

THE IMPACT OF INFORMATION TECHNOLOGY IN BANKING SECTOR BETWEEN STATE AND PRIVATE BANKS: SPECIAL REFERENCE TO THE SOUTH EASTERN REGION, SRI LANKA

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ABSTRACT

Banks use information technology as competitive advantage and enjoy and target the market share with the huge investment. Private banks were the pioneer in adopting information technology and introduced immense service, later state banks joined the queue to enjoy the benefits of information technology. It seems both state and private banks in the South Eastern region did not reach the level of achievement using the information technology when compared with other develop countries. This study focuses the impact of information technology in banking sector between state and private banks in the South Eastern region in Sri Lanka. The objectives of this study are to identify the benefits and difficulties of using information technology in the banking sector, and find out difference between the usage of information technology in the state bank, private banks. The data were collected using questionnaires from the customers of state and private banks. The results of the study focus a number of banks did not implement information system proper way and fail to get the right usage of the information technology to attract the customer among in the state banks. But private banks understand the needs of customers and deliver the right services via information technology. Findings of this study help bank managers, system analysts, and IT users to better understand the usage of information technology in the banking sector in order to achieve success of their visions.

Keywords: Information, Technology, Systems, Private Bank, State Bank.