

Impact of Information Technology on Innovative Banking Products and Services with Special Reference to SBI

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Abstract: - State Bank of India (SBI) is the nation's largest and oldest bank with a network of 15869 branches. Nearly 10,000 of the 15,869 branches are located in rural and semi urban areas. SBI is the leader in agricultural finance. SBI and its 5 Associate Bank shave more than 48,000 ATM's making it the one of the largest ATM networks in the world. The Bank's ATMs are located in all parts of the country including some of the remotest and inaccessible parts. The innovations in the banking field is mainly depends upon rapid growth in the technology. The banking industry has become one of the developed service sector industry in Pakistan. Information technology is one of the most important facilitators for the transformation of the Pakistan banking industry in terms of its transactions processing as well as for various other internal systems and processes.

INTRODUCTION

The Customer orientation of the banking sector has significantly increased in recent times. The introduction of a variety of new products and services with emphasis on quality of services clearly indicate the banks address the issue of Customer needs and requirements through a Customer Centric approach. An information and communication Technology banking service are also made available through Computer. Now in most of the branches, Computers are being used for banking transactions. There is a Sea change in the Technology world, as it is a world of innovation. The SBI appears to be on the fast track for IT based products and services. Some of the impacts are discussed below:-

CORE BANKING SOLUTIONS:

The domestic branches is supported with a state of the art centralized infrastructure setup and a robust primary set up, providing uninterrupted continuity of Banking operations. It facilitates the scalability for future growth, interfacing with multiple alternate channels, reduction in transaction costs, improved operating efficiency. Milestones of 52 millions peak transactions in a day. 1861 transactions per second and managing 258 million accounts have been achieved in recent months. All the F trade and internet based transactions are rolled out for corporate customers for processing various trade finance transactions.

MOBILE BANKING

Mobile phones as a delivery channel for extending banking services have off late been attaining greater significance. The rapid growth in users and wider coverage of Mobile phone net

words have made this channel an important platform for extending banking services to customers . Having ATMs in place the bank also brought the usage of mobile banking services, whereby the Customers could use bill payment facilities. The facilities would enable the customers could use bill payment facilities. This facility would enable the customers to pay telephone, mobile, electricity, insurance and credit card bills electronically over the online SBI.

Table 1.

Mobile Banking users in SBI(in lakhs)

Years	Registered mobile users	No. of transactions
June 2010	3.17	6.76
June 2011	14.32	28.06
June 2012	17.12	34.02
June 2013	19.15	40.15
June 2014	22.12	44.24
June 2015	24.11	48.21

CORPORATE INTERNET BANKING

Now SBI introduced Corporate Internet banking (CINB). It is the channel which facilities corporate customers(any non individual Customer such as firms, Companies, trusts, Partnerships, Proprietorship Concerns etc) to carry out banking activities online any where and any time, aided with the power and convenience of the internet

ATM

Automatic Teller Machines which are becoming very common in India now were first introduced by Barclays bank in U.K. in the year 1967. An ATM is basically a machine that can deliver cash to the customers on demand after authentication. ATM Card is offered to those customers who have a current, savings, NRI or any other type of bank Account with State Bank of India.

NEFT (National Electronic Fund Transfer)

The National Electronic Fund Transfer system is a nation wide system that facilitates individuals, firms and corporate to electronically transfer funds from any bank branch to any individuals, firm or corporate having on account with any other bank branch in the country.

Magnetic ink character Recognition

MICR is a technology used to verify the legitimacy or originality of paper documents, especially cheques, special ink, which is sensitive to magnetic fields, is used in the Painting of certain characters on the original documents, information can

ATM Transaction in SBI ATMs.

Year	Rural	Semi urban	urban	Metro politan	Total
2004-05	4068	2475	1470	1023	9036
2005-06	3913	2480	1482	1268	9143
2006-07	3825	2561	1561	1323	9270
2008-09	4366	3381	1872	1620	11239
2009-10	4678	3636	1965	1712	11991
2010-11	4972	3865	2012	1821	12670
2011-12	5012	4215	2130	1925	13282
2012-13	6525	5120	2640	1950	16235
2013-14	8250	6571	3020	2212	19993

be encoded in the magnetic characters on the Demat Account. A Demat Account is opened by the investor while registering with investment broker. The Dematerialized account number is quoted for all transaction to enable electronic settlements of trades to take place. Every share holder will have a Dematerialized account for the purpose of transacting as internet password and transaction password. Transfers or purchase of securities can then be initiated. Purchase and sales of securities on the Dematerialized account are automatically made once transaction are confirmed and completed. Demat Account in a bank is a convenient way to hold securities. Easy to transfer of securities. No stamp duty on transfer of securities. Safer than Paper share. Reduced paper work for transfer of securities. Reduced transaction cost. Automatic credit into demat account for shares.

