

Internet to market §
enhance customer
engagement §



**ASSIGN
BUSTER**

Internet of Things(IOT)The Indian banking industry's operating models have been impacted and at the same time influenced the banking ecosystem by the new technologies, digital devices and the pace of innovation. The most promising of these technologies include cloud computing, big data analytics, artificial intelligence and robotic process automation, blockchain and the Internet of Things (IoT). Many of these technologies are interrelated which can be helpful in improving the efficiency of the banking system.

Application of IoT in Indian banking system : IoT can be useful to banks in providing the same functions in less time and hence, increasing the efficiency of the existing banking system. By building on early success with IoT, 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

According to a survey, it was found that 64.5% of global banking executives monitored their customers through mobile apps on smartphones, tablets and other digital devices.

In addition, 31.6% of banking organizations used the IoT to monitor retail locations (e. g., bank branches), 21.1% used digital sensors to gather product performance data and 15.8% used IoT sensors in wearables to track customer product usage.

Cyber security There is a prominent shift in the banking industry in the way customers deal with their transactions.

People have increased their usage of digital channels such as internet banking, digital wallets, mobile banking, ATM. This digital exposure has led to cyber attacks which further may lead to financial losses. Banks are afraid that

they may lose the customer confidence and trust which can further increase the impact. Cybersecurity trends in banking system : With increasing risks of cyber threats, banks are facing an unprecedented challenge of data breaches and are therefore strengthening their cyber security postures. The following are the noticeable trends in banking industry from cyber security point of view:

- It has been estimated that cost of implementing and managing the cyber security infrastructure will increase over 40% by 2025.
- Customers are using biometrics for banking activities such as authentication for mobile banking, transaction at ATMs and payments.
- With digital channels becoming the preference choice of customers for banking services, banks will also need to leverage advanced authentication and access control processes, without any compromise to customer experience.
- There is an increase in biometrics and tokenization as banks have begun to recognize that in addition to being a solution for payments these controls are also useful in security the sensitive data.

Security considerations for Indian banking system There are some important security considerations which are important for the bank . While each bank thinks distinctively on adopting various considerations it is imperative to assume that the theme remains the same for various banking channels:

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Internet Banking: Security controls like multi factor authentication, creation of strong passwords, adaptive authentication, image authentication, etc. can be considered.

2. Mobile Banking: It should be ensured that mobile applications are up to date and should be tested. Latest hardening standards could be implemented.
3. Wallet Transactions: Awareness material on Phishing,

Malware attacks, phishing and social engineering, Password security etc. should be incorporated.

4. ATM Security: Biometrics like 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, governance models and predictive controls to build a secure UPI environment that ensures a seamless user experience and at the same time balances security risks. **Augmented Reality** What is Augmented reality? Augmented reality (AR) is a technology through which a real world environment is created or augmented by computer aided devices.

Significance of Augmented Reality in Indian banking system: As the world is changing rapidly and so are the banking systems with the mobile banking apps and digitization of banking systems, so the future of branches is doubtful.

Augmented reality will help the customers who for some reason are not able to visit the bank branches will be able to do so without actually physically being present. Customers will be able to fix a meeting with the bank staff through AR technology. This will help in improving the operational efficiency of the Indian banking system. This will not only improve the customer interaction but also speed up the growth process. The use of Augmented reality in the existing banking system can lead to reduction in the cost of banks as they will not have to invest in the physical bank branches.

One such example is Citibank which was the first bank to adopt AR and make a virtual desk for trading which enable traders to visualise and make

decisions collaboratively with clients. What should banks currently be focusing on? Banks need to leverage this augmented reality concept by focusing on all the interactions with the customers. This will help the Indian banking system to get a fair idea as to how AR can be deployed to provide excellent customer services in less time.

This AR process implementation will help in the faster decision making process and help in data visualisation and provide useful customer insights to deliver these seamless experience customers demand. In the near future banking systems will be benefitted from the AR technology by providing comfort to their customers through virtual face to face interaction with the banking personnel. AR technology is the future and banks must utilise the technology and integrate their banking systems with it to provide a revolutionary customer experience.