

# Impact of COVID-19 on Augmentation of Newest Technologies used in Banking Sector

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**Abstract:** *Banking system plays a very important role in Indian economy. It is like a central bravery to nation's economy as it caters to the financial needs of credit in all the provinces of the society. The progression in the technology has also impacted the Banking Sector not only in India but also in many countries. The Covid-19 pandemic situation has completely changed the lifestyle of the people. During this pandemic situation technologies such as e-banking plays a very important role for the banks to communicate with their customers. In this paper, an attempt has been made to study about the technologies used in banking systems especially in the post Covid-19 Situation. The main objective of this study is to know about the mentality of the citizens in the digital payments and net banking in this post pandemic situation.*

**Keywords:** *Banking, Impact, Technologies, Digital, Payments.*

## 1. INTRODUCTION:

The role of the Bank is to accumulate deposits from the community and give those credits for the progress of the country i.e., Development of Agriculture, Industry, Trade and Commerce. Banks produce money by service charges, fees and interest mainly from the customers. So, the customers are very decisive for the banks.

In the Banks technology also plays a very important role. Gone are the days where every banking business required a visit to the bank branch. Today, most of the dealings can be done from the home and customers need non visit the bank branch for anything. The growth of the internet, mobiles and communiqué technology has added a dissimilar measurement to investment. The information technology available today is being leveraged in customer achievements, pouring computerizations and progression effectiveness, transporting effortlessness and proficiency to customers.

The Covid-19 pandemic situation completely restructured the banking system in the country. Here the convention technology has been amplified in the banks to keep in touch with their customers. Almost all the banks have been digitalized. Many academics say that this is the enduring circumstances that will triumph in the banking system in the forthcoming years. Mainly customers are also swapping over to digital banking.

### Statement of the Problem:

As cited earlier Covid-19 has rehabilitated the banking methods. Of course, before the outbreak of corona virus many people were using net banking and digital payment methods,

but after the eruption of virus it has been increased to certain level. Here an pragmatic study was steered to scrutinize the role of technology in banking exclusively in the post-pandemic situation.

**Objectives:**

- To study about the role of technology used in Banking systems
- To describe about the impact of pandemic in Banking systems
- To compare about the mindset of the customers in pre-pandemic and post-pandemic situations

**2. METHODOLOGY:**

- This study is exploratory in nature and includes both quantitative and qualitative analysis.
- Primary data was collected through questionnaire and analysed with suitable statistical tools.
- Limitation of study is restricted to Bangalore City, Karnataka.

**Role of technology:**

**Computerization in Banks**

Technology has rehabilitated the face of the Indian Banking Segment through totaling, while newfangled isolated sector and extraneous banks have an superiority in this record. Mostly all the public sector banks have been computerized. And all the SBI banks have been fully computerized.

**IT in banking**

Information Technology in banking segment denotes to the routine of the erudite data and communiqué technologies together with computer science to empower banks to offer better amenities to its customers in a protected, consistent and inexpensive manner and endure competitive advantage over other banks.

**Electronic Payment system**

An electronic payment system is a way of making transactions or paying for goods and services via an electronic medium instead of using currency or paper checks. Common forms of electronic payments include debit cards, credit cards and the Automated Clearing House (ACH). The ACH system refers to electronic checks, direct debit and direct deposit transactions.

**Electronic Funds Transfer**

Electronic Funds Transfer (EFT) is a system of transporting currency from one bank account directly to another deprived of any paper money changing hands. One of the most extensively used EFT programs is direct deposit, through which payroll is dumped straight into an employee's bank account without the direct interference of the bank staff.

**Electronic Clearing Services**

Electronic Clearing service is an electronic mode of funds transfer that can be monotonous and intermittent in nature. It is used by organizations for making wholesale payment of amounts towards dispersal of dividend, salary, pension, etc., or for bulk assortment of amounts towards dues, tax collections, loan installment repayments, etc. This system includes transactions processed under National Automated Clearing House (NACH) operated by

National Payments Corporation of India (NPCI) under Payment and Settlement Systems Act 2007.

**Point of scale terminal**

Point of Scale Terminal is a Computer terminal that is linked online to the high-tech customer information files in a bank and hypnotically encoded plastic transaction card that recognizes the customer to the computer. During a transaction, the customer’s account is debited and the retailer’s account is accredited by the computer for the number of purchases.

