

“A Study of Various ICT Services and Its Impact on Banks Performance and Customer Satisfaction”

^a **Joshi Mugdha Mukund**, ^b **Nille Nikita Suresh**, ^c **Petare Purushottam Arvind**

^a Affiliation: Assistant Professor, Sanjay Ghodawat Institute, Faculty Of Management, Kolhapur, Maharashtra, India

^b Affiliation: Assistant Professor, Sanjay Ghodawat Institute, Faculty Of Management, Kolhapur, Maharashtra, India

^c Assistant Professor, Sanjay Ghodawat Institute, Faculty Of Management, Kolhapur, Maharashtra, India

Abstract

Information and communication technology is necessary for the development & the progress of the bank, which motivates the customer's satisfaction. Before we say that ICT is responsible for the increased need of customers, it is important to understand that there are various ICT services like ATM, phone banking, internet banking, EFTs, etc.

This research paper would help the bank management those who are doing traditional banking to know the level of electronic products and services usage as well as improving the level of satisfaction and strengthening the bond between the banks and their customers.

KEYWORDS: ICT (information and communication technology), ICT services used by customers, ICT benefits for banks and customers.

Introduction

ICT allows the banks to provide the needs of customers by strengthening their internal control systems. The 24/7 services of ATM's, internet banking, phone banking have enabled banks to improve quality services. Through ICT banking the bills can be paid on prompt basis which is not only beneficial for customer but also for banks.

The requirements of customers can possible only with help of effective ICT services provided by banks. Customers can also take out an overdraft, apply for loans and credit cards and access a number of pages offering advice on saving and protecting yourself from card fraud. It is also enables customers to keep a real-time track on their finances and enables banks to offer services which can help customers to manage their money.

Banks have taken advantage of ICT developments by offering more products, such as online savings accounts. They can also implement offers exclusively for their online customers, offering in some cases better deals on insurance and credit cards compared to those who bank in branch.

Purpose of this study

The quick improvement in the technological changes has brought a great change in the banking sector accordingly there is a growth in the usage of technology by customers. In order to study the performance of banks and the satisfaction level of customers towards this change the researcher has selected this topic.

Various ICT Services in Bank

In ancient days the role of banking was to accept and safeguard money owned by other individuals and entities, then lending out this money in order to earn a profit. However With the passage of time the activities covered by banking business have widened.

The branches were only open 9am to 3pm Monday to Friday which was very inconvenient for people who worked fulltime. Banks had to employ many staff to deal with customers as this was the only way that services could be provided.

To overcome various drawbacks of conventional methods of banking ICT has come up with various banking services such as

ATM

The first step towards automated banking was the invention of the Automatic teller machine. The first atm was installed into a bank 40 years ago. Customer could get hold of their money without having a queue. This saved the customer time. ATMs are open 24 hours a day and so they are convenient way of getting cash.

Call centers

Call centers were the next step forward for the banks. Customers make a large number of telephone calls to their bank and there were not always enough staff in the branch to take calls and serve customers. So banks began to set up separate facilities where large number of workers spend the day answering telephone calls from the customers. Call centers saved banks lot of money because they could deal with a large number of calls from customers quickly and efficiently. Customers benefit by being able to contact the bank from anywhere to find out their balance, transfer money, pay bills and so on.

Cheque

For centuries the most common way to pay for something was either by cash or cheque but that is now changing. The cheque is paper document issued by the bank that you write upon to authorize the transfer of money from your account. At the bottom of each cheque can be found the details of your bank account. The ink is actually magnetic and a standard machine- readable font is used. This allows millions of cheques to be processed automatically by the clearing banks using magnetic ink character recognition (MICR) machines and optical scanners.

A Debit Card

The reason for decline in cheques is due to the widespread use of the modern bank debit card. A debit card is a small plastic card containing a secured embedded chip. The chip contains your personal identity number (PIN) and account number.

The reason that the debit card is so much more popular than the traditional cheque is that it is fast, convenient and fairly secure.(you should keep your pin number secret all times)

Contactless Payment

Contactless payment systems are credit cards and debit cards, key fobs, smart cards or other devices, including smart phones and other mobile devices, that use radio-

frequency identification (RFID) or near field communication (NFC) for making secure payments. The embedded chip and antenna enable consumers to wave their card, fob, or handheld device over a reader at the point of sale terminal.

