

Evaluation of Information Technology's Significance in the Banking Sector

Dr. Ashutosh Daga

Associate Professor, TPO and career Counselor, Department of Management Studies, Shrinathji Institute of Technology and Engineering, Upali oden, Nathdwara

ABSTRACT

The banking industry in India is highly essential and critical to the growth of the economy. Technology utilisation has led to increases in efficiency, production, and penetration. The banking industry has embraced technology as a way to service customers more quickly and efficiently. The banking sector has transformed from paper-based and branch-based banks to digital and networked financial services as a result of emerging technology. Contrary to earlier times, broadband internet is affordable and facilitates quick and simple data transport. All banks now use a different accounting and management system thanks to technology. Information technology is the use of computer technology and telecommunications infrastructure for the collection, processing, storage, and transmission of all forms of information. An integrated framework for purchasing and developing IT to accomplish strategic goals is known as information technology architecture. The usage of telebanking, ATMs, internet banking, mobile banking, and e-banking has made it feasible for the branches to operate on a 24 x 7 basis. The most effective and cost-effective way to reach the greatest number of customers is by using these technology-driven distribution channels. The appeal of these financial innovations is that they provide a win-win situation for both the bank and the consumer. Growth and progress are multiplied when technology is used effectively.

Key words: Internet-Banking Tele-Banking,

INTRODUCTION

It is challenging for any country, large or little, developed or underdeveloped, to remain insulated from what is occurring around them in light of the globalisation tendencies that are pervasive today. Such isolation is almost unattainable for a nation like India, one of the most promising rising markets. It is impossible to ignore global trends, especially in the field of information technology, where India has a distinct advantage over its rivals. The greatest consumer and user of information technology is the financial sector, and specifically the banking industry. This makes an effort to connect the global trends in it with the Indian banking sector.

The last group may comprise all international banks and newly founded private sector banks, all of whose operations have been entirely digitised. With these variances in information technology usage across Indian banks, it is important to consider both global trends in information technology and how Indian banks stack up against them. The view of banks toward IT upgrades is where the current essay begins. The significance of each trend in the IT industry on the state of Indian banks is then explored.

OBJECTIVES

The IT revolution has paved the way for a global rise in financial activity that has never before been seen. The price of international financial transfers has drastically decreased because to technological advancement and the growth of global networks. Information technology gives banks the ability to satisfy the high expectations of its clients, who are both more demanding and technologically aware than their predecessors from earlier generations. They desire immediate, round-the-clock, and mobile financial services. The primary goals of this essay are

This paper's major goal is to examine how information technology has been used in the banking industry.

- IT has been offering banks solutions to handle their accounting and back office needs.
- In order to offer extensive services to consumers, IT also makes it possible to introduce new delivery channels, such as Automated Teller Machines, Net Banking, and Mobile Banking.
- using IT can assist you overcome the obstacles brought on by the changes in the economy.

CONSIDERATIONS FOR INFORMATION TECHNOLOGY

Every Indian bank has made some sort of IT enhancement since the early 1990s. The most pressing requirement is the intense competition. The following realities are taken into account while choosing the IT architecture that is needed.

(1.) Meeting Internal Requirement: Depending on the kind and amount of business, the focus on a certain market niche, the distribution of branches, and other factors, each bank has a different set of internal needs. Banks frequently do have the necessary data, but it is dispersed. Rarely do the working units understand why their higher authorities are acquiring this information.

(2.) Effective data handling: As was already said, the banks contain the majority of the required data but it is dispersed. Furthermore, it would be excessively expensive to acquire and use the data. The method turns the timeliness and accuracy of data creation into causative factors. The best of computerization's goals are wished away since there is no discernible decrease in the cost, effort, or time needed for the necessary data collecting.

(3.) Extending Consumer Services: In light of the increased competition, it is important to address the growing customer demands. If bank A is unable to offer the requested service quickly, accurately, and at a price that is competitive. A bank IT department is constantly eager to employ the client next door. The issue of customer satisfaction has come into stark relief as a result of customers' awareness of the availability of services, their cost, and also alternative options.

