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BOOK CHAPTER ON ARTIFICIAL INTELLIGENCE IN MANAGEMENT AND COMMERCE

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MODERNIZATION IN COMMERCIAL BANKS: A SWOT ANALYSIS FOR FINANCIAL INCLUSION MEASURE IN RURAL INDIA

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ABSTRACT

The banking sector in India is one of the biggest sectors in the world that deals with the monetary policy of more than 120 billion people, in that more than 60 percent of the population is depending on agriculture and about 20 billion are blown poverty. It is a unique economy focussing on financial inclusion measures with the help of modern technology induction. The RBI is the apex bank that provides an effective solution for different layers of customers with high inflation of more than 6.0 percent and now in the month of November 2022, has come down to 5.8 percent. Therefore, it is important to study and understand the services of modern commercial banks and the challenges, and hurdles faced in maintaining financial development for trading and services. This study is focussing on the significance of financial inclusion for economic development and SWEAT analysis of the banking sector for its growth and development.

INTRODUCTION

Financial inclusion is the process that intends in providing financial services to the weaker sections of society in the low-income group people. The word, “financial inclusion” came into existence when inclusive banking began, inspire, by the nationalization of banks in the year 1969 and 1980 in India. The real drive for financial inclusion came into force in the year 2005 when the RBI highlighted its importance in its annual policy statement of 2005-2006. India is the second most populated country in the world, the total approximate population in India till 2019 was 1.37 billion, compare to 1.354 billion in 2018. There are 29 states and nine union territories and there are more than 6,00,000 villages and 700 districts in India.

The Indian banking system had shown terrific development in terms of building capacity standards in a couple of decades. Even though there is sustainable development in the banking industry towards financial inclusion in the recent past, but still, it did not reach the different sections of the population, exclusively low-income groups of people in rural areas, and semi-urban urban areas due to various demand and supply side barriers. Bank accounts are the main driver of financial inclusion. As evidence Four in five (79%) adults in India have a registered bank account as per the statistics of the year 2018.

In addition to Pradhan Mantri Jan Dhan Yojana (PMJDY), the Indian government has brought some initiatives to emerge the quality and conveyance of digital financial services through Aadhaar biometric identification. However, the Indian government with the support of RBI started to introduce various policies and procedures to fulfill its overall objective of achieving cent percent financial inclusion.

The main aim of financial inclusion is to establish proper financial institutions to nourish the needs of poor people. Financial exclusion is the major eliminator of poverty. In addition, financial illiteracy and financial exclusion are supported to be the main spike in the course of Indian economic growth. Access to finance by the poor, underprivileged, and unprivileged group is necessary for poverty reduction and social change. One of the major deliberations is why the abundant portion of the rural population quite residues below the poverty line is a shortfall of probability and approach to finance as well financial illiteracy.

The efficient banking structure of democracy plays an essential act in executing creative planning. The planning can be optimized by the difficulty of unbanked and underprivileged people in the whole and use the credit and financial services to them. Its causes eventually develop into a financial development and complete development of democracy. The progress of economic growth, particularly when it is in a high growth direction, necessity an attempt to surround encouragement from all portions of society.

RESEARCH METHODOLOGY

The main aim of this descriptive research is to find out the importance of financial inclusion and its success in implementing economic developments of the rural folks living in the rural belt. The various components of financial inclusion and its effective implementation are discussed. The data relating to this study is collected from secondary sources with the help of journals, magazines, newspaper articles, and published and unpublished sources for supporting theoretical background.

FINDINGS

The present study is throwing light on the following tenets:

1. Components of financial inclusions
2. Importance and need for financial inclusion
3. The SWAT analysis of financial inclusion

OBJECTIVES OF THE STUDY

1. To explore the need and significance of financial inclusion for the economic and social development of society.
2. To analyze the status of financial inclusion in the Economic development of the backward areas.
3. The SWEAT analysis of financial inclusion and financial inclusion in the world scenario

STATEMENT OF THE PROBLEM

The banking and financial institution have been established exclusively for providing financial support for bringing development among rural people with the intention of attaining economic prosperity and sustainable development as a part of economic and social development in socially and economically backward rural regions of India.

The fiscal policy and monetary policy of the government is widely focusing on sustainable developments in rural India by the way of providing various social developmental schemes and banking institutional loans for making people self-sufficient in establishing their own businesses and providing employment opportunities in rural places where the purpose of the fiscal policy and monetary policy of the government is increased among socially-background people.

Financial inclusion is direct monetary support provided by various institutions for providing timely financial support to a socially-backward and marginalized people. Here, in this study, the researcher is focusing on the significance of financial inclusion and its contributions to the financial, economic, and social development of society.

The modern banking system provides direct financial support to needy people under the core banking concept consumers are comfortably handled at any point in time even after normal banking hours. The old tradition of visiting banking premises and crowded chaos is totally avoided through modern E-based services. Therefore, financial assistance is provided at the doorstep of consumers which brings immediate effect on the progress and development of business, economic and social development.

Financial inclusion is also attained through various attractive schemes for which the government voluntarily comes forward to provide supportive measures like documentation protocols, awareness about repayment of loans, and the amount of subsidy provided for people who avail various financial support measures

FINANCIAL INCLUSION

Financial inclusion is the process of checking access to financial sufficient services and timely credit-supportive measures offered to the needy and helpless groups such as weaker sections and low-income groups of people at an economic cost. The nature of financial inclusion is to check the delivery of financial services which includes-bank accounts for savings and transactional purposes, and low-cost credit for productive, personal, and other purposes.

