

markets taken away by new Web-enabled firms, they're waking up to the e-business threat (and opportunity) and have started to push toward more efficient digital strategies based on optimizing customer experiences, integrating their value chains, and accelerating information flow. This will further give way to not only the development of high economy but, emergence of more innovative and advanced technology.

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## IMPACT OF INFORMATION TECHNOLOGY ON BANKING SECTOR

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### ABSTRACT

The banking system is slowly shifting from the Traditional Banking towards relationship banking. Traditionally the relationship between the bank and its customers has been on a one-to-one level via the branch network. Customers are now demanding new, more convenient, delivery systems, and services. To do this banks have to create account information layers, which can be accessed both by the bank staff as well as by the customers themselves. The use of interactive electronic links via the Internet could go a long way in providing the customers with greater level of information. The paper is based on secondary data collected from secondary sources. The paper tries to explain the needs and trends of Information technology in banking sector along with the positive and negative impact on both customers as well as the banks.

### INTRODUCTION

The usage of information technology (IT), broadly referring to computers and peripheral equipment, has seen tremendous growth in service industries in the recent past. The most obvious example is perhaps the banking industry, where through the introduction of IT related products in internet banking, electronic payments, security investments, information exchanges, banks now can provide more diverse services to customers with less manpower.