



Role of ICT in Service Accessibility of Banking Operation Among Customers in Pollachi Region

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ABSTRACT

Information Technology has achieved rapid changes with high influence in development of mankind. Information and communication technology (ICT) is the major advent in the field of technology which is used for access, process, storage and dissemination of information electronically. In this competitive fast globalized world, Indian banking industry has been consistently working towards the development of technological changes in usage of banking operation for improvement of their efficiency and customer's satisfaction. The major services like ATMs, on-line banking, Telephone banking, Mobile banking etc are the recent forms of ICT enabled services in banking sector. Therefore, taking an advantage of information technologies (IT) is an increasing challenge for developing countries like India. Banking operation in India are now offering attractive technology based services & products such as e-banking and core banking. Hence, the present research paper has made an attempt to study the role of Information and communication Technology (ICT) in decision making process of Indian banking domain among customers in Pollachi region.

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Introduction

Banking operation in India continue to transform their businesses by deploying technology-intensive solutions to increase revenue, enhance customer experience, optimize cost structure and manage enterprise risk. To attain the competitive advantage with the Technological sophistication, today the banks have aimed to provide better services to customers. Challenges of growth and diversification of banking industry is been overwhelmed by the development of an adequate Information Communication Technology (ICT). The usage of Information Technology (IT), broadly referring to computers and peripheral equipment, has seen tremendous growth in service industries in the recent past. With the emergence of Information Technology oriented products have made the bank to make its work more easier in the area of transacting the money via internet banking, electronic payments, security investments, information exchanges (Berger, 2003), banks now can provide more diverse services to customers with less manpower. Banks also have wider growth perspective in its turnover and profit and customer get satisfied since their waiting time is totally reduced through enhancement of technology in their services.

To minimize the cost and for quick process the Indian banks are continuously encouraging the investment in information technology (IT), i.e. ATMs, e-banking or net banking, mobile and Tele-banking, CRM, computerization in the banks, increasing use of plastic money, establishment of call centers, etc. RBI has also adopted IT in endorsing the payment system's functionality and modernization on an ongoing basis by the development of Electronic Clearing Services (ECS), Electronic Funds Transfer (EFT), Indian Financial Network (INFINET), a Real-Time Gross Settlement (RTGS) System, Centralized Funds Management

System (CFMS), Negotiated Dealing System (NDS), Electronic Payment Systems with the 'Vision Document', the Structured Financial Messaging System (SFMS) and India Card – a domestic card initiative, implemented recently (2011).

Information communication technology support the customer to analyse utilize the services rendered by the bank and provide the feedback of their need and wants which enable the customer to get satisfied with the services of the bank.

Review of Literature

Banks have acknowledged the change and understood that attracting the customers by services and retaining the "new age" customer, they need to use the most effective channel to personalize and market their product and services. In this regard the following are the literature reviewed:

Dr.Sachin A. Kadam (2013) The banks are the important organizations in society which require faith of customers to keep their assets. The banks have to follow strict policies in terms of asset and liabilities management. The Indian banks have glorious history, bright future and pleasant present which is proved by sustaining the recession period from last few years. There has been massive use of technology across many areas of banking business in India. Various wholesale and retail payment and settlement systems have enabled faster means of moving the money to settle funds among banks and customers. The RBI, Being an important institution in the financial sector has undergone the process of technological change and played a key role in the process of transformation of the banking sector with the use of ICT. Starting from back office automation which was aimed largely at processing of voluminous data and automation of

cheque clearing operations, technology moved to the front desk in the form of total branch automation.

In order to improve operational efficiency, quality of customer service and to speed it up, the Committee on public Sector banks (1978) "recommended a judicious use of computers for selected services of banks. Apart from an increase in efficiency, it will reduce the load of routine and repetitive work and leave sufficient time for staff to provide better customer service.

In their study 'Services Marketing - Challenges and Strategies', Dr. Chidambaram and Ms.K.Alameleu (1996) suggested that banks should become technology friendly by investing in technology a bank can carve a niche for itself. Well-furnished premises are a must for the satisfaction of both employees and customers. Professionalized, Well-trained and motivated employees will improve the marketability of a bank Gaston Leblanc (1990) studied customer motivations towards the use and nonuse of an Automated Teller Machine (ATM) customer of a financial institution. An analysis of results based on demographic variables revealed significant differences between users and nonusers in terms of education only. Results also show that convenient accessibility of a financial institution and avoidance of waiting lines is the principal reasons for using the automated teller. Robert Rugimbana and Philip Iversen's study (1994) was to determine the association between consumer ATM usage patterns and their perceptions of ATM attributes by identifying those variables that distinguish users and non- users. The results based on a survey of 630 retail banking consumers from two separate Australian banking institutions suggest that successful marketing strategies must focus on the most important attributes of ATMs as well as identify different user groups and develop strategies to maximize their patronage.