Internet banking

The SBI Internet portal provides any where, any time, on line access to accounts for State Bank's retail and corporate customers.

By availing themselves of this facility, the customers can carry out the normal banking transaction such as transfer of funds from one's accounts to some other bank account across India. Third party transfers in the same branch, open a new Account, request for demand draft, issue standing instructions like issue of new cheque book and so on.

SBI Credit card

Every account holder of the bank gets SBI ATM card along with relevant concession to enjoy the privileges of SBI Credit cards along with various schemes and low fees. Various types of SBI Credit cards are offered to suit particular occasion. These cards cater to all types of SBI Customers and account holders. SBI offered various types of credit cards such as international card, Gold master Card, social card, Railway Card, Platinum Card, NRI Platinum Card and Employee Card

REAL TIME GROSS SETTLEMENT

The Customer can transfer money from State bank Account to accounts in other banks using the RTGS service. RTGS system is a fund's transfer mechanism where transfer of money takes place from one bank to another on a real time and on gross basis. This is the fastest possible money transfer system through the banking channel. Settlement in real time means payment transaction is not subjected to any waiting period.

BANKING PRODUCTS IN STATE BANK OF INDIA

Cash Cards:

A Special Plastic card used for getting currency notes from a machine installed generally near a bank. The Machine is known as automated teller machine.

Debit cards

Debit cards allow for direct withdrawal of fund from a Customer's bank Account. The spending limit is determined by the user's bank depending upon available balance in the account of user. It is a special Plastic card connected with

electromagnetic identification that one can use to pay for things, purchased directly from his bank account.

Cheque cards

It is a card given to the customer by the bank that he must show when he writes a cheque which promises that the bank will pay out the money written on the cheque. Under cheque cards system, the card holder is given a card and a cheque book. He has to use the cheques, while purchase are made and the trader gets guaranteed payment.

Charge card

A small usually Plastic card provided by an organisation with which one may buy goods from various shops etc. The full amount owed must than be paid on demand . In Credit cards, the card holders get credit or loan for payment of periodical bills when sufficient balance is not available. The periodical bill amount should be paid off by charging it to customers account.

Smart Card

With the use of Credit cards, we may avail of Credit facility on our purchase of goods service from approved Sales outlets. A smart card however, enable the card holder to perform various other banking functions apart from credit purchase. For example, with Smart cards , we can draw cash from ATMs, We can verify entries in our accounts, seek information pertaining to our account sets. This is possible because the card has an integrated circuit with microprocessor chip embedded in the card for identification purpose. The card can also perform calculations and maintain records.

CONCLUSION

Banks deals with lending money to customers which include a wide variety of loans, including credit cards, mortgage loans and auto loans. This requires product development and differentiation, micro planning, marketing product pricing, customization technological upgradation home/ electronic/ mobile banking, effective risk management and asset liability management techniques. Both public sector banks and private sector banks are each other to provide the retail banking facilities such as housing loans, Auto loans, educational loans, Personal loans, various term deposits, debit/Credit card facilities, smart card facilities etc.

REFERENCES:

- [1] P.D.Jeromi (2002) who studied. "The trends and issues of bank credit Kerala" finds that the absolute rate of growth of credit is reasonably good. But in relation to deposits, per capital credit, credit per account, disbursement by all India financial Institutions, the level of credit lower. He also observes that more attention should be given to Mobilization of deposits than to expansion of credit.
- [2] R.Kumar (2003) in his study "Retail banking growth drivers and analysis of associated risks' views that bank should review the retail loan portfolio at periodical intervals in a structured manner for identifying the risks and upgrading the strategies for the reduction of risk.
- [3] Velayudham (2003) in his article "Banking for Corporate new directions"reminds banks to ensure that for a balanced asset portfolio retail banking has to go along with wholesale banking. Besides, for better management of Customer's needs and consultative selling of products, commercial banks should have customer relationship management department.
- [4] Subrat Hohapatra (2004) in his article states that the non food credit of the banks has increased several times. Banks have to increase the lending even though the interest rates are decreasing due to the bulk, deposit received by them.
- [5] Arun Kumar (2006) in his study entitled "Retail banking its Socio Economic impact" argues that retail banking has failed to improve the Socio Economic conditions retail loan customer
- [6] Nair (2006) opinion that Indian banks should innovate and grow for facing the new situations of technological developments in the banking sector. Modern customers are not satisfied with banking and traditional banking products and service.