"Importance of Information Technology" In Banking Sector and Various Services Provided By Bank through "Information Technology"

Dr.Mrs. Madhuri R. Shinde
Assistant Professor,
Smt. G.K.G. Kanya Mahavidyalaya, Jaysingpur
e-mail – madhurifeb66@rediffmail.com

Introduction:-

'IT' is an integral component of overall banking business re-engineering process. Banks on technology platform are now handling more new 'IT' products and services. 'IT' acts as a catalyst in bringing speed, efficiency and accuracy in handling various banking functions in present era as compared to past one decade. Use of 'IT' various products and services, enhance bank income and reduce bank expenditure. eg. used of ATM's, Mobile banking, Core banking. Since 1980, computer industry has made remarkable progress in India Banks invested heavily in technology because that will benefited them by improving their productivity profitability, and efficiency. Customers in banks not stand in a queue for getting basic services, they want services as early or as fast mode. So to fulfill demand of their customers banking industry in India is moving rapidly into information age, more precisely into era of E-banking.

The use of technology in banks has also brought up security concern. A wide range of services are being offered by banks using technology. e.g. Any Time Money (ATM), Debit Cards (DC), Credit Cards (CC), Real Time Gross Settlement National Electronic fund Transfer (NEFT), Core – Banking, Electronic Fund Transfer (EFT),
Mobile Banking, Telephone Banking. It gives customers to availability of 24 hrs., improved quality of services, online banking home banking, faster transactions, so customer received high level of satisfaction.

**Objectives of the study :-**

1) To know the role of 'IT' in progress of Banking Sector.
2) To know customers about various 'IT' products and services.

**Focus Area :-**

The research paper focus on benefits of 'IT' in banking business, and various 'IT' products and services offered by banks.

**Research Methodology :- (Sample Design)**

For this research paper researcher has selected 3 three public sector banks, two private banks and one co-operative sector banks in Kolhapur city.

<table>
<thead>
<tr>
<th>Sr. No.</th>
<th>Public Sector</th>
<th>Private Sector</th>
<th>Co-operative Sector</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>Bank of Maharashtra</td>
<td>HDFC Bank</td>
<td>The Kolhapur Urban Co-operative Bank Ltd.</td>
</tr>
<tr>
<td>2</td>
<td>Bank of India</td>
<td>ICICI Bank</td>
<td></td>
</tr>
<tr>
<td>3</td>
<td>State Bank of India</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

**Data Collection :-**

1) Primary data is collected through preparing questionnaire.
2) Secondary, data collected from various books, periodicals, Journals etc.
3) 10 sample respondents from each bank.

**Benefits of Use of 'IT' :-**

1) Process simplications –
Use of 'IT' facilitate simplification of process ion vogue in banking operations. So 'IT' operations to be much more simple and effective than in manuel operations.

2) Faster Delivery -
Use of 'IT' reduce time cycle of processes and procedures involved in banking operations.

3) Enhanced customer convenience service -
Use of 'IT' enhance much more convenience in using various services like ATM – 24 hrs. facility, credit card online shopping, mobile banking, to do transaction from home or office.

4) Reduced Transaction Costs –
Use of 'IT' in daily transactions it results in reduce that cost of transaction.

5) Improved Flexibility –
'IT' operations should be flexible and scalable to dynamic business requirements.

6) Enhance Productivity –
Use of 'IT' improves productivity levels, which indirectly augmenting the profitability index.

1) ATM :-
It is a device, to allow customers, do perform routine transactions with ATM card. Through ATM we withdraw money 24 hours, 7 days a week.

2) Internet Banking :-
Bank offering its customers the ability to transact business with the bank over the internet. Use of Internet as a remote delivery channel for banking services. It is web-based service that allows banks authorized customers to access their account information.

3) Mobile Banking :-

It is a system of providing services to customers to carry out banking transactions on 'Mobile Phone', through cellular service provider. It is also called as "Anywhere are Any Moment Banking."

4) Tele Banking :-

It is a new electronic banking product. Customers can perform number of transactions from convenience of their own however office, interact anywhere, they have access to phone. Customers can check balance and other information.

