people use the internet and mobile devices to access financial services. However, there are still some factors that are limiting the growth of digital banking in India [17].

One of the main factors affecting the scope of digital banking in India is the lack of reliable internet access. India's infrastructure is not as developed as in other countries, which can make it difficult for digital banking services to reach all parts of the country. Although the number of people with internet access is increasing, there are still many rural areas in India that do not have reliable internet connectivity. This limits the ability of people in these areas to use digital banking services. Another factor affecting the scope of digital banking in India is the lack of awareness about these services. Many people are still not aware of the benefits of digital banking and how to use these services. This limits the growth of digital banking in India as people are not able to take advantage of these services [18]. Additionally, India has a large population that is still unbanked. To increase the scope of digital banking in India, it is important to address these challenges.

Education Access: Even though digital banking has the potential to provide banking services to previously underserved populations, there remains a significant barrier to its widespread adoption: lack of access to education. In many parts of the world, especially in rural and remote areas, people do not have the means or the opportunity to learn about digital banking and how to use it. This lack of access to education remains one of the greatest hurdles in the spread of digital banking. While several initiatives are working to address this problem, such as mobile banking applications that can be used without an internet connection, there is still much work to be done to make digital banking accessible to everyone. Until we can overcome this hurdle, the promise of digital banking will remain out of reach for many [19].

Technology Access: Previously, access to mobile technology and data was a privilege reserved for the upper classes. With some of the lowest data rates in the world, India has seen widespread adoption of mobile devices in recent years. Because digital banking is heavily reliant on robust network infrastructure, trends indicate that the use of digital transactions will only grow [19]. To truly promote the spread of digital banking, it is important to focus on increasing access to the technology required to use it. This means working to improve infrastructure and working to educate people about the benefits of digital banking [19]. With more people able to access and use digital banking, we can start to see the real benefits of this technology.

Resistance to Change: Banking is an industry that is constantly evolving. New technologies are being developed and implemented all the time to make the banking experience better for both customers and employees. However, this constant change can be difficult for some employees to keep up with. They may be resistant to learning new things or adapting to new technologies. This resistance to change can be a big problem for banks, as it can hinder the implementation of new technologies and processes. Banks need to find ways to overcome this resistance and ensure that employees can adapt to new changes [20]

Security: Security is one of the most important concerns for customers when it comes to online banking. In addition, customers are also concerned about the reliability and confidentiality of their information. Banks need to address these concerns to build trust with customers [19]. It is common knowledge that conducting business online carries certain risks. These include financial loss, identity theft, and the loss of sensitive information, among other things. Furthermore, many unfounded fears exist as a result of widespread deception. It's also worth noting that most databases rely on cutting-edge technology. As a result, hacks on payment networks and banks are uncommon [20].

Government Impetus: In a country, where almost half of the population is unbanked, the government has taken up the initiative to bring in a more compliant economy, by supporting the adoption of digital banking in the country through a cash-free economy [21]. This will help in reducing the grey economy, which is believed to be around 20-30% of the GDP and will also bring in more tax revenues. It is also a move towards making the country more digital, which is in line with the government's goal to have a digital economy. To promote a more compliant economy by promoting digital banking adoption in the country through its push for a cash-free economy. The demonetization campaign in 2016 may have been the single most important tipping point in most people's adoption of digital payment platforms [20] [21].

10. VARIOUS BENEFITS, DRAWBACKS, AND CHALLENGES OF TECHNOLOGY IN BANKING :

Benefits:

Various usefulness accumulates to the users of these technologies including:

- **Ease and Convenience:** By eliminating the need to carry large amounts of these technologies, one can make payments without the need to travel long distances [22]. Automatic recurring payments (such as rent, RDs, SIPs, insurance premiums, etc.) can also be set up easily.
- **Anytime, Anywhere Access:** As these media are available to the user itself, the need for the presence of a bank branch or ATM is done away with.
- **Frequent cashback, and discounts:** In a bid to attract more users, a lot of payment networks and banks offer special coupons, discounts, and cashback to their customers.
- **Safety:** When used rightly, these computerized operations tend to be safer than the conventional modes. The possibility of money getting plundered is no longer relevant. Also, multiple-factor authentication and the ability to block stolen cards instantaneously make digital transactions quite safe [23] [24].
- **Written Record:** Transactions by the users are automatically recorded and classified for posterity by most banking and payment platforms. This enables users to track spending and also serves as a record of transactions.

