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## Use of Technology in Banking Sector

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### Abstract

*The role of banking sector is considered very important in the economic development of any country. The more advanced the banking sector of the country, the faster the country is progressing. The overall development of the country is largely due to the banking sector. New technologies are continuously being used in the banking sector, so the banking sector is increasing day by day. With the introduction of new technologies like mobile banking, net banking, UPI payment, the banking sector is progressing rapidly. The cost of traveling to the bank has reduced and customers can avail the banking facility at home. With the advent of new banking, customers are getting many types of facilities at home. A customer can transfer payment from any location thus saving both time and money. Due to credit card debit, petrol card facilities, such card facilities allow customers to avail the market facilities. Banking transactions have increased manifold and the country's economy is progressing rapidly as banking facilities have become available in every household. Due to the new technology coming in the banking sector, the number of transactions has increased tremendously. The use of sophisticated new technology has made transactions easier than the earlier banking sector. Despite this, online banking often results in losses to customers. The country has progressed rapidly due to digital technology in the banking sector. ATM machines allow customers to exchange money whenever they want. As banking services are available 24 hours a day, the economy is found to be greatly boosted as the number of transactions increases.*

**Keywords:** Mobile Banking, AI, UPI Payment, Technology, Robotic Process Automation, Cyber security, Digital Banking, ATM Machine.

### Introduction

If any country wants to strengthen and strengthen its economy, the first thing that is important is that the banking service system of that country is fast, efficient and up-to-date. In India, the development and expansion of information technology in the 1990s was so rapid that information technology was used in every sector of the country, and the traditional banking service sector in India changed its form. As per the recommendations of the Narasimha Committee, many positive changes took place in this sector. After the entry of private and foreign banks into this sector, technology was used on a large scale in the banking sector to face the increased competition and to provide satisfactory services to the customers. After the nationalization of banks, a lot of emphasis was placed on expanding the branches of banks. Customers used to have to stand in queues for hours for withdrawing money, paying money, taking out loans, keeping deposits or withdrawing money etc. Similarly, the Indian banking sector was suffocating in large ledgers, piles of files, bundles of documents and clerical transactions, but after the report of M. Narasimha Rao, the committee proposed that the efficiency of Indian banks should be increased. In order for Indian banks to survive in the global competition and to improve the profitability of Indian banks, the committee proposed that the banks should be completely computerized as soon as possible. As a result of this, we are seeing the use of technology in the banking sector in visible form today.

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Anytime banking, anywhere banking Banking services provided 24 hours a day, as well as banking services based on technology such as ATM, mobile banking, internet banking, core banking, tele banking, have now made it possible to do all the tasks like asset management, risk management easily, easily and accurately with the help of new technology.

#### **Importance of the study subject:**

The services provided by the banks in the traditional way were not only costly but also time-consuming. The expenditure on the reach, expansion and fixed assets of the banking service sector was not affordable for the banks and it was having an adverse effect on the profits of the banks. The use of technology in the banking sector in recent times has made it possible to provide maximum and fastest services in the shortest time. Similarly, it has now become possible for banks to complete transactions at the lowest cost, maintain accuracy in transactions, increase the efficiency of the bank, satisfy the customer at every level, identify the individual needs of the customers and provide them with specific services.

Banks are making great efforts to meet the financial and economic needs of the customers at one place at the same time. This includes many services like insurance services, home loans, financial advice, asset management, investment management. To face the increasing competition in the banking sector, to attract new customers and to retain existing customers, banks are providing many types of services like telebanking, remote banking, anytime banking, electronic banking to the customers.

The use of technology in the banking sector has helped in bringing dynamism, consistency and accuracy in financial and economic transactions. Also, security and confidentiality are being maintained in financial transactions. The use of technology is saving the time and labor of the customers. It is also helping in establishing a sound banking system by increasing the efficiency and profit capacity of banks. Due to globalization and privatization, computers started being used in all sectors of the economy. Therefore, it was important to strengthen the relationship between society and bank management by adopting the necessary changes in technology, at the same time, proper customer management was done through fast information processing and decision-making capacity. In globalization, the use of technology in

the financial sector and banking sector is very important for developing various sectors of the economy and achieving favorable conditions for it, as well as for accelerating the exchange of production technology between different countries.

#### **Objectives of Research:**

1. To study technology in the banking sector.
2. To study the services provided by banks to customers.
3. To study the relationship between bank management and customers.

#### **Hypotheses of Research**

1. The use of technology in the banking sector is saving time and labor.
2. Continuous services are provided to customers through technology in the banking sector.
3. The use of technology in the banking sector is increasing the efficiency of banks.

#### **Research Methodology:**

The presented research is based on secondary materials and the secondary sources used are books, magazines, weeklies, reference books, newspapers, periodicals and official websites.

Technological components that provide services to customers through banks

#### **ATM (Automated Teller Machine):**

Through the ATM service provided by the bank, services such as withdrawing money, paying money, issuing account statements, etc. are made available to customers round the clock. Therefore, the bank's holiday, bank closure, bank office working hours, etc. do not hinder the customers from completing their financial transactions.

It is noteworthy that the ATM facility is not only provided by banks at bank locations, but these machines are provided by banks at all places such as ST stands, railway stations, markets, airports, government offices, etc. Therefore, the customer is being helped to complete his financial transactions anytime, anywhere. From this, the customer also gets the satisfaction of completing the financial transaction.