(4.) Banks must now revitalise the product development process by providing innovative support for new product development. Marketing professionals require a lot of data from both internal and external sources of the banks. Banks are focusing their sales efforts on the retail sector as the future market. The key to doing this is having complete client information. In this context, it is crucial to address the growth of data requirements and an adequate architecture to serve them.

(5.) Development of Non-Technical Staff as End Users: Since banking is a service sector, the employees who work the counters supply the goods. Virtual banking in India will probably take a few more years to take off. There is no way around the need for counter employees. The bulk of the staff members are non-technical, and there are many of them. The final benefit of an IT offensive is determined by customer satisfaction levels at the counter. It is essential to give this issue careful thought when selecting an architectural style.

THE ADVANTAGES OF E-BANKING

Client:

Anywhere No matter where in the globe the consumer is, banking is available. It is possible to conduct balance inquiries, request services, issue orders, etc. from any location in the globe. Money management in real time and, most importantly, around-the-clock, every day of the week. Constantly, convenience provides a huge psychological advantage. internet shopping for products and services, which also includes making payments online.

Bank:

Innovative ideas, strategies that handle competition, and portrayals of the bank as being technology-driven in the banking industry lessens consumer trips to the branch and hence the need for human interaction. The instantaneous nature of inter-branch reconciliation lowers the likelihood of fraud and theft. Online banking is a powerful marketing tool that the bank may use to promote its numerous programmes. Individualized and tailored services are made possible by integrated client data.

CHALLENGES

Significant business obstacles:

- satisfy client expectations for the bank's services and facilities.
- customer loyalty.
- Maintaining the operational profit while managing the spread.
- maintaining and increasing the industry's present market share.
- competition from other banking industry firms.

Important Operational Challenges:

- Frequent difficulties with the technologies being employed, with an emphasis on upgrades in hardware and software, taking care of implementation concerns, and timely roll out.
- Managing business, security, and technological risks.
- efficient processes have been defined and put into place so that technology may be used to its maximum advantage.
- increasing the skill level of the nation's labour force.

CONCLUSION

The roughly 75% market share held by Indian public sector banks has seen some effort in the IT industry. There is a great deal of IT awareness and admiration. What is required is a "strong push," similar to the kind that was provided to expansionary operations after nationalisation. The banking industry has access to a lot of potential and open prospects because to information technology. It provides clients with timely, efficient, and cost-effective service delivery. Applications of IT in banks enable advanced product creation, dependable risk management methods, increase system transparency, and aid the banking industry in reaching globally dispersed and diverse markets. The financial, capital, and foreign currency markets are significantly impacted by IT and communication networking systems. Banks should establish appropriate policies, processes, and regulating mechanisms and should have a clear strategy that is led from the top to guarantee adequate management of the risks associated with online banking. The current structure must be regularly evaluated and modified as needed by policymakers and administrators.

REFERENCES

- [1] RadheshyamAcholiya, VarunKeshari "Benefits of IT in Banking Sector", Pioneer Journal, 2017.
- [2] Nishi Sharma," Applications of IT in banking sector", International Journal of Information Dissemination and Technology , April - June 2011 , Vol. - 1 , Issue – 2.
- [3] Hassan Ghaziri ,“Information technology in the banking sector : opportunities, threats and strategies”, Graduate School of Business and Management, American University of Beirut, 1998
- [4] Sharma, Abhinav Sharma, “Role of Information Technology in Indian Banking Sector”, International Journal in Multidisciplinary and Academic Research (SSIJMAR) Vol. 2, No. 1, January-February (ISSN 2278 – 5973)
- [5] Nair “Role of Information Technology in Banking Sector in India “, IBMRD's Journal of Management and Research, Print ISSN: 2277-7830, Online ISSN: 2348-5922 Volume-3, Issue-1, March 2014