Drawbacks:

Despite its numerous advantages, there are certain disadvantages of digital transactions that must be kept in mind while adopting such modes.

- **Data Theft:** There is a chronic risk of theft of data. As the data related to users is stored in online databases, they remain susceptible to hackers and leaks of sensitive information [25].
- **Technical Difficulties:** These modes of payment are reliant on wireless devices. As such, a level of understanding of portable devices and their operation is a must. This can make these modes inaccessible to illiterate or non-technical persons.
- **Overspending:** It is often noticed that not having to pay cash physically can promote indiscipline. Also, credit card debt remains a major source of financial distress for many households, particularly in developed economies. One must, therefore, be quite mindful of one's spending while using these modes [25].

Challenges faced in banking:

The banking sector is under unprecedented pressure. Disruptive fintech start-ups are eating into banks' market share, and customers are increasingly demanding digital-first experiences [22]. They also need to invest in their digital infrastructure and make sure that their employees are trained to use new technologies. It also means using data and analytics to drive decision-making and provide a seamless customer experience across all channels [21].

- **Increasing Competition:** The disruptive power of technology has been a talk in recent years, and financial services are one of the industries that have been most affected by this disruption. This has made them a major force in the industry, and traditional financial institutions have had to adapt to this new competition. While the external environment is dynamic and complex, the internal environment of the banks is also changing rapidly. To survive and thrive, banks must adopt forward-thinking game plans and technics. Technology acts as a great leveller and has

the potential to democratize services across the globe. Public sector banks (PSBs) in India have also been undertaking various initiatives to modernize and digitalize their operations. However, they are still lagging behind private-sector banks in terms of technology adoption [25].

- **Customer Engagement:** With the ever-growing competition, it is essential to keep your customers happy and satisfied if you want to stay ahead. Business strategy involves making decisions with the individual prime concern view. They ensure a critical advantage that is necessary to businesses and individuals alike. However, banks need to do beyond this and not just by providing products and services. One way to accomplish this is to focus on the customer experience and adopt customer-centric policies and strategies. By doing so, banks can create a better overall experience for their customers, leading to increased satisfaction and loyalty [26].
- **Technology:** To achieve sustainable success, banks also need to have insight into the ever-changing needs of their clients and the world around them. They need to be agile, so they can rapidly adapt to new realities they can continue to create value for themselves and stay ahead. The banking industry is constantly evolving, and it can be difficult for banks to keep up with the latest trends. One way to stay competitive is to benchmark against other banks to see what practices are effective to stay ahead. The banking sector has been struggling to keep up with the pace of change in the last decade. With new technology, banks are looking to reduce transaction costs, offer customized products and manage risks. In response to this trend, banks are under pressure to provide their customers with fast, convenient, and glitch-free Internet banking facilities. It is no secret that private sector banks are stepping ahead more than the public sector when it comes to technology [22]. This is due to several reasons, including a lack of funding, a lack of skilled personnel, and a general resistance to change.
- **Security Breaches:** Banks and credit unions must continuously monitor and evolve their security protocols to stay ahead of the latest threats. The theft of customer's data is on the rise, and financial sectors are targeted in large numbers. To keep their customer's data safe, financial institutions must invest in the latest technology-driven security measures. In the past, industry experts have relied on tried-and-true methods to keep sensitive customer information safe. However, with the ever-evolving landscape of technology, it is clear that new security measures must be put in place to keep up with the latest threats [26].
- **Cultural shift:** The banking sector is undergoing a major cultural shift. They need to focus on customer experience, transparency, and innovation. To compete in the digital age, banks and credit unions need to re-evaluate their current business models and find technology-based resolutions to the issues they are facing. However, this is changing rapidly, and banks are now starting to adopt cutting-edge technologies to improve their operations [25]. The banking industry is under pressure as consumers shift their spending to tap into technology-based solutions. This shift is reflective of a wider cultural attitude that is becoming increasingly technology-first. This change is being driven by the need for banks to become more efficient and cater to the changing demands of consumers. As a result, banks are investing in new technologies that will enable them to better serve their customers and stay ahead of the competition, and find ways to connect with their customers through technology to remain competitive [25].