A. Keremati (2007) in his study has shown significant and positive correlation between ICT and customer satisfaction. The Nigerian banking industry is relatively slow in the adoption and utilization of ICT. Since the bank employees are not ICT literate they feel difficult to cope with the latest development of banking sector in the counterparts of Europe, Asia, and America in the adoption and application of ICT to its banking operations. It is very clear that ICT has become the major tool that enables a bank to develop its professional product offer and keep pace with innovative market place.

Objectives of the Study

- To know the Major applications of banking transaction of the customer, for the bank and for the bank employees.
- To analyze the demographic profile of the respondents.
- To find the factor influencing the service availability of the customer.

Theoretical Framework

Technology and Banks Transformation

Advances in technology has made the bank to delivery of banking products and services more conveniently and effectively than ever before - thus creating new bases of competition. Rapid access to critical information and the ability to act quickly and effectively will distinguish the successful banks of the future. The bank gains a vital competitive advantage by having a direct marketing and accountable customer service environment and new, streamlined business processes. Consistent management and decision support systems provide the bank that competitive edge to forge ahead in the banking marketplace.

Major applications. The advantages accruing from computerization are three-directional - to the customer, to the bank and to the employee.

For the customer: Banks are aware of customer's need for new services and plan to make them available. IT has increased the level of competition and forced them to integrate the new technologies in order to satisfy their customers. They have already developed and implemented a certain number of solutions among them:

- Self-inquiry facility: Facility for logging into specified self-inquiry terminals at the branch to inquire and view the transactions in the account.
 - Remote banking: Remote terminals at the customer site connected to the respective branch through a modem, enabling the customer to make inquiries regarding his accounts, on-line, without having to move from his office.
 - Anytime banking- Anywhere banking: Installation of ATMs which offer non-stop cash withdrawal, remittances and inquiry facilities. Networking of computerized branches inter-city and intra-city, will permit customers of these branches, when interconnected, to transact from any of these branches.
 - Telebanking: A 24-hour service through which inquiries regarding balances and transactions in the account can be made over the phone.
 - Electronic Banking: This enables the bank to provide corporate or high value customers with a Graphical User Interface (GUI) software on a PC, to inquire about their financial transactions and accounts, cash transfers, cheque book issue and inquiry on rates without visiting the bank. Moreover, LC text and details on bills can be sent by the customer, and the bank can download the same. The technology used to provide this service is called electronic data interchange (EDI). It is used to transmit business transactions in computer-readable form between organizations and individuals in a standard format.
 - As information is centralized and updates are available simultaneously at all places, single-window service becomes possible, leading to effective reduction in waiting time.
- For the bank: During the last decade, banks applied IT to a wide range of back and front office tasks in addition to a great number of new products. The major advantages for the bank to implement IT are:
- Availability of a wide range of inquiry facilities, assisting the bank in business development and follow-up.
 - Immediate replies to customer queries without reference to ledger-keeper as terminals are provided to Managers and Chief Managers.
 - Automatic and prompt carrying out of standing instructions on due date and generation of reports.
 - Generation of various MIS reports and periodical returns on due dates.
 - Fast and up-to-date information transfer enabling speedier decisions, by interconnecting computerized branches and controlling offices.
- For the employees: IT has increased their productivity through the followings:
- Accurate computing of cumbersome and time-consuming jobs such as balancing and interest calculations on due dates.
 - Automatic printing of covering schedules, deposit receipts, pass book / pass sheet, freeing the staff from performing these time-consuming jobs, and enabling them to give more attention to the needs of the customer.

- Signature retrieval facility, assisting in verification of transactions, sitting at their own terminal.
- Avoidance of duplication of entries due to existence of single-point data entry.

A search of the banking literature reveals that banks are moving rapidly to take advantage of recent and new customer service and cost reduction opportunities that new technologies offer. A sampling is in the table below:

Methodology

The sample size selected for the study is 120. The respondents are belonging to both rural and urban area in and around Pollachi region.

Data Analysis and Interpretation

A. Analysis of Demographic Profile

The demographic profile of bank customers is analyzed presented in Table-1. Simple percentage analysis has been adopted to analyze demographic profiles of respondents.

