

# [Internet to market § enhance customer engagement §](https://assignbuster.com/internet-to-market-enhance-customer-engagement/)

Internet of Things(IOT)The Indian banking industry’s operating models have been impacted and atthe same time influenced the banking ecosystem by the new technologies, digitaldevices and the pace of innovation. The most promising of these technologiesinclude cloud computing, big data analytics, artificial intelligence and roboticprocess automation, blockchain and the Internet of Things (IoT). Many of thesetechnologies are interrelated which can be helpful in improving the efficiency ofthe banking system. Applicationof IoT in Indian banking system : IoT can be useful to banks in providing the same functions in  less time and hence, increasing theefficiency of the existing banking system. By building on early success withIOT, banks and other financial firms are experimenting with new ways to :§ Improvement in the customer experience§ Provide enhanced insights from a risk § Increase agility and speed to market§ Enhance customer engagement§ Reduction in the  operating costs§ Increased in the revenue     Accordingto a survey, it was found that 64. 5% of global banking executives monitoredtheir customers through mobile apps on smartphones, tablets and other digitaldevices.

Inaddition, 31. 6% of banking organizations used the IoT to monitor retaillocations (e. g., bank branches), 21. 1% used digital sensors to gather productperformance data and 15. 8% used IoT sensors in wearables to track customerproduct usage.         Cyber security There is a prominent shift in thebanking industry in the way customers deal with their transactions.

People haveincreased their usage of digital channels such as internet banking, digitalwallets, mobile banking, ATM. This digital exposure has led to cyber attackswhich further may lead to financial losses. Banks are afraid that they mayloose the customer confidence and trust which can further increase the impact.   Cybersecurity trends in banking system : With increasing risks of cyberthreats, banks are facing an unprecedented challenge of data breaches and aretherefore strengthening their cyber security postures. The following are thenoticeable trends in banking industry from cyber security point of view:·        Ithas been estimated that cost of implementing and managing the cyber securityinfrastructure will increase over 40% by 2025·        Customersare using biometrics for banking activities such as authentication for mobilebanking, transaction at ATMs and payments·        Withdigital channels becoming the preference choice of customers for bankingservices, banks will also need to leverage advanced authentication and accesscontrol processes, without any compromise to customer experience·        Thereis an increase in biometrics and tokenization as banks have begun to recognizethat in addition to being a solution for payments these controls are alsouseful in security the sensitive data   Securityconsiderations for Indian banking system There are some important securityconsiderations which are important for the bank . While each bank thinksdistinctively on adopting various considerations it is imperative to assumethat the theme remains the same for various banking channels: 1.

InternetBanking: Securitycontrols like multi factor authentication, creation of strong passwords, adaptive authentication, image authentication, etc. can be considered. 2.   MobileBanking: It should beensured that mobile applications are up to date and should be tested. Latesthardening standards could be implemented. 3.   WalletTransactions: Awareness material on Phishing, Malware attacks, vishing and socialengineering, Password security etc. should be incorporated.

4.   ATMSecurity: Biometricslike eye-retina, voice scan or fingerprint scan should be introduced by Banks. 5.   UPI(Unified Payment Interface): Banks and PSPs need to think through their security strategies, governancemodels and predictive controls to build a secure UPI environment that ensures aseamless user experience and at the same time balances security risks.       Augmented Reality What is Augmentedreality ? Augmented reality (AR) is a technology through which areal world environment is created or augmented by computer aided devices.                                                                                              Significance of Augmented Reality in Indian bankingsystem: As the world is changing rapidly and so are the bankingsystems with the mobile banking apps and digitization of banking systems, sothe future of branches is doubtful.

Augmented reality will help the customerswho for some reason are not able to visit the bank branches will be able to doso without actually physically being present. Customers will be able to fix ameeting with the bank staff through AR technology. This will help in improving the operational efficiency of theIndian banking system. This will not only improve the customer interaction butalso speed up the growth process. The use of Augmented reality in the existing banking systemcan lead to reduction in the cost of banks as they will not have tpo invest inthe physical bank branches.

One such example is Citibank which was the first bank toadopt AR and make a virtual desk for trading which enable traders to visualiseand make decisions collaboratively with clients.    What should banks currently be focusing on ? Banksneed to leverage this augmented reality concept by focusing on all the interactionswith the customers.  This will help the Indianbanking system to get a fair idea as to how AR can be deployed to provideexcellent customer services in less time.

ThisAR process implementation will help in the faster decision making process andhelp in data visualisation and provide useful customer insights to deliver theseamless experience customers demand. Inthe near future banking systems will be benefitted from the AR technology byproviding comfort to their customers through virtual face to face interactionwith the banking personels. AR technology is the future and banks must utilisethe technology and integrate their banking systems with it to provide arevolutionary customer experience.