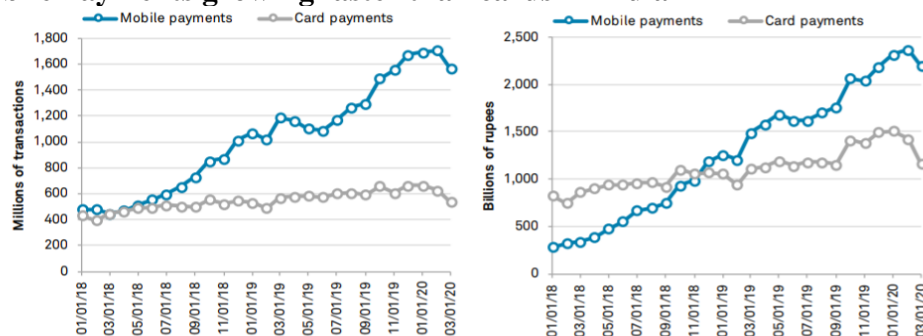
**Mobile banking**

Mobile Banking allows consumers to be able to access banking amenities form everyplace using their mobile phones. Businesses and business owners are now able to save time making use of mobile applications to process their payments or even receive funds from clients directly to their phone numbers.

**Mentality of customers in Banking**

The life in lockdown is not a usual one. Consumers can’t go to a grocery store or any other big super markets to purchase their needs. So they need to fulfill their needs through any online platform by paying money through net-banking or any other means of digital ways. As from 2019 Indian administration is endorsing the method of cash-less payment. So in this pandemic situation the method of e-banking received a massive response among the consumers.

**Mobile Payments growing faster than cards in India**



Source:

[https://www.spglobal.com/marketintelligence/en/documents/indiamobilepayments\\_2020finalreport.pdf](https://www.spglobal.com/marketintelligence/en/documents/indiamobilepayments_2020finalreport.pdf)

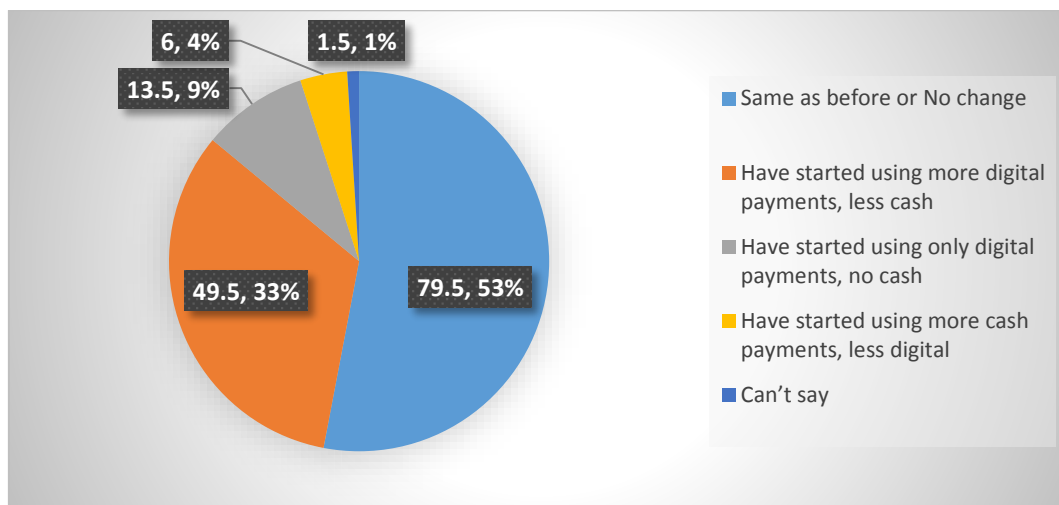
**Data analysis and Interpretation:**

Based on the data collection, the researchers analyzed the data and interpreted the same with graphical representation. Totally there are 150 respondents have selected randomly and collected data then adopted percentage analysis with graphical representation. .

