

# Information Technology plays a vital role in banking sector: Future Banking Services

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**Abstract:** Retail banks across the globe are expected to undergo a digital transformation in the coming three to five years as customers increasingly prefer using digital channels such as online and mobile to interact with their banks. Technology in Indian banking has evolved substantially from the days of back office automation to today's online, centralized and integrated solutions. Today's demand of banking is anytime anywhere banking. This requires innovative, robust, secure, optimized and ready to meet the expectations of empowered and tech-savvy customers. A study analyse the future banking service channels based on the preference and expectation of customer with special reference to Tiruchirappalli city. This paper discusses introduction about this research, review of literature to lead this research, research methodology to applied this research, data analysis to achieve objectives of the research and findings and suggestions with conclusion.

**IndexTerms-Digital Banking, Mobile Banking, Banking Services**

## I. INTRODUCTION

The client or customer visits the financial institution's secure website, and enters the online banking facility using the customer number and credentials previously set up. The types of financial transactions which a customer may follow the transaction using online banking are determined by the financial institution, but usually includes obtaining account balances, a list of the recent transactions, electronic bill payments and funds transfers between a customer's or another's accounts.

In practice mobile banking is available on a 24/7-hour basis. Some financial institutions have restrictions on which accounts may be accessed through mobile banking, as well as a limit on the amount that can Mobile banking reduces the cost of handling transactions by reducing the necessity for customers to go to visit a bank branch for non-cash withdrawal and deposit transactions

Telephone banking is a service provided by a bank that enables customers to perform a range of financial transactions over the telephone, without the need to visit a bank branch or automated teller machine. The service can be provided using an automated system, using speech recognition and Dual Tone Multi-Frequency technology or by live customer service representatives. On most modern cash machines, the customer is identified by inserting a plastic ATM card with a magnetic stripe or a plastic smart card with a chip that contains a unique card number and some security information such as an expiration date or card verification value.

## II. REVIEW OF LITERATURE

Bharti (2016).Banks have changed from paper-based banking solutions provider to the latest of the technologies like mobile banking. This study attempted to technically address these largely unfounded factors while helping to lay a roadmap for proper implementation of mobile banking technology.

Jeffrey E. Jarrett(2016). This article explained about brick and mortar retail space through master card and how Amazon utilized efficiently growth of orders by internet and to the latest news from the media about employment.

Divya Singhal and V. Padhmanabhan.(2008). Explained how Internet banking very useful and become popular. The paper explored the internet banking usability and various internet applications used by people through perceptual survey.

Chauhan.V and Vipin Choudhary.V (2015). The implementation of internet in banking sector has modernized the banks services. Implementing the internet banking approach has benefited the both i.e. consumers as well as banks. Considering the benefits, the banks all over the globe have implemented the internet banking and banking organizations in India are no exception.

Preeti Singh (2015). Internet banking or online banking has revolutionized an integral activity of modern banking services. Internet banking is conducted through a PC, PDA, a hand-held communication gadget or any mobile device offering Internet connectivity but with the development of Hi-Tech asynchronous technologies and secured electronic transaction technologies, however, more banks have come forward to use Internet banking both as a transactional as well as an informational medium. The primary data was analyzed by factor analysis and identify the nine factors i.e. cost, reliability, processing barriers, security issues, technological incontinence, lack of infrastructure, conventional approach, risk and resistance, which were the barriers in the usage of Internet Banking services in the semi-urban areas.

### III. RESEARCH METHODOLOGY

#### 3.1. Formulation of Research Problem

The banking system these days only online process so each branch and their future has a critical place in banks overall strategy. The branches cannot survive in their traditional form of services. Evolving the branch network to align with changing management in their consumer and economic realities. Nowadays customers transform the way they bank and so customer demands are increasing like one-stop shopping, personalized attention, access to expertise, quick services, and immediate problem resolution. For this growing demands, leading banks are moving away from managing branches and instead are managing distribution across all of the bank's channel through Information Technology. The banks should determine how to transform their physical branch network to Technology enabled banking in the view of matching consumer preference and expectations and reduce operating costs. Here problem is to analyse the future trend of banking based on the customer preference and expectation and to study future banking service channels.

#### 3.2 Title of the Study

A study analyse the future banking service channels based on the preference and expectation of customer with special reference to Tiruchirappalli city

#### 3.3. Need of the Study

Today's demand of banking is anytime anywhere banking. This requires innovative, robust, secure, optimized and ready to meet the expectations of empowered and tech-savvy customers. Banking is now no longer restricted to the branches were one has to approach the branch in person, to withdraw cash or deposit a cheque or request a statement of accounts. Increase in digital technologies and the convenience of digital channels, the customers are interested in online and mobile banking and visiting the branches became very less. The use of technology in banking has resulted in availability of multiple delivery channels like ATMs, telebanking, internet banking, mobile banking, anywhere and anytime banking etc. Technology adaption is very essential in banking sector for improvement of banking services therefore this study very important to identify the feature banking need in the global business market.

#### 3.4. Research Objective

The main objective of this study is to analyse the future banking service channels based on the preference and expectation of customer with special reference to Tiruchirappalli city.

#### 3.5. Sub Objectives

- To know about the different services provided by the banks
- To study the various channels using by bank for their services
- To analyse most preferred channel used by the customers.
- To identify the reason of digital channels used by the customers.
- To identify the satisfaction level of customer in term of technology usage.
- To identify difficulties of IT enabled banking while customers are using
- To give suggestions to banking sector to promote digital banking among the bank customer.

