A STUDY ON BLOCK CHAIN TECHNOLOGY WITH SPECIAL REFERENCE TO BANKING AND MARKETING SECTOR.

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ABSTRACT:

A block chain is a data structure that makes it possible to create a digital ledger of transactions and share it amongst a distributed network of computers. It uses cryptography to allow each participant on the network to manipulate the ledger in a secure way without the need for a central authority. Nowadays the talk of the business world is the Block chain technology, it is allowing the businesses to verify financial transactions on a network instantaneously without any central authority. Traditional Banking systems was dependent on the central authority or the middleman for making or enabling any payments. The block chain technology allows a distributed network of computers to reach consensus without the requirement of the middleman. In the field of marketing also the momentum of block chain is highly increasing in order to monitor the advertisements, payments and many more. Bitcoin is also touched upon in order to link with block chain technology. Block chain technology is widely considered to be a disruptive force in the financial services industry as it allows for the secure recording, storing and transferring of data, which makes it an ideal technology to make operational processes safer and more efficient.

Keywords: Block Chain, Banking, Marketing, Bitcoins.

[1] INTRODUCTION
Block chain is one of the buzzword in the modern business world. A block chain is the structure of data that represents a financial ledger entry, or a record of a transaction. Each transaction is digitally signed to ensure its authenticity and that no one tampers with it, so the ledger itself and the existing transactions within it are assumed to be of high integrity. The largest example of block chain in use, is the bitcoin which employs an anonymous public ledger in which anyone can participate. This paper focuses on block chain technology in the field of banking and marketing and it also talks about the challenges in use of block chain technology in India in the field of banking and marketing.

**Benefits of Block Chain Technology**

1. The lack of a requirement for a central authority makes it an ideal ledger and settlement solution for joint ventures and affiliate relationships that are generally made on an equal or 50/50 footing without a provision for an arbitrator or manager. Indeed, having the computers verify transactions and settle them eliminates the need for clearinghouses and other settlement agents, providing disintermediation in a business arrangement and generally reducing costs while improving the speed at which transactions can be made, verified, settled, and recorded.
   - Transparency: block chain provides provenance, traceability and transparency of transactions.
   - Control: access to permission networks is restricted to identified users
   - Security: the digital ledger cannot be altered or tampered with once the data is entered. Fraud is less likely and easier to spot
   - Real-time information: when information is updated, it’s updated for everyone in the network at the same time
   - Block chain technology provides clear and transparent information about transactions making errors easier to detect.
   - With an objective to provide the impetus towards accelerating the adoption of effective, efficient, and innovative Block chain Technology in all possible classes and verticals of the organizations and thereby creating a conducive environment for its fairly growth and development in India,

**REVIEW OF LITERATURE**

1. Andrew Medal, Serial Entrepreneur, Nov. 2017: How Block chain is creating a new future for Digital Marketing?.
2. Chris Huls, & Will Taylor, Fintech Network, Four Bloch chain use cases for Banks. The article describes the four cases that can be used in the banks by the use of block chain technology and finally concludes with the challenges to be faced.
5. Hochstein, M., 2015, Jan 29. The Crypto currency that Dares Not Speak Its Name. American Banker (15). The author articulates how the Federal Reserve's white paper considers Bit coin as a potential for real-time payments in the banking system. The new currency will lose the features of Bit coin and will be similar to fiat currency except for its virtual existence.

6. Burnett, John, 2015. The New Currency Dilemma., U.S. News Digital Weekly 2/6/2015, p16-16 The literature discusses virtual currency, an innovation from the high-tech world, which allows people in the U.S. and the rest of the world to send money instantly without banks, credit card companies or other financial intermediaries.


8. Institute of Economic Studies, Faculty of Social Sciences, Charles University in Prague, Opletalova 26, 110 00, spoke about the use of block chain technology in the field of marketing and digital marketing, it talks about the way block chain technology helps in marketing and also by reducing the administrative costs involved.

