



## Impact of Information Technology on Customer Satisfaction in Private Banks

Komal Gupta, Research Scholar, Department of Commerce  
Kalinga University, Naya Raipur, Raipur, Chhattisgarh, INDIA

### ORIGINAL ARTICLE



### Corresponding Author

Komal Gupta, Research Scholar,  
Department of Commerce  
Kalinga University, Naya Raipur,  
Raipur, Chhattisgarh, INDIA

shodhsamagam1@gmail.com

Received on : 09/01/2021

Revised on : ----

Accepted on : 15/01/2021

Plagiarism : 09% on 09/01/2021



### Plagiarism Checker X Originality Report

Similarity Found: 9%

Date: Saturday, January 09, 2021

Statistics: 235 words Plagiarized / 2651 Total words

Remarks: Low Plagiarism Detected - Your Document needs Optional Improvement.

Impact of Information Technology on Customer Satisfaction in Private Banks. Abstract: A sound and effective banking system is the backbone of an economy. The economy of a country can function smoothly and without many hassles if the banking system is not only flexible but also capable of meeting the new challenges posed by the technology and other external as well as internal factors.

### Abstract

A sound and effective banking system is the backbone of an economy. The economy of a country can function smoothly and without many hassles if the banking system is not only flexible but also capable of meeting the new challenges posed by the technology and other external as well as internal factors. This paper explores the perception of Indian customers towards the use of technologies with respect to such factors as convenience, privacy, security, ease of use, real time accessibility and accurate record of varied transaction that enable customer's adoption of Banking Technology. Other factors such as slow transfer speed, technical failure, frauds and unawareness among customers that make hindrance in adoption, are also tested. The results show that demographic variables such as gender, age, qualification and income play a positive role in adoption of banking technology. All the banks are using information technology as a strategic vehicle to stay competitive against other players. There is no significant difference between adoption rates of banking technologies by the customers of different private banks. The paper also shows that banking technology helps in increasing customer satisfaction, customer loyalty, improvised growth, and performance of the banks. Banking has always been a highly information intensive activity that relies heavily on information technology (IT) to acquire, process, and deliver the information to all relevant users. Not only is IT critical in the processing of information, it provides a way for the banks to differentiate their products and services. Banks find that they have to constantly innovate and update to retain their demanding and discerning customers and to provide convenient, reliable, and expedient services.

## Key Words

**Private banks, Technical failures, ATM, Branch, Internet and mobile banking.**

## Introduction

The IT insurgency has made way for remarkable expansion in monetary exercises across the globe. The advancement of innovation and the improvement of overall organizations have altogether diminished the expense of worldwide supports move. Headways in innovation have likewise prompted upgrades in the manners by which banks measure data. Innovation has opened up new business sectors, new items, new administrations and proficient conveyance channels for the financial business. It is data innovation which empowers banks in gathering such exclusive standards of the clients who are all the more requesting and are additionally more techno-wise contrasted with their partners of the bygone eras. Clients request moment, whenever and anyplace banking offices. Indian financial industry, today is amidst an IT insurgency. Direct store permits Companies and Governments to electronically move the installments into different records. Check cards which can likewise be utilized as ATM cards, promptly deduct cash from a record when the card is swiped across a machine. Electronic banking by telephone or PC permits clients to get to data, for example, account adjusts and articulation history, take care of tabs and move cash starting with one record then onto the next. Headways in innovation have additionally prompted enhancements in the manners by which banks measure data. The advancement of innovation and the improvement of overall organizations have altogether decreased the expense of worldwide finances move. Three developmental periods of virtual financial administrations, which speak to the effect that the specific application has accomplished inside the business have been depicted in this paper. These incorporate (a) the beginning stage, where the innovation behind the application is in its outset and a generous measure of speculation is required to make the application generally accessible monetarily; (b) the development stage, where the application is progressively accessible to the clients and the innovation behind the application is broadly accessible; and (c) the development stage, wherein the application is in boundless use and foundations not contribution such applications are probably going to be at a serious weakness. The utilization of data innovation (IT), extensively alluding to PCs and fringe hardware, has seen colossal development in assistance ventures in the new past. The most evident model is maybe the financial business, where through its presentation related items in web banking, electronic installments, security speculations, data trades (Berger, 2003), banks would now be able to offer more different types of assistance to clients with less labor. Seeing this example of development, it appears glaringly evident that IT can achieve comparable commitment to benefits.