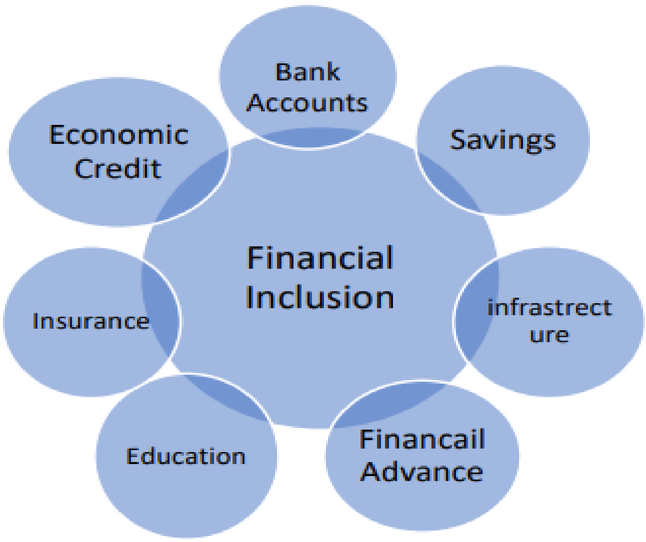
Financial inclusion widens the resources based on the financial system by improving a culture of saving among a large segment of the rural population, and it also plays an important role in the process of economic development of the country. Financial inclusion protects the financial wealth of low-income groups in urgent circumstances and it also helps to reduce the exploitation of vulnerable groups by extortionate money lenders by facilitating easy access to formal credit.

The main aim of financial inclusion is to establish proper financial institutions to nourish the needs of poor people. Financial inclusion helps individuals to make daily payments accurately and even it also helps them to access credit which can be invested in their small-scale income-generating activity. Financial inclusion also helps people to save their cash so that they can make future investments according to their convenience. Overall financial inclusion helps in the economic development of the underprivileged population.

In common, financial inclusion is observed in different circumstances. Few philosophers trust that financial inclusion is the only way to credit when in fact others' point of view is that it contains all the services supported by banks and also other financial institutions. Only a bank account opening may not be a pleasant sign of financial inclusion.

Therefore, the significance of financial inclusion is to make secure that sphere of suitable financial services performed by the official financial system which is accessible to every individual and allows them to approach those services whenever required. The sphere of financial services contains the complete order of financial products cheque accounts, loans, credit cards, debit cards, saving products, insurance, and health care services, and other financial services such as payment services, payment, and money transfer, and financial consultative services and counselling.

Diagram No.1
Components of Financial Inclusion



Source: Report of Committee on Financial Inclusion 2008

IMPORTANCE OF FINANCIAL INCLUSION

- Financial inclusion is an essential necessity for attaining development with impartiality.
- The needy people are saved from the harms of egoistic or self-oriented money lenders
- It organizes the requisite financial aid for needy people through the formal banking sectors to provide them with monetary aid and sound them into investments.
- Regulates the wealth and maximizes the profit on a periodic basis
- It designs for the future and scope with commercial stress, by directing their funds to safeguard against short-term fluctuations in income and expenditures and to take benefit of longer-term opportunities
- It deals adequately with financial distress, and even extraordinary situations point to serious financial problem
- Help people attain remarkable financial soundness

NEED FOR FINANCIAL INCLUSION

- Financial inclusion is an important aspect of comprehensive growth.
- It helps in the global financial growth of the needy population.
- It enables people to have the capacity and tools to control and rescue their money.

- Enabling people with the ability and intelligence to take correct financial decision.
- Financial inclusion it helps in creating a stand for strengthening the habit for saving money.
- It helps to contribute to formal credit paths.
- It helps the low-income group to save their cash so that they can make a future profit.
- Financial inclusion is substantial for all, but it is particularly required for the world's poor population working in the informal sector.
- The approach to financial services allows the underprivileged and most vulnerable in the community
- to ***step out of starvation*** and decrease the disparity in society.

SWOT ANALYSIS OF FINANCIAL INCLUSION

Strengths of Financial Inclusion

- High level of social capital and collateral substitutes
- Informal mechanisms used to enforce contracts
- Increasing investment options
- Reducing the credibility of money lenders

Weaknesses of Financial Inclusion

- The assumption is that credit is a binding constraint; rural finance is often treated as an equivalent for agricultural credit, which is used as 'input' for agricultural production.
- Increasing the rate on non-performing assets.
- Disbursement of loan increases.

Opportunities for Financial Inclusion

- Increasing demand for agricultural development because of population growth
- High demand for financial services in rural areas
- Create job opportunities and increase the rate of small-scale industries.
- Investment options increase.
- Economic growth and sustainable development also promote.

Threats of Financial Inclusion

- Vulnerability: systemic, market, credit risks, etc.
- Operational: low investment returns, low investment, low asset levels, geographical dispersion

- Capacity: infrastructural capacity, technical capacity and training, social exclusion and institutional capacity, etc.
- Political and regulatory: political and social interference and regulatory framework, export market protection, etc.