5) Credit Card :-

It is called as equivalent of a loan sanctioned by the banks to its customer. It makes possible to "Use First and Pay Later", the specified amount of credit as per agreed terms of sanction. Before issuing Credit Card, bank would like to know and sure about identification, age level, source of income and repaying capacity.

6) Debit Card :-

It is a deposit access product where the card holder uses own money in his bank account on the principal of "Pay first and Use Later".

TABLE

Role of 'IT' in the Progress of Banking Sector
Table No. 6 shows that the use of Information Technology helps banking sector to progress rapidly. It is found that 92.50% banks in Kolhapur city use IT, which is useful for bank progress, because of IT we do all day to day transactions with computer, within less time, less money we reduce clerical work. Because of Information Technology we give better services or facilities to our customers, like ATM, Debit Card, Credit Card, RTGS, online shopping, Mobile banking, etc. These facilities give much and more satisfaction to the customers.

It is interpreted that, in Kolhapur city all public and private sectors banks use Information Technology, which is progressive. Researcher has found that in Kolhapur city all co-operative banks do not use Information Technology, because in those banks most of the customers are illiterate, they have some financial limitations for establishment of ATM but they know very well about the importance of Information Technology in day to day life and especially in the banking sector. It is also interpreted that all public and private sector banks use I.T. because I.T. works effectively, reduce cost of work, save time, paperless work is done, so I.T. plays very important role in progress of banking sector. It depicted that the banks are required to provide IT facilities to the customers. Majority (92.50%) of the sample respondents are agreed but in sample co-operative bank have only two branches ATM facility.
The information about positive co-relation between Information technology and profitability. The researcher has selected public sector banks, private sector banks and co-operative sector for his research study. 36 bank manager's point out that there is a positive correlation (90%) between I.T. and its profitability. In the past days, banks do not use I.T. or In past days I.T. is not invented, banks employees require much and more time for daily transactions, (cheque, draft, transfer of money, enquiry of account balances, etc.)

It is interpreted that, because of use of I.T. gives profitability to banks. Because of I.T. provides advanced facilities to customers for transfer of funds, getting amount from banks, etc. Because of I.T. customers use ATM machine and ATM card, ATM gives 24 hrs. Service to the customers and anytime money is available. Use of RTGS facility quick transfer of money from one account to another person's account is possible. It is noted that computer memory can save information when I.T. was not available, bank required various files, papers, for maintaining the record. So use of I.T. is profitable because bank reduces cost of filing and papers. It is also interpreted that there is positive co-relation (90%) between I.T. and profitability, because I.T. is one of the new advanced technology, which is profitable to each and every field like office, school, colleges, banks, etc. Using I.T. banks reduces cost of
work, reduce paperless work, increase effectiveness in the work, saving time, these are the benefits of use of I.T., so it is profitable.