## Review of Literature

**Castelino** (2006) recommended that Indian financial industry has given the main edge to what exactly is going on to the Indian economy.

**Shetty** (2006) reasoned that globalization in banking depends on four significant columns viz. exchange merchandise and enterprises; stream of capital and development of people across limits; harmonization of administrative casing work in various nations; and improvements in innovation, especially those in data innovation.

Data Technology has essentially been utilized under two distinct roads in Banking. One is Communication and Connectivity and other is Business Process Reengineering. Data innovation empowers complex item improvement, better market framework, execution of solid procedures for control of dangers and encourages the monetary go-betweens to arrive at geologically removed and enhanced business sectors. In any case, zeroing in on the two dangers and chances of data innovation,

Blili and Raymond (1993) presumed that the essential utilization of data innovation can both undermine and advantage little and medium-sized endeavors (SMEs). The essential significance of data innovation is examined considering the explicitness of these associations. Arranging approaches are then laid out, zeroing in on how SMEs can accomplish a dominance of data innovation for upper hand.

**Kozak** (2005) analyzes the effect of the advancement in IT on the benefit and cost efficiencies of the US banking area during the time of 1992-2003. The exploration shows a positive relationship between's the degrees of executed IT and both benefit and cost investment funds. On the off chance that the organization impact is excessively low, IT uses are probably going to (1) diminish finance costs, (2) increment piece of the pie, and (3) increment income and benefit. The proof anyway proposes that the organization impact is generally high in the US banking industry, inferring that despite the fact that banks use IT to improve upper hand, the net impact isn't as certain as ordinarily anticipated. In a more extensive setting, the development in data innovation, liberation and globalization in the financial business could diminish the revenue surges of banks, and along these lines the essential reactions of the banks, especially the pattern towards super consolidations and inward cost cutting, are probably going to change the elements of the financial business.

**Rangarajan** (1991) referenced the job of data frameworks and infrastructural new patterns in financial area. The panel focused on the issue of improvement in banking infra benefits which assists with assembling the administrations and assets through different ways.

**S.B. Verma et al** (2007) contemplated the connection among innovation and banking and furthermore discovered difficulties in front of the financial business. All are utilizing ATM's and electronic mode to do banking exchanges. So, now daily it is exceptionally basic for the banks to embrace the new factors and utilize those to accomplish their target.

**Chitra** (2010) expressed that entrance of data innovation in country zones and re-appropriating of data innovation are significant worries of data innovation in financial tasks. Further, there is inspiration to clients for expanded utilization of data innovation while executing with banks. There is more requirement for vital deduction by more modest banks while putting resources into data innovation.

## Objectives of the study

1. To study the relationship between banking and information technology sector.
2. To analyses the issues and challenges faced by the banks in adoption of technology.
3. To know the impact of computerization on operational activities of the banks and on the operational efficiency of employees.
4. To acquaint with the level of satisfaction among the customers and employees after the introduction of computerization in banks.
5. To know the attitude of customers and employees after computerization.
6. To help spread banking in rural areas for the purpose of encouraging and mobilizing savings among the realists and to provide credit to them.

## Methodology

The study is based on secondary data. The study considered data collected from the Reserve Bank of India circulars, RBI bulletin, business dailies such as; The Economic Times, Financial Express, Business Standard and various other journals, magazines and websites which constitute the secondary sources of data.



