



TECHNOLOGY LED BANKING PRACTICES: A STUDY OF CUSTOMERS' ATTITUDE WITH SPECIAL REFERENCE TO SIVASAGAR TOWN IN ASSAM

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ABSTRACT

This paper intends to study the history of Technology led banking services in India and also to study the attitude of customers towards technology led banking services in Sivasagar town of Assam. In the study the researcher used primary and secondary data. Primary data collected from 384 bank customers of sivasagar town of Assam. Interview questionnaire was used to collect data. After collecting the data it was analyzed and interpretations done using various statistical techniques. The study revealed the positive attitude of consumers towards technology led banking services. While undertaking the study researcher also revealed some of the issues and challenges in spreading the technology led banking services; such as the attitude of elderly consumers is negative towards technology led banking services. The consumers with higher education background have a more positive attitude towards technology led banking services as compared to consumers with lesser education.

KEYWORDS : Technology led banking, attitude, consumer

Summary

It was found that only ATMs are widely adopted by the customers. Adoption of other electronic channels is still to pick up in a big way. The outcome of the study depicts that the attitude of customers is quiet positive towards technology led banking practices. Hence initiation for appropriate measures for creating awareness and adoption of technology-enabled banking self services has the potential to revolutionize the way Indians do banking.

Introduction:

Banking is a service-oriented industry, and can be termed as backbone of any economy. The peculiarity of this industry is that it has to implement various social objectives as well as commercial objectives. It serves a runway for the free flow of capital necessary for the growth of the economy as well as it must attend to lending and deposit mobilizations and cross-selling in order to make profit for its survival and growth. In many countries including in India, banks are affected by loan losses and this has great impact on the health of the banks. This has resulted in the poor quality of services. Getting customer patronage and good will are becoming a great task and a challenge for Banks. (The Indian Banker, Jan 2014)

Banking scenario in India in the post liberalization & deregulated environment has witnessed tremendous changes. Advances in technology and aggressive infusion of Information Technology have brought in a paradigm shift in banking operations. For the banks, technology has emerged as a strategic resource for achieving higher efficiency, control of operation, productivity and profitability. For customers, it is realization of their "Anywhere, anytime, anyway banking dream. (Dr K Srinivasa Ra, 2016) This has prompted banks to embrace technology to meet the increasing customer expectation.

Technology in Indian banking has evolved substantially from the days of back office automation to today's online, centralized and integrated solutions. Banking is now no longer confined to the branches where one has to approach the branch in person to withdraw cash or deposit a cheque or request a statement of accounts with the expansion of internet usage, e banking has become one of the most revolutionized component of today's economic growth. E-banking is powerful value added tool to attract new customers and retain the existing ones.

Review of Literature:

A number of literature based on empirical studies are available on the role of technology led banking services and customers' attitude towards such services. The studies depicts that technology led banking services has received mixed results so far in whole of India.

Amutha M (2015) argues that technology led banking services has marked the beginning of changes in style and way of banking by the general public in India. It was observed that there was a paradigm shift of customers towards technology services such as net banking which reflects a positive attitude of consumers towards technology led banking services.

Mallika KSK (2014) Observed that the socio economic variables have significant impact on the opinion about e-banking services. Regarding the opinion of the respondents about need for e-banking services it is found that most of the respondents (74.60 %) have felt that e-banking services are essential for the present computerized era.

Krisnaveni R (2011) observes that Customers of banks have felt the positive impact of technological solutions implemented by bank. While the new generation private sector banks have been adopted Electronic Banking Technology right from their inception, for public sector banks it has been an uphill task.

Statement of problem:

Though, the banking industry has shown tremendous growth and significant improvements in all the areas relating to financial viability, profitability and competitiveness, there are concerns that banks have not been able to include vast segment of the population, especially into technology led banking services. Several changes have taken place in the focus and operation of the banks in the wake of IT reforms in banking practices in India. Various measures have been taken as well by the Government to improve the reach of technology led services related to banking practices.

All the major Public sector banks and private banks have a good network and presence in North east India and Assam in particular. Banks has shifted its attention and focus from traditional banking to paperless banking But the result how efficiently or effectively it has migrated its customers to technology products is yet to be known. Whether the customers, who are new to IT products and are used to traditional brick and mortar banking accepts the change is still not assessed. Given the change and development in style of banking, innovation of technology led products in banking it is both timely and pertinent to examine the implementation/acceptance/spread of the financial services led by technology and the utility of technology led banking products to users and the levels of usage.

Objectives of the Study:

The study was carried out with the objective of examining the attitude of the consumers' towards various technology enabled banking products. It was aimed primarily at knowing consumers

'viewpoint, frame of mind towards technology led banking products including orientation and approach of consumers towards technology led banking products.

