Strategic Impact of ICT on Modern Day Banking in Nigeria

Stella E. Igwen, Delta State University, Abraka, Delta, Nigeria

ABSTRACT

This paper examined impact of ICT on modern day banking relating to Ecobank Plc, Abraka Nigeria. The scope of the study covered staff of Ecobank Plc Abraka. The descriptive survey research design was used for the study. The population of the study was 72 respondents. Questionnaire were used to collect data from 72 respondents. Simple percentage and frequency count were used to analyse the data. It was found out that computers, internet scanners photocopiern, printers, e-mails, telecommunication, ATM and www are the ICT facilities available for use in Ecobank Plc Abraka. It was also found out that ICT has impacted the activities of the bank in the areas of speed delivery, on-line financial transaction, mobile banking services, reduction of long queues and congestion in the banking hall, easy communication between staff and customers, etc. The paper recommended that more adequate ICT facilities should be provided in the bank for utilization and staff should be adequately trained on the use of ICT facilities for greater efficiency.

Keywords: Banking Service, Ecobank, ICT, Nigeria, Strategy

INTRODUCTION

Business environment of this era is very dynamic and undergoing rapid changes which is resulting in technological innovation, increased awareness and also demand from customers. Business organization, especially the banking industry of 21st century operates in a complex and competitive environment which is characterized by the above changes (technological innovation, demand from customers) and highly unpredictable economic climate. Information and Communication Technology (ICT) is at the centre of this global change curve. Laudon and Laudon (1991) contend that managers cannot ignore information system because it plays a crucial role in contemporary organization. They further pointed out that the entire cash flow of most fortunate companies is linked to information systems. The adoption of ICT in bank has improved customer services, facilitated accurate records, provides for home and office banking services, ensure convenient business hour, prompted fair attention and enhanced faster services. The strategic adoption of ICT improves the bank image and leads to a wider, faster and more efficient market. It has

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also made work easier and more interesting, improve the competitive edge of banks, improves relationship with customers and assist in solving basic operational and planning problems (Agboola, 2009).

Modern day banking has become highly ICT based and due to its inter-sectoral link, it is reaping the benefits of technological revolution as evidenced by its application in most of its operation. This is crucial in the sectors current reforms where attention is focused on the ability of banks to attract and retain customers, which is mainly feasible through efficient service delivery that depends to a large extent on the use of ICT.

Strategically, Information and Communication Technology (ICT), which basically involves the use of electronic gadgets especially computers for storing, analyzing and distributing data is having a dramatic influence on almost all aspect of individual lives and that of the national economy, the banking sector inclusive. The increasing use of ICT has allowed for integration of different economic units in a spectacular way. This phenomenon is not only applicable to Nigeria but other economies of the world, though the level of their usage especially in the banking sector, has considerably improved, even though it may not been as high as those observed in advanced countries (Adeoti, 2005).

The use and impact of ICT in the banking sector has grown dramatically due to the significant role it plays in the economy. According to Adeyemi (2006), banks help in stimulating economic growth by directing funds to economic agent that need them for productive activities. This function is very vital for any economy that intends to experience meaningful growth because it makes arrangement that brings, borrowers and lenders of financial resources together and more efficiently too than if they had to relate directly with one another. In essence, the banking sectors act as a bridge that connect lenders and investors in the economy (Adam, 1998).

The 21st