## Digital Payments

For quite a while, India's advanced installments foundation grieved, until endeavors drove by the National Payments Corporation, an element favored by RBI and possessed by driving monetary organizations in India, started to sew together the pipes that associated banks, retail locations, portable wallets, and other monetary records. These endeavors have facilitated boundaries to reception and interoperability issues: volumes through IMPS (Immediate Payment Service), a framework used to send more modest installments in a split second between financial balances and other advanced wallets, reached \$1.3 billion every month in February (multiple times the volume sent in September 2013).

The public authority has likewise supported an explosion of private development by advancing installments banks, another classification of Indian banks. The new structure is intended to pull in new players (for example non-bank and non-NBFC entertainers) to hold and move cash for shoppers' benefit. Versatile administrators, for instance, have a great many dissemination focuses for pre-loaded credit around the nation; they would now be able to be utilized to stack money onto portable wallets and send the nation over. Maybe the latest obvious triumphs in this space are outsider portable wallet administrators like. PayTM has made its foundation interoperable with IMPS (empowering moment moves to financial balances), offers distributed exchanges by means of versatile applications, and will before long dispatch an organization of physical "money in and money out" areas.

Every one of these signs are empowering, however the market is as yet beginning and divided. Most volume is from early adopters and more well off clients. To accomplish genuine scale, players should hope to guarantee more noteworthy interoperability, and give more applicable use-cases and worth added administrations that make computerized installments more alluring and advantageous to the mass market, BoP, and miniature organizations.

## Consumer Services

Consumer financial services stay one of the greatest undiscovered open doors in India. Rising web infiltration, expanding versatile access, and the development of inclusion of credit authorities have fundamentally profited higher pay bunches hitherto. Internet banking and correlation sites like BankBazaar are utilized fundamentally by associated and all around archived purchasers. Nonetheless, as cell phone entrance expands, these models are moving into the mass-market and BoP. Organizations like First Access and In Venture are utilizing information created through cell phone utilization and buys to stretch out acknowledge to those for minimal other archived proof of their ability to reimburse. Credit Mantri is helping "subprime" purchasers comprehend their FICO assessments, fabricate record as a consumer, and access applicable items and administrations from other monetary organizations.

Presently, two extra open area endeavors to lay more extensive framework will additionally catalyze advancement and increment access for the most underserved. The public authority's Jan Dhan Yojna (JDY) has just turned out around 125 million essential ledgers in organization with state and private banks (that get a commission for each record opened). While over portion of these records have a zero equilibrium and there is episodic proof that not every person who needs a record can get one and probably idealistic that this program is much "stickier" than past endeavors: each record incorporates a check card, an overdraft office, and packaged protection. To additionally empower utilization, the public authority has likewise started dispensing endowment installments into these records.

There are many developing sizes of India's Universal ID Program (dispatched by the past government and standardized by the current organization). More than 800 million individuals have been given public character cards, with their unique mark and retinal output put away in a focal information base. Applicable organizations like banks can get quick confirmation of a person's way of

life (according to guideline) by getting to this worker straightforwardly, easing a significant problem area in arriving at less fortunate clients. These records can likewise be related with a now universal cell phone number to give an additional layer of security. The ID information base surely has issues (with reports of copy sections and blemished information). There are open doors for outsiders new companies to clean and check the information, make it more usable, and even to assemble restrictive profiles for utilizes as shifted as showcasing and monetary administrations.

On the off chance that everything meets up, the blend of an institutional ledger, a checked personality connected to a monetary profile, and versatile web access will open up incredible extraordinary failure cost applications for the BoP.

## **Challenges faced in Banking Technologies**

### **1. Security risk**

The problem related to the security has become one of the major concerns for bank. With the increasing users and new services in banking – productivity, efficiency and quality is essential to survive in this competition. A large group of customers refuse to opt for e-banking facilities due to uncertainty and security concerns.

### **2. Cyber Crime**

Now a day cyber-crime is the biggest challenge faced by every organization which are doing or giving the facilities based on internet. Some unpleasant people hack the customer account and withdraw their amount. These types of work make the working on internet very difficult for those people who are not familiar with new technology.

