



# BANKING INDUSTRY INNOVATIVE SERVICES AND PANDEMIC

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## ABSTRACT

Pandemic has stormed the life and life style of people across the globe. The situation made the economy closer to stand still and continuous lock down paralyzed the works and working nature of most of the communities. However, COVID opened up to most organizations to support and delivery through technology. Pandemic norms enforced the people, to stop giving way to spread the virus. Wide cross section of people, look for survival by engaging business as they don't have regular income. Under this pretext, the only way of leveraging business, found to be Technology orientation. Be individual or organization, the value of technology is trusted during pandemic with high spirits and embraced in a bigger way. Financial institutions aggressively deploy technology to increase circulation of money in the system. This article covers the various services of the banking industry, with the back bone of technology, to survive during the stressed time span like COVID, which are outcome of Fintech solutions.

## KEYWORDS

Internet banking, Contactless Payment, Mobile banking, Payment Apps, UPI, Plastic cards.

## I. INTRODUCTION

Pandemic stipulated, safeguard to mankind, many procedures including, but not limited to, No or less movement from the residence, maintaining social distancing, and mask wearing and keeping clean hands in order to stop the spread of the virus. Though norms of pandemic restrict people, it is known fact that money is essential part of living as well as to conduct business. Financial institutions are playing major role in money circulation and so redressed their services more on technology. Banks evolved from many phases of automation, from stand alone computers to centralized Core banking solutions and integration of all supportive systems like delivery channels. Delivery of bank's services to a customer at his office or home is termed as Electronic banking [2]. Adopting to emerging & disruptive technologies was not a bigger bottleneck. Majority of banking services, which are essential during COVID, have been routed through various approaches and means which are all backed by strong

technology. By the way, COVID turns out be instrumental to make technology as a strong foundation among organizations and individuals. Banking Industry, post embracing technology as the business driver, moved from banking domain (branches) services to Customer Domain services.

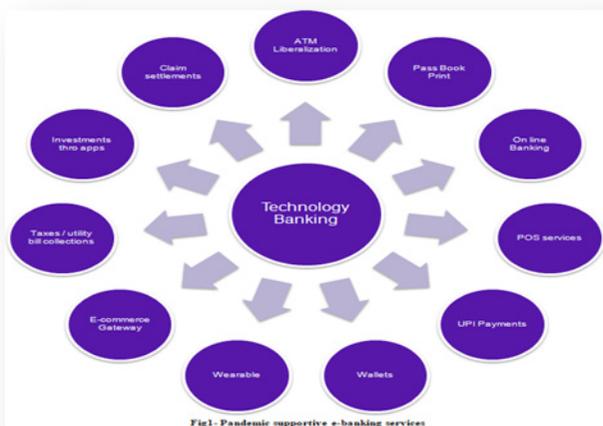
## II. OBJECTIVES OF THE PAPER

Considering the pandemic situation, globally affected, various technological services are used by the customers equalize to the normal activity. These turned out to the 'new normal' now, as COVID changes the usage approaches, thus the objective of this paper is to highlight

- Techno based Banking Services
- Coverage of services during COVID and relaxations

### III. BANKING SERVICES AT PANDEMIC

Financial transactions have been conducted through various modes like cash, cheque, net banking, UPI payments, debit / credit cards etc. The technology orientation of banking services includes, payment gateway for e-commerce, clearing services of ECS, ACH, cheque truncation, money transfer through SWIFT(global), RTGS / NEFT(domestic) and instant transactions with ATM, POS. UPI app services. Cash transaction has been restricted due to the physical handling (virus spread) & fear factor during COVID. Banking payment systems used to settle fund transfers, has seen high volume of growth, evolved with various platforms, with growth of technology time to time [10]. Banks improvised the infrastructure to support the growing loads. ICT facilitated financial institutions to have Core banking systems (CBS) and suitable integration of channels of banking services (ATM, POS etc). Thus, the scope of areas, in terms of geography and services increased multi-fold. Traditional working models, like dependency of customers to visit bank branches and pricing models, like fee collection for over and above ATM transactions, have changed to facilitate hassle free living. Speedier, quicker and dependable services can be offered through E-banking, which increases the customer satisfaction[3]. Banking services leverages customer beneficial services like waving of cross ATM usage, permitted period of non-insistence of EMI payment, increased ATM withdrawal limit etc.