FINANCIAL INCLUSION IN WORLD SCENARIO

Financial inclusion is focusing on individuals and businesses to help them to have access to useful and affordable financial products and services that meet the needs of transactions, payments, savings, credit facilities, and insurance provided in a sustainable way. Accessing the accounts for the transactions is the first step for availing of financial inclusion. When the tr transactions allow people to store money, and help to receive and send payments. The transaction gateway service provided the source for accessing and availing financial services. The accessing gateway assures people worldwide to have access to the transaction and focuses on the world group of banks.

Financial facilities facilitate day-to-day living and help families and business plan for attaining long goals and meet unexpected business emergencies. Alternatively, account holders, people are using other financial services, such as credit and insurance, to begin and expand business ventures, invest in education or health, manage risk, and manage financial shocks, all these financial measures help to enhance the quality of lives of the people.

Great strides have been made toward financial inclusion and 1.2 billion adults worldwide have gotten access to an account since 2011. Today, 69% of adults have an account.

Moving from access to account-to-account is the next step for countries where 80% or more of the population have accounts (China, Kenya, India, Thailand). These countries relied on reforms, private sector innovation, and a push to open low-cost accounts, including mobile and digitally-enabled payments. However, close to one-third of adults equal to 1.7 billion – still do not maintain bank accounts as the latest data. Nealy about half of the people who do not maintain bank accounts are women belonging to poor households in the rural sectors or from the working communities.

The gender gap in account maintenance remains at 9 percentage points in developing countries, restricting women from being able to effectively control their financial lives. Countries with high mobile money account ownership have less gender inequality.

THE MAIN AIM OF FINANCIAL INCLUSION

- Financial inclusion has been concentrating on 17 sustainable goals

- Worldwide countries have decided to implement G20 High-Level Principles for digital transitions under financial inclusion measures at the world level.
- World Bank considers financial inclusion measures will be a key issue for reducing extreme poverty and improving prosperity will lead to attaining ambitious global achievement to reach and access universal financial services.

Since 2010 onwards more than 55 countries around the world are taking efforts for financial inclusion measures and more than 60 countries are implementing strategy a plan to introduce a national financial strategy. It is going to unite together financial regulators, the telecommunication ministry, and educational ministries in order to attain sustainability development.

Countries that have achieved the most progress toward financial inclusion have implemented the following strategies.

- Government policies are supported with universal digital ID. In India, Aadhaar or Pradhan Mantri Jan-Dhan Yojana accounts are the best examples in India more than 1.2 billion residents are maintaining their bank accounts under the afore sail govt scheme.
- Leveraged government payments, all the subsidies or incentives, or educational aids are transferred directly to the account holder, in the world more than 35 percent of low-income countries have opted for the direct financial transfer method.
- Countries are encouraging mobile financial services to thrive in the rural parts of the countries, especially in sub-Saharan Africa and hamlet places of India.
- Developing new e-business modules for encouraging e-entrepreneurs for selling traditional and non-traditional products.
- Paying attention to consumer protection and making them financially capable to promote sustainable financial services.

CONCLUSION

Modernization of the banking sector is the need of the hour due to mass transactions and world financial services. In the present business scenario, the countries are going behind the world economy and dealing with world financial inclusion measures. The countries are exchanging their financial support for the well-being of their business, mass economic development, and also development measures towards the underdeveloped countries. But there are a lot of strengths, weaknesses, opportunities, and threats are faced that are unavoidable among the counties. Though there are challenges counties need to implement modernization measures and AI for growth and development.

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E-BANKING IT'S EFFECTIVENESS IN PROVIDING AUTOMATIC TELLER MACHINE SERVICES: A VIEW FOR THE MODERN BANKING SYSTEM

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ABSTRACT

Electronic telecommunication is a new language used to communicate by using electronic signals, such as sending and receiving messages, images, and documents, over a long period of time. Electronic telecommunication devices are electronic machines used to provide communication between people where telecommunication devices such as telegram, Radio, telephone, television, pager, fax, Internet, and satellite telecommunication are used. Electronic devices especially ATM machines and their usage in the financial sector are inevitable in the modern world of developments. Hence this study is focussing on the various electronic services provided by ATMs that are useful in delivering financial services to prospective consumers. The study is focused on the awareness level of consumers in using the various electronic services by ATM device and their usage in delivering prompt services to the customers at large for the purpose of financial inclusion measures to bring economic developments.

INTRODUCTION

The word Commercial bank has been replaced with a new name BANK. The word BANK has originated from German, though some people trace it to French as 'Banqui' & the Italian word 'Banca'. The bank act as a mediator between the borrower & lender which accepts deposits lends out the cash, and exchanges the cash. There was no banking system before 1640, though there was a safe transaction and the habit of saving was successful in Babylon as early as 2000 B.C. The first bank, "Bank of Venice" was established in Venice, Italy in 1157. Later on, it was established in many other countries.

The Indian banking system is the backbone of the nation's economy. In the ancient period, the banking system was carried on in an informal system, but in the modern era, the formal banking system has developed the life of trade and commerce since the 20^{th} century. There is a vast change in the banking system from the ancient to the modern stage. In this modern world, the Indian banking system's fashion has no parallel in world history.

The banking system forms the base for the development of economic growth of the country and major changes in the banking system. The banking system is responsible for the technology development and also increased the status of people. It also satisfied the needs of the general public.

The history of banking in India dates from before India got independence in 1947. The banking sector development can be divided into three phases:

PHASE I: The Early Phase which lasted from 1770 to 1969

PHASE II: The Nationalization Phase which lasted from 1969 to 1991

PHASE III: The Liberalization or the Banking Sector Reforms Phase which began in 1991 and continues to flourish to date.