### **3. Customer awareness**

Consumer awareness is a major challenge. Bank customers must understand the pros and cons of various products. Banks must educate the consumers about various products. Later, consumers would move towards use of technological products, which in turn will be a positive impact on bank performance. The entire institution of banking is built on consumer trust. It helps in retaining the existing customers and attracts new customers.

### **4. Legal Issues**

To provide requisite legal support to the business and other related activities in cyber media, the government of India enacted the Information Technology, Act 2000 and Information Technology Amendment, Act 2008. But the Act does not carry any specific provisions regarding up gradation and adoption of technology.

## **Conclusion & Suggestion**

IT in banks is promising just as worthwhile regarding operational and vital advantages it offers. IT gives advantages to the financial foundations regarding diminished operational cost, better client care and improvement of complex item contributions as it encourages better resource – obligation the executives and progressed statistical surveying. In the Indian financial setting, practically all banks have joined IT in their procedures and tasks however at various levels relying on the main thrusts and snags for its fruitful execution. In spite of the fact that administration and ICT area are being considered as force motors for the Indian economy, the Indian financial area has grasped IT just at moderate level. There is still extension for additional innovative improvements in the Indian financial area as far as client relationship building administrations and more development administrations which would be completely IT driven. In any case, for IT upsurge at the present, the drivers have outshone the obstructions once looked by the adopters. The most grounded driver is bank client whose acknowledgment and utilization of such administrations characterize the bank business and legitimization for gigantic ventures

made for IT implantation in the bank's framework. The clouded side is clients favor e-banking administrations yet their utilization is moderate (essentially low for public area banks). Different elements have been distinguished as purposes behind their inclination and logical elements for their utilization of e-banking administrations. Electronic media and customary media (branch banking) are discovered to be corresponding to one another. Thus, Bank staff actually has imperative task to carry out in impacting clients and effective just as productive usage of mechanical assistance developments in banks. Innovation mixture has likewise influenced administration nature of banking contributions decidedly. Different innovatively affected determinants of administration quality have been recognized, fundamentally characterizing generally speaking assistance nature of e-banking administrations. Administration quality itself is discovered to be a huge illustrative factor for clients' e-banking use that further drives IT proliferation in banks.

## References

1. Shenkar. (1988) "Profitability and Information Technology Capital Intensity in the Insurance Industry", in Proceedings of the Twenty-First Hawaii International Conference on Systems Sciences, Vol. IV, January 1988, pp. 124-130.
2. Shetty. (2006) "The Information Systems as a Competitive Weapon", Communications of the ACM, Vol. 27, December 2006, pp. 1193-1201.
3. Sobol, M. and Cron, W. (1983) "The Relationship Between Computerization and Performance: A Strategy for Maximizing Economic Benefits of Computerization", Information and Management, Vol. 6, 1983, pp. 171-181.
4. Verma, S.B. et al (2007) "E-Banking and Development of Banks", Deep and Deep Publications Pvt Ltd., Delhi.
5. P.A., Kalyanasunda. (2014) "Role of Technology in Modern Banking", *The Journal of Indian Institute of Banking and finance*, July-Sep 2014.
6. Kumari, Nidhi. (2016) "E-Banking in India, challenges and Opportunities", ICRISMET- 16 ISBN – 978 – 93 – 86171-04-7.
7. Sastry, V.N. (2017) "Mobile Cloud Computing", Staff Papers *IDRBT*- Vol 2/ No 2 / Jan 2017.
8. <https://pdfs.semanticscholar.org/041f/09ea78f967283526900f13d101095d44e62e.pdf>
9. [https://www.researchgate.net/publication/261109881\\_Customer\\_Adoption\\_of\\_Banking\\_Technology\\_in\\_Private\\_Banks\\_of\\_India](https://www.researchgate.net/publication/261109881_Customer_Adoption_of_Banking_Technology_in_Private_Banks_of_India).

\*\*\*\*\*