11. SWOT ANALYSIS :

A SWOT analysis is a tool that can be used to assess the impact of technology on the banking sector [27] [28]. Financial technology has come a long way in recent years, and it shows no signs of slowing down. Fintech banking is a rapidly growing sector that is revolutionizing the way we bank and manage our finances. The banking sector has been revolutionized by technology in recent years [29] [30]. This has had a positive impact on many aspects of bank operations, including speed and efficiency of transactions, customer service, and security [30]. It is important to understand both the positive and negative impacts of technology. This can be done through a SWOT analysis, which will help identify the strengths, weaknesses, opportunities, and threats of technology in the banking sector [32] [33]. However, technology has also had some negative impacts on the banking sector which need to be observed and taken into consideration.

Strengths:

- It can help banks to improve their customer service by providing faster and more convenient services and they can provide a more personalized and convenient experience for their customers. Customers can now perform various banking activities online or through mobile apps [34].
- It can also help banks to reduce their costs and increase their efficiency with cutting-edge technology that can provide a better user experience.
- It can help banks to reduce their operational costs by automating various processes.
- It can stay ahead of the competition.

Weaknesses:

- It can also pose a risk to banks, as it can be used to facilitate fraud and cybercrime.
- It can also lead to job losses in the banking sector, as automation increasingly takes over certain tasks [35].
- If it is not managed properly, technology can also lead to higher costs for banks.
- It needs constant investment to keep up with the latest technology [35].

Opportunities:

- It can be used to create new and innovative products and services for customers.
- It can also help banks to tap into new markets and reach new customers.
- Making banking services more accessible to people in remote areas.
- It helps in reducing the time it takes to process transactions.
- It helps in improving the security of banking systems [35].

Threats:

- It can also pose a threat to the stability of banking.
- Economic recession [25].
- Fear of digital banking among the poor, weaker sections, and illiterate [35].

12. FINDINGS :

Digital banking can help to reduce corruption and increase transparency in the banking sector. It is a good example of innovative technology that benefits the entire emerging economy as well as banks and customers and also helps the economy's GDP grow quickly. A robust anti-hacking system is required for secure and high-quality service in digital banking. The bank's current strategy is to increase the use of digital banking primarily among urban customers while neglecting the needs of rural customers. Banks must fully modernize if they want to adopt a fully digital strategy which will help to prevent and control crime in digital business transactions, there must be strict regulation of the industry.

13. SUGGESTION :

There are many ways that digital banking can be improved in India. Here are a few suggestions:

- Improve digital literacy: There is a lack of digital literacy in India, which makes it difficult for people to use digital banking services. Banks should partner with NGOs and other organizations to improve digital literacy levels in the country [23].
- Increase transparency and security: Transparency and security are important concerns when it comes to digital banking. Banks should make sure that their systems are secure and that their customers have a clear understanding of their policies and procedures [25].
- Make banking services more accessible: Many people in India do not have access to banking services. Banks should make an effort to reach out to these people and make their services more accessible.
- Improve customer service: Customer service is often poor in India. Banks should make an effort.

14. CONCLUSION :

Banking is the foundation of any economy. Although profitability has increased, foreign and private sector banks still make up a large share of the market. To maintain competition, public sector banks must continue to invest in IT and banking transformation. The banking sector has undergone a major transformation in recent years due to the advent of information technology. This has led to the creation of new channels for banking services, such as online banking and mobile banking.

Overall, information technology has had a positive impact on the banking sector. It has led to the creation of new channels for banking services, increased security, more efficient operations, and improved customer service. Since the launch of the government's scheme to recapitalize public sector banks, there has been a lot of progress made in terms of their financial performance. While some may see this as a hindrance to their performance, it is important to remember that challenges can be used to improve and grow. It is important to remember that every business is fighting an uphill battle in this climate. Banks facilitate the flow of money, keeping businesses and consumers able to buy what they need to keep the economy running. But to do this effectively, banks need to modernize and accept new technologies that people expect from financial institutions. Several modes of transferring money over networks exist today and many alternative modes, particularly mobile banking, have cropped up in the last decade making banking ubiquitously available to every citizen of the country. Banks in India are now seriously making a significant push towards digitization of their activities. The use of bulky data, machine intelligence, etc. is being contemplated for the very near future.

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