LIBERALIZATION PERIOD (1991-TILL DATE)

During the liberalization period, all banks were established in the country. There were smooth functioning, regulation, and regular monitoring of banking industries which helped to provide profits to the nation. This continued in the economic growth of the nation. This phase of the banking sector played an important role in the Indian banking industry.

The Indian government appointed, Shri. M Narasimham decided to set up a committee under his chairmanship, to manage various reforms in the Indian banking industry to maintain stability and profitability for the Nationalised public sector banks.

RESEARCH METHODOLOGY

This study is based on descriptive in nature which is focussing on artificial intelligence used in the dissemination of physical currency with the use of Automatic Teller Machines. The use of ATMs in providing financial services is helping the banking sectors to provide efficient banking services 24X7 hours, without the intervention of human resources. The secondary data is used for data sources which were collected from journals, magazines, dissertations, theses, online websites, and other published and unpublished sources to provide a theoretical background to the study.

FINDINGS OF THE STUDY

1. The importance of Automatic Teller machines in providing banking services

2. Advantages and disadvantages of using ATMs in banking services
3. Need for Telecommunication services as a part of Artificial intelligence

OBJECTIVES OF THE STUDY

1. Electronic telecommunications devices in the banking sector and their technical support for customer services
2. To examine the quality of ATM services and their contribution to the effective delivery of consumer service Mechanisms.
3. To discuss the various Electronic Telecommunication services and their usages and advantages and disadvantages

STATEMENT OF THE PROBLEMS

The modern era is considered an electronic era where paperless services are the main aim of the financial sectors. The financial services need to be disseminated at a prompt time, at a prompt place to the prompt person, where services are not delivered at the specific time with conditions financial dislocation happens this will lead to much confusion in the financial system.

Electronic devices and telecommunication development is playing an important role in providing electronically devised services, where the world of the transaction at large is possible with multiple currency transactions. The banking institutions are providing financial support for the export and import of commodities through bank Realisation certificate services (BRCs), which provide Vostro accounting and Vostro agreement for the aforesaid purpose. In modern banking services, most of the services are instant services no need to wait for hours together for services. Electronic banking services are self-reliant, with no need to visit bricks and motors, the consumers have been given many more options for their investments, creating more investment awareness and ready-made auto systems for consumers' services where Kiosk services are provided to the doorsteps of the consumers. Here the researcher has made an attempt to bring out the various services provided by the ATM machine with the help of Electronic Telecommunications.

ELECTRONIC BANKING

Modern business tends to adopt the latest technology and upgrade themselves. They have the choice to choose the upgraded global market in the entire world. The bank played important role in the development of technology and economic growth in India. The banking system has adopted various modern technology and flourished in modern technology. People use a wide range of Internet connections in Mobile and Cell phones, PC, and laptops. This helps the banking sector in tapping newer segments. In the present scenario, no banks are operated without an internet banking facility.

The banking sector has adopted various modern technology to have smooth and easy functioning in the industry. Information technology is a prominent one that has changed each and everyone's life and the standard of living and the way of conducting business. For providing high accessibility the modern banking system has provided ATMs, Mobile applications, Internet banking, and Mobile banking services. Albite these facilities are available the important one is electronic banking services. Modern banking systems are based on Mobile banking, internet technology, mobile computing, and business intelligence. They help in the survival, growth, and development of each of the banking systems.

Electronic banking is used in India since the '90s and it is one of the latest technologies used by all customers. All customers are aware of e-banking services, they are highly satisfied with the present e-banking services except for a few services.

Electronic banking is one of the truly widespread avatars of e-commerce all over the world. Various authors define e-banking differently and the definitions giving the meaning and features of e-banking are as follows:

1. E-banking is a combination of electronic technology and banking
2. E-banking is a process by which a customer performs banking transactions electronically without visiting a brick-and-mortar institution.
3. E-banking denotes the provision of banking and related services through extensive use of information technology without direct recourse to the bank by the customer.

AUTOMATIC TELLER MACHINE

The Banking System has rendered several services, which made man to be more comfortable and convenient in cash transactions. Among all, the most important service is - Automated Teller Machine (ATM) services.

Inventor ***John Shepherd-Barron*** [from 23 June 1925 to 15 May 2010, British Citizenship] introduced ATM in June 1967 at Barclays Enfield Town branch in north London. The story goes that Mr. John shepherd saw a vending machine selling chocolates when cash was inserted the machine sells out of chocolate. Now John asked why can't similar machines can be used to dispense the money. Bankers issued paper vouchers with unique codes to every customer to withdraw their money with a certain limit.

In 1970, the patent was also granted to British engineer James good fellows. He brought a concept of giving a PIN- (Personal Identification Number) to each customer and the PIN was unique to each customer. This was a powerful movement in the development of the selfservice banking system because it allows the machine to verify the identity of customers without the intervention of humans. The country’s first ATM was installed at the Chemical Bank branch in Rockville Center, New York, in September 1969.

Later there was a vast growth in the early 1970s, more than 1000 machines were installed in many other countries. Many banks adopted this technology and followed this pattern to make their customers more convenient and also to reduce the workload of bankers. In 1977, NCR launched its first ATM for easy operation. They launched 5070 machines in the early 1980s. All countries installed ATM and wanted to adopt new technology. By 1984, there were more than 1,00,000 ATMs operated all over the country.

