

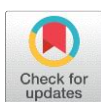
Need for Digitalization

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Abstract: Ever Since the demonetisation by Government of India and Reserve Bank of India shook the country and many of the new companies and the individuals praised the move. This took to the move towards the immediate measures boost the digital payments and digitalization in the country. Not only the demonetisation but the deadliest virus attack that is Covid-19 had led to the new dimension to the future digitalisation in India. Now-a-days people depend completely on technology and internet to fulfil each and every simple work and need, which can be done easily and easily, this work being done quickly lead to the entrance of digitalization in all the fields and sectors of the economy. This paper constitutes the need for digitalization in banking sector.

Key Word: Digitization, Digitalization, Need, Equipment tools, Advantages, Negative effect.

INTRODUCTION

The need for computerization in banking sector was felt in the late 1980s. For this reason, the Reserve Bank of India set up a committee by Dr. C. Rangarajan in 1988. Banks started using the information technology initially with the introduction of World has entered and being sustained in modern culture with lots of advancements and developments which makes individuals to sell, buy, communicate from one to another. The modernization had an advancement in technology and internet which led to digitalisation. The need for digitalization is nowadays is important. Since then, there is an increase in the adoption of digital payments. According to the report of RBI's Digital Payment Index stood at 377.46 in September 2022 against 349.30 in March 2022.

Digitization, digitalization, and digital transformation are the key terms associated with the use of digital technology in any sectors. **Digitization** is the process of converting text, image, sound, or any information into a digital format which is understood by a computer for further processing, storing, and retrieving. Digitization is converting any information into bits and bytes or "on" and "offs" to be more exact because that is what a computer understands. **Digital transformation** or digital business transformation is the adoption of digital technologies into every aspect of business, completely transforming the existing business processes through modification or renewing the existing ones. In others words, digitization is a subset of digitalization which in turn is a subset of digital transformation Now, **Digitalisation** has become integral part of life. Almost all the sectors of the economy now mainly depend on digitalisation for their growth from which the banking sector is not expected. Digitalisation is the process of creating a digital image and then presenting it on a Computer, Local Area Network or the Internet. In other, words, Digitalisation means conversion of data into digital format with the adoption of technology. Even though India is one of the fastest developing countries in the world, it's still lagging behind with regard to the implementation of digitalisation. Implementation and usage of digitalisation, banks can provide enriched customer services, convenience to customers and helps in saving the time. It also helps in decreasing the human error.

II. RESEARCH METHODOLOGY

Research paper is prepared from the secondary sources like Websites, Articles published in Magazines, Articles from Newspaper and Early Paper Published.

III. WHY TO DIGITIZE

The most important question that come into mind is "What to digitize?" "How do we digitize?" but "What is our focal point that ties together our ongoing process digitalization efforts?" What focal point is guiding your digitalization investments? To help companies and other sectors embrace digitalization systematically, it is important to define a framework for achieving efficient as well as profitable digitalization.

➤ Create awareness and ownership around digitalization:

To help people throughout the sectors understand what digitalization is and what advantages it offers, and foster a sense of ownership around digitalization at the highest level.

➤ Design a digitalization roadmap:

By putting customers at the centre of the roadmap, design a digital business value tree and a digital operating model

mapping the technology and skills required to harness the true power of digital assets.

➤ **Digitalize business model:**

Make the right choices about customer value proposition, resources, profit formula and performance metrics and nurture the capabilities and culture needed to support your business model.

Besides, banking sectors might need to reinvent the entire process, including operating models, skills, structures, and roles etc., need to be redesigned to match the reinvented processes. Data models should always be looked and adjust or rebuilt to enable better decision making, performance tracking, and customer insights. Digitalization often requires that old wisdom be combined with new skills.

IV.HARWARE OVERVIEW

When it comes to hardware, there are many options. The equipment needed will greatly depend on the collection and what types of items will be digitizing. For example, digitizing photographs and documents, a flatbed scanner might work the best; or digitizing books, a book scanner would likely be the best option.

Few among the Hardware are:

- Flatbed scanners
- Book scanners
- Slide/ film scanners
- Microfilm scanners
- Digital Storage
- Other equipment that may be needed

Software Overview

Most scanners come with their own software in order to handle the digitization of the item (e.g., photograph). However, managing and processing the files after digitization will likely require additional software. The software needed depends mainly on the project and the files are processing (e.g., TIFF or PDF).

Few among the Hardware are:

- Image software
- Document software
- Video software
- Audio software
- OCR software
- Bulk renaming software
- Checksum software

V.DIGITALIZATION ADVANTAGEOUS TO BANKING

Banking is one of the first sectors that witnessed the storm of digitalization. Machine learning in banking helps in fraud detection, transactions went online more efficiently than ever, and so much more.

❖ **Increased customers**

An increasing number of people are depending every day on online banking solutions. The contrast of slow and clumsy traditional banking also works in favour of digital banking. However, digitization has increased the customer base in the banking sector rapidly.

❖ **Enhanced efficiency**

The advantage of efficiency is the answer to the question of necessary better than any other benefit. In a world that believes in speed and accuracy, digitization in banking is entirely new levels. Banking processes are conducted with a lot more ease and efficiency. As a simple process, digitization has changed the entire mathematics and art of banking by bringing in ease, efficiency, and extra productivity.