Technological services reduces transaction costs, administrative work, errors due to human intervention and

decreases fixed costs[7]. Delivery of services underwent paradigm shift in accounts management, fund transfers, movements and settlements. They include but not limited to

- *ATM liberalization* – To increase the usage of ATM and money withdrawals, amount limit on per transaction, limit on number of withdrawal, per day / card limit have been suitably increased. Cross ATM usage charges are waived. Cash / Cheque deposit acceptance through ATM / CDM (Cash deposit Machines) positioned in place for services. White label ATMs are encouraged and banks offer ‘ATM on Wheels’ service to bring ATM to the customer locations. The increase of number of ATM in many locations, that will reduce wait time and improve the quality of customer service[4].
- *PBS* – Passbook Printing services are offered through special machines, so that customers can get the pass book updated without visiting bank counters and at any time.
- *On-line banking Services* are made available without any issues, round the clock. Through this banks enabled the customers to conduct transaction at convenient place and time. These services include, fund transfers RTGS, NEFT or IMPS (Integrated Mobile Payment Systems), Account Opening (saving / deposits), Statement of account printing, any essential service like stop payment or hot listing of cards, credit card payments, loan repayments, even loan request / appraisal and sanctions..
- *POS services* – More merchants, with the help of their bankers, bring in POS for the fund collection through card payments. POS connected to static telephone lines are moved to movable POS, Contactless card service (customers need not enter PIN up to certain amount limit, auto-authentication).
- *UPI Payment*, this innovative solution, makes the transfers of amount from one to another by scanning the receivers QR code / phone number / account number details. This enabled social distancing as well as hassles less payments. It allowed even small amount for transfer. There are good number of players, in technological integration with banks, through payment apps like PhonePe, Google Pay, Paytm etc,



- *Wallets Services* – These are payment apps offered by many players, wherein they technologically integrate with banks, to pull cash to wallet and to push back to bank account. Funding of wallet could not done using credit or debit cards or direct banking account registered. These wallet users can easily transfer the amount among them. Payment & Collection done by wallets will have internal ledger maintained to reflect balances.
- *Wearable Payments* – Special apps are kept in ‘Wearable’ and the customer can make payment from wearable. These wearable are extension of payment apps, integrated to bank account of the customer.
- *E-commerce Payment System* – Due to lock down, commercial activities are routed through e-commerce. This includes B2B, B2C & C2C. The payment on the e-commerce have been enabled with payment gateway services, which includes, Payments via, Credit Cards, Debit Cards, Net banking and UPI. Government enabled the collection of variety of taxes, utility bills / services through various payment modes on various forms of gadget. Special cards are enabled in the market viz sodexo food cards, petro cards targeting specific purpose of commercial activities.

To respond to COVID, capability of conducting / delivering banking services are enabled through many technological devices like computer, laptops, palmtops, wearable, mobiles etc.

#### IV. BENEFITS OF TECHNO SERVICES

COVID-19 changed most of industrial approaches, products and services and it is instrumental for many more innovations. The readiness of banks with right infrastructure like servers, capacity to serve more people in parallel, load tolerance and storage are the critical success factors for COVID support. Thus, techno services brought spectrum of advantages. They include, but limited to,

- Digital Culture in the society. Techno services en-marked great confidence on the e-services and moved towards e-environments[1].
- High Business Agility using Digital Transformation strategies
- Integrating all banking verticals such as retail, corporate, merchandise, investment, credit cards etc to offer Universal Banking Advantages
- Competitive edge to competitors. ICT lifts business process, executive decision making and work group effort & increased competitions and working economies [6].
- Distributed design and global delivery with cost effective solutions. Penetration, productivity and efficiency of banking activities increased due to technological advancement and techno delivery channels to provide customer in lesser costs[5].
- Sector / Segment oriented Product / Service Designing. Due to huge data & data analytics, banks can achieve Data driven business decisions [8].
- No boundary on time and geography. Online banking can be done without physically visiting the bank branch can do some banking activities like Transfer cash, Payment of Bills, Phone recharge, and many more through the Internet banking in their phone, computer[9]
- Enabling conduct of Transaction at privacy, pandemic situation could be handled and the same paves way to digital use and dependency.
- Verifiable & trace-able and also legal evidence, as all transactions stored and retained for access at any point of time.
- Multiple factors for Customer authentication and authorization.
- Time to time upgrade of crypto-graphical methods, to make all transactions / IT Assets secured in cyberspace. Decisions through data analytics on risk data for improvement on business and opportunities, banks can equally manage Risks and Regulatory [8].
- Banking services are supported by wide varieties of devices like hand phones, computers, kiosks etc.



## V. CONCLUSION

This unexpected pandemic situation, played vital role in bringing-in many changes in many areas, be it, individual or organization. Individuals change their life style and slowly adopted hygienic and digital culture. Organizations roll out changes in business rules, workflows, and delivery patterns to accommodate COVID norms. Banking

industry changes from the traditional way to technological way and effectively performed the services. Banking Industry embrace agile practices through technology to regularize economy, currency cycle, liberalize commercial activity. Fintech is growing in multiple levels to design and position new product / service according to environment and culture.

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