

A Study On The Significance Of Digital Technology In Banking Innovation And Creativity

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Abstract

All conceptions of what it means to be an employee in the banking business are rapidly evolving as the sector undergoes a vital transformation phase. It's a very visible tool with the potential to spur major development, facilitate growth, encourage modernisation, and entice alluring contests. Expanding access to banking services is only one of many advantages brought about by the growing popularity of online banking. The primary goal of this research is to examine how banks are becoming more digitally advanced via product and service innovation. To acquire the information needed for this study, one hundred employees from different banks, were randomly selected. The data on banking's digitalization has been analysed and interpreted using a frequency analysis approach. The research reveals that digitalization in banking industry have great impact upon the innovation and creativity of banking product and services.

Keywords: Digitalization, banking industry, banking products and services, innovation and creativity in bank

Introduction

Improvements in technology, client behaviour, and regulatory constraints are forcing the contemporary banking business to evolve rapidly and irreversibly. Because of technological advancements, the way banks engage with their customers is changing drastically. These shifts have allowed formerly inaccessible sectors to become accessible, allowing new entrants (and not only new banks) to upset existing ways of doing business. FinTechs are businesses that offer cheaper alternatives to

traditional financial services like online trading and electronic payments. The financial services business is facing increased competition as social media behemoths like Facebook, Twitter, and Google enter the market.

The Internet is crucial to the success of online banking, and its value to customers and banks alike is constantly growing. A lot of shifts have occurred in the banking industry in recent years. The precipitous growth in the use of the internet and other electronic means to perform banking and financial transactions is a major contributor to this fundamental transformation, among many others. Customers now have the option of accessing a wide range of financial services, including online and mobile banking, credit card bill payment, and automated teller machine (ATM) cash withdrawals. When compared to the time previously required for transactions, or when previously underserved populations are given access to the banking and financial sector, these services have a major impact on economic growth. E-banking encompasses a wide range of online financial services.

E-commerce is distinguished by the 24/7 accessibility of its services for customers. Throughout the business world today, expressions such as "online banking," "E-banking," "electronic banking," "electronic banking," "net banking," and "banking via the internet" are prevalent. They are commonly used in the business of finance. Ahmad, Bhatti & Hwang, (2020). Technology advancements have had a profound impact on banking on a global, national, and even regional scale. It's cutting edge tech and an entirely new way of doing business all rolled into one. The concept of internet banking, which was novel not so long ago, is rapidly gaining popularity. Therefore, it's crucial that everyone understands that making financial transactions through the Internet is the fundamental notion underpinning online banking.

Literature Review

Yaseen & El Qirem, (2018) looked at the issues that developed as a result of implementing reforms in the banking industry. As a result of globalisation and technological developments, the world's various financial markets have become more linked. Banks can't survive without adopting novel practises and methods in response to the ever-evolving marketplace.

Salimon, Yusoff & Mokhtar, (2017) stated that A customer in the twenty-first century is expected to be familiar enough with financial transactions that they may be completed online from the comfort of their own homes, offices, or while travelling. Personal service will remain vital in India's banking sector, despite the rapid rise of automated processes. Therefore, in the not-too-distant future, all banking endeavours will be able to be summarised in a single clear prescription. To maintain their growth, banks must stop focusing on just satisfied their clients and instead focus on truly delighting those consumers in every element of the business.

A recent study found by Haq & Awan, (2020) that as a direct result of the widespread impact of IT and the mind-blowing developments in communications and electronic data processing, the financial industry throughout the world is undergoing a rapid and profound transformation. the winds of change may also be felt in India. The phrase "information technology" refers to the combination of computer systems and communication tools, and it has significantly altered the standard operating procedures of the banking sector. Consequently, financial institutions may finalise deals regardless of where they are or what time it is. Results show that in today's climate, marked by fierce competition and increased customer expectations for unique goods and alternative delivery methods, the traditional boundaries of banking are undergoing a process of reinterpretation. A recent study concluded that technology developments are already having and will continue to have a substantial influence on the delivery of consumer financial services in the future. Digital technologies, such as online banking, are here to stay, and so is the widespread use of computers and other electronic devices. The research did not include the advantages of effectively utilising the internet in the financial services industry. Based on their research, the authors believe that in today's competitive market, banks can only survive if they successfully implement cutting-edge technology. The internet was used to compare the quality of different banks' services since it provides access to a wider variety of high-quality options at lower costs.

Sinha & Mukherjee, (2016) spoke on how the advent of online shopping has altered the whole economy. Almost every sector of the economy, including banking, has seen a replacement of the old

firm model with a more modern commercial template. With this change, consumer association policies have become increasingly important to the management of corporations. New technology advancements appear frequently and quickly. Financial institutions are impacted by the development of technology. Recently, the banking sector has seen an explosion of new, creative ways of providing financial services to customers.

Research Objective

To study the significance of digital technology in banking innovation and creativity.