❖ **A user-friendly experience**

The artistic side of digitalization regarding banking, that it has crafted a unique, user-friendly experience that never existed before. While banking earlier was symbolic of a slow and tiring queue that never ends, now feels like a few simple clicks. Banking flaunts a user-friendly garb and has become a lot more desirable and efficient.

❖ **Data-driven decisions**

Digitization has induced the “pragmatic” and “accurate” element in sectors it has touched. Several technologies have emerged to help banks make better decisions based on what exactly the customer base requires. This wouldn’t have been easily possible without digitization. One other way digitization has fallen to rescue the banking sector is by helping them with the right decisions based on pure, unalloyed, effective data directly related to consumers.

❖ **Cost efficiency**

Digital processes have brought in a noticeable amount of cost efficiency, which has been a useful feature for the banking sector and the consumers. Digitalization has enabled easy and super-quick cashless transactions, consequently

cutting down of intermediary fees. One can save up on so many fronts through paperless payments.

❖ **Data Protection: Returning Control to Individuals**

The process of ensuring consumers' data right can be complex. It has been shown that brick-and-mortar banks can collect a huge amount of data through digital transformation, which can be used by them or other businesses for their purposes.

❖ **Artificial Intelligence (AI) Support**

If used correctly, artificial intelligence has the potential to revolutionize the banking industry. It would improve its security capabilities while providing client service, personal assistance, personal reminders, and financial planning 24 hours a day, seven days a week and so on.

❖ **Helps to Build a Better Relationship**

Building solid relationships with current customers is essential for the growth of the business in today's cutthroat marketplace. Social media platforms are used by the businesses to interact with their customers, and the banking industry is no exception. The banks frequently notify customers about new programs they are offering by the use social media.

VI. DISADVANTAGES

The advantages of digitalization are that the devices become smaller, lighter, and even more versatile. It also means that huge amounts of information can be stored either locally or remotely, and also moved from one place to another instantaneously and very easily. The term information does not just mean information anymore; it also includes audio, video, and images and many more. Also, it is now easy to manipulate this information. But with all the advantages of digitization, there are negative effects of digitalization on society.

Here are some points of Negative effects of digitalization on society.

❖ **Data Security**

Digitalization has enabled to store huge amounts of data. This data can be of any nature, it can be personal information about the person or the data of the different sectors. But there is a possibility of the information being breached, with the increase in cyber threats. One single breach can cause the company or the person too much, as the information if lands into the wrong hands of the criminals or the terrorists, it can prove to be a fatal blow.

❖ **Terrorism and Crime**

With the use of the dark web, can do just anything. From selling illegal drugs online to extortion to anything, the dark web is a place for criminals and dark activities. Terrorists use the internet to create and promote their groups, and because on the [dark web](#), the identity can be hidden, it gets hard to track the person or the organization who might be doing this.

❖ **The Concern for Privacy**

Everyone has smartphones, and it is really easy for anyone to take pictures and videos of literally anything, anywhere, and more so, and post it on social media. So, people run a risk of their data being stolen or even sometimes sold. So, controlling personal information has now become difficult and is also sometimes impossible.

❖ **A Social Disconnect**

Instead of spending time in the real world, people are feeling to increase the need to spend time virtually. Social media has restrained the expectations of the people, and the ordinary is no more ordinary. Comparisons to someone's lives have increased, and people strive to adapt to a lifestyle, which might not even suit them. This all has led to a social disconnect. It also causes many psychological disorders and the lack of human contact because of the excessive use of social media has caused many mental illnesses in people like depression and other forms.

❖ **Manipulation of digital data**

With smart editing tools, one can edit photographs, videos, audio, etc. With this, the people can very easily spread fake news, and because most of the people are seen online, and they seem to believe whatever the internet feeds them, the news spreads like wildfire which most of the time isn't even true and people believe it to be true.

❖ **Copyrights and Plagiarism**

Digital media, it has become very easy to copy the content. Also, copyright laws are getting increasingly hard to enforce. This can develop as a bad habit, especially in kids, as they can simply copy their homework from the internet without learning anything. Instead of spending time in the real world, people are now feeling this increasing need to spend time virtually. Social media has curbed the expectations of the people, and the ordinary is no more ordinary. This is a rising problem in the list of negative effects of digitalization.

❖ **The Fake Accounts and Anonymity**

Internet and digital technology can be used in bad ways; one of them is hiding identities. People use the dark web and many such facilities to hide the identities and take on the internet to trolling other people or posting illegal or disturbing content. People use these fake ids to stalk, bully, or threaten other people or their enemies.

VII.CONCLUSION

As the business environment changes, so must its underlying processes need to change. Companies or any other sectors that digitize processes can improve their bottom-line sales and customer-experience. The digitalization brings in innovation, ease of work, new job opportunities and growth in the economy. it brings transparency in the system. These benefits available also makes necessary for the people to have basic financial knowledge and walk towards the financial literacy. With the help of the digitalization the individual can protect their money and save it for their better future. The world is fast changing and unless we are in tune with that change, chances are that we will not only miss the bus, but quite often, we may come under it! This applies to both that is, individuals and businesses because change is the only constant in this world!

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