



IMPACT ON SERVICE SECTORS IN NAGPUR REGION: A CASE OF ASSESS VARIOUS ASPECTS OF IT SERVICES PROVIDED BY FINANCIAL INSTITUTES

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Abstract

In this research paper the researcher explain Information Technology has basically been used under two different avenues in Financial Institution. One is Communication and Connectivity and other is Business Process Reengineering, both basically focusing on increasing its customer reach. 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.

At a time when the world over was undergoing a radical transformation due to the all pervasive influence of information technology one sector that has undergoing fundamental changes as a consequence of the application of it has been Financial Institution. The present study has made a comprehensive research regarding the impact of information technology on the Financial Institution with Special Reference to Nagpur region.

KEYWORDS : Information Technology , Business Process.

INTRODUCTION

Indian Financial Institution is in midst of IT revolution. Financial Institution is backbone of Indian financial system and it is afflicted by many challenging forces. One such force is revolution of information technology. In this Globalized era, technology support is very important for the successful functioning of the Financial Institution. This research paper focuses on the impact of technology in Indian Financial Institution. Without information technology and communication we cannot think about the success of Financial Institution, it has enlarged the role of Financial Institution in Indian economy. Information technology refers to the acquisition, processing, storage and communication of all types of information by using computer technology and telecommunication system.

Information technology is an integrated framework for acquiring and evolving of IT to achieve certain strategic goal. For creating an efficient financial system, which can respond adequately to the needs of growing economy, technology has a key role to play.

In past one and a half decade, Financial Institutions in India have invested heavily in the technology such as Tele Banking, Mobile banking, net banking, automated teller machines (ATMs), credit cards, debit cards, smart cards, customer relationship management (CRM) software, electronic payment systems and data warehousing and data mining solutions, to bring improvements in quality of

customer services and the fast processing of Financial Institutional operation. Heavy investments in IT have been made by the Financial Institutions in the expectation of improvement in their performance. But improvement in the performance depends upon, differences in the deployment, use and effectiveness of IT

Information technology in Financial Institutions refers to the use of sophisticated information and communication technologies together with computer science to enable Financial Institutions to offer better services to its customers in a secure, reliable and affordable manner and sustain competitive advantage over other Financial Institutions. Financial Institutions are no longer restricted themselves to traditional Financial activities, but explore newer avenues to increase business and capture new market by implementing the new technology.

The significance of technology is greatly felt in the financial sector in view of the competitive advantage for Financial Institutions resulting in the efficient customer service. In the development of Indian Economy, Financial sector plays a very important and crucial role. With the use of technology there had been an increase in penetration, productivity and efficiency. It has not only increased the cost effectiveness but also has helped in making small value transactions viable. It also enhances choices, creates new markets, and improves productivity and efficiency. Financial sector always stand at the forefront of the economy and innovation has paramount concern to the application of modern technical devices. Electronic delivery channels, ATMs, variety of cards, web based Financial Institution, and mobile Financial Institution are the names of few outcomes of the process of automation and computerization in Indian Financial Institution sector.

Table no.1 Data regarding opinion of Financial Institutional customers about IT Services from them by Financial Institution is shown in following Table.

	Public Sector Financial Institution		Private Sector Financial Institution		Z	P
	N	Percent	N	Percent		
Very High	21	8.4	59	23.6	-4.635	<0.05
High	32	12.8	97	38.8	-6.643	<0.05
Moderate	140	56	74	29.6	5.965	<0.05
Low	57	22.8	20	8	4.584	<0.05
Very low	-	-	-	-		
Total	250	100	250	100		

It is observed that out of total 250 respondents used IT Services from public sector Financial Institution, 21(8.4%) respondents felt that the excellence level for IT Services by Financial Institution is high, whereas no. of respondents feeling that excellence level are high, moderate and low was 32(1.8%), 140(56%) and 57(22.8%) respectively.

It is also observed that out of total 250 respondents used IT Services from private sector Financial Institution 59(23.6%) respondents felt that the excellence level for IT Services by Financial Institution is high, whereas no. of respondents feeling that excellence level are high, moderate and low was 38.8(1.8%), 74(29.6%) and 20(8%) respectively.

There is considerable (P<0.05) difference among customers of public and private sector Financial Institutions with respect to excellence level from them through Financial Institution against IT Services. Majority public sector Financial Institution customers felt that the excellence level are

moderate whereas majority of private sector Financial Institution customers felt that the excellence level are high.

It is indicated in Table no 1 that majority public sector Financial Institution customers felt that the excellence level are moderate whereas majority of private sector Financial Institution customers felt that the excellence level are high. Thus comparatively excellence level of private sector Financial Institution for IT Services is higher than that of public sector Financial Institutions.

CONCLUSION

Information Technology is vital in Financial Institution are today, it becomes imperative for Indian Banking to realize its impact on operational performance in order to justify capital investments.

To cope with the pressures of growing competition, emerging changes, challenges, opportunities, Indian commercial Banking have adopted several initiatives and many facilities which include new Financial services and technologies to benefits the customers which recently made a remarkable change towards the IT adoptions and financial behavior of the Public and private Financial Institutions in Nagpur Region.

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