ATM might be the best idea of man’s invention. Amongst all inventions of the banking system, the very most prominent one is ATM- The automated teller machine. ATM is an automatic banking system that allows the customer to withdraw cash at any time and in any place. The transaction can be made without any help from bank representatives. ATM can be used only by bank customers. A special type of plastic card has been used by customers to withdraw their money.

The first ATM in India was set up in the year 1987 by HSBC in Mumbai. There are more than 1500 ATMs in India. The first network to share ATMs in India was the Indian Banks Association (IBA). It was managed by India Switch Company (ISC) for five years and allowed customers to withdraw their money. Later in 2000, there were more than 1000 ATMs with 53 members. The network was handling more than 250,000 transactions in a day. But its worth was only 100,000. In contrast, ICICI bank was handling about 640 ATMs worth Rs. 20,000,000 in a day.

After the fall of Swadhan, the Bank of India, Union Bank of India, United bank of India and Syndicate bank formed an ATM-sharing machine called Cash tree. Other banks such as city bank, the industrial development bank of India, standard chartered bank, and Axis bank formed a new network called Cashnet. Punjab national bank and Canara bank also created similar type of networks.

The three Banks such as Corporation bank, Bank of Baroda, and ICICI bank connected together and launched NFS-National finance Switch on 27 August 2004 by the IDRBT. They operated together, to get connected with all ATMs in the country.

MEANING

An Automated Teller Machine is an electronic banking outlet that allows customers to complete basic transactions without the aid of a branch representative or teller. It is a computerized machine that allows the customer to withdraw cash.

ADVANTAGES

- **Withdrawal:** The very most important advantage of ATM is the withdrawal of cash. ATM allows the customer to withdraw cash at any time and at any place.
- **24/7 services:** Customers can avail ATM for24 hours, 7 days, 365 days. services are been provided to satisfy the customer and make them free from visiting banks.
- **Balance inquiry:** Another salient feature of ATM is checking out the remaining balance of cash in a customer account. Customers can check the remaining balance in their accounts.
- **Mini statement:** ATM also provides a mini statement, i.e., the last 5 transactions made. Customers are satisfied with this special service offered by the bank, hence customers no need to visit the bank to enter their passbook and wait in a long queue.
- **Time-savaging:** ATMs help to save time, instead of visiting the bank and standing in a queue.
- **Other services:** Services have been extended to any corner of the world. No charges are made for withdrawing cash from another bank's ATM, in which customers have no account.

Disadvantages

- **Credit card:** If there is a problem with the credit card, the customer cannot withdraw cash. And sometimes a card will be blocked and the customer has to visit the bank for further ATM transactions.
- **Hacking:** It is possible to hack your bank details and avail your cash through ATM.
- **Security:** It is not secure and safe.
- **PIN:** If the PIN is forgotten, one cannot withdraw money from the Machine.
- **Knowledge of ATM:** Illiterates face problems in withdrawing cash, at least minimum knowledge of ATM machine is required to operate the machine.
- **Misusing card:** If the card number is not been maintained secretly, then there is a possibility of misusing the ATM card.
- **Fewer visits to the bank:** Since ATMs provide various services to the customer and satisfy the customer's needs, the relationship between the bank and customers reduces.

NEED FOR ELECTRONIC TELECOMMUNICATION DEVICE SERVICES

Electronic telecommunication devices in the banking industry not only offers easy cash transaction but also offers Balance inquiry, Mini statement, Bill payments, Railway tickets, Book theatre tickets, Air tickets, Deposit cash, Change PIN number, and other services. In this modern economy, there is a must needed to use electronic telecommunication devices. The services are rendered 24/7. It is needed because it is easier to operate a Bank account without visiting the banks in any corner of the world and standing in a queue. They provide more security and avoid fraudulent activities. It saves time and easy cash transactions.

In this modern economy, it is clear that there is a need for improved and high-quality technology. Since Electronic telecommunication devices provide such services, in the Banking sector, to people and improve their lifestyles. Hence, the need for electronic telecommunication devices is essential.

CONCLUSIONS

Banking services are playing important role in infusing financial inclusion measures for restructuring the economy and playing role in building the living standard of the people. This is done in two ways one is by providing direct financial services and the second one by providing effective customer services which may be online or offline, but in the modern world, banks introduced changes in the method of customer services that are required to provide effective services to deliver customers instance services with the help of e-services or online services.

Electronic devices, online banking, Automated application, and ATM machines are playing a vital role in dispensing both virtual and physical currency to the requisite customers. Where the crowding of customers who throng to banks is diverted to the different points of service effective financial services bestowed with concrete financial services by the banking intuitions. ATM machines are providing 24x9 hours of financial services without interruptions and are provided with Modern technology of convenience.

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ARTIFICAL INTELLIGENCE IN THE BANKING SECTOR – HOW AI IS TRANSFORMING THE BANKING SECTOR

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ABSTRACT

A rewarding career in finance can provide job security and competitive pay. This is due to the fact that numerous individuals seek the assistance of financial professionals when organizing and managing their finances. Because banks offer useful services like storing funds, managing credit, and facilitating financial transactions, they are one of the most popular industries in finance. It sheds light on the consequences of incorporating AI into the banking sector. Since this study is descriptive, all of the data came from published papers in various journals and magazines.

