

Technology has dramatically reshaped banking in the past few decades. Most notably, the emergence of online and mobile banking platforms has allowed customers unprecedented ease of access, letting them manage accounts, move money, and utilize services at any time from a phone or computer. This expanded reach and convenience has come without banks needing to build more branches. “A report by KPMG, another global consulting and accounting firm, indicates that almost 50 percent of the activities people perform in the workplace today could be automated, most often by using AI and automation technology that already exist” (Wright & Quadrini, 2009).

Banking tasks like checking deposits, funds transfers, and loan requests have also become highly automated thanks to technology. Customers can use an ATM or mobile app to complete transactions that once required a teller. Many common inquiries handled via call centers or in-person at branches can also now happen online, reducing overhead costs related to personnel.

Banks are increasingly harnessing data analytics and artificial intelligence to provide personalized offerings, detect fraud, and tailor recommendations per customer. These tech capabilities help banks better understand and cater to clients' needs.

Emerging technologies like blockchain and decentralized ledgers could eventually revolutionize areas of banking such as payments, money transfers, and trade finance by boosting efficiency and security.

However, as banking has gone digital, it has also become more vulnerable to cyber threats aimed at stealing sensitive customer data and funds. Banks now must invest substantially in cybersecurity protections and features.

In summary, technology has introduced major conveniences and efficiencies to banking, while also bringing new competitors, risks, and the imperative for operational transformation. Further technological shifts promise to continue reshaping banking significantly.

References:

Wright, R.E. & Quadrini, V. (2009). Money and Banking. Saylor Foundation.

<https://www.saylor.org/site/textbooks/Money%20and%20Banking.pdf>