PREFACE

The banking industry today is truly at cross roads. With technology aiding globalization and integration of world 'financial markets there has been a quantum jump in the expectations of customers for newer products and alternative delivery channels. Consequently, banks are under increasing pressure to offer today, what customer would be expecting tomorrow. In essence, there is a paradigm shift from merely being a profit centric to differentiating oneself as an identity conscious customer loyalty by providing them with value added services tailored to their needs.

The Rangarajan Committee (1969) report is the first path-banking step of its kind at introduction of mechanization in the Indian Banking Industry. The Committee had highlighted that computerizations must be looked upon as a means to improve the customer service and efficiency and that the bank's workforce should realized that mechanization would lead to growth and employment expansion.

The current transformation process in the Indian banking has many facets. They pertain to capital restructuring, financial re-engineering, technology absorption and of course human resource development. Each of these has several ingredients, presents formidable threats, also offers excellent opportunities but technology plays the most crucial role in transforming the banking sector. In the days, when technology serves the bank customers through ATMs,Credit cards. Internet banking, Mobile and Tele banking and many more where online banking turned the banks to be fully automatic and hence decline the customer visit to the banks. More and more customers are now using e-delivery channels, which have come to be associated with e-banking. New private sector banks have leveraged the Internet effectively in taking away the customers from public sector banks and significantly increased their revenue potential. Internet banking is just one-manifestation technology capabilities of these banks. With the help of e-banking, they are making customer relation management more effective. Most companies have transferred or are in the process of transferring their payrolls to the new private sector banks or foreign banks in big cities. In fact, in the face of the new competitive pressures, inherent rigidities in public sector
banks to enhance their overall efficiency pose serious challenges that has widen the gap between partially and fully IT oriented banks.

There is need to bring some changes as improved customer services, a good information system and modern technology in the working of banks to operate successfully and to meet the competition.

The present study “Adoption and Diffusion of Modern Banking Technology—A Study of Public & Private Sectors Banks” is the right attempt in this direction. Thus, the overall Customer satisfaction along with individual bank performance needs a thorough study to help them find some way out. Keeping in mind all these things, the present study has been initiated. The study focuses very clearly on various variables constituting effective adoption and diffusion of modern technologies. The first chapter gives a brief introduction of the banking sector and other variables under the study; the second chapter highlights various public and private banks in India; the third chapter is devoted to literature review i.e. the work done so far on these lines has been briefed in this chapter; the Fourth chapter suggests the steps and methods through which the study has been proceeded. Chapter number five gives a glimpse of effect of modern technologies on efficiency and productivity of banks. Chapter six deals with critical appraisal of customer perceptions of modern banking technologies. Chapter seven emphasize on employee’s perceptions towards modern technologies. Last but not the least: Eighth chapter has been devoted for recommendations and suggestions. Of course, bibliography and appendices have not been overlooked.