Methodology:

The study was a descriptive and analytical one. The study was conducted in the Sivasagar town of Assam. In the study area, 30 various banks, both private and public sector banks branches are available. For the purpose of study, a sample size of 384 was taken into consideration based on sample size determination technique of Krejcie & Morgan. Convenience sampling method was used for selecting 384 consumers representing both public sector & private sector banks.

Data collection was done using the survey approach through a set of questionnaire concerning the usage of technology led banking system on the basis of previously validated scales and survey instruments. Statements on variables like Convenience, Compatibility, Being empowered, Value for needs (<http://www.mckinsey.com/industries/financial-services/our-insights/strategic-choices-for-banks-in-the-digital-age>) were used and opinions were solicited in a five point scale scoring from 5 to 1 based on 'strongly agreeing' to 'strongly disagreeing' to understand attitude towards technology led banking services. If the score was found to be 20 based on 'strongly agreeing' on four variables based statements is considered as 'strongly positive' attitude and a score of 4 is considered as 'very negative' attitude.

Findings and Interpretation:

The table 1 exhibits the demographic characteristics of the respondents selected for the study. It was found that among 384 consumers; 284 were male and 100 were females. 6.25% of consumers were below 20 years of age, 43.75% of consumers were 21 to 30 years, 33.33% of consumers were in age bracket of 31-40 years, 16.67% of consumers were 41 to 50 years age bracket. Education background of customers was as follows high school: 10.41%; Diploma/12th standard: 20.82%, Bachelor degree: 29.69%, Post Graduate degree: 39.08%.

The occupation background of the 384 respondents was: 29.16% respondents were students, 22.65% were government employees, 26.57% were private employee the remaining 21.62% were businessmen/professionals.

Table 1: Demographic Characteristics of Survey Respondents (n=384)

Variable	Category	Frequency	%
Gender	Male	284	73.96
	Female	100	26.04
Age [years]	< 20	24	6.25
	21-30	168	43.75
	31-40	128	33.33
	41-50	64	16.67
Education	High school	40	10.41
	Diploma / 12th	80	20.82
	Bachelor degree	114	29.69
	Post-graduate degree	150	39.08
Occupation	Student	112	29.16
	Government employee	87	22.65
	Private sector	102	26.57
	Businessperson/ other	83	21.62
Income per month (in rupees)	< 10,000	125	32.5
	10,000-20,000	59	15.36
	21,000-30,000	90	23.43
	31,000-40,000	76	19.79
	41,000-50,000	25	6.51
>50,000	9	2.34	

Consumers' attitude towards technology led banking practices: To understand the attitude of customers towards technology led

banking practices, respondents were asked to opined views on convenience, compatibility, being empowered and value for needs. It was found that multiple views were opined by the respondents as shown table 2.

Table 2: Consumers responses on Technology led Banking Practices

Sl. no	Parameter	Very Positive	Positive	Neutral	Negative	Very Negative	weighted score
1	Convenience	122 (31.77%)	104 (27.08%)	96 (25.00%)	33 (8.95%)	29 (7.52%)	3.67
2	Compatibility	119 (30.98%)	107 (27.84%)	93 (24.21%)	31 (8.07%)	34 (8.85%)	3.64
3	Being empowered	111 (28.90%)	109 (28.38%)	89(23.18%)	35 (8.85%)	40 (10.42%)	3.56
4	Value for needs	97 (25.26%)	101 (26.30%)	95 (24.74%)	42 (10.94%)	49 (12.76%)	3.40
	Average	109.75	105.25	93.25	35.25	38	3.57

Source: compiled from field data

The above table reveals that majority of respondents showed a very positive attitude towards technology led banking practices in terms of Convenience, Compatibility, Being empowered and Value for needs. While 58.85%, 58.85%, 57.29%, and 51.56% respondents opined a positive attitude on Convenience, Compatibility, Being empowered and Value for needs respectively. However, a good number of respondents (average 24.28 %) could not expressed any opinion as they were found to be not sure about impact of technology led banking product/practices. A total of 19.07% respondents opined negative and very negative attitude on the same.

Consumers' attitude towards technology led banking practice on basis of age profile of respondents.

In an attempt to examine the attitude of respondents on technology led banking practice on basis of age group-wise; the table-3 reveals that the opinions of respondents were very positive and positive 34.37% and 25.78% respectively. Across all age groups and negative and very negative attitudes as 12.5% and 6.77% respectively were found to be low.

Table 3: Responses on attitude vis-a-vis age profile of customers.

sl no	Age (years)	Very Positive	Positive	neutral	Negative	Very Negative	weighted score	total respondents in %
1	<20	13 (3.38%)	7 (1.82%)	3 (0.78%)	1 (0.26%)	0 (0)	4.33	6.25
2	21-30	68 (17.70%)	52 (13.54%)	27 (7.03%)	14 (3.65%)	7 (1.82%)	3.95	43.75
3	31-40	38 (9.89%)	29 (7.55%)	33 (8.59%)	18 (4.68%)	10 (2.60%)	3.52	33.33
4	41-50	13 (3.38%)	11 (2.86%)	16 (4.17%)	15 (3.90%)	9 (2.34%)	3.06	16.67
	Total	132 (34.37%)	99 (25.78%)	79 (20.57%)	48 (12.5%)	26 (6.77%)		

Source: compiled from primary data

Further, it was noticed that respondents belong youth, particularly between 21 years to 40 years expressed very positive or positive attitude towards technology led banking practice compared to relatively older people. Therefore, it may be inferred that the youth generation has more acceptability of technology led services.