INTRODUCTION

The most competitive and fast-paced industries now incorporate AI as an essential component. By skyrocketing efficiency, artificial intelligence (AI) and machine learning (ML) in the manufacturing sector have produced numerous amazing outcomes. In this fast-paced digital world, these industries successfully utilize AI to drive enterprise growth, profitability, and sustainability. Among these, the banking sector is a well-known one where AI has undeniable enormous potential. The rise and impact of artificial intelligence in the banking and financial sector has been phenomenal. It is fundamentally redefining the way banks operate, develop products and services, and transform the customer experience.

OBJECTIVE OF THE STUDY

1. To comprehend what Artificial Intelligence means.
2. To investigate the banking industry's use of artificial intelligence.
3. To investigate the positive and negative effects of AI on the banking industry**.**

RESEARCH METHODOLOGY

The purpose of this descriptive study is to discuss both the benefits and drawbacks of artificial intelligence for the Indian banking industry, as well as its meaning and motivations. Consequently, uses secondary data. Observation and documentary analysis comprise the entire study. In addition, the necessary and pertinent secondary data are gathered from numerous websites, research papers, journals, and publications, among other sources. As needed, theoretical information on the subject has also been obtained from books.

FINDINGS

This section is broken up into the following subparts:

1. The meaning of AI and its justifications
2. The Application of Artificial Intelligence in the Banking Sector
3. The positive and negative effects of AI on the banking industry.
4. The foundation of artificial intelligence (AI) is the creation and application of algorithms embedded in a dynamic computing environment to imitate human intelligence processes. Simply put, AI aims to make computers think and behave like people. Three essential components are required to achieve this goal:
   1. Computational frameworks
   2. Management of data as well as data Advanced AI algorithms (code)

Require more data and processing power the more human-like the desired outcome. Through iterative processing and algorithmic training, AI is a technology that imitates human intelligence and enables computer applications to learn from experience.

Because each interaction enables the system to test and measure solutions and develop expertise in the task it has been set to accomplish, AI systems become smarter with each successful round of data processing.

AI systems can become experts much faster than humans because this can be completed quickly, much faster than a human would be able to do the same work. This makes them excellent options for any process that requires intelligent decision-making.

REASON FOR WHY ARTIFICAL INTELLIGENCE SO USEFUL

In today's world, the amount of data produced by humans and machines far outpaces their capacity to comprehend, comprehend, and apply that data to complex decisions. All computer learning is based on artificial intelligence, which is the future of complex decision making. In order to make the best choice, these combinations and permutations can be calculated very quickly by computers. The foundation of the future of business decision-making is AI and deep learning.

ARTIFICAL INTELLIGENCE IN BANKING

Upgraded client experience:

AI learns more about customers and how they act based on previous interactions. This enables banks to personalize financial products and services by incorporating intuitive interactions and personalized features to foster meaningful customer engagement and strengthen customer relationships.

Prediction of trends and outcomes in the future:

AI aids banks in predicting future outcomes and trends because it is able to analyze past behaviour to make predictions about possible future scenarios. This assist manages an account with recognizing misrepresentation, identify against illegal tax avoidance example and make client proposals. Through a series of actions, money launderers pretend that the source of their illegal funds is legal. AI helps banks save millions of dollars by identifying these hidden actions thanks to its power of Machine Learning and Cognition. In a similar vein, in order to carry out fraud management, AI is able to identify suspicious data patterns among enormous volumes of data. Further, with its key proposal motors, computer-based intelligence concentrates on past to anticipate future way of behaving of data of interest, which assists keeps money with effectively up-selling and strategically pitch.

Automation of cognitive processes:

Many banking services, like claims management, that require a lot of information, are expensive, and are prone to errors can be automated with this feature. This guarantees a return on investment (ROI), lowers costs, and prompt and accurate service processing at each step. Fundamentally, cognitive process automation automates a set of tasks that continually improve upon previous iterations through machine learning.

Interfaces those are actually interactive:

The context and feelings of the text chat are recognized by chatbots, and they respond accordingly. These cognitive machines not only help banks save time and increase efficiency, but they also assist them in saving millions of dollars through cumulative cost savings.

Making decisions that are right:

Real-time, optimal solutions are provided by cognitive systems that think and respond like human experts. The knowledge database of these systems contains a repository of expert data. These cognitive systems are used by bankers to make strategic decisions.

Process robotic automation:

Robotic Process Automation (RPA) is used by AI to review and modify processes. Around 80% of repetitive work processes can now be automated, allowing knowledge workers to focus on value-added tasks that require a lot of human intervention.

POSITIVE IMPACTS OF AI FOR BANKING SECTOR

1. Regulatory Compliance and Fraud Detection

Fraudsters alter their behaviour as financial institutions increase their vigilance. Fraudsters have learned to deal in amounts that are just below the detection threshold because large transactions are reported for investigation. Despite meeting the requirements, criminal activity may go unnoticed without proper analysis. In this regard, artificial intelligence truly outperforms humans. Artificial intelligence identifies suspicious transactions after analysing a large amount of data. Mistakes are made when such transactions are manually analysed. Without a man-made intelligence extortion recognition framework set up, it's a field day for lawbreakers to launder cash or money criminal operations.

2. Improved Investment Evaluation

Income from interest is just one aspect of earning money. Because of this, financial institutions are always on the lookout for lucrative opportunities to invest and receive a healthy return. Investment recommendations that are in line with these institutions' risk tolerance can be made with the right investment software. In addition, given that industry-specific information is frequently difficult to comprehend, they are able to accurately evaluate client funding proposals. Human analysts are still in charge of making investment decisions. Software for investment analysis makes the process simpler and can handle more variables. Assuming the establishment has interests outside its public lines, getting to data can time-consume. The right AI software can help speed up the process of evaluating a new environment, which can be difficult.

