

Role of Information Technology in Banking sector: A study with special reference to Chhattisgarh State

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ABSTRACT

Banks in India are now becoming a one-stop Supermarket. The focus is shifting from mass banking to class banking with the introduction of value added and customized products. Technology allows banks to create what looks like a branch in a business building's lobby without having to hire manpower for manual operations. The branches are running on the concept of 24 X 7 working, made possible by the use of Tele banking, ATMs, Internet banking, Mobile banking and E - banking. This technology driven delivery channels are being used to reach out to maximum number of customers at lower cost and in most efficient manner. Technology in Indian banking has evolved substantially from the days of back office automation to today's online, centralized and integrated solutions. The purpose of this study is to identify the relationship between new technology implementation in banking sector and customers approach i.e. how they adopt the modern technologies in Banking sector. For this study, the response was collected from the various Banks of Chhattisgarh State under the regulation of Reserve Bank of India. A simple percentage analysis will be done to analyze the primary data of sample size 100.

Key words: Information Technology, Banking sector, E-Banking.

1. INTRODUCTION:

The IT revolution has set the stage for unprecedented increase in financial activity across the globe. The progress of technology and the development of worldwide networks have significantly reduced the cost of global funds transfer. The banking industry of India is in the midst of an Information technology revolution. A combination of regulatory and competitive reasons has led to increasing importance of total banking automation in this industry. Information technology has basically been used under two different avenues in banking. One is communication and connectivity and other is business process reengineering. Information technology enables sophisticated product development, better market infrastructure, implementation of reliable techniques for control of risks and helps the financial intermediaries to reach geographically distant and diversified markets

We need to anticipate where technology is going in today's rapidly changing environment and quickly adopt those solutions that best fit our industry and consumers. Customers have become accustomed to having technology at their fingertips, so we have to be more nimble in adopting and introducing emerging technologies. In commercial banking, for example, developments in portal technologies that offer enhanced data analysis and reporting are major areas of investment. Anticipating where the market is heading, how technology is evolving, and innovating ahead of our competition—both other banks and non-traditional competitors—while meeting growing security, regulatory and compliance requirements present challenges.

2. LITERATURE REVIEW

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.

DivyaSinghal 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 VipinChoudhary.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).

PrabhakarRao Ch. (Jan, 2004). —Indian banking in 2010|| IBA Bulletin Special Issues, (pp 170-173) in this study discussed about the revolutionary changes that witnessed in the financial sector around the world. He stated that net worked branches. ATMs, technology based payment and settlement system, technology vision of RBI, floating rate of interest have changed the Indian banking sector. He concluded that brick and mortar bank branches will disappear and customers will be able to operation their accounts through electronic devices.

3. NEED OF THE STUDY

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 challenges that customers are facing in Chhattisgarh while using the new banking services.

4. OBJECTIVES

1. To study the impact of technological improvements in banking sector.
2. To identify the challenges faced by the customer related to banking services.

5. RESEARCH METHODOLOGY

This study uses both primary and secondary data for the study. The primary data has been collected from the 100 respondents through structured questionnaire in Chhattisgarh state and for analysis and interpretation simple percentage analysis is used.

5.1 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 behavior of a subject while not influencing in any approach.

5.2 LIMITATION OF STUDY:

This research has following limitations:-

- This study is made on small sample size
- This study is confined to a specific time period.

5.3 ANALYSIS AND FINDINGS OF DATA:

Table No.1 Level of usage of technology by customers:

Usage of technology	No. of respondents	Percentage
Financial transaction	19	19
E- banking	46	46
Online shopping	24	24
Stock investment	11	11
Total	100	100

According to the analysis 46% respondents are using technology for E-banking, 24% for online shopping, 19% and 11% respondent use technology for financial transaction and stock investment respectively.

Table No.2 Usage of ATM cards per month:

Usage of ATM	No. of respondents	Percentage
NILL	19	19
1-5 Times	48	48
5-10 Times	22	22
More than 10 times	11	11
Total	100	100

From the above data interpretation it is clear that 19% respondent doesn't use ATM frequently, where 48% and 22% used ATM 1- 5 times and 5-10 times respectively in a month.

Table No. 3 Usage of Internet banking in a month

Usage of Internet banking	No. of respondents	Percentage
NILL	29	29
1-5 Times	38	38
5-10 Times	22	22
More than 10 times	11	11
Total	100	100

From the above data interpretation it is clear that 29% respondents doesn't prefer the usage of internet banking where as 38% & 22% respondent use internet banking 1-5 times and 5-10 times in a month, similarly 11% respondent prefer internet banking more than the rest of respondents.

Table No. 4 Reasons for not using Internet banking or E- payment options:

Reasons	No. of respondents	Percentage
Security Risk	38	38
Prefer traditional mode	29	29
Less awareness	22	22
Transaction charges	11	11
Total	100	100

From the above data analysis it is found that 38% respondents feel there is a security risk in online transaction, while 29% respondents still prefer traditional mode for transaction, while 22% are less aware about the online transactions where as 11% respondents feels that there is high transaction charges in online transaction.

CONCLUSION

The use of technology in expanding banking sector in India is one of the key focus areas not only for commercial banks but for the policy makers also. The banks in India are using Information Technology not only to improve their own internal processes but also to improvise facilities and services to their customers. The efficient use of technology has facilitated accurate and timely management of the increased transaction volumes of banks which comes with larger customer base. Indian banking industry is greatly benefiting from I.T. revolution all over the world.

The outcome of this study is limited only to the data gathered from the primary source through the respondents, In this study the researcher found that 46% respondents are using technology for E-banking, whereas most of the respondents also satisfied with the ATM facilities of the bank, most of the respondents use online transaction for their day to day transactions, but some of the respondent i.e 26% respondents still does not prefer online transaction facility reason are 38% respondents feel there is a security risk in online transaction, while 29% respondents still prefer traditional mode for transaction, while 22% are less aware about the online transactions where as 11% respondents feels that there is high transaction charges in online transaction.

SUGGESTIONS

For the maximum utilization of technology by the customers banks need to run some awareness programs for the customers. So customer will get more information about the online banking channels. Most of the customer feels there is risk in online transactions for which bank need to eliminate those risk.

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