



A STUDY OF IMPACT OF INFORMATION TECHNOLOGY IN INDIAN BANKING SECTOR

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ABSTRACT

For successful functioning of banking sector, technology support plays a very important role in today's era. For acquiring and evolving of IT to achieve certain strategic goal, information technology plays an integrated framework. Technology has a very important key role to play in creating efficient banking system. In past few years banking sector has invested heavily in technological advancement. Services like tele-banking, mobile banking, net banking, ATMs, credit cards, debit cards are developed to improve the quality of customer services and fast processing of banking operations. Understanding the importance of technology in banking sector and find out about the awareness, perception and level of satisfaction of customers towards usage of technology for banking facility in western suburbs in Mumbai based on primary data is the prime and main objective of this research paper. The size of data is 100 respondents taken via random sampling. Then proper analysis and interpretation is done using statistical software from collected data to draw a meaningful conclusion. The expected outcome would be result of extensive use of technology in banking sector. The conclusion made will positively contribute to the field of existing knowledge on technology in banking sector.

Keywords: - Banking sector, information Technology, banking products

INTRODUCTION

Banking industry plays very important role in Indian financial system. In today's world, for the smooth running of banking sector technology is very much needed. Progress in banking sector, of Indian economy could not happen without IT and communication. Technology plays a key role for an effective banking system. It also helps to meet the needs of expanding economy. Investments are being done in technology such as mobile banking, credit cards, debit cards, electronic payment systems, ATMs, net banking, etc. so that there can be improvement in banking transactions and also in customer services

provided by banks. Heavy investments have been made in ITs, by the banks for improving their performance.

Nowadays banking services and products are provided through Internet. Customer's expectations are changing due to a shift of traditional banking into e-banking.

In today's era, banking industry is becoming highly competitive. Information Technology (IT) is needed effective data handling, for development of new products, for ease in providing banking facilities, for easy transfer money, etc. The importance of technology is greatly felt in the financial sector so that there is competitiveness among banks which will improve customer services.

Banking sector is very significant for the development of Indian Economy. Technology has helped in reducing our cost of transactions and small amount of transactions can also happen easily. It has also helped in increasing efficiency and productivity.

REVIEW OF LITERATURE:

Rajesh Tiwari, Rakesh Kumar (2012) analyzed importance of E-banking which included telephone banking, net banking, ATM, credit card, EFT etc. Analyzed on status of E-banking which showed that electronic mode of transactions has been rapidly increased over a period of time. Further explained the challenges of employment security, difficulties in branch expansion. According to them, IT concept should be adopted in rural areas also, more and more regional languages software should be introduced.

Thyaga Raju N (2016) highlighted recent developments in banking sector in India where he explained all new technology and new products in banking sector. Further he explained that the Internet is an important medium for delivery of banking products and services. According to him, there are guidelines to be followed for effective implementation of IT in banking sector.

Dr.K.Mala (2017) studied some objectives of bank. Further Dr. K Mala noted about retail banking and its products in India. Also it uses advertising to promote new products and new schemes. Noted about plastic money, land banking in which Kisan Credit Card (KCC) scheme was explained, products targeted to rural population, NRI services, etc. However, there is improvement in retail segment due to technology.

The review of literature reveals the study of impact of IT on banking sector.

OBJECTIVE:-

The research is based on the following objective:-

1. For understanding the significance of technology in banking sector.
2. For understanding the impact of technology in banking sector.
3. To understand the mode of awareness, perception and level of satisfaction towards technology in banking sector.

RESEARCH METHODOLOGY:-

This study was carried out to understand the relationship between technology and banking sector. Primary and secondary data were collected to get an outlook of the topic. The random sampling technique was used in the research. The study sample was sized at 100 through random sampling from Mumbai western suburbs and was interviewed through Google forms. The research was conducted by collecting data through questionnaire. A meaningful conclusion was derived from analysis. There was very little scope for any error of as the questionnaire was individually administered. The questionnaire was based on the key services and technologies. Whereas some questions were on the level of satisfaction. Journals, circulars, magazines and books were used for secondary data. Data was analyzed in Microsoft Excel.

ANALYSIS AND DISCUSSION:-

The development of technology has increased competition among banks, so they are trying to provide new technologies to improve their customer services. There are number of solutions provided and developed by them. We have considered few of these services as main focus of this study. The services and their research interpretation are shown below:-

Credit Card: Credit card is devices which are used for cashless transactions. Through credit card we can purchase goods or services but it is limited to certain amount . The bank gives certain amount to members which are to be returned by paying dues. Thus, the credit cards are helpful for shopping without carrying cash, making payments, etc. It provides extension of credit facility also.

Usage	No. of respondents	Percentage
Use Credit card	37	37
Do not use Credit card	63	63

The table shows usage of credit cards. It shows that 37 people of 100 uses credit cards (37%) and 63 people out of 100 do not use credit cards (63%). It is seen that less number of people uses credit cards in the study region.

