

Information Technology in Banking Sector

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Abstract: Electronic banking is usually an addition of customary banking, using the internet as an E-delivery channel for banking goods and services. The banking today is redefined and re-engineered with the use of IT and it is sure that the future of banking will suggest more complicated services to customers with continuous product and process innovations. Thus there is a pattern alter from seller's market to buyer's market. So, banks also modify their approach from "Conventional Banking to Convenience Banking" and "Mass banking to Class Banking". The study examines different related issues to the role of IT in banking and recommends ensuring privacy and confidentiality of data's, execute IT and other Cyber laws properly. This will ensure the developmental role of IT in the banking business.

Keywords: e-Banking, Services, Innovation, Challenges.

INTRODUCTION

The Indian financial businesses are additionally attempting to awaken from rest and become positive till 1990, the Indian banks have been working in an exceptionally simple and secured environment. In any case, from that point forward they have been squeezed into extreme rivalry because of adjusted monetary strategies.



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The innovation is energizing the opposition in the financial area. Generally, banks have been utilizing innovation to improve their items and proficiency. Today, innovation isn't just changing the climate yet additionally the relationship with clients. Innovation has not broken heaps of boundaries yet has likewise achieved prevalent items and channels. This has brought client relationships into a more noteworthy core interest. It is additionally seen as an instrument of cost decrease and compelling correspondence with individuals and foundations related to the financial business. The RBI has appointed a need to the up degree of innovative foundation in the monetary framework. Innovation has opened new items and administrations, new markets and effective conveyance channels for the banking industry. IT additionally gives the system to banking industry to address difficulties in the present serious climate. IT empowers to reduce the expense of worldwide asset move.

IT alludes to preparing, putting away and moving data. It utilizes PCs, electronic gadgets, for example, phones, cell phones, fax machines and so on and media transmission organization. IT has resisted every single topographical limit. Data Technology empowers complex item improvement, better market framework, usage of solid procedures for control of dangers and encourages the monetary mediators to arrive at geologically far off and broadened markets. Web has fundamentally affected conveyance channels of the banks. The web has arisen as a significant mechanism for conveyance of banking items and administrations.

The clients can see the records; get account explanations, move assets and buy drafts by punching on a couple of keys. The savvy card's i.e., cards with microchip chip have added new measurements to the situation. In a presentation of "CyberCash" the trading of money happens completely through "Cyber-books". Assortment of Electricity bills and phone bills has gotten simple. The upgradeability and adaptability of web innovation after remarkable open doors for the banks to connect with its clients. Most likely financial administrations have gone through extraordinary changes thus additionally the desire for clients from the banks has expanded more noteworthy.

IT is progressively moving from a back office capacity to a prime associate in expanding the estimation of a bank over the long haul. IT does as such by augmenting banks of supportive of dynamic estimates, for example, fortifying and normalizing banks foundation in regard of security, correspondence and systems administration, accomplishing bury branch availability, moving towards Real-Time net settlement (RTGS) climate the gauging of liquidity by building continuous information bases, utilization of Magnetic Ink Character Recognition and Imaging innovation for check demonstrating to innocence a couple. Indian banks are going

for the retail banking incredibly. The vital driver to charge has to a great extent been the expanding refinement in innovation and the developing fame of the Internet. The move from conventional banking to e-banking is changing client's desires.

E-BANKING

Electronic banking is for the most part an augmentation of customary banking, utilizing the web as an electric conveyance channel for banking items and administrations. E-banking is a scope of banking administrations that uses electronic gear and incorporates Telephone banking, Net Banking, ATM, Debit/Credit Card. EFT, AFT and so on Numerous banks have modernized their administrations with the offices of PC and electronic types of gear. The hardware upheaval has made it conceivable to give simplicity and adaptability in financial tasks to the advantage of the client. The e-banking has made the client bid farewell to enormous record registers and huge paper financial balances.

The utilization of ATM's lead to the idea of "anyplace" and "whenever" banking. Using ATM cards, one can work his ledger to pull out cash from any of the bank's ATM introduced or accessible at the closest site. This had separated the time and apace obstructions. The new banks giving a portion of the administrations solely through ATM's. The developing prevalence of PCs, simple admittance to web and World Wide Web (WWW), has expanded the utilization of web by banks as a channel for accepting guidelines and furthermore conveying their items and administrations to the clients This is for the most part alluded to as "Web Banking" are Net Banking. This is one of the more up to date shapes e-banking which is picking up ubiquity. Cycle of E-banking begins with opening the site and finishes with making the installment.

BENEFITS OF E-BANKING:

To the Customer:

- Anywhere Banking regardless of any place the client is on the planet. Equilibrium enquiry, demand for administrations, giving directions and so forth, from anyplace on the planet is conceivable.
- Anytime Banking – Managing assets progressively and in particular, 24 hours every day, 7days per week as indicated by comfort of the clients.
- Brings down "Cost of Banking" to the client throughout some stretch of time.
- Cash withdrawal from any branch/ATM. On-line acquisition of products and enterprises including on the web installment for the equivalent.

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To the Bank:

- ✓ Innovative, conspire, addresses rivalry and present the bank as innovation driven in the financial area market.
- ✓ Reduces client visits to the branch and in this way human mediation. Between branch compromise is prompt in this way lessening odds of extortion and misappropriation.
- ✓ On-line banking is a powerful mode of advancement of different plans of the bank, an advertising apparatus in reality. Incorporated client information clears route for individualized and modified administrations.

