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The Future of Robotic Process Automation (RPA) in the Banking Sector for Better Customer Experience

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Abstract

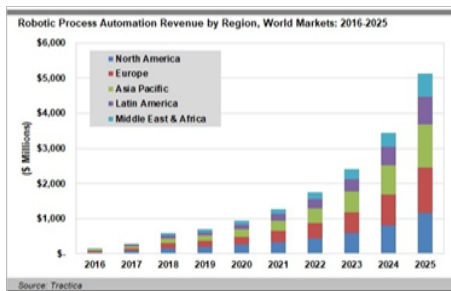
Robotic Process Automation (RPA) has been a great development today. Robotic Process Automation is a useful tool for the pressing demand of the banking sector. Operation costs have been one of the focus areas in the banking sector. The major benefit of adopting RPA in the banking sector has significantly helped to reduce the costs by 30 per cents to 70 percent, and Robotic Process Automation (RPA) saves labor costs and operational efficiency, accuracy, 24/7, offer innovative services and better experience of the customer. Also, Leading banks like India, such as ICICI Bank, HDFC Bank, and Axis Bank, have implemented Robotic Process Automation. The study focuses on Robotic Process Automation challenges, benefits, and significance in the banking sector. The study discussed the Robotic Process Automation world markets and applications.

Keywords: Robotic Process Automation (RPA), Banking Technology, Robotic Bank, Customer Experience, Banking Sector

Introduction

Robotic method Automation is that the technology that enables anyone these days to tack together pc package, or a "robot" to emulate and integrate the actions of a person's interacting RPA robots utilizes the program to capture information and manipulate applications rather than humans do. They interpret, trigger responses, and communicate with different systems to perform on a colossal style of repetitive tasks. Solely considerably better: associate degree RPA package golem ne'er sleeps and makes zero mistakes. (UiPath Inc) the general public has already had expertise with RPA while not knowing it.as an example, machine-driven non-public messages generally appear on Facebook, whereas a visitant is browsing a brand's page. These messages are pre-programmed robots designed to answer queries in traveler while not involving human workers. RPA permits customers to induce the answers they have additional quickly, whereas releasing up time for human workers.

Now, humans will tackle tougher issues additional nuanced than a larva might handle, distributing the work and serving the client as with efficiency as attainable (Noelle, C.2019) Once in an exceedingly whereas, there comes a technology that disrupts however things area unit "usually done" in an exceedingly business. When the economic Revolution and therefore the producing Revolution, we tend to area unit currently aiding the Robots Revolution (Sorin Anagnostou).



The robotic process automation market was valued at USD 1545.57 million in 2019 and is expected to reach USD 7940.97 million by 2025, at a CAGR of 26.34% over the forecast period 2020 - 2025. (www.mordorintelligence.com) The key industry sectors that are embracing RPA implementations include financial services & banking, utilities & telecommunications, retail & commercial, and health care & insurance. The market opportunity for RPA will be largest in Europe during the forecast period, with the Asia Pacific and North America not far behind. (www.tractica.com)

Application of Robotic Process Automation (RPA)

Industry	Usage
Healthcare	<ul style="list-style-type: none"> • Patient registration • Billing
HR	<ul style="list-style-type: none"> • New employee joining formalities • Payroll process • Hiring shortlisted candidates
Insurance	<ul style="list-style-type: none"> • Claims Processing & Clearance • Premium Information
Manufacturing & Retail	<ul style="list-style-type: none"> • Bills of material • Calculation of Sales
Telecom	<ul style="list-style-type: none"> • Service Order Management • Quality Reporting
Travel & Logistic	<ul style="list-style-type: none"> • Ticket booking • Passenger Details • Accounting
Banking and Financial Services	<ul style="list-style-type: none"> • Cards activation • Frauds claims • Discovery
Government	<ul style="list-style-type: none"> • Change of Address • License Renewal
Infrastructure	<ul style="list-style-type: none"> • Issues Processing • Account setup and communication

Source: <https://www.guru99.com/>

Advantages of Robotic Process Automation (RPA) (Cutura Sascha 2019)

Lower costs: in step with a survey by Accenture, RPA offers the potential to decrease costs by up to 80 percent.

Faster speeds: an equivalent survey conjointly found that RPA agents will create tasks and processes between 80 and 90 percent quicker.

Better scalability: victimization RPA agents to take care of surges in client activity is far easier, quicker, and additional scalable than hiring new staff.

Increased accuracy: RPA removes the potential for human error from the equation, creating results additional correct and predictable.

Improved compliance: several monetary services firms face business laws like the Sarbanes-Oxley Act. Victimization RPA makes it easier to document and log your processes to prove compliance.