3. Improved Experience for Customers

Customers are constantly seeking convenience. For instance, customers were able to use the ATM even when banks were closed, making it a success. More innovation has been sparked as a result of this level of convenience. Customers can now open bank accounts and verify themselves from the couch using their smartphones. A decision management system (DMS) can speed up the process of collecting Know Your Customer (KYC) data and reduce the likelihood of making mistakes in the process. Business decisions can also be implemented and rolled out quickly with the right software for business rules.

It is possible to provide new products and seasonal financial offers on time. Additionally, the system makes it simple to accommodate new business decisions or tariff adjustments. Because eligibility is automated, clients who do not qualify do not have to deal with the frustration of going through the entire procedure only to be turned down. Despite having a wide range of customers, this kind of technology gives the impression of having a personal touch. By reducing turnaround times, banks can gain clients' trust and confidence. Additionally, DMS software has the potential to shorten facilities' approval times.

4. Reduced Risks and Operational Costs

With DMS, you can set rules that show the client, based on their bio-data or business information, what kinds of accounts they can open. Age and income can influence the type of account a customer can open online. Personal savings accounts won't have an overdraft feature and minors won't be able to open accounts in their names. As a result, you will require fewer employees to interact with customers, resulting in lower labour costs.

Additionally, the number of individuals required by the organization to evaluate transactions and activities decreases as a result of improved accuracy. Employee wellness also has a positive effect. A DMS, for instance, speeds up the process of entering data, allowing your team to spend more time coming up with new ideas and concentrating on essential business tasks.

Notwithstanding its benefits, man-made consciousness can't supplant the worth of a handshake. However, financial institutions can use the savings from investing in AI systems to shift resources away from data entry and toward business development.

5. Improved Loan and Facility Evaluation

The utilization of credit scores in the process of determining a person's eligibility for financing frequently relies on inaccurate information, misclassification, and errors. However, there is a wealth of additional information available online these days that can paint a more accurate picture of the individual or business under consideration. Even when the party, whether personal or business, has little documentation, an AI-based system can make recommendations for approval or rejection by taking into account more variables.

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The tricky part is that the software sometimes doesn't explain why it makes a particular recommendation. No one inquires after an application is approved. However, the client is entitled to an explanation from the institution when an application is rejected. Systems can exhibit bias despite their objective design. This is due to the fact that configurations are only as good as the people who create them. Fortunately, institutions receive a majority of similar funding requests, and people are aware of institutional bias. As a result, when developing applications and updates, developers are better able to factor in better variables.

NEGATIVE IMPACTS OF AI FOR BANKING SECTOR

1. Joblessness

Supplanting of the labour force with machines can prompt wide-arriving at joblessness. In addition, people will become increasingly reliant on machines and lose their creative power if AI is used extensively. Unemployment is a negative social issue. People who have nothing to do may use their minds in destructive ways. Whether banking or another industry; The unemployment rate can be effectively raised by artificial intelligence.

2.Risky Factors

Man-made intelligence can offer a ton of capacity to the couple of people who are controlling it, in this way, computer based intelligence conveys the gamble and removes control from people while dehumanizing activities in more than one way, Man-made reasoning conveyed to wrong hands can end up being a serious danger to humanity, on the off chance that people begin thinking damagingly, they can create ruin with these high level machines.

3.High Costs

Artificial intelligence (AI) is a very complex machine that requires a lot of money to make and keep running. AI is made up of advanced software programs that need to be updated often to keep up with the changing environment. In the event of a critical failure, getting the system back up and finding lost codes may take a lot of time and money.

4.Bad Calls

Despite its capacity for improvement and learning, AI is still unable to make decisions. AI may never be able to take individual circumstances and judgment calls into account when making decisions, but humans can. Artificial intelligence (AI) may lead to irrational behaviour among humans and things in ecosystems if it replaces adaptive human behaviour.

CONCLUSION

In order to improve financial services, AI is gradually entering the banking sector. People are more likely to use digital means to keep up with their bank accounts and conduct transactions in a time of social isolation and quarantine. A machine learning algorithm, on the other hand, comes with a number of drawbacks as well. The decision-making capabilities may soon cause issues as they continue to learn and develop. We hope that our article clarifies the unavoidable requirement for AI to lessen the banking industry's reliance on humans.

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ARTIFICIAL INTELLIGENCE IN MARKETING

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ABSTRACT

The term "artificial intelligence" refers to the computerization of human intelligence processes, including speech and image recognition, decision-making, machine learning, and semantic search. This paper uses secondary research to educate marketers about the present and future potential of artificial intelligence by connecting a few early adopters with AI-powered technologies that can improve marketing performance and transform their businesses with real-world examples. This paper aims to investigate the impact of artificial intelligence on the marketing landscape as a whole through primary research. In the end, the paper makes a modest attempt to identify the industries that will benefit the most from AI in marketing and have demonstrated a high level of acceptance.