Table 1. Demographic Profile.

| Profile | Distribution | Frequency | Percentage |
|------------------------|------------------|-----------|------------|
| Gender | Male | 78 | 65 |
| | Female | 42 | 35 |
| Academic qualification | Illiterate | 15 | 13 |
| | Upto Secondary | 10 | 8 |
| | Higher secondary | 21 | 18 |
| | UG | 45 | 38 |
| | PG and Above | 29 | 24 |
| Monthly Income | Below Rs.10000 | 14 | 12 |
| | Rs.10000-20000 | 37 | 31 |
| | Rs.20000-30000 | 41 | 34 |
| | Above Rs.30000 | 28 | 23 |
| Occupation | Housewife | 13 | 11 |
| | Business | 59 | 49 |
| | Employed | 23 | 19 |
| | Retired | 15 | 13 |
| Type of service | Student | 10 | 8 |
| | Internet Banking | 79 | 66 |
| Frequency of Use | Mobile Banking | 41 | 34 |
| | Daily | 60 | 50 |
| | Weekly | 29 | 24 |
| | Monthly | 20 | 17 |
| | Occasionally | 11 | 9 |

Source: Primary Data

It could be ascertained in the above table-1, profile of the respondents are clearly analyzed. The gender level shows that about 65 percent are male respondents while the rest 35 percent are female respondents. 38% customers are under graduate degree holders, monthly income of the respondents' states that 34% respondents are earning income of Rs.20,000 – 30,000. Occupation of the respondents are gathered in five intervals and shows that 11% are housewife/retired category, 19% are employed in private and public sector, 49% are conducting their own business or profession, 13% are retired persons and remaining 8% are students. Type of service shows that 66% are using internet banking facility and frequency of use reveals that 50% customers are using technology enabled service daily.

B. Factors Influencing Service Accessibility

Factors influencing on service accessibility of customers with the adoption of information technology enabled system is designed with six parts such as, banking services, add-on

services and delivery, front office services, safety of services, technology-enabled services and reliability of services.

Table 2. Service Accessibility.

| Factors | Variables | Frequency | | | |
|----------------------------|-----------------------------|--------------------|----|-----|----|
| | | SA | A | SDA | |
| Banking Services | Internet Banking | 116 | | 97 | |
| | Mobile Banking | 102 | | 85 | |
| | Core Banking | 65 | | 54 | |
| | Debt and Credit Card | 77 | | 64 | |
| | Private Banking | 69 | | 58 | |
| | ATM card facility | 97 | | 81 | |
| | Electronic Fund Transfer | 26 | | 22 | |
| | Cheque deposit in Drop box | 29 | | 24 | |
| | ECS facility | 30 | | 25 | |
| | NEFT/ RTGS | 76 | | 63 | |
| | Mobile Apps | 102 | | 85 | |
| Factors | Variables | SA | A | SDA | |
| Add-on Facility | 24 x 7 Access | 120 | - | - | |
| | Competitive charge | 84 | 27 | 19 | |
| | Service Quality Improvement | 75 | 40 | 5 | |
| | Balance /Statement Enquiry | 65 | 45 | 10 | |
| | Cheque book facility | 70 | 45 | 5 | |
| | Online shopping facility | 84 | 27 | 19 | |
| | Demat services | 80 | 31 | 9 | |
| | Loan services | 90 | 21 | 9 | |
| | Front office services | Speedy delivery | 85 | 26 | 19 |
| | | Short waiting time | 84 | 27 | 19 |
| Secured Transaction | | 74 | 47 | 9 | |
| Guidance on service access | | 70 | 45 | 5 | |
| | Cash withdrawal | 80 | 35 | 5 | |

Source: Primary Data

From the table it is clear that majority of the respondents use internet banking facilities for usage of banking services, 85 % of the respondents use mobile banking facility and mobile apps for utilizing the banking services, ATM card facility is used by 81 % of the respondents and they are attracted by 24 x 7 services, 90 respondents strongly agree that, they utilize the loan services.in utilizing the front office services through online, respondents have revealed that with speedy transaction and reduction in waiting time has made the respondents to get satisfied with the services of the banking sector, due to demonetization the online transaction has made the customer feel more better in proceeding their transaction in their daily routine like payment of EB bill, Telephone bill, school fees, purchase of grocery items, mobile topup, insurance payment, railway booking or any payment related to their daily schedules.

Conclusion

On the basis of the findings of this study, the following conclusions are drawn: ICT has played major role in attracting the customer and made the bank easier its process and supported for growth of the industry and made customer to feel flexible enough to proceed their work without any disturbance even during the demonetization period and the bank also feel competitive by introducing innovative and creative products through online.

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