**Table 1 showing the people using digital payments after Corona Virus outbreak**

Particulars	Percentage
Same as before or No change	79.5
Have started using more digital payments, less cash	49.5
Have started using only digital payments, no cash	13.5
Have started using more cash payments, less digital	6
Can't say	1.5
<b>Total</b>	<b>150</b>

**Chart 1**



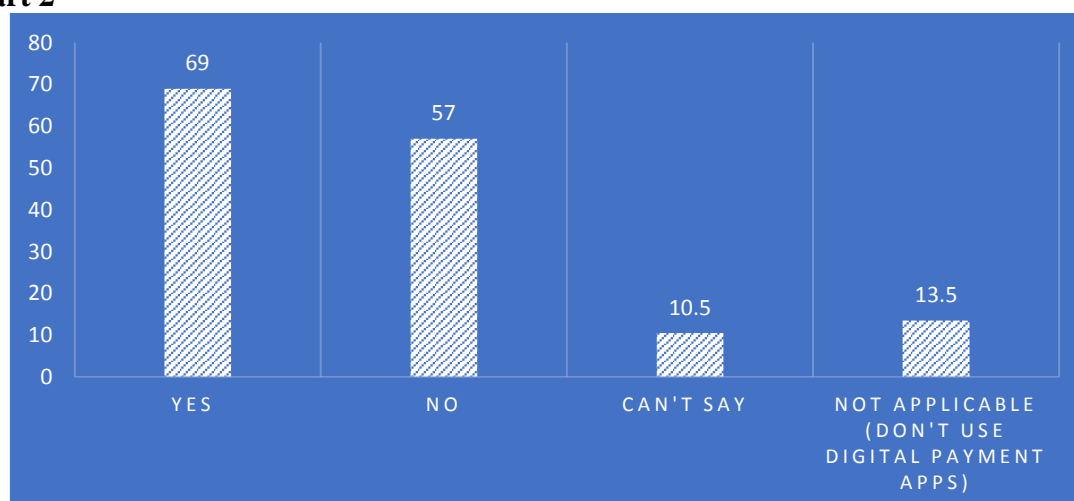
Interpretations:

According to this chart 42% citizens say that they are making more digital payments after the Corona Virus outbreak. This would be because of lock down during the month from March then till now.

**Table 2 showing the percentage of people who increased the use of mobile apps for digital payment**

Particulars	Percentage
Yes	69
No	57
Can't say	10.5
Not Applicable (Don't use digital payment apps)	13.5
<b>Total</b>	<b>150</b>

**Chart 2**



Interpretations:

From the above chart it is clear that the majority of citizens 69 respondents have increased their usage of mobile apps for digital payment

**GARRETT'S RANKING**

Respondents have ranked the priorities based on the frequently used digital payment app by the people. The following are the items considered in this study for Garrett’s ranking analysis.

1. Phonepe – F1
2. Amazon Pay – F2
3. BHIM UPI App – F3
4. IMobile – F4
5. Paytm – F5
6. Freecharge – F6
7. Airtel Payments Bank – F7
8. Google pay – F8
9. Whatsapp pay - F9
10. Mobikwik - F10

To find out which are most important / preferable factors Garrett’s ranking technique is followed. The respondents were asked to rate the above said items and these ranks are converted into percentile scores as follows.

$$P = \frac{100(R - 0.5)}{N}$$

N

P = Percentile Position

R = Rank assigned by the respondents

N = Number of ranks assigned

For these percentile positions (P) the percentile scores are taken from Garrett’s table and denoted by ‘X’. Then taking the number of respondents assigning ranks 1, 2, 3, 4, 5, 6, 7, 8, 9 & 10 to the items as frequencies (F) the product ‘X.F’ and its sum is ‘ $\sum X.F$ ’ is found and given in the following table.

**Table 3 showing the frequently used digital payment app by the people**

Rank	1	2	3	4	5	6	7	8	9	10		
Score(X)	82	70	63	58	52	48	42	37	30	18	Total	Ran k
F1	24	15	54	15	21	11	5	2	3	0	150	
XF1	1968	1050	3402	870	1092	528	210	74	90	0	9284	3
F2	5	15	21	23	18	41	15	8	4	0	150	
XF2	410	1050	1323	1334	936	1968	630	296	120	0	8067	6
F3	18	15	22	22	48	4	2	8	8	3	150	
XF3	1476	1050	1386	1276	2496	192	84	296	240	54	8550	5
F4	4	8	12	8	16	13	16	25	29	19	150	
XF4	328	560	756	464	832	624	672	925	870	342	6373	9
F5	45	38	44	5	0	3	6	8	1	0	150	
XF5	3690	2660	2772	290	0	144	252	296	30	0	10134	1