Research Hypothesis

HO: There is no significance of digital technology in banking innovation and creativity

H1: There is significance of digital technology in banking innovation and creativity

Material and Methods

Research Design

The rising digitization of financial services as a result of technology developments was analysed using descriptive research methodologies. Research techniques that aim to characterise a phenomena, situation, or population through systematic data collection are known as "descriptive research methods."

Data Collection

Primary data collection takes careful consideration because the slightest error might affect the outcome. Observation and questionnaires are two primary methods of gathering information. Both methods were employed in this investigation. Secondary sources include print and digital media as well as scholarly and professional publications. All accessible secondary sources were used into this investigation.

Sample size

Cooperative banks and regional rural banks are not included in the sample population because they do not meet the criteria for inclusion in the sample or because they do not provide a sufficient number of digital banking services. A total of 100 bank workers were selected at random to participate in the study's data collection.

Data Analysis

A questionnaire is produced by the researcher with all the pertinent questions and background material for the study included. After a sufficient number of replies have been received, the questionnaire is considered complete, and the findings are calculated statistically. Frequency analysis has been used to analyse and interpret the research data.

Results and Discussion

Question 1: Do you agree that implementation of digital technology increase productivity and efficiency of bank employees?

Do you agree that implementation of digital technology increase productivity and efficiency of bank employees?	Frequency
Strongly agree	80
Agree	10
Disagree	5
Strongly disagree	5

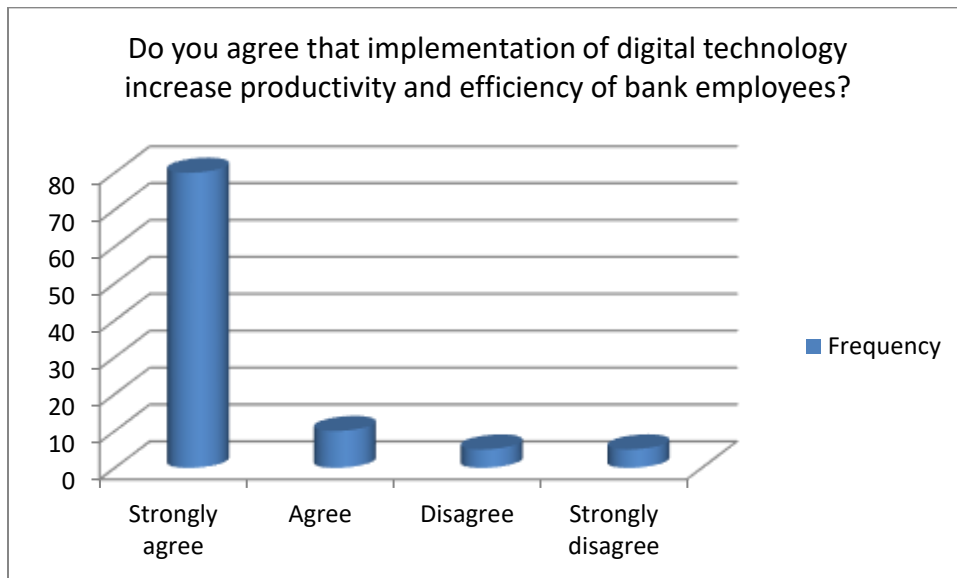


Figure 1: Implementation of digital technology increase productivity and efficiency of bank employees

Interpretation and analysis: According to the graph and table above, the majority of respondents believed that using digital technology will boost bank staff' productivity and efficiency. 80 out of the 100 survey participants strongly agreed with the assertion that the use of digital technology has increased bank staff' productivity and efficiency. In contrast, 5 respondents disagreed with the claim that using digital technology had increased bank staff' productivity and efficiency.

Question 2: Do you agree that digitalization in bank reduced the labour work and increase the speed of work?

Do you agree digitalization in bank reduced the labour work and increase the speed of work?	Frequency
Strongly agree	70
Agree	25
Disagree	3
Strongly disagree	2