OBJECTIVES OF THE STUDY:

1. To know about the evolution and advantages of block chain technology.

2. To know the impact of Block chain technology in the field of banking and marketing.

ROLE OF BLOCK CHAIN TECHNOLOGY IN THE FIELD OF MARKETING:

- Block chain technology helps in Verify engagement with or performance of any ads delivered. Prevent the same ad from being over served to anyone, and ensure optimal frequency.

- Pay publishers, tech companies, agencies, contractors, and others who should be compensated for the creation, delivery, or performance of the ad. Pay consumers for use of their implicit data, such as behavioral or psychographic data.

- Give a consumer a transparent look at how his or her data has been used by the advertiser. Give consumers insight into how the marketer is using data in aggregate.

- Pay consumers for use of their content that they have already created, such as photos or videos of a brand. It also rewards consumers for contributing new content to an advertiser's campaign.

- Verify that influencers are really influencers, and that they meet the marketer's criteria. Validate email delivery, and track the exchange of messages between marketers and their target audiences.
BLOCK CHAIN TECHNOLOGY IN THE AREA OF BANKING

Reserve Bank of India (RBI) has been closely monitoring developments related to Block chain technology. In July 2016, Institute for Development and Research in Banking Technology (IDRBT) the technology research arm of RBI) took the initiative of exploring the applicability of Block chain to the Indian Banking and Financial Industry. Major banks like SBI, ICICI, Deloitte, KPMG, Deloitte got involved in bringing out a working paper on use of Block chain technology in banking sector, the study concluded with this note that block chain technology has certain advantages like cost savings, efficiency and transparency. RBI in the year 2016 said that it is time for adoption of block chain technology for core banking processes in the country. Axis, ICICI and yes bank have started to adopt in 2016.

The following is the role of block chain technology in the Banking Sector.

**Reducing Banking Frauds:** By building new banking systems on top of block chain technology, the chance for fraud and data theft can be reduced substantially as the distributed ledger technology secures records; it stores, encrypts and verifies every single bit of data in a transaction. Therefore, should any data breach or fraudulent activity occur, it would be made immediately obvious to all parties who have permission to access the transaction data on the ledger.

**KYC Norms will become easier:** KYC procedures have become increasingly important in the banking industry as regulators are keeping a very close eye on who banks are doing business with to avoid potential money laundering or terrorist financing. The KYC statements can be stored on a distributed ledger. He believes that when a bank has verified a new client, they can put the client's data on a block chain that can then also be accessed by other banks and accredited organizations, such as insurers or loan providers, without the need for the KYC process to be started all over again by each individual party. These parties would know that the client's information has been independently audited and verified so that no further KYC checks are necessary. This, in turn, would substantially reduce administrative costs in compliance departments.

**Trading Platforms:** The trading platforms using Distributed Ledger Technology, The risks of fraud and operational errors would also be drastically reduced as the block chain would make the securities-trading process transparent, secure and immutable. This, in turn, would create a clear audit trail of all historical trades, which would provide assurance for the authenticity of all transactions. The trading will take place with the help of a digital token which will act as a certificate of authenticity.

**Payments:** Block chain could be used as a new way for institutions and their clients to pay each other that does not depend on SWIFT or other payment schemes. By conducting payments between banks themselves as well as with the customers using block chain technology, banks would be able to save a substantial amount on costs as well as improve the safety and speed of domestic as well as cross-border payments. Thus block chain can be used to make payments in real-time globally, with real-time execution, complete transparency, real-time fraud analysis and prevention and also at a reasonable cost.
Challenges in Adoption of Block chain technology In Indian Scenario

- Lack of alignment with the Banking Industry.
- New Rules and regulations.
- Educating the Masses of the huge population.
- Privacy concerns
- Regulatory uncertainties’ (RBI has just nodded)

[6] CONCLUSION

The interest around Block chain in India needs to be taken to the next level where we see more pilots and production ready applications. With government bodies, consultancy firms, technology giants, and start-ups coming together on multiple platforms, there are lot of exciting days ahead for Block chain in India. With Promises of smart contracts, global and secure payment systems token based communities and transparent record keeping, block chains are hot and attractive. Block chain technology is just not able digital currency but it is much more than that which Will take marketing to a different level.

REFERENCES

[10] Twenty seven ways marketers can use Block Chain technology (2016), Adage India.