### TABLE

**Availability of Services in Banks**

<table>
<thead>
<tr>
<th>Sr. No.</th>
<th>Services</th>
<th>BOI</th>
<th>BOM</th>
<th>SBI</th>
<th>HDFC</th>
<th>ICICI</th>
<th>KUCOOP</th>
<th>TOTAL</th>
<th>PERCENTAGE</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>ATM</td>
<td>5</td>
<td>13</td>
<td>8</td>
<td>2</td>
<td>2</td>
<td>2</td>
<td>32</td>
<td>12.45</td>
</tr>
<tr>
<td>2</td>
<td>Debit Cards</td>
<td>5</td>
<td>13</td>
<td>9</td>
<td>2</td>
<td>2</td>
<td>1</td>
<td>32</td>
<td>12.45</td>
</tr>
<tr>
<td>3</td>
<td>Credit Cards</td>
<td>5</td>
<td>13</td>
<td>8</td>
<td>2</td>
<td>2</td>
<td>1</td>
<td>31</td>
<td>12.06</td>
</tr>
<tr>
<td>4</td>
<td>RTGS</td>
<td>5</td>
<td>13</td>
<td>9</td>
<td>2</td>
<td>2</td>
<td>3</td>
<td>34</td>
<td>13.23</td>
</tr>
<tr>
<td>5</td>
<td>Tele Banking</td>
<td>5</td>
<td>13</td>
<td>8</td>
<td>2</td>
<td>2</td>
<td>1</td>
<td>31</td>
<td>12.06</td>
</tr>
<tr>
<td>6</td>
<td>Core Banking</td>
<td>5</td>
<td>13</td>
<td>9</td>
<td>2</td>
<td>2</td>
<td>3</td>
<td>34</td>
<td>13.23</td>
</tr>
<tr>
<td>7</td>
<td>Mobile / SMS Banking</td>
<td>5</td>
<td>13</td>
<td>9</td>
<td>2</td>
<td>2</td>
<td>1</td>
<td>32</td>
<td>12.45</td>
</tr>
<tr>
<td>8</td>
<td>Other</td>
<td>5</td>
<td>13</td>
<td>8</td>
<td>2</td>
<td>2</td>
<td>1</td>
<td>31</td>
<td>12.06</td>
</tr>
<tr>
<td>9</td>
<td>Total</td>
<td>40</td>
<td>104</td>
<td>68</td>
<td>16</td>
<td>16</td>
<td>13</td>
<td>257</td>
<td>100.00</td>
</tr>
</tbody>
</table>

Source: Field Survey

This table shows that 32 (12.45%) banks are having ATM services available, 32 (12.45%) banks are having Debit Card services available, 31 (12.06%) banks are having Credit Card services available, 34 (13.23%) banks are having RTGS services available, 31 (12.06) banks are having Tele Banking services available, 34 (13.23%) banks are having Core Banking services available, 32 (12.45%) banks are having Mobile Banking services available, 31 (12.06%) banks
are having other services available in sample selected banks. This table shows that availability of IT services in sample selected banks. It is found that in ATM facility is available in all public sector and private sector banks, but in Cooperative sector Kolhapur Urban Co-operative Bank Ltd, only two bank branches have ATM facility out of nine branches. In Gangavesh (main branch) branch and Rajarampuri branch (7th lane) ATM machines. Debit card. Credit card holders are less in numbers in Cooperative sector comparatively to public and private sector bank branches. Day by day RTGS users is increasing. All bank branches have core banking facility but Telephone banking, or Mobile banking facility or users are less in numbers all sample selected banks.

It is interpreted that use of IT in the banking sector, which gives better IT services to the customers. In Kolhapur city Nationalized banks and private sector banks give maximum IT services to the customers like ATMs, Debit Card, Credit Card, RTGs, NEFT, Telebanking, Mobile banking, etc. but in co-operative sector banks all IT services are not available, in Kolhapur city very few (about 34%) cooperative banks gives a few IT services (RGTS and Core Banking) to customers. It is noted that the researcher has covered eight major IT-BASED based services which are offered by the bank to the customers. It has found that maximum (about 13.23%) in the area of RTGS and Core Banking and other services are about 12% + / - in the sample area banks. It can be depicted that majority [86.76% (100% -13.23%)] of the banks are not providing all types of IT-BASED based services to the customers in the sample area. It means that RTGS and Core banking facilities have been providing but not other facilities by the bank to the customers in the study area. It revealed that yet number and types of services had not offered by the bankers to the customers, which should be started for effective IT enabled services. About 87% IT enable facilities are not available in the study area, which will affect on the performance of the banks and the customers. It is noted that as early as possible bankers should start all these facilities for the customers.

**Conclusion :-**
Use of 'IT' technology and development in banking sector results in providing various new services which reduce cost, increase effectiveness, reduce time. Providing good services is a towering challenge. Every complaint of customers provides opportunity to correct deficiency. So it is high time that bankers do their best to upgrade the working conditions and service to full satisfaction of 'cost conscious' and 'convenience conscious' clients. Graining trust and confidence of account holders and other clients must be made the business motto.

References :-

1) "Information Technology - Published by Indian Institute of Banking and Finance" Mumbai.
2) Information Technology in Indian Banks Future outlook – Dr. R.K. Uppal.