

“Use of IT based Gadgets and its Impact on the Banking Customers”

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Abstract : This study has been undertaken to investigate the Use of IT based Gadgets and its Impact on the Banking Customers. The study is conducted in MahaMumbai from Churchgate to Borivali where the study was conducted on 120 respondents who had Banking Accounts and the data was collected by visiting branches of Banks. The conclusion pointed out to the positive impact of the application of IT based gadgets in the banking industry and its affects on the bank and the customers providing benefit to the consumer.

INTRODUCTION

Today's business environment is extremely active and has changed as a result of enhanced technological innovation, followed by increased understanding and demands from banking customers. Business organisations, especially the banking industry of this century operates in an intricate and spirited environment characterized by these altering conditions and highly unpredictable economic climate. Information and Communication Technology (ICT) is at the heart of this global change curve. Laudon and Laudon, (1991) assert that managers cannot disregard Information Systems because they play a critical role in current organisation. They point out that the entire cash flow of most fortune 500 companies is linked to this Information System ecosystem.

Information Technology (I.T.) has been defined as the usage of computers, digital technology like Mobile Phones in various fields of production and service. Here in the banking sector it is used in concepts like Internet Banking, Automated Teller Machine (A.T.M) and Debit & Credit card, Mobile Banking, Usage of Mobile Phones for various purposes including Marketing, Brand Building etc. It is a common term used for exploiting of electronic technology for business information processes at all stages.

The appliance of information and communication technology concepts, techniques, policies and execution strategies to banking services has become a subject of essential significance and concerns to all banks and indeed a precondition for local and global competitiveness in the banking sector. ICT directly impacts how managers decide, how they plan and what products and services are offered in the banking industry. It has been persistent to change the way banks and their corporate relationships are organized worldwide and the variety of innovative devices on hand to augment the speed and quality of service delivery.

Harold and Jeff (1995) challenge that financial service providers should modify their conventional operating practices to stay feasible in the 1990s and the decades that follow. They assert that the most significant shortcoming in the banking industry today is a wide spread malfunction on the part of senior management in banks to clutch the importance of technology and integrate it into their strategic campaigns accordingly.

Woherem (2000) stated that only banks that refurbish the whole of their payment and delivery systems and apply ICT to their operations are prone to endure and thrive in the new millennium. He recommends banks to re-examine their service and delivery systems in order to properly position them within the framework of the dictates of the dynamism of information and communication technology.

Indian Banking sector has seen incredible increase in advancements in Information and Communication Technology in the past decade. The pursuit for survival, global relevance, maintenance of existing market share and sustainable development has made utilization of the many advantages of ICT through the use of automated devices imperative in the industry.

LITERATURE REVIEW

Ovia (2001) examines that the Banking system has stirred into an era of menu-driven ultra-robust specialized software programmes called Banking system applications and these applications can carry out almost all Banking system functions relying profoundly on information compilation, storage, processing and relocate. Likewise, Woherem and Adeogri (2000) rightly states that only banking systems that overhaul the whole of their payment and delivery systems and apply Information Communication Technology (ICT) to their operations are likely to endure and flourish in the new millennium. Banking system should therefore re-examine their service and delivery systems in order to properly position themselves within the framework of the dictates of the dynamism of information and communication technology. The advancement in ICT has played an important role in improving service delivery standards in the financial system like the banking industry (Abubakar and Rasmaini 2012). This has allowed for banking modernism and financial improvement.

Banking innovation is the unexpected improvement in the selection of Banking products and instruments that are stirred by unexpected change in customer needs and preferences, tax policy, technology and regulatory impulses (Bhattacharyya & Nanda, 2000). The progression in the Banking sector have not only led to the increase in the number of Banking institutions, but also the development in level of sophistication with new payment systems and asset alternatives to holding money. This has resulted mainly from technological progression and boost in competition as the number of institutions increase. Developments in payment systems have started to create close substitutes for hard currency, thus affecting a core part of banking. Financial innovation in the banking industry has been encouraged on by the forces described by Noyer (2007) particularly in terms of new allotment channel systems, such as internet and mobile banking. As the industry has provided more ways for consumers to access their accounts, they have added considerable costs to each institution. Banks are therefore considering new ways to drive revenue through their allocation system among which is the drive to increase the customer share of wallet. The share of wallet is the portion of a customer's entire Banking relationship that any particular bank has with the customer can also be termed as PPP or product per Person, the higher the PPP the better is the stickiness of the consumer to Bank. Similar to ICT is the concept of globalization wherein the banks needs to be updated with the technological changes. The world is seen as a global village which turned the markets and financial systems in like manner. Globalization has caused extreme competition in the banking industry,

OBJECTIVES OF THE STUDY

The primary objective of this research study is to gain Use of IT based Gadgets and its Impact on the Banking Customers. This study examined the Impact of Information and Communication Technology and financial innovation on the performance of commercial banks in MahaMumbai, using conveniently selected eleven Commercial Banks in the location. The study applied ordinary least square (OLS) in its analysis to ascertain the impact of E-Banking services and ATM along with Mobile Banking and Mobile Marketing Services on the performance of commercial banks in MahaMumbai.

