

THE FUTURE IMPACT OF CLOUD BANKING

¹ Mrs. S. Kavitha, ² Ms. K. Vinodini, ³ Ms. B. Rekha

¹ Research Scholar, ² II M.Com, ³ II M.Com

¹ Department of Commerce,

¹ St. Joseph's college of Arts and Science for Women, Sipcot, Hosur-635 126

Abstract : The cloud banking is a paradigm shift from traditional banking to internet banking by which infinite computing capabilities and resources such as servers, storage, networks, applications and services are delivered as service to customers through internet. Cloud economics is attractive and closely related with financial service organisations. Cloud banking system provides facilities for users to develop, deploy and manage their applications on the cloud as well as co-operate with current economic uncertainties, interconnected global financial system and growing customer demands.

Though the financial service firms can be benefited from cloud computing like perceived cost savings, ease of scaling in and scaling out, faster time –to- market for deploying systems, computerisation of enterprise wide data as service, standardisation of technology, customer satisfaction and mobility of service, they have to meet the challenges like security and confidentiality of using cloud technologies in banking sector. Future of cloud computing has created an excitement around the world. But there is a fear of cloud security too. With the increase in advance security layers in storage area, enterprise could achieve the confidence to use it and it could pave a path of having the data in one plat form.

Index Terms- Time saving, Easy retrieval of data, Mobility of service, Cost benefit and management of applications.

I. INTRODUCTION

Cloud banking is the most advanced technology in the field of information technology which provides electronic banking services to provide time saving, pay per use, quality of service and anywhere banking services. The tremendous development in the field of telecommunication and IT infrastructure provides a platform for cloud banking with flexibility, scalability, any time access and cost effectiveness. It would definitely be the fastest growing technology in the upcoming years. The cloud banking can help the financial institutions in number of ways.

- It reduces the capital expenditure and they can adopt pay per use basis.
- Data protection and disaster recovery could be done in cloud computing services.
- It delivers the increased performance that empower the banking industry to automate and manage the process

II REVIEW OF LITERATURE

Anurag Bejju (2014)¹. Studied on “Cloud Computing for Banking and Investment Services”, He analysed the overview and models of cloud computing. He concluded the security concerns and stealing of data are the challenges in cloud banking.

Najla Niazmand (2015)². Conducted a research on “The impact of Cloud Computing in the banking industry resources”, analysed the cost benefits, business process improvement, compared cost of capital and used based billing.

III OBJECTIVES

1. To gain the knowledge on problems and benefits of cloud computing
2. To overcome the problems in cloud banking system
3. To predict the future of cloud banking services in banking sector.

3.1 RESEARCH DESIGN

It is the conceptual structure with in which research is conducted. A research design is the arrangement of conditions and analysis of data in a manner the aim to combine relevance to the research purpose with economy procedure. The descriptive research design is used.

3.2 DATA COLLECTION

The data collected by the research were based on secondary data. Secondary data are collected through the company records, books, journals, magazines and internet.

IV 4.1 TYPES OF CLOUD COMPUTING

4.1.1 PUBLIC CLOUD

It is available over the internet to everyone and is governed by an organization. It provides the scalability, highly reliable and cost effective.

Ex: Amazon EC2, Microsoft Azure and Google App Engine.

4.1.2 PRIVATE CLOUD

It is accessible only to trusted users of an organization. It can be managed either by organization or by cloud provider. The information technology team should invest in buying and managing cloud computing.

4.1.3 COMMUNITY CLOUD

It is accessible to the members of a larger community. It can be managed by internal persons or by third party. It is controlled by group of shared organizations.

4.1.4 HYBRID CLOUD

It is the mixture of two or more clouds such as private, public or community

4.2 IMPACT OF CLOUD BANKING IN THE YEAR 2018

According to Gartner, the public cloud services market in India is projected to grow 38% in 2017 to touch \$1.81 billion. The highest growth will continue to be driven by infrastructure as a service (IaaS) which is projected to grow at 49.2% in 2017, followed by 33% in software as a service (SaaS) and 32.1% in platform as a service (PaaS).

In India, many large enterprises have started using IaaS and focus mainly on the partner-based model and have partnered with many global and Indian independent software vendors to offer our solutions". Apart from this, Google has added a new service called Cloud Spanner at its Mumbai region. According to Google, Cloud Spanner helps in database administration and management and makes application development more efficient. Customers benefit from cost savings, with lower latency and a consistent, unified, global view. The technology major also believes that with more adoption of cloud there is a need for skilled talent in the country. It has collaborated with Coursera, a leading global online education platform, to launch a series of on-demand Google Cloud Platform training offerings that will also help in growth of cloud services in the country.

4.3 FUTURE OF CLOUD BANKING

The cloud banking simplified IT infrastructure and management, easy access from anywhere and anytime in the world with cost efficiencies, it could bring out the bright future for the banking environment and improve the innovative services in a single platform. The previous studies states that 60% - 70% of the concerns will adopt cloud computing in upcoming years and it could save the time and cost of the organization.