Robotic Process Automation in Banking Sector

Robotics in banking is outlined because of the use of robotic method automation software system like UiPath, Automation anyplace, or Blue Prism, to put in desktop and end-user device-level software system robots, or human-made intelligence men, or assistants to assist method banking work that's repetitive. Once established and enforced, banking robots head of a mouse and keyboard actions like gap applications, clicking, repetition and pasting data from one banking industry to a different, causation These robots work on the individual information field level associated act kind of like a surpass macro across banking software system systems (Wilds, C. 2019).

The Below-Mentioned Processes are Suitable for Robotic Process Automation in Banking Industries (www.fita.in)

- Account origination
- Account receivable
- Account payable
- Deposit processing
- Mortgage processing
- Surrenders
- Loan processing

- Lapse
- Underwriter support
- Collections
- Customer service
- Investment processing
- Cheque processing
- Employee onboarding and off-boarding
- Billing
- Service desk

Benefits of Robotic Process Automation in Banking

Ever since RPA's introduction to the financial world, it has become a force to be reckoned with. The virtual workforce has successfully helped banks minimize and in many cases, eliminate human intervention to a large extent in the execution of earlier human labor heavy tasks (Neetika 2019) the financial benefits of robotics in banking are matched by the improvement it yields in both back-office processes and the customer experience. In short, banks can save money on labor - while doing more with less with RPA (Wilds 2019).

Enhancing Operational Efficiency

Banking is prime to human society and conjointly to each business. Associate in the Nursing economical industry refers to the economic management of society's hard-earned cash. Of course, RPA demands some coaching within the initial phases and comprehensive infrastructure. But, because it is checked out as a property resolution, once the initial diligence and investment area unit in situ, it improves practical potency among the primary year of implementation. (RPA Solutions for Banks 2019).

Fraud Detection

Fraudulent activities are among the primary concerns of banking institutions. They are highly vulnerable to a breach of security and cyber attacks. RPA help banks in maintaining sophisticated levels of security that are durable and reliable (North, R 2019) In an automated system, frauds are detected and exposed more efficiently than human findings(www.nelito.com)

Know Your Customer

Banks & Financial Institutions require customers to provide information about themselves and their financials through a multitude of channels (Web Site, Physical forms, Mobile platforms, Third-party platforms, etc.) (www.accelerate.com)

Consistency

Robotics may be a safe, non-invasive technology that doesn't interfere with the inherent systems and provides excellent consistency in performing arts the activities across the board, anytime and each time. (Team 2019).

Lower Operational Risk

By eliminating human errors such as tiredness or lack of knowledge, RPA reduces the rate of errors, thereby providing a lower level of operational risk. (Prov International).

Improves Work Quality

Automation aims to reduce errors by eliminating human touchpoints and judgment for routine activities across the banking value chain. (Accenture Banking & Narayan Nallicheri 2019).

Single View System

Legacy system integration reduces manual work of verifying information from multiple systems and keep them updated (<https://automationedge.com>).

Intelligent Data

Context-aware knowledge may be enforced to realize higher & quicker results, this type of automation can fulfill knowledge and regulative gaps while no manual intervention (Back to Our Thinking 2019).

Loans & Mortgage

Boost the potency of your loaning method, whereas reducing dealing prices. Create quicker and knowing selections, whereas up client engagement and generating revenue. Datamatics loan management solutions offer integrated method management, workflow analytics, and quality solutions (Datamatics world Services) Personal Loans, Home Loans, Vehicle Loans, Gold Loans, Term Loans, Agricultural Loans, and MasterCard.

Core Banking Operations

Several automation technologies, when introduced as a part of BPA, is changing different aspects of back-office banking operations such as customer data updates, verification, documentation, accounting reconciliation, and more. (North, R. 2019)

Robotic Process Automation is the Preferred Solution for the Challenges Faced by the Banking Industry (Total E Biz Solutions. 2019)



Source: www.totalebizsolutions.com

Conclusion

The Robotic Process Automation technology is beneficial to many industries. Robotic Process Automation (RPA) is fast emerging as a highly efficient way to help banking and financial institutions support their digital transformation initiatives. Robotic Process Automation helps as reduced error rates, saves labor costs and operational efficiency, accuracy, and improved efficiency for significant growth in the banking sector. Robotic Process Automation is already being implemented in many banks of the world. Hence we can conclude that Robotic Process Automation is an emerging tool for the banking sector. The paper provides several directions for further studies in this focus area of challenges, adoption, and impact on a potentially beneficial Robotic Process Automation technology.

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