#### 3.6. Research Design

This study is type of Descriptive research design. Descriptive research is a scientific method of research design which involves observing and describing the behaviour of a subject while not influencing in any approach.

#### 3.7. Data Collection

This study questionnaire method employed for primary data collection. The format of the questionnaire consists of four parts. They are Demographic information, various banking channel, satisfaction on technology usage, and problems on technology usage.

#### 3.8. Sampling

Simple random sampling technique is used in the study. The simple random sampling is type of probability sampling. The sample size 140 respondents who are the customers of various banks in Tiruchirappalli City, Tamil Nadu, India.

**3.9. Analysis of the Data**

After the data collection, the data has been preprocessing thoroughly and edited in order to ensure accuracy, consistency and completeness. Used SPSS software tools to analyzing and interpretation of data which has been collected.

The following statistical tools have been used to achieved the research hypothesis: Percentile analysis, Cross tabulation, Chi-square test, ANOVA, Regression, Kruskal Wallis H test

**3.10. Pilot Study**

A pilot test was conducted to ensure the validity and reliability of the questionnaire. In order to achieve the study objectives, the questionnaire was distributed randomly to the targeted population and a total of 25 respondent samples were obtained. Upon the completion of the pilot test found it the questionnaires were identified and rectified. The questionnaire was improved before the actual survey was carried out.

**IV. DATA ANALYSIS AND INTERPRETATION**

Table 1  
Cross Tabulation Education and Models Prefer

Particulars		Kind of Branching Models Prefer				
		Assisted service Ranchers	Self-Braches	In-Store Braches	Communication Centers	Flagship Stores
Education	Illiterate	2	2	0	0	4
	High school	9	2	0	1	12
	Intermediate	14	2	1	1	18
	Degree	46	18	3	1	71
	Master's Degree	26	6	2	1	35
Total		97	30	6	4	140

H0 - There is no association between customer's age and kind of branching model the customer prefers.

H1 - There is an association between customer's age and kind of branching model the customer prefers.

Table 2 Chi Square

Chi-Square Tests			
	Value	D.f	Asymp.Sog.(2 Sided)
Person Chi-Square	10.337 <sup>a</sup>	16	.848

From the table 2, the chi-square value (0.848) is more than the 0.05 so the null hypothesis is accepted. Thus it can be concluded that there is no association between customer's education level and kind of branching model the customer prefers.

Table 3 Awareness Level and Usage Level - Correlations

Particulars		Usage Level	Awareness Level
Pearson Correlation	Usage Level	1.000	.903
	Awareness Level	.903	1.000
Sig. (1-tailed)	Usage Level	.	.000
	Awareness Level	.000	.
N	Usage Level	140	140
	Awareness Level	140	140

H0- There is no relationship between awareness level and usage level of banking channel.

H1-There is a relationship between awareness level and usage level of banking channel

Table 4 Correlation

Model	Unstandardized Coefficients		Standardized Coefficients	T	Sig.
	B	Std. Error	Beta		
(Constant)	1.389	.331		4.199	.000
Awareness Level	.878	.036	.903	24.645	.000

The table 3, the significance value 0.000 is Less than 0.01 which is significant at 1% level. It is concluded that the null hypothesis is Rejected that is there is linear relationship between awareness level and usage level of banking channel. The table 4 the correlation value 0.903 shows the Strong positive relationship between awareness level and usage level of banking channel. It means the awareness level increases, then usage level of banking channels also increases.

## V RESULT AND DISCUSSION

### 5.1 Major Finding

- ✓ The majority of the respondents are using ATM as their channel of interacting with banks, the least number are not using ATM as their interacting channel.
- ✓ The majority of the respondents are using or aware of ATM, Internet Banking, Internet banking, Mobile Banking and Tele Banking as their channel of interacting with banks.
- ✓ Internet banking and mobile banking services satisfaction level is differing with respect to age groups and education but gender is not having any significant different in internet banking services.

### 5.2 Suggestions

Suggestions play a very crucial role it is the outcome of the study that helps to identify the success of the research carried out. The following are the suggestions given that would help to improve the existing services delivery channels.

- The banks should conduct training sessions to train the customers to use more technology oriented services like internet and mobile services.
- The banks should create the awareness about various channels by which they are offering the services.
- Many number of customers of the banks are unaware of video-conference banking which is a virtual banking. Therefore, the banks should create an awareness through some campaign.
- The customers of the banks are mostly preferred to use technological channels than branch because of its comfortability and to save time. So banks could have delivering the services more through digital channels.
- A self-assisted branch model can be created for more efficiency because most of the customers are interested to have self-assisted banks as their branching model.

### 5.3 Conclusion

Nowadays, all the banks providing digital banking services which increases the customer satisfaction. The digital banking services help that customers may access their accounts whenever need from anywhere in the world. Banks should provide services to the customers by several distribution channels through online. The study concluded that all the banking service delivery channels are almost known by customers and in use among the people in Tiruchirappalli district expect the video conference banking channel. The customers are more satisfied with the technological oriented delivery channels than the physical channel. Finally, bank has to provide more secure and reliable services to the customer through technological oriented delivery channels to increase bank growth. Because everyone has been now more familiar and exposure with all technology devices like smart phones, internets etc., so it is better opportunity to the bank to increase their service with revenue by satisfying the customer needs. Technology enabled banking services is key factor of competitive business environment therefore future banking services is technology enabled system.

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