Consumers'attitude towards banking practice on basis of educational background of respondents.

In an attempt to examine the attitude of respondents on technology led banking practice on basis of education background; the table-4 reveals that the opinions of majority of respondents were very positive and positive (34.37% and 25.78% respectively)across all education background groups while a low percentage of respondents opined negative or very negative attitudes (12.5% and 6.78% respectively)

Table 4: Responses on attitude vis-a-vis education profile of customers'

Sl no	Educational	Very Positive (n)	Positive (n)	Neutral (n)	Negative (n)	Very Negative (n)	Weighted score	total respondent in %
1	High school	8 (2.08%)	6 (1.56%)	3 (0.78%)	7 (1.82%)	16 (4.17%)	2.78	10.41
2	Diploma / 12 th	10 (2.60%)	24 (6.25%)	23 (5.99%)	17 (4.43%)	6 (1.56%)	4.47	20.83
3	Bachelor degree	52 (13.54%)	26 (6.77%)	17 (4.43%)	17 (4.43%)	2 (0.52%)	4.65	29.69
4	Post-graduate degree	62 (16.14%)	43 (11.20%)	36 (9.37%)	7 (1.82%)	2 (0.52%)	4.14	39.06
	Total	132(34.37%)	99(25.78%)	79(20.57%)	48(12.5%)	26(6.78%)		(N)384

Mean weighted score 4.01

Source: compiled from field data

Further, it was also observed that higher the educational level, the attitude towards technology led banking practices appears to be positive and vice versa. Therefore, it may be inferred that there is a relationship between educational attainment level and acceptance of technology led banking practices.

Consumers'attitude towards banking practice on basis of occupation profile of respondents.

In an attempt to examine the attitude of respondents on technology led banking practice on basis of occupation profile of consumers; the table-5 reveals that the opinions of 34.37% respondents were very positive and 25.78% were positive. Negative and very negative attitudes were 12.5% and 6.77% respectively.

Table 5: Responses on attitude vis-a-vis occupation profile of customers'

Sl no	Occupation	Very Positive	Positive	neutral	Negative	Very Negative	Weighted score	total respondent in %
1	Student	47(12.23%)	37(9.64%)	17(4.43%)	9(2.34%)	2(0.52%)	4.41	29.16
2	Government employee	25(6.51%)	19(4.95%)	22(5.73%)	11(2.86%)	10(2.60%)	3.93	22.65
3	Private sector	37(9.64%)	24(6.25%)	21(5.47%)	13(3.38%)	7(1.82%)	4.24	26.56
4	Businessperson/ others	23(5.98%)	19(4.95%)	19(4.95%)	15(3.90%)	7(1.82%)	4.19	21.61
	Total	132(34.37%)	99(25.78%)	79(20.57%)	48(12.5%)	26(6.77%)		

Mean weighted score: 4.19

Source: compiled from field data

It also reveals that students (21.87%) were more positive towards technology led banking practice compared to others like private sector employees (15.89%), Govt.sector employees (11.46%) and business persons (10.93%). This may be attributable due to the fact

students are more techno-savvy and aware of benefit and use of technology in managing life.

Overall Consumers' attitude towards Technology Led Banking Services

In an attempt to examine the attitude of respondents on technology led banking of consumers in municipal area in sivasagar town of Assam; the table-6 reveals that the overall opinions of respondents. 34.37 % respondent opined very positive attitude towards technology led banking services. Positive, neutral, negative and very negative responses were respectively 25.78%, 20.47%, 12.5% and 6.78%.

Table 6: Status of overall consumers'attitude towards technology led banking services in Sivasagar town of Assam

Response	Frequency (N)	Percentage
Very positive	132	34.37
Positive	99	25.78
Neutral	79	20.47
Negative	48	12.5
Very negative	26	6.78
Total	384	100

Source: Primary data

Conclusion

Now-a-days banks are providing multiple modes of delivery of services through provisioning of services through electronic banking channels such as ATMs, internet banking, tele banking and mobile banking services. It is not only the foreign and the private banks that are taking the initiatives in providing these services but also the public sector banks. However it is found that only ATMs are widely adopted by the customers. Adoption of other electronic channels is still to pick up in a big way. The outcome of the study depicts that the attitude of customers is quiet positive towards technology led banking practices. Hence initiation for appropriate measures for creating awareness and adoption of technology-enabled banking self services has the potential to revolutionize the way Indians do banking.

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