

Banking Sector Cost Reduction Business Intelligence

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ABSTRACT: Banks are an intermediary financial institutions of a financial system. Money is anything accepted as a medium for payment of goods and services and repayment of debts in a given country. Money is a matter of functions four, a medium, a measure, a standard, a store. The Indian banking industry estimates teller cost at Re1 per transaction, ATM costs R0.45, phone banking Re0.35 and internet banking Re0.10. End user perception is a measure of SUCCESS. The paper talks of various technology interventions in banking industry to enhance customer satisfaction and boom the economy.

Keywords: finance, bank, technology

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I. INTRODUCTION:

Business intelligence allows organizational levels to access, interact with and analyse data to manage and improve business performance, discover opportunities and operate efficiently [1]. Business Intelligence cuts across all functions and industries beyond customers and suppliers, to impact business performance [1]. End user perception is a measure of SUCCESS [1].

II. LITERATURE SURVEY:

Financial system is a set of complex and interlinked institutions, agents, practices, markets, transactions, claims and liabilities dealing in money, credit and finance of an economy [2]. The financial system provides a range of financial assets as stores of value, for savers to hold their savings [2]. Innovative financial assets are introduced into the market with the financial system development [2]. An asset is an entity with market value or exchange value and forms a part of the wealth of the owner [2]. Banks are an intermediary financial institutions of a financial system [2]. Financial intermediaries provide financial services and create many innovative credit instruments, to promote investment and thereby the growth rate in a developing economy [2]. Money is anything accepted as a medium for payment of goods and services and repayment of debts in a given country [2]. Money is a matter of functions four, a medium, a measure, a standard, a store [2]. Banking technology refers to the use of information and communication technologies together with computer science to offer better customer services in a secure, reliable and affordable manner, and sustain competitive advantage [3]. Successful use of advanced data mining algorithms for customer behavior patterns help banks achieve growth in profits [3]. Through enormous changes since 1943, banking has the same fundamental nature of the need customers have for banking services [3]. Banking technology resulted in greater productivity, profitability and efficiency, faster service and customer satisfaction, convenience and flexibility, 24X7 operations, and space and cost savings [3]. SWIFT- society for worldwide Interbank Financial telecommunication, provides secure, standardized messaging services and interface software to 7650 financial institutions spread over 200 countries [3]. Banking technology shifted to customer-focused strategy from a product focused strategy to retain customer loyalties, with CRM-customer relationship management, for service innovation [3]. The Indian banking industry estimates teller cost at Re1 per transaction, ATM costs R0.45, phone banking Re0.35 and internet banking Re0.10 [3]. The phases of a technological innovation viz knowledge, persuasion, decision, implementation and confirmation [3]. SMART CARDS contain a micro-processor, a miniature computer that can manipulate and update data, control data access, perform calculations, and support interfaces such as wired and wireless telecom computer networks [3]. Minimally, the core banking platform- calculate monthly fee or a per-transaction fee, credit or debit interest on each account, maintains flags and holds, status information on accounts, make and receive payments, generate account statements, generate reports and financial information [4]. ATM networks belong to the packet-switched networks based on TCP/ IP [5].

METHODOLOGY and DISCUSSION:

- a) NEFT, RTGS and IMPS enabled ATM machines, enhanced network security
- b) ATM network concurrent with postal network
- c) Server run program for automatic email annual account statement
- d) Dis-continue manual passbook and smart card passbook similar to debit card

- e) Record aadhaar details for emergency and inheritance to avoid number crunching
- f) Bank manager authorized to debit or credit bank accounts for hospitalization of senior citizens
- g) Bank manager to train senior citizens customers on financial literacy
- h) Branch visit withdrawal form and Demand draft application replaced with a SMS, saves paper
- i) Branch visit paper application forms print tallied with usage on the bank technology server
- j) Inform Customers necessary information prior to bank visit, reduced customer handling time
- k) Video call banking to avoid unnecessary traffic on roads
- l) Customer care to send automated personalized SMS from the technology server
- m) Bank to lease employees homes for rest of the employees
- n) Bank to lease NRI homes to increase occupancy of vacant flats
- o) Account opening and closure charges minimum currency one rupee
- p) Public provident fund default charges minimum currency one rupee
- q) Stock trading account linked with savings account opening

The internet banking online transactions could be watched by any third-party, given the cookies and browsing history of the internet connection. Thus, automated teller machines provide a safe network to do NEFT, RTGS and IMPS high amount transactions with the debit card only but not any credit card. Thus, the ATM minimum NEFT/RTGS/IMPS transaction amount to be put to trace it on the Information technology server. The transaction amount decides the mode if ATM network or internet banking.

The ATM network centers cost could be minimized with ATM installations at post offices. The postal network could be utilized for ATM network. This gives additional income source to post offices and minimises the security cost of an ATM into postal security. It also gives higher visibility to post offices.

The annual account statement to be auto- emailed automatically from a server run program. This customer friendly gesture avoids printing passbooks and thus eliminates passbook printing kiosks. This also saves paper consumption. The passbook given at the time of account opening to a new customer could be a smart card passbook printed on a plastic card similar to a debit card.

The bank records aadhaar details of emergency contacts and inheritance contacts. This avoids unnecessary number crunching opening new bank accounts for the next generation. The bank manager could be authorized by senior citizens for the recorded long term ailments hospital payments when hospitalized in emergency. The seven public sector banks help retrieve the data of senior citizens in a given time. The urban banking managers to always know the phone numbers of the hospitals nearby, for the purpose. The bank manager conducts online training sessions to senior citizens on Sundays, for financial literacy.

The branch visit withdrawal form and demand draft application form to be in SMS- short message service, to the branch manager. This reduces customer handling time at the branch and also saves paper. Rest of the application forms usage to be tallied on the bank technology server for further re-printing of these forms. Reduced usage in a branch leads to reduced printing and dispatch. A customer is informed about all the necessary documents prior to the branch visit, for reduced customer handling times and customer service convenience.

Video call banking is a next step ahead to the phone banking. A video call avoids unnecessary traffic on roads and also comforts senior citizens besides office time savings to employees.

The bank customer care send automated SMS viz form 16.

Banks to lease the second home of its employee for those employees who are transferred to the office. Banks to lease the vacant flats of Non-resident Indians to increase occupancy in urban areas.

Banks to charge minimum currency one rupee for savings account opening and closure, and also public provident fund default charges. It helps economy grow. Fines and formality charges should be put to minimum in a currency inflated economy.

Savings account opening in public sector banks auto - open demat and stock trading account, for a financially literate economy.

III. CONCLUSION:

The banking sector to do more of server programming, for cost reduction. The business is to be monitored more on the server than at the level of probationary officers, thus work optimization. The banking sector to reduce paper consumption and go much electronic, for better customer satisfaction. The bank sector to initiate more senior citizen friendly measures and educate senior citizens in finance. In total, the banking sector to boom the Indian economy with improved technology utilization.

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