Online banking

Online banking (OLB) is an electronic payment system that enables customers of a financial institution to conduct financial transactions on a website operated by the institution, such as a retail bank, virtual bank, credit union or building society. Online banking is also referred as Internet banking, e-banking, virtual banking and by other terms.

With the help of online banking customer can View and download their bank statements, Setup and view direct debits or standing orders. They can pay bills such as gas or electricity. Banks transfer money to another account

ICT Services and its beneficial impact on banks performance

Information and communication technology plays an important role in banking sector. With the help of ICT bank can perform number of tasks which improves bank performance like:

- ICT allows customers to access their accounts 24 hours a day without having to have branches open.
- The customers do all of the work themselves so staff numbers can be reduced.
- No need of having high street branches, thus saving rental costs
- Less staff is needed so staff costs, insurance, heating and lighting costs are saved.
- Banks can attract new customers to their online business for a fraction of the cost it takes to get one through the door of a high street branch.
- Because of the lower operating costs, internet banks can offer very attractive incentives

ICT improves bank performance which includes the increased process efficiency, which can reduce costs in banks. With the help of ICT we can overcome various drawbacks of traditional banking such as:

- Banking is accessible everywhere with ICT. Out-of-state or out of the country, anywhere you can get an internet connection, you can log on and conduct business
- It's fast and saves you valuable time which is not possible with traditional banking. In a matter of seconds, your transactions are complete. You can print out your receipt for your records, and do multiple tasks.
- Efficiency counts as well. With online banking you can open up CDs, IRAs, set up auto pay and bill pay, pay all your bills, check all of your accounts, move money between accounts; virtually everything you'd have to stand in line to do at a traditional bank, you can do effortlessly with online banking.
- Online banking saves money. No more last-minute trips to drop off your bill payments at the post office or the utility. No more stamps and envelopes to buy. You can even arrange for your bills and monthly bank statements to be sent to you electronically.
- Email alerts help protect the safety of your money should there be any unauthorized activity on any of your accounts.
- Online banking is compatible with money management programs such as Quicken and Microsoft Money. Online banking also uses sophisticated tools

that make managing your money and your accounts easy and safe.

Data storage and retrieval is another wonderful innovation brought into the Banking Industry, where specialized software is engaged to create database to be manipulated by Database Management Software (DBMS). A single database created could be used for several purposes within the system in order to eliminate data redundancy

ICT Benefits to the customers

Customer satisfaction is defined as a judgment which depends on various aspects towards the products and services like Ease of use, Performance, Service quality, cost and many more.

As we know with help of information communication technology we can overcome various drawbacks of manual system in various sectors. ICT in bank plays an important role not only for bankers but also for customers. Considering the various aspects as mentioned above towards the ICT services provided by the banks we can state that

- Customer can do almost everything from the comfort of their own home
- Customer can bank at a time convenient to you, 24 hours a day, 7 days a week
- They don't; need to queue up in a branch to be served.
- They don't; need transport or have to waste time driving to the bank and trying to find a parking place
- Customer can get instant statements for your account.
- The savings rate offered are often better than the High Street as online Banks pass on their cost savings.
- It is easy to compare deals between banks and special offers.
- They can apply for a loan or a mortgage directly from the web site and get an answer very quickly.

Conclusion

Steve Ballmer quoted that the number one benefit of information technology is that it empowers people to do what they want to do. It lets people be creative. It lets people be productive. It lets people learn things they didn't think they could learn before, and so in a sense it is all about potential. Information and communication technology supports customers and employees of the bank by numerous ways. ICT are an umbrella term which includes communication devices, hardware, software, computer network and many more. With the help of these terms ICT serves various facilities for customers such as ATMs, online banking, credit cards, and debit cards. Fund transfers etc.

REFERENCES

- www.ojs.excelingtech.co.uk/index.php/ijltfes/article
- theglobaljournals.com/gra/file.php
- www.voiceofresearch.org/doc/mar-2015
- <http://www.teach-ict.com/>
- <http://www.bankrate.com/finance/savings/the-benefits-of-online-banking.aspx>
- <http://www.finweb.com/banking-credit/online-banking-vs-traditional-which-is-better.html>