



A Study on Role of ICT for Customer Satisfaction in Private Banks

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Abstract: The banking sector is one of the biggest service sectors in India and now-a-days is in a way to attract the biggest market of Indian investors. The banking sector today is focusing on how to provide efficient services to its customers. The Indian Banking System consists of various financial institutions whose objective is serving the people for their financial and economic needs. Banking is the backbone of every industry and technology plays an important role in every industry. The role of technology is increasing very rapidly day by day, which is also promoting the banking industry. Banking is one of the largest financial institutions which regularly explore the opportunity of technology to provide better customer services to customers for customer satisfaction. In today's business, technology has been the largest indicators of growth and competitiveness. The banking industry today is in the era of its revolution. The increased dominance of information and communication technology provides exciting opportunities for the growth of mobile banking, internet banking etc. This paper examines the role of information and communication technology for customer satisfaction in modernize era of technology.

Introduction

Technology is the collection of techniques, methods or processes used in the production of goods or services or in the accomplishment of objectives, such as scientific investigation. Technology can be the knowledge of techniques, processes, etc. or it can be embedded in machines, computers, devices and factories, which can be operated by individuals without detailed knowledge of the workings of such things.

During the past decade, the Information Communication Technology rapidly increases communication source in banking industry. There are various forms of Information and communication technological innovations and electronic delivery channels which are adopted by banks. ICT innovations have been identified to contribute to the effective distribution channels of Banks. The electronic delivery channels are collectively referred to as Electronic Banking. ICT on banking is really not one technology, but an attempt to merge several different technologies.

Each of these evolved in different ways, but in recent years different groups and industries have recognized the importance of ICT usage working together.

Banks are using information and communication technology to improve the efficiency and effectiveness of services offered to customers, improve business processes, as well as to enhance managerial decision making and workgroup collaborations. This helps strengthen their competitive positions in rapidly changing/emerging economies. Environmental, organizational, and technological factors are creating a highly competitive business environment in which customers are the focal point. Furthermore, these factors can change quickly, sometimes unpredictably. Thus, the growth of any enterprise is tied to retaining loyal customers, improving productivity, cutting costs, increasing market share, and providing timely organizational response. ICT is a major enabler for dealing with these issues. Because the pace of change and the degree of uncertainty in today's competitive



environment are accelerating geometrically. Organizations are operating under increasing pressures to produce more, using fewer resources. in order to succeed (or even merely to survive) in this dynamic world, companies must not only take traditional actions such as lowering costs, but also undertake innovative activities such as changing structure or processes and continuously revising competitive strategies.

ICT affects all processes associated with modern day banking. From the daily routines of preparing payroll and order entry, to strategic activities such as the acquisition of a company, ICT surfaces as a key element. In View of the importance of ICT in the banking industry, a number research works have been carried out.

Introduction of Customer Satisfaction

It is rightly said that “Customer is the king of the market” so in banking sector to satisfy the customer Information and communication technology are playing a significant role.

Customer satisfaction is a measure of how products and services supplied by a company meet or surpass customer expectation. Generally Customer satisfaction means “the number of customer, or percentage of total customer, whose reported experience with a firm, its products, or its services exceeds specified satisfaction goals.

It is seen as a key performance indicator within business and is often part of a balanced scorecard. In a competitive marketplace where businesses compete for customer, customer satisfaction is seen as a key differentiator and increasingly has become a key element of business strategy.

Literature Review

Moghadam, Baytollah Akbari; Behboudi, Mehdi; Jafari, Farzaneh (Dec 2012)in their research say

that customers are encouraged to utilize ICT banking as first priority. Increasing the customer's interest by ICT advertisements & promotions to use ICT banking creates a positive attitude toward bank's brand, which in-turn is the key factors in ICT banking effective usages. Jahangir, Nadim; Parvez, Noorjahan (Dec 2012)research states that ICT banking needs, compatibility, convenience, and communication on customer adaptation. In order to improve service quality in banking sector, additional research should be done which would identify current state of internet banking products adoption and satisfaction. Research results would allow to increase internet banking service quality and as result facilitate a switch of customers from branches to internet banking. (Hermanis Rullis, Biruta Sloka2011)

Objectives of the study

The basic objective of paper is to highlight Role of ICT towards customer Satisfaction of private banks. The paper also helps to understand the relationship between technology and customer satisfaction.

Role of ICT towards Customer Satisfaction

Banks have traditionally been in the forefront of harnessing technology to improve their products, services and efficiency. They have, over a long time, been using electronic and telecommunication networks for delivering a wide range of value added products and services. The delivery channels include direct dial – up connections, private networks, public networks etc and the devices include telephone, Personal Computers including the Automated Teller Machines, etc. With the popularity of PCs, easy access to Internet and World Wide Web (WWW), Internet is increasingly used by banks as a channel for



receiving instructions and delivering their products and services to their customers. This form of banking is generally referred to as Internet Banking, although the range of products and services offered by different banks vary widely both in their content and sophistication.

Broadly, the levels of banking services offered through INTERNET can be categorized in to three types:

- (i) The Basic Level Service is the banks' websites which disseminate information on different products and services offered to customers and members of public in general. It may receive and reply to customers' queries through e-mail.
- (ii) In the next level are Simple Transactional Websites which allow customers to submit their instructions, applications for different services, queries on their account balances, etc, but do not permit any fund-based transactions on their accounts.
- (iii) The third level of Internet banking services are offered by Fully Transactional Websites which allow the customers to operate on their accounts for transfer of funds, payment of different bills, subscribing to other products of the bank and to transact purchase and sale of securities, etc.

The above forms of Internet banking services are offered by traditional banks, as an additional method of serving the customer or by new banks, who deliver banking services primarily through Internet or other electronic delivery channels as the value added services. Some of these banks are known as 'virtual' banks or 'Internet only' banks and may not have any physical presence in a country despite offering different banking services.

1. It removes the traditional geographical barriers as it could reach out to customers of different countries / legal jurisdiction.
2. It has added a new dimension to different kinds of risks traditionally associated with banking, heightening some of them and throwing new risk control challenges.
3. Security of banking transactions, validity of electronic contract, customers' privacy, etc., which have all along been concerns of both bankers and supervisors have assumed different dimensions given that Internet is a public domain, not subject to control by any single authority or group of users.
4. It poses a strategic risk of loss of business to those banks who do not respond in time, to this new technology, being the efficient and cost effective delivery mechanism of banking services.
5. A new form of competition has emerged both from the existing players and new players of the market who are not strictly banks.

Conclusion

In nut shell we can say that there is a direct role of technology (Internet and mobile banking alternate banking channels) to satisfy the customer or to retain the customer for private banking sectors.

IT has changed the overall pattern of banking system. The banking today is redefined and re-engineered with the use of IT and it is sure that the future of banking will offer more sophisticated services to customers with the continuous product and process innovations. Thus there is a paradigm shift from seller's market to buyer's market. So banks also change their approach from "Conventional Banking to Convenience Banking"



and “Mass banking to Class Banking”. So banks are now more concentrate on providing value added services to customers. But IT can be fully useful only if they enable to meet the challenges in the present environment. In India it can be successful only if it is properly implemented in rural areas also.

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