INTRODUCTION

Man-made brainpower can be characterized as the recreation of human insight processes by machines, which ranges across capacities like voice/picture acknowledgment, direction, semantic hunt and AI methods. It is anticipated that artificial intelligence, the next big thing, will cause a lot of change in digital technologies. At the digital frontier, AI deployment will accelerate, expanding the gap between adopters and laggards across a variety of sectors, industries, and geographies. The value chain is seeing the application of AI; However, the most significant investments are made in the core of the company's value chain. According to Peter Drucker, business has only two fundamental functions: innovation and marketing as a result, sales and marketing, which generate a lot of data, has been one of the most important parts of the value chain that AI has been accepted well (McKinsey, 2017). Despite their widespread use throughout the value chain, AI applications have not yet been examined from an Indian perspective for their benefits.

OBJECTIVE OF THE STUDY

The purpose of this study is to learn how an Indian company's marketing and sales plan was made more effective by using AI-powered applications to boost sales. In this regard, the research objective has been broken down into three sections:

i. To investigate how AI applications aid in the advancement of 1:1 marketing and the abandonment of mass marketing
ii. To investigate the ways in which AI improves customer convenience, resulting in an increase in an organization's sales and market share
iii. To determine the extent to which organizations in various industries are currently utilizing AI applications.

RESEARCH METHODOLOGY

We will employ mixed method research to comprehend the impact of AI on India's overall marketing landscape. We will conduct qualitative research (interviews and observations) to comprehend organizations' perceptions of AI adoption in India and its implications; as well as quantitative research (surveys) to learn how consumers feel about AI.

REASON FOR WHY ARTIFICAL INTELLIGENCE SO USEFUL

Artificial intelligence will have a significant impact on digital marketing. If you are not aware, 76% of consumers expect businesses to comprehend their requirements and expectations. With AI marketing, marketers can quickly analyze a lot of marketing data analytics from social media, emails, and the web. AI marketing is therefore essential for every business.

ARTIFICAL INTELLIGENCE IN MARKETING

Artificial intelligence (AI) technologies are used in AI marketing to automatically make decisions based on data collection, analysis, and additional observations of audience or economic trends that may have an effect on marketing efforts. In digital marketing campaigns where speed is crucial, AI is frequently utilized. AI marketing tools use customer profiles and data to figure out how to communicate with customers the best. They then send tailored messages to them at the right time, without the help of marketing staff, to maximize efficiency. Today, AI is utilized by many digital marketers to augment marketing teams or carry out more tactical tasks requiring less human nuance.

AI MARKETING INCLUDE

• Data Evaluation:

Collecting and sorting large quantities of marketing data from various programs and campaigns that would otherwise need to be sorted manually.

• NLP, or natural language processing:

Making human-like language for content creation, client assistance bots, experience personalization from there, the sky is the limit.

• Buying Media:

Predicting a company's most successful advertising and media placements to reach their target audience and maximize marketing strategy ROI.

• Making Decisions Automatically:

Using data from the past or data from outside sources, AI marketing tools help businesses choose the best marketing or growth strategy.

• Creation of Content:

For a marketing strategy, writing short and long pieces of content like blog posts, email subject lines, video captions, and more.

• Personalization in real time:

adjusting a customer's experience with a marketing asset, such as a web page, social post, or email, to their previous preferences in order to encourage a particular action, such as clicking a link, signing up for something, or making a purchase.

POSITIVE IMPACT OF ARTIFICIAL INTELLIGENCE IN MARKETING

AI's marketing benefits are numerous and invaluable. Due to their limited capabilities, many marketing companies' tasks, operations, and customer accounts were traditionally performed and managed by human employees. Errors, exhaustion, and low output result from this. These difficulties cannot always be avoided by increasing the number of employees. However, the ML and NLP AI technologies of today are much more quickly and reliably imitating human labour. Computers and robots with AI can efficiently, tirelessly, and quickly complete routine tasks. Promotion missions and email showcasing are done proficiently. A chatbot for a website can imitate human interaction without displaying any human feelings about serving an impatient customer. A strong record analyser can rapidly examine an enormous agreement and identify gambles and resistance components. A member of the proposal team might overlook these flaws. Powerful computers enhanced with AI technologies are able, given sufficient data, to anticipate changes in pricing and market trends. These business investigations require immense measures of information. AI has the speed and perception of a machine to handle massive amounts of data analysis.

NEGATIVE IMPACT OF ARTIFICIAL INTELLIGENCE IN MARKETING

It's important to point out some drawbacks of using AI in marketing. In order to remain successful and competitive, businesses need to be able to anticipate market trends. A wealth of data is required for this market analysis. Strong PCs improved with man-made intelligence advancements like NLP and ML, alongside cloud-based processing, does this prescient investigation. However, AI abilities are also lost if the supporting IT technology fails due to malfunction or power outage. The company's reliance on AI may result in the loss of human expertise. The uptime of an organization's IT infrastructure is crucial to its success when it comes to email marketing and social media postings that rely on robust software technology. Even though the use of AI in marketing isn't fool proof, AI is always useful for marketing success. The required IT infrastructure and AI technology are more expensive. However, businesses that are willing to put money into these technologies typically reap greater rewards and success. It is safe to invest in AI technology when it can cut overhead costs by 12% and increase sales by 14%.

CONCLUSION

Marketing tools made possible by artificial intelligence (AI) are invaluable. NLP and ML-based AI technologies typically result in greater success and a higher return on investment for businesses willing to put money into them. A company's sales can be increased and overhead costs reduced by AI. Typically, investing in AI technology pays off. While there are some real drawbacks, the benefits far outweigh them. Infrastructure that isn't working right can be fixed. AI technologies are always useful, always improving.