

## IMPACT OF INFORMATION TECHNOLOGY IN BANKING SECTOR IN INDIA

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### 1. Abstract

*The most important of all is in the area of banking business. Its traditional banking has to do with the acceptance of customer deposits, loans of surplus money deposited to the right customers who wish to borrow and transfer funds. Apart from the traditional business, banks now offer a wide range of services to meet financial and nonfinancial all types of customers account holder smallest to the largest of the company and in some cases customers are not. The range of services differs from one bank to another, depending mainly on the type and size of the bank.*

**Keywords:** *ICT hierarchy, plastic money, Mobile Banking, NRI Services, E-Banking, Rural Banking*

### 2. Overview of Information Technology

Information technology (IT) is the application of computers and tele-communications equipment to store, retrieve, transmit and manipulate data, often in the context of a business or other enterprise. IT is considered a subset of information and communications technology (ICT). In 2012, Zuppo proposed an ICT hierarchy where each hierarchy level "contain some degree of commonality in that they are related to technologies that facilitate the transfer of information and various types of electronically mediated communications.". Business/IT was one level of the ICT hierarchy. The term is commonly used as a synonym for computers and computer networks, but it also encompasses other information distribution technologies such as television and telephones. Several industries are associated with information technology, including computer hardware, software, electronics, semiconductors, internet, telecom equipment, engineering, healthcare, e-commerce and computer services.

Humans have been storing, retrieving, manipulating and communicating information since the Sumerians in Mesopotamia developed writing in about 3000 BC, but the term information technology in its modern sense first appeared in a 1958 article published in the Harvard Business Review; authors Harold J. Leavitt and Thomas L. Whisler commented that "the new technology does not yet have a single established name. We shall call it information technology (IT)." Their definition consists of three categories: techniques for processing, the application of statistical and mathematical methods to decision-making, and the simulation of higher-order thinking through computer programs.

Based on the storage and processing technologies employed, it is possible to distinguish four distinct phases of IT development: pre-mechanical (3000 BC - 1450 AD), mechanical (1450-1840), electromechanical (1840-1940) and electronic (1940-present). This research work is focuses on the impact of Information Technolnging in Banking Sectors in India.

### **3. Information Technology and its impact in the Banking Sector**

Technology is revolutionizing all areas of human endeavor and activity. One is the introduction of information technology in the capital market. Internet banking is changing the banking industry and is having a significant impact on the banking relationship. Web is more important to financial services for many other industries. Retail banking in India is maturing with time, several products, which could be customized. Most of the industry is going home loan, which is witnessing a fierce competition. Housing loans are very popular as they help to make your fondest dream. Interest rates are falling and the market has seen some innovative products. Other retail banking are personal loans, student loans and car loans. Almost all banks and financial institutions are offering these products, but it is essential to understand the different aspects of these loan products, which are not mentioned in your ad colors.

#### **3.1. The plastic money**

The plastic money was a delightful gift for the Indian market. Taking a break from carrying too much cash. Now several new features added to plastic money to make it more attractive. Works on the purchase of formula now pay later. There are different cards made of plastic credit is money for all synonyms. Credit card is a financial instrument that can be used more than once to borrow money or buy products and services on credit. Banks, shops and other businesses generally issue these. On the basis of your credit limit, are of different types like the classical gold or silver. Cards, these defendants also lead to almost the same features of credit cards. The fundamental difference is that you can defer payment by generally have higher credit limits or sometimes without credit limits. Debit cards, this card can be characterized as mobile ATM account for this you have to take into account with any bank card credit offered. Over the years, the banking sector in India has been a no. of the changes. Most banks have begun to take an innovative approach to banking, with the aim of creating more value for customers and, consequently, the banks. Some of the significant changes in the banking sector are discussed below.

#### **3.2. Mobile Banking**

Taking advantage of the booming market for mobile phones and cell phone service, several banks have introduced mobile banking service enables customers to perform banking transactions using their mobile phones. For instances of HDFC has introduced SMS services. Mobile banking has been specially written for people who travel frequently and keep track of your banking.

#### **3.3. Rural Banking**

One of the innovative scheme to be launched in rural banking was the Kisan Credit Cards (KCC) SCHMME began in fiscal year 1998-1999 by NABARD. KCC easiest way for editors to buy farm inputs important. In addition to regulating agricultural loans, banks offer various

other products geared to the needs of the rural population. Private sector banks also realized the potential in the rural market. In early 2000, ICICI Bank began building Internet kiosks in rural areas of Tamil Nadu, along with ATMs.

#### 3.4. NRI Services

With a large number of relatives overseas Indians, banks have begun offering a service that enables Indian expatriates more convenient to send money to relatives in India, which is one of the major improvements in the transfer of money.

#### 3.5. E-Banking

E-banking is becoming increasingly popular among retail banking customers. E-Banking helps in reducing costs by providing cheaper and faster product delivery to customers. It also helps the customer to choose the time, place and method by which you want to use the services and implements the multi-channel delivery of service by the bank. This E-Banking is powered by two engines of "client-pull and push-Bank".

#### 4. Conclusion

The technology has been one of the most important factors for the development of humanity. Information and communication is important arrival in the field of technology that is used for accessing, processing, storage and dissemination of information electronically. Banking industry is growing rapidly with the use of technology in ATMs, online banking, telephone banking, mobile banking, etc, is a plastic card banking products to suit the needs of the retail segment has increased its numbers in geometric progression in recent years. This growth has been strongly supported by the development in the field of technology, without which this would not have been possible of course that will change our lifestyle in the coming years.

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