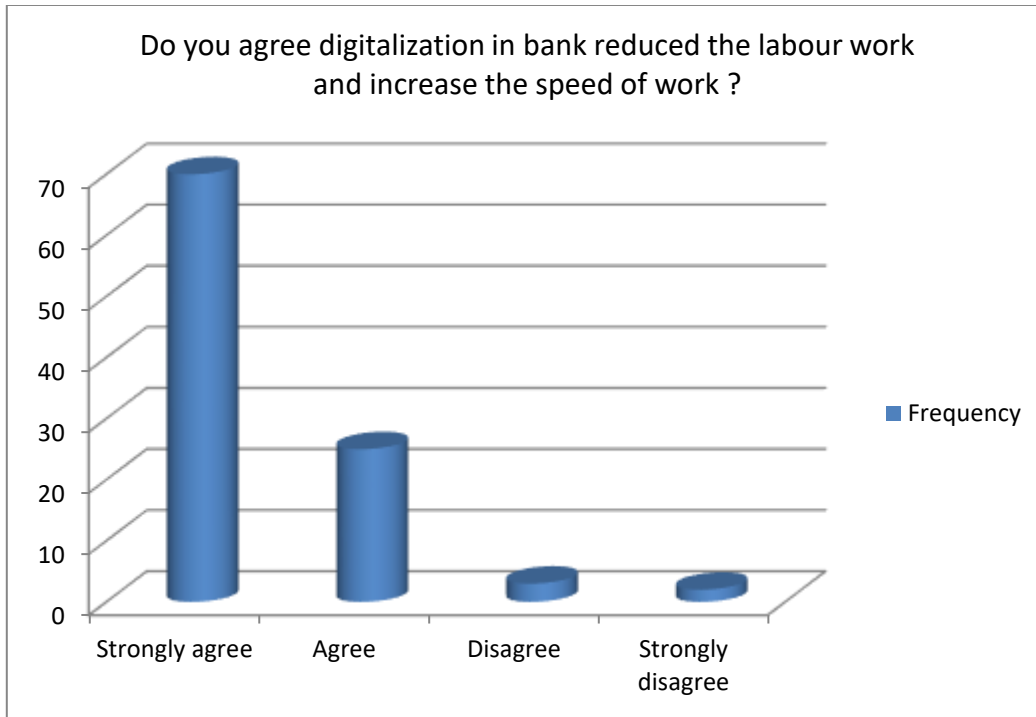


Figure 2: Digitalization in bank reduced the labour work and increase the speed of work

Analysis and Interpretation: According to the graph and table above, digitization in banks has resulted in less labour being required and faster work, according to the majority of survey respondents. 70 of the survey's 100 participants strongly agreed with the claim that digitization in banks has decreased labour requirements and accelerated productivity. On the other side, 25 respondents agreed with the claim that digitization in banks has increased productivity and decreased labor-intensive tasks. Only 3 respondents disagreed with the claim that digitization in banks has increased productivity and decreased labor-intensive tasks.

Question 3: Do you agree that digitalization in banking brings innovation and creativity in banks product and service?

Do you agree that digitalization in banking brings innovation and creativity in banks product and services?	
	Frequency
Strongly agree	70

Agree	20
Disagree	5
Strongly disagree	5

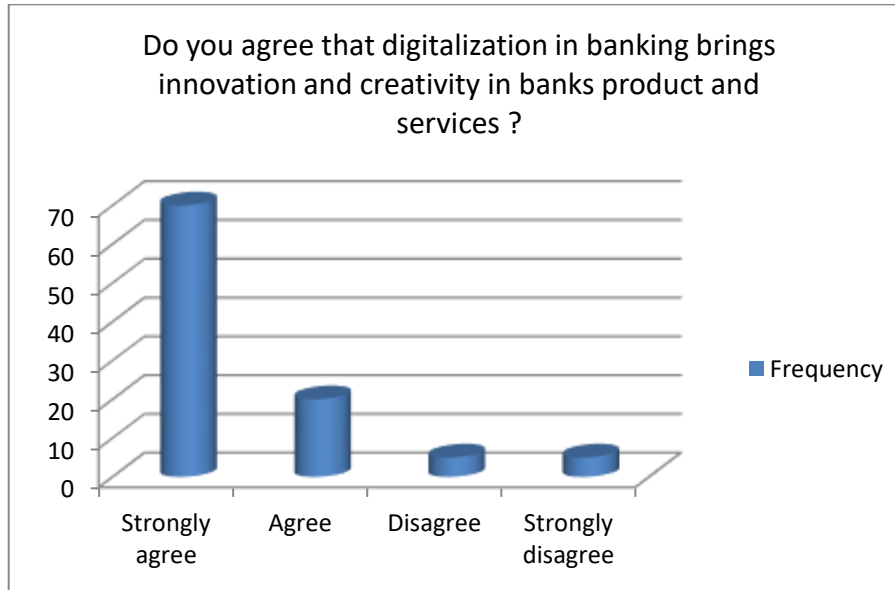


Figure 3: Digitalization in banking brings innovation and creativity in banks product and services

Analysis and Interpretation: Based on the graph and table above, it has been determined that the majority of survey participants firmly agree that digitization in banking fosters innovation and creativity in banks' products and services. 70 out of the 100 respondents to the poll strongly agreed with the assertion that innovation and creativity are brought to banks' products and services via digitization in banking. On the other side, 20 respondents agreed with the claim that innovation and creativity are brought to banking through digitization. Therefore, it has been determined that the adoption of digital technology in banking fosters creativity and innovation in bank products.

Conclusion

Online banking, e-banking, and "Net Banking" are all aliases for this method of financial transactions conducted through the internet. Without ever entering a branch, customers may benefit from the complete range of banking alternatives available to them. Online banking may not be available to all account holders. According to

the report, digitization improved overall service quality and improved staff performance and job satisfaction. This methodology can help banks and other financial institutions better determine where their digital banking services could be improved or where there are gaps. As a result, it has been determined that, in terms of quality, digital banking combines the expertise of financial institutions with that of pioneers in the fintech and telecom sectors. The formation, upkeep, and enhancement of solid relationships with clients should be banking organisations' top goals. The ability to maintain costs, simple access, and outstanding customer service are all essential elements of digital banking.

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