4.4 BENEFITS OF CLOUD BANKING

4.4.1 SECURITY

Customer's information is to be highly secured and this cloud system provides high level of data protection. It is more beneficial for the banks as the data security is the top priority for the banks.

4.4.2 REDUCTION OF COST

Helps the banks to reduce their huge investment for the purchase of costly hardware and software, reduce the operational cost, unnecessary capital expenditure, etc. This helps the banks to focus on budgets for growing the business by innovation and customer satisfaction.

4.4.3 BUSINESS CONTINUITY

A higher level of data protection, redundancy, disaster recovery and backup helps the banks to continue their work even in event of disaster of data.

4.4.4 SCALABILITY

Scalability is important as mergers and acquisitions are very frequent in the banks. Resources can be scaled up and down as per the requirements. With the help of cloud computing the banks can meet the customers demand immediately.

4.4.5 ANYTIME AND ANYWHERE ACCESS

The bank customers can access their bank account from anywhere and at any time. They can easily transfer money, make payments, check their account details, etc.

4.5 OPPORTUNITIES

There are many possibilities for increasing security such as Kerberos authentication servers, VPN systems, firewall and virtualization.

4.5.1 KERBEROS AUTHENTICATION SERVERS

The most powerful and widely used authentication service. It allows user to communicate on network to disclose their identity and to authenticate, preventing Iniiilor listening situations. It performs data security through encryption. It is an authentication protocol based on trusted authority called trusted third party. It works by providing the service vouchers or user, which is used for identification, and cryptography keys required for secure communication network. It is an inexpensive option, but ensures higher level of security.

4.5.2 FIREWALL

It is also known as BRIDGE SECURITY. It requires access controls police between two networks. It is implemented for network configuration. Firewall is a mechanism used to protect a trusted network from the point of view of security insecure.

VPNaaS

Virtual private network as a service is a solution of different market requirement.

1. OPC – IP Network and DIPC Instance Check
2. OPC – Provision a VPN Connection under VPNaaS
3. On-Premises – Create and Configure On-Premises Third-Party VPN Device
4. OPC and On-Premises – Verify Tunnel Status is Up
5. OPC and On-Premises – Verify VPN Connection

4.5.3 VIRTUALIZATION

It is as software that separates physical infrastructures to create various dedicated resource.

4.6 CHALLENGES

4.6.1 SECURITY

The confidentiality and security of financial and personal data and mission- critical applications is paramount. Banks could not afford the risk of a security breach. Currently, the cloud industry lacks comprehensive guidance on security measures relating to personal and financial data.

4...6.2 PRIVILEGED USER ACCESS

There resides sensitive data that is processed outside the organization inherent risk of security of data because outsourced services by pass the "physical and logical IT controls".

4.6.3 DATA LOCATION

When users use the cloud, they have no knowledge about the hosted data. Distributed data storage is a main reason of cloud providers which can cause lack of control and which is risky for customers.

4.6.4 DATA SEGREGATION

Cloud is typically in a share environment in that data can be shared. It may result in the risk for data loss.

4.6.5 DIFFICULT TO RECOVER

It is very essentials to recover the data when some problem occurs and creates failure. So the main question arises here is that can cloud provider restore data completely, this issue can cause a stalemate in security.

4.6.6 DIFFICULT TO INVESTIGATE

Cloud services are especially difficult to investigate, because logging and data for multiple customers may be co-located and may also be spread across and ever-changing set of hosts and data centre.

4.6.7 REGULATORY COMPLIANCE

Customers are ultimately responsible for the security and integrity of their own data, even when it is held by a service provider. Many banking regulators require that financial data for banking customers stay in their home country. Certain compliance regulation requires that the data does not get intermixed with other data, on shared servers or databases. As a result, banks must have a clear understanding of where their data resides in the cloud.

4.7 HOW TO OVERCOME THE PROBLEMS IN CLOUD BANKING

4.7.1 CONSULTATION WITH EXPERTS

The banks can consult the experts for the maximum or optimal utilization of resource of cloud and ensure high level of security. Top priority is given for the security of data by the banks so it's better to consult experts and ensure a maximum security and protect data.

4.7.2 USE OF CLOUD TYPE

There are various types of cloud deployment models which can be used as per the requirements. The banks can use private clouds for the data which is to be highly secured and kept confidential as it is more secured when compare to other clouds like public and hybrid clouds.

4.7.3 LOCATION OF DATA

Data storage distributed can lead to lack of control and it can be risky for the customers. Users when use the cloud, have no knowledge about hosted data means they should be very careful and data should be properly located.

V CONCLUSION

Cloud banking is the latest and fastest growing service of Information technology. It offers the tremendous benefits, especially pay-per-use and saves the precious time, simple to acquire and scale up or down. Though there is security issues connected with cloud banking, there are many possibilities for increasing securities too. From the above study it is concluded that it is suitable for institutions and other persons to maintain their accounts in one platform.

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