SCOPE OF THE STUDY

The study is conducted in MahaMumbai from Churchgate to Borivali where the study was conducted on 120 respondents who had Banking Accounts and the data was collected by visiting branches of Banks and asking consumers questions mentioned in the questionnaire. The age-wise distribution of sample respondents is presented below

Table 1: Distribution of respondents by Age

Age Group (in years)	No. of respondents
25 - 35	64
36 - 45	19
46 - 55	11
56 -65	6

The distribution of the respondents belonging to each gender is presented below:

Table 2 : Distribution of respondents by gender

Gender	No of Respondents
Male	69
Female	51

DATA ANALYSIS

The data collection from the respondents was placed into tables and the response frequencies were changed to percentage. Therefore, the weighted Mean Average was the statistical tool used to analyze the data. This section is the analysis and presentation of the data collected from the respondents. The data was presented in tables and the response frequencies were converted to percentages. The analysis was based on the 150 copies of questionnaire directed to and recovered from the respondents. The section opens with demographic data of the respondents, which highlights the gender and age of respondents. The measuring instruments that were utilized in this study would be Questionnaire on the Use of IT based Gadgets and its Impact on the Banking Customers. Response to each item in the scale would be scored as in Fido Gayford five point Likert scale responses of Strongly Agree (SA), Agree (A), Neutral (N), Strongly Disagree (SD) and Disagree (D). The response options are weighted or counted in such a way that a higher value indicates a more optimistic/ intense response or attitude as follows: Strongly Agree (SA) = 5, Agree (A) = 4, Strongly Disagree (SD) = 3, Disagree (D) = 2 and Neutral (N) = 1.

The data was collated, classified, categorized and analyzed using the set of graduated options; an individual is anticipated to indicate his degree of agreement or disagreement in response to all questions. These responses are weighted (i.e. assigned numerical values) and by summing up an individual response to all statements, a total score is obtained. This total then provides an approximate of that person's standing on the variable being measured. The data shows that out of the 120 respondents, 59.5% were males and 226 40.5% were females. In terms of age, 60.83% were in between the age of 21 to 33, 24.17 % were from the age of 34 to 46 years.

The outcome of the question stating the Efficiency of the usage of IT based Gadgets and its Impact on the Banking Customers, 61 (50.5%) Strongly Agree; 29 (24%) Agree; 16 (13.1%) Highly Disagree; 8 (7.3%) Disagree; while 6 (5.1%) were Neutral. The data supports the outcome that the use of IT based gadgets and tools in the banking services maintain high level of efficiency and proficiency.

When asked about the application of IT based gadgets has improved the banking services of the Bank for its customers, 59 (49.3%) of the respondents strongly agreed, 32 (26.5%) Agreed to the statement and 15 (12.4%) strongly disagreed to the statement, 8 (6.2%) disagreed while 6 (5.6%) were Neutral.

The question on determination of reduced time spent on long queues 66 (54.6%) Strongly Agreed, 39 (32.4%) Agreed, 9 (7.1%) Strongly Disagreed, 4 (3.7%) Disagreed while 3 (2.2%), the outcome states that due to the implementation of IT based Gadgets there was a reduction in time spent on long queues in the branch.

When asked about the Employment Generation by use of IT gadgets by the banking sector, the responses showed that 59 (49.4%) Strongly Agreed, 34 (28.5%), 17 (13.75%) Strongly Disagreed, 7 (5.69%) Disagreed and 3 (2.66%) the outcomes states that the respondents felt that banks are using IT based Gadgets to generate Employment.

FINDINGS AND RECOMMENDATIONS

The finding shows that for all the research questions posed to the respondents as respective subject matter, there in agreement to the opinions raised.

There is a unanimous approval to the questions posed for research stating that

- 1) Application of IT based gadgets and tools in banking services maintain high level of proficiency and efficiency.
- 2) The introduction of IT based gadgets has improved the banking services for its customers
- 3) IT based gadgets an tools have reduced the long-time delay spent of queues by customers.
- 4) IT based gadgets is enabling a positive change in the employment scenario.

The positive impact of the application of IT based gadgets in the banking industry cannot be overemphasized as it affects on the bank and the customers. This manifest in the areas of efficiency, proficiency, reduced long time spent on queues improvements, with the adoption of IT based Gadgets has some business environment, social, economic and financial implications.

Based on the above finding, the following recommendations can be made.

- 1) Banks and other business organizations in MahaMumbai and the rest of world should strengthen effort towards implementation of ICT to harvest the numerous benefit associated there in.
- 2) Bank should also look into the service providers who should develop devices for monitoring the services being provided, in order to ensure high quality services while minimize the adverse business implications.
- 3) The Bank management should always make certain that staffs are given ample training on the use and continuation of these IT based tools. The software and hardware should be sufficiently maintained.

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