<b>F6</b>	14	33	24	45	11	14	1	2	5	1	<b>150</b>	
<b>XF6</b>	114 8	231 0	151 2	261 0	572	672	42	74	15 0	18	<b>9108</b>	<b>4</b>
<b>F7</b>	8	12	9	19	21	16	45	8	9	3	<b>150</b>	
<b>XF7</b>	656	840	567	110 2	109 2	768	189 0	296	27 0	54	<b>7535</b>	<b>7</b>
<b>F8</b>	43	43	25	13	9	7	1	2	1	6	<b>150</b>	
<b>XF8</b>	352 6	301 0	157 5	754	468	336	42	74	30	10 8	<b>9923</b>	<b>2</b>
<b>F9</b>	1	1	9	11	8	19	26	29	21	25	<b>150</b>	
<b>XF9</b>	82	70	567	638	416	912	109 2	107 3	63 0	45 0	<b>5930</b>	<b>10</b>
<b>F10</b>	6	3	7	15	21	25	19	31	12	11	<b>150</b>	
<b>XF10</b>	492	210	441	870	109 2	120 0	798	114 7	36 0	19 8	<b>6808</b>	<b>8</b>

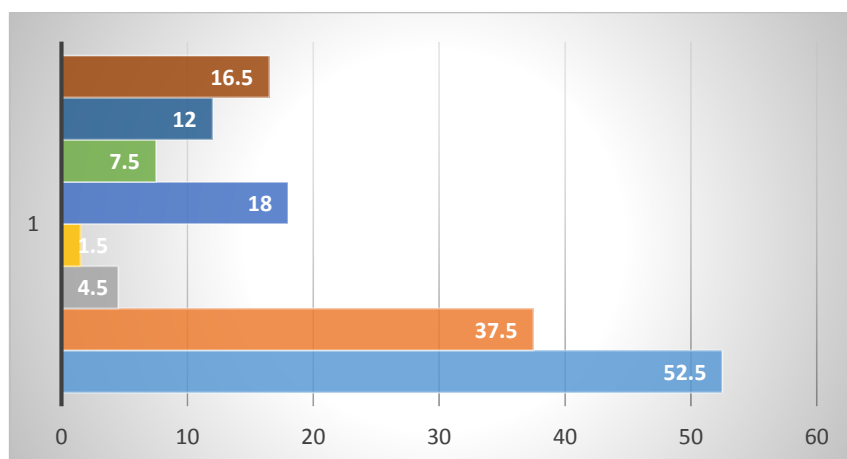
Interpretations:

From the above table it is was found that Paytm app were ranked first by majority of the respondents, while Google pay and Phonepe app were ranked second and third respectively. From this it can be concluded that the above were the first three priorities of the respondents. According to this table Paytm and Google pay are the frequently used mobile apps for digital payments by the people since Corona Virus outbreak.

**Table 4 showing the kind of purchases using digital payments**

<b>Particulars</b>	<b>Percentage</b>
Purchasing groceries, medicines in the market	52.5
Purchasing groceries, medicines on ecommerce sites	37.5
Payments of food delivery	4.5
Payments at restaurants	1.5
Payments for mobile recharge	18
Payments for taxi or transportation services	7.5
Payment for other services	12
Didn't use digital payments at all in the last 2 weeks	16.5
<b>Total</b>	<b>150</b>

Chart 4



Interpretations:

According to this chart buying essentials in market and on e-commerce apps along with mobile recharge top use case for digital payments since Corona Virus Outbreak.

### Suggestion

1. Educate people in rural areas and help them out in online transactions.
2. RBI should promote these online services and reduce the charges on E-Wallet and UPI payments.
3. Take initiatives to provide network facilities in the rural areas.
4. Government is required to take decisions and actions to lessen uncertainty and financial stress in the economy.
5. The RBI should take necessary precautions in case of fraudulent activities.
6. The RBI should invent new apps regarding the online transactions and educate customers.
7. RBI must take all possible initiatives to maintain sufficient liquidity in the financial system in the face of covid 19.
8. Banks can introduce “video call services” method which can reduce burden and crowd in bank.
9. To conduct classes covering all rural areas about handling online transactions.
10. From the profit every bank can set free service center in each village in order to help them in banking problems.

### 3. CONCLUSION

All the fields in the world requires certain changes in certain period of time to develop themselves. Same way the banking sector has undergone many changes to become developed. From the above data and interpretations, we can easily conclude that technology played a vital role in developing the banking sectors. And the above data clearly shows that Covid-19 became one of the reasons to push people towards e-banking, digital payments and etc. The method of cash-less payment made the life of people more comfortable than the previous situation. Hence the future for banking sector is going to make rapid straights in near future.