Level of satisfaction	No. of respondents	Percentage
Very satisfied	7	18.91
Satisfied	15	40.54
Neutral	5	13.51
dissatisfied	7	18.91
Very Dissatisfied	3	8.11
Total	37	100

This Table shows satisfaction levels of the credit card users. Mostly people were satisfied by the usage of Debit card. The research also concluded that most of the people used credit card as there were no risk of holding cash in hand. The other reason which to get credit facilities and to purchase.

Debit Card: It is a plastic card which is also used for making payments without cash in hand. It is also used for purchasing any goods and services. In this method when payment is made then that amount of money is deducted from the bank account of the person making payment. There are online debit card also which is better than off line debit card because it is more secured method and provides live status. The advantage of using debit card is there is no need for cash, it is helpful for withdrawing cash, easy for transactions.

Usage	No. of respondents	Percentage
Use debit card	90	90
Do not use debit card	10	10
Total	100	100

Table shows usage of debit cards. It shows that 90% people use debit cards. And only 10% people, means 10 out of 100 do not uses debit cards. It shows that more number of people uses debit cards as per study conducted.

Level of satisfaction	No. of respondents	Percentage
Very satisfied	5	5.55
Satisfied	20	22.22
Neutral	30	33.33
Dissatisfied	28	31.11
Very dissatisfied	7	7.77
Total	90	100

Most of the people respondent neutral to the level of satisfaction. The main reason for people choosing debit card involved no risk of holding cash and shopping convenience.

Internet Banking: Nowadays internet banking, as a method of payment is increasing. It provides banking facility directly to our homes as there is no need for going to banks. We can manage accounts, transfer payments, pay the bills and also can purchase items. It provides us easy access thus cost of transactions is also very low.

Usage	No. of respondents	Percentage
Use internet banking	68	68
Do not use internet banking	32	32
Total	100	100

The table shows usage of internet banking out of 100 respondents. It shows that 68 people use internet banking out of 100. And about 32% of people do not use internet banking. It can be seen that more number of people use internet banking.

Level of satisfaction	No. of respondents	Percentage
Very satisfied	5	7.35
Satisfied	32	47.05
Neutral	10	14.70
Dissatisfied	16	23.52
Very dissatisfied	5	7.35
Total	68	100

Most of the people respondents were satisfied by the usage of internet banking. Mostly people preferred internet banking because of availability of home banking facility.

Mobile Banking: It is a new way of e-banking. Through mobile banking real time gross settlement services are being provided. It helps in interacting with bankers. In this method customer can easily access data. Through wireless application protocol (WAP) user can access everything and anything. In today's era, as everyone uses mobile phone it becomes easy to use mobile banking way.

Usage	No. of respondents	Percentage
Use mobile banking	70	70
Do not use mobile banking	30	30
Total	100	100

Table shows usage of mobile banking out of 100 people. It shows that 70 (70%) people use mobile banking out of 100. And about 30 (30%) of people do not use mobile banking. It shows that number of respondents which uses mobile banking is more in the study conducted.

Level of satisfaction	No. of respondents	Percentage
Very satisfied	5	7.14
Satisfied	22	31.42
Neutral	17	24.28
Dissatisfied	18	25.71
Very dissatisfied	8	11.428
Total	70	100

Most of the respondents prefer satisfied respondents. This is because they all use mobile banking to check bank balance.

LIMITATIONS OF THE STUDY: -

This research paper is entirely based on just 100 respondent collected through random sampling from people living in western region of Mumbai. The research is not based on one to one interview method.

SUGGESTIONS FROM THE STUDY:-

Technology can aid the growth of banking sector. It is very much important to work on the information technology sector. Few suggestions are mentioned below which are drawn from this research study-

1. The bank should open more and more ATM as the study saw more usage of debit and credit cards. This will boost the usage of banking among the customers.
2. The core banking solution should be improved and also it should make providing banking operations simple and easy for customers.
3. A friendly and homely atmosphere should be adopted for customers for their satisfactions.
4. Promotional method through various media such as print, internet, SMS, hoardings, ATM locations, display screens at Branches, TV and Radio should be used to spread awareness among the customers for usage and introduction of new technology in banking sector.
5. There is continuous need for upgrading of technology infrastructure used in the banking sector.
6. As we move forward to the digital era, there is excess demand on usage of online and mobile banking to manage their financial accounts, so the banks need to understand customers need and provide with a secure and user-friendly experience for accessing financial information and conducting financial transactions.
7. Strengthen the presence of banking sector in rural sector is also necessary for development of economy.
8. More and more user friendly technology should be created to help the customers.

CONCLUSION:-

Customers are very important to the banking sector. The needs and want of the customers are fulfilled by the banks. Traditionally there were physical banks which use to carry out the needs and demand within a particular geographical area. Banking sector is no exception to the era of globalization and technological innovation where transformations are taken place in all sector of economy. Due to changing needs of customers, the transformation has been brought in the banking services. Our research provides an in depth knowledge of how banking sector has flourished and changed due

to changing nature of technology. People have welcomed the new technological advancement and thus improving the banking sector.

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