Impact of IT on Banking System

The financial framework is gradually moving from the Traditional Banking towards relationship banking. Generally the connection between the bank and its clients has been on a one tone level by means of the branch organization. This was placed into activity with clearing and dynamic duties gathered at the individual branch level. The administrative center had duty regarding the general clearing organization, the size of the branch organization and the preparation of staff in the branch organization. The bank observed the association's presentation and set the dynamic boundaries, however the data accessible to both branch staff and their clients was restricted to one geological area.

The cutting edge bank can't depend on its branch network alone. Clients are presently requesting new, more helpful, conveyance frameworks, and administrations, for example, Internet banking have a double part to the client. They give conventional financial administrations, yet furthermore offer a lot more noteworthy admittance to data for them status and on the bank's numerous different administrations.

To do these banks need to make account data layers, which can be gotten to both by the bank staff just as by the clients themselves. The utilization of intuitive electronic connections through the Internet could go far in furnishing the clients with more prominent degree of data about both their own monetary circumstance and about the administrations offered by the bank.

Impact of IT on Privacy

Information being put away in the PCs is presently being shown when needed on through web banking portable banking, ATM's and so forth this has offered ascend to the issues of protection and privately of information are:

The information handling abilities of the PC, especially the quick throughput, coordination, and recovery capacities, offer ascent to questions in the psyches of people with regards to whether the protection of the people is being disintegrated.

Insofar as the individual information things are accessible just to those straightforwardly concerned, all that is by all accounts in an appropriate spot, however the frequency of information being cross-referred to make point by point singular dossiers offers ascend to protection issues. Clients feel undermined about the insufficiency of protection being kept up by the saves money as to their exchanges and connection at modernized frameworks with doubt.

CHALLENGES

It has not been a going great for banks quick to hop onto the IT temporary fad. There have been obstructions in the way like the determination once appeared by profession associations who felt that IT could end up being a danger to make sure about work, Further.

The banks face trouble to grow their branch networks in far-off territories because of the absence of offices. Other difficulties the banks have needed to confront corners the powerlessness of banks to hold the prepared and skilled faculty, particularly those with decent information.

Expanding utilized of IT in banks has likewise raised security concerns. The death of the IT Act has come as an aid to the financial area and banks should now guarantee to stand carefully by its contracts. An exertion should be likewise made to cover e-business in the country shopper's laws.

The decision of right channel, avocation of IT venture on ROI, E-Governance divulgences, clients relationship the executives, infiltration of IT in rustic territories, reevaluating of IT activities are the significant difficulties and issues in the utilization of IT in financial tasks.

FUTURE OUTLOOK IN INDIA

The Indian banks fall a long way behind the global banks in giving internet banking. Indeed, this is absurd without making an adequate foundation or presence of an adequate number of clients. The experience of ICICI Bank Ltd. also, HDFC Bank Ltd. This shows that the number of exchanges did on the NET are exceptionally restricted. Innovation will hold the way to the eventual fate of banking.

Banking accomplishments impractical without IT upheaval. So banks should attempt to discover the trigger of progress. The methodology of the IT idea to the country territory may

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likewise be received. An ever increasing number of provincial dialects software's could be acquainted withdraw in an ever-increasing number of individuals from country territory moreover. The excess labor produced by its utilization should be utilized for showcasing new plans of the banks.

RECONMENTATIONS

- ✓ E-banks ought to produce awareness among folks concerning e-banking merchandise and services. Customers ought to be created literate concerning the utilization of e-banking merchandise and services.
- ✓ Special arrangements ought to be created by banks to confirm full security of client funds. Technical defaults ought to be avoided by using well trained and knowledgeable technicians in field of computers, in order that loss of knowledge is avoided.
- ✓ Employees of banks ought to incline special technical coaching for the utilization of e-banking in order that they'll any encourages customers to use constant.
- ✓ Seminars and workshops ought to be unionized on the healthy usage of e-banking particularly for those that are ATM or laptop illiterate.
- ✓ E-banking services ought to be custom-built on basis archaic, gender, occupation etc in order that desires and needs of individuals are met consequently.

CONCLUSION

IT has no uncertainty changes the general example of banking framework. The financial today is re-imagined and re-designed with the utilization of IT and it is certain that the fate of banking will offer more complex administrations to clients with the ceaseless item and cycle advancements. In this way, there is a change in outlook from the seller's market to buyers market. So banks likewise change their methodology from "Regular Banking to Convenience Banking" and "Mass banking to Class Banking". So banks are currently more focused on offering some benefit added administrations to clients. Yet, IT can be completely helpful simply in the event that they empower to address the difficulties in the current climate. In India it tends to be effective just in the event that it is appropriately actualized in rustic zones too. There is additionally a need to keep up the security and privacy of data's. Numerous countries consider protection to be a subject of common freedom and believe it to be the duty of the individuals who worried about PC information handling for guaranteeing that the PC use doesn't spin to the stage where

diverse information about individuals can be gathered, incorporated and recovered rapidly. Another significant obligation is to guarantee the information is utilized distinctly for the reason proposed. For this, there is a need to execute IT and other Cyber laws appropriately. This will guarantee the formative part of IT in the financial business.

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