#### **Credit Card:**

A customer can get a credit card by applying to the bank where the customer has an account or by paying a certain amount. Credit cards were first used in India in 1961 by 'Diners Club'. Credit cards are a banking product that provides short-term loans to its customers. They are

provided by the bank keeping in mind the credit and needs of the customer. The risks of carrying cash are avoided through this card. Credit cards can be used not only in the domestic country but also in the currency used in that country. Since credit cards are a means of generating income for financial institutions and banks, banks and financial institutions implement reward and gift schemes for credit card holders. Credit cards help in increasing the purchasing power of customers. As a result, the demand for goods and services in the market increases. This speeds up the supply of products and services, which in turn improves the health of the economy.

### **Tele Banking**

The state-of-the-art service provided by banks is used by customers to know their account balance, check the status of checks, get information about interest rates on deposits, and loan interest rates. Similarly, customers use this service to obtain checkbooks, request account statements, resolve financial transactions if problems arise, and change personal codes.

### **Mobile Banking**

To take advantage of mobile banking services, customers must have a smartphone, internet facility, and a system developed by the bank for financial transactions on their mobile phones. For this, they have to use the password provided by the bank. Customers can benefit from this service to get information about account balance, fixed deposits, loan information, and investment information.

Similarly, it becomes easy to transfer money, pay amounts, and get information about various schemes and services of banks. Also, this service greatly benefits the customer in obtaining account statements, contacting the customer service center and making instant payments.

### **Core Banking:**

Through this service system of banks, the customer can open an account in a bank and use any of its branches to complete his financial transactions. Due to core banking, the increasing costs incurred in the traditional way are reduced. Also, the time consuming process of registering and handling paper documents is avoided. It makes it easier for banks to recover loans.

Customers can complete financial transactions from home. Faster work saves the time of the customers. Secure financial transactions are

carried out. Customers get satisfaction through this service system by making many types of financial services available at one place.

### **Electronic Clearing Service (ECS-Electronic Clearing Service):**

Through this service system, their large-amount financial transactions that have to be paid repeatedly after a certain period of time are completed through this service system. Then, electronic clearing facilities are used to make large payments such as employee salaries, shareholder dividend distribution, pension amounts of pensioners, etc.

### **SWIFT (Society for Worldwide Internetbank Financial Telecommunication):**

NIFT and RTGS services are used to transfer money from one bank to another within the country. However, to send money abroad or to deposit money into your account from abroad, the SWIFT service system is used. For this, the account holder needs to have the bank's SWIFT code along with the account information. Only a bank that is a member of SWIFT can send money through this service and the customer can complete their financial transactions.

### **RTGS (RTGS - Real time Gross Settlement):**

This service system in the banking sector is used by banks or financial institutions that are sensitive to time. The funds to be transferred are of large amounts. This service system is used for this. In RTGS system, money is sent from one bank to another within seconds or minutes i.e. in real time. In RTGS, the word gross indicates that each transaction is settled individually and completely. In this system, counterparty risk is reduced. Similarly, stability and integrity of the financial system are ensured. This service method is a very useful method.

### **NEFT (NEFT - National Electronic Fund Transfer):**

National Electronic Fund Transfer is an electronic payment system maintained by the Reserve Bank of India. This method is used to send money across the country. Transactions in this are done on net settlement basis. To send money, the name of the account holder, bank name, branch name, IFC code, account number of the account holder and account type are required.

### **EPOS -Electronic Point of Sale:**

Various traders Shopkeepers Vendors

### **NEFT (National Electronic Fund Transfer):**

National Electronic Fund Transfer is an electronic payment system maintained by the Reserve Bank of India. This system is used to send money across the country. Transactions in this system are done on a net settlement basis. To send money, the account holder's name, bank name, branch name, IFC code, account number of the account holder and account type are required.

### **EPOS Electronic Point of Sale:**

This service is widely used by various merchants, shopkeepers and sellers to complete their financial transactions after purchasing goods and services. Through this system, merchants can easily complete their financial transactions by swiping their cards.

### **Cloud Banking:**

A major change in the banking business at the global level is cloud banking. Cloud banking is a capable option to handle the increased volume of various services and financial transactions in the banking sector. Cloud banking technology is a technology that completes financial transactions quickly, is easy to use, is low-cost, secure and flexible. Newly introduced payment banks and microfinance banks in the banking sector are focusing on the use of cloud banking technology.

### **Conclusion:**

The economic development of any country depends on the economy of that country. Like other sectors, the banking sector plays an important role in strengthening the Indian economy. Because the banking system plays an important role in bringing together factors such as labor, natural resources and entrepreneurship in the country for productive activities. Therefore, an advanced banking sector is considered a sign of economic development.

Therefore, it was inevitable to use technology to provide accurate and fast services by reducing the cost and time-consuming traditional methods of banking management and to make the banking system efficient and up-to-date. Recognizing the steps of time to face the competition of the global banking business, the Indian banking sector started using technology on a large scale. Financial investment as well as advisory services are provided through internet banking. For this, banks make full use of

computers, various software, mobile applications, and information technology. Bank technology has made it possible for customers to do financial transactions such as withdrawing money, paying money, investing, taking out loans, paying loan installments, etc. at home, which has saved time and cost. Banking services can be provided to many customers at the same time. The use of technology in the banking sector has made fast services available round the clock. For this, the provision of services such as ATMs, debit cards, credit cards, telebanking, mobile banking, etc. by banks has helped in increasing customer satisfaction. Overall, information technology is the most important component of the banking sector and the banking sector is the most important sector of the country's economy.

### **Recommendation:**

1. Indian population is vast as compare to population this facility is limited, so this facility may increase in future.
2. To Concentrate on Cyber Crime, the laws regarding cyber crime may introduce in future.
3. In Rural areas where middle class peoples reside required the skill to adopt this facility so the training to them is require from bank side.
4. The fraud Complaint from customer side is fastly taken into action from bank side, provision required.

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### **Conflicts of Interest**

The authors declare that there are no conflicts of interest regarding the publication of this paper.

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