A Study on the Nature of the Customers Who Used IT Driven Banking Services of Commercial Banks

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Introduction

Numbers of sectors are maintaining their services with quality and systematically by using information technology. Around two decades before, commercial banks started to apply information technology for their services. In the first stage, IT was used only for internal affairs. However nowadays, it has been developed as a self service provider. Currently, banks offer services with high quality and efficiency by using IT driven services such as ATM, Mobile banking, Internet banking etc. If there is an enormous queue inside the bank for small scale and small transactions, it will disturb the banks essential, valuable and prominent transactions. Therefore, customers have been given opportunities to paying bills, exchanging money, and inquiring the balance at home by a telephone or a computer.

A research was conducted in New Zealand banking sector and the results show significant relationships among online customer service quality, online information system quality, banking service product quality, overall internet banking service quality and customer satisfaction (Rod et al, 2008). Moreover, it was identified a positive relationship between IT and efficiency of banking services (Naseem et al, 2012). Further, a comparative study in Japan and South Asian countries revealed a positive relationship between IT and productivity of the banking activities (Swierczek and Shrestha, 2003). Commercial banks can be identified as with internet banking facilities and without internet banking facilities. It means some commercial banks use more and more internet banking facilities for their transactions. It was conducted a comparative reserch using this kind of two commercial banks. This research comparatively showed favourable amount of profit and

efficiency of activities exist in banks which with internet banking facilities than the other banks (Malhotra and Singh, 2009). Furthermore, It was identified lack of knowledge exist in Sri Lankan clients regarding IT driven banking services. Therefore it was mentioned that the problem of returns of investment on IT driven services are questioning (Suraweera et al). No studies have been done regarding the nature of the customers who use IT driven banking services of commercial banks in Sri Lanka. Therefore, this study is mainly focused on whether there is any special group of customers' using IT driven banking services of commercial banks.

Objective

The main objective of this study is to identify the nature of the customers using IT driven banking services. The secondary objectives are to examine new trends of IT driven banking services and help to develop a friendly system of IT driven services for commercial banks.

Methodology

Mainly, this research has been done using primary data. The questionnaires were filled by the customers who came to the Sampath bank and Bank of Ceylon for their transactions. It was prepared in Sinhala, Tamil and English languages. Subsequently, to know the attitude of customers on quality of services, it was included five variables which are under the RATER model. RATER model, previously called SERVQUAL is used to measure and manage service quality deploys a questionnaire that measures both the customer expectations of service quality in terms of the following five dimensions. They are Reliability, Assurance, Tangible, Empathy and Responsiveness. All customers were selected randomly. They were chosen from Bank of Ceylon and Sampath bank within two weeks with different times of the day.

Results and Discussion

It was clearly identified that customers in both banks were mostly using ATM services. The usage of ATM, Mobile banking and Internet banking facilities are more on Sampath bank customers than the Bank of Ceylon

customers. The usage among E-exchange facility was more in Bank of Ceylon customers than the customers of Sampath bank. The reliance of state bank is the special reason for this kind of behavior of clients.

Figure 1 Utilizing IT driven banking services

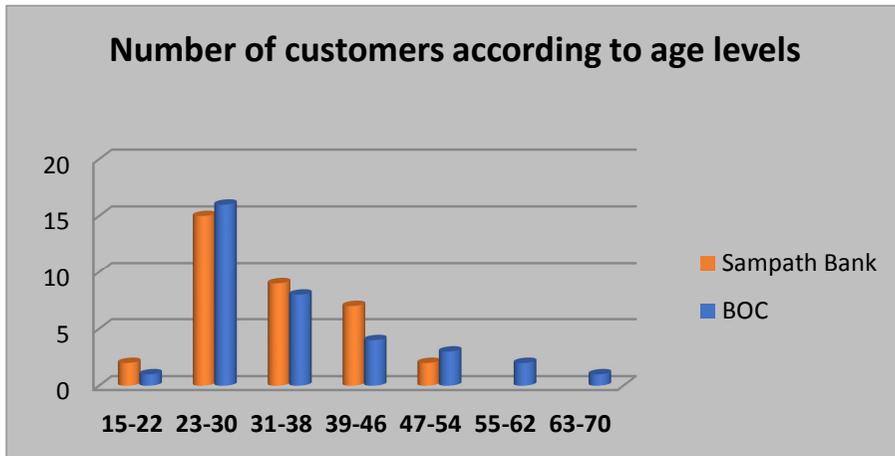**Utilitizing IT driven banking services**
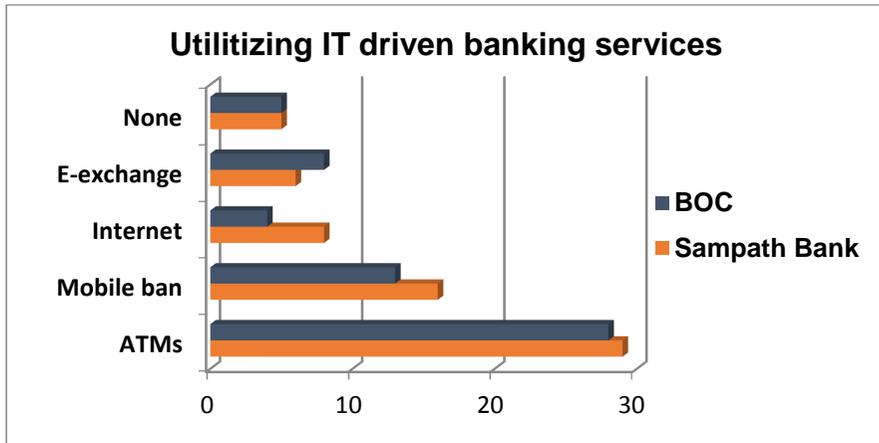
The customers who got different salary levels in two particular banks are very unique. Clients are pleased to join with Sampath bank when increasing their salaries. So, the customers in Sampath bank are getting high level of salaries than BOC. It shows a different pattern comparing to Bank of Ceylon. Subsequently, customers who received Rs 20,000 – 30,000 thousand per month are joining with Bank of Ceylon.

Age levels also show special characteristics in this research. Many customers are in the age level between 23–30. There were 44 percent clients belong to this particular age level and other 56 percent clients belong to less than 23 age and more than 30 age in this sample. It implies that IT driven banking services are typically used by customers who belong to 23 – 30 age level. 84 percent customers are representing age level between 23 – 54.

Age levels in group of 55 – 62 and 63 – 70 are also special, because there are no Sampath bank clients in this sample. Moreover there are very limited

clients in Bank of Ceylon too. Those customers are engaging with Bank of Ceylon only for getting their pension funds.

Figure 2 Number of customers according to age levels

Model RATER was used to measure quality of IT driven services. RATER has five measurements and also it has favorable answers. Many customers think that there are high level of qualities exist in IT driven banking services.

According to the Figure 3, Key reason for avoiding to use such services is very limited knowledge regarding those services. Low level of facilities and high cost of services also lead to avoid using such services.

Figure 3 Reason for avoiding IT driven banking services
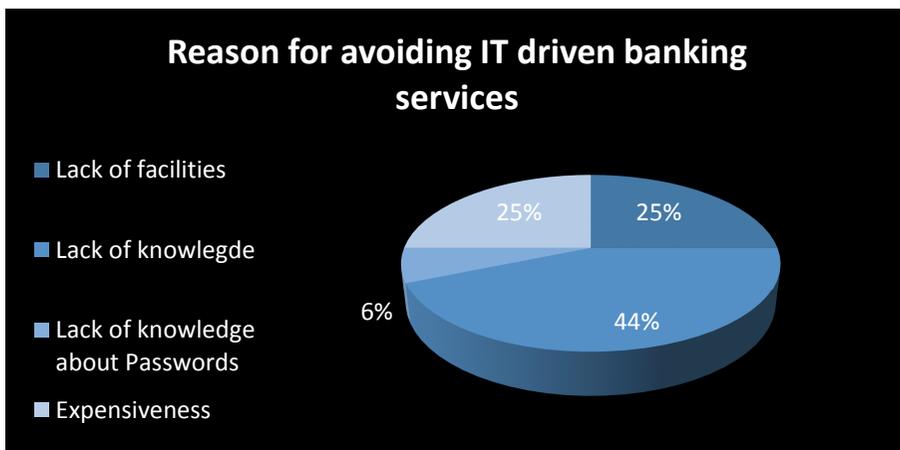
Furthermore, Customers in Sampath bank who are generally working under private sector. However others are mostly working in government sector.

Conclusion and Policy Recommendation

The research revealed that ATM service recognized as the most popular service among other IT driven services. It was clearly identified that person who work in government sector has more experience on joining with state bank. However attraction of private and business sector's person is related to the private bank. Specially, customers are joining with state bank for doing their E-exchange transactions rather than the other banks. Customers' attitudes about IT driven banking services are extremely good. According to this study, over 55 years old customers are more different from other groups and are used these services.

Using more and more IT driven banking services leads to increase overall transactions. Increasing of overall transactions is very healthy for commercial banks. Therefore, particular age level between 23 - 30 should be given more attention. Moreover, commercial banks should get some steps to promote such services among other age levels too. Customer services must be simple to use, as it can be understood easily for clients. State banks also should provide these services to achieve their goals.

References

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Banks administer these mutual funds through specialists and experts whose services are not available to the common men. 4. Agency Functions of Commercial Banks. Commercial banks function as he agent of their customers and help them several ways. For these agency services, the banks charge a nominal amount. This is a major function of the commercial banks. The international trade depends to a large extent on the financial and other support given by the banks. Apart from encouraging bills transactions, the banks also issue letter of credit facilitating the importers to conduct their trade smoothly. The banks also process all the documents through consultancy services and reduce the botheration of the traders. They want banking services to work like the payment, music, and shopping apps they use every day. But banks, on the whole, have failed to deliver. The challenge for retail-banking leaders is to manage a shift away from a distribution paradigm that, in just a few years, has become almost obsolete. In many markets, people bank almost exclusively through phone apps, and many would probably go 100% mobile if the opportunity were available. Multiple Customer Touch Points. Banks will connect with customers using a multitude of channels, modalities, and devices. They will leverage a broad array of tools, including mobile apps, the Internet of Things, APIs, aggregators, internet searches, and social networks. Banks and Banking. A bank is a company that works with the money that the people give it. If you give your money to a bank, it not only protects it but pays you interest so that it can work with the money. This is one of the reasons why people save their money in a bank. Money may also be safer there than at home. Banks provide their customers with a number of services. With a checking account you can pay your bills. A check is a slip of paper that tells the bank how much money it should withdraw from your account and pay to someone else. Today, more and more people use the internet, also a banking service, to pay their bills. Types of banks. Commercial banks are the most important banks. They offer many services, different forms of accounts and also loans. Abstract: Customer satisfaction, a term frequently used in marketing, is a measure of how products and. services supplied by a company meet or surpass customer expectation. Customer satisfaction is defined as "the. number of customers, or percentage of total customers, whose reported experience with a firm, its products, or. its services (ratings) exceeds specified satisfaction goals."Banking in India originated in the last decades of the. 18th century. upon India's independence, became the State Bank of India in 1955. A Study On Customer Satisfaction Of Commercial Banks:Case Study On State Bank Of India. www.iosrjournals.org 61 | Page. History: Indian merchants in Calcutta established the Union Bank in 1839, but it failed in 1848 as a. Bank of Ethiopia 1000109185907 'bank of efinancial institution which accepts deposits from the public and gives loans for the purposes of consumption and investment to make profit. It can also refer to a bank, or a division of a large bank, which deals with corporations or large/middle-sized business to differentiate it from a retail bank and an investment bank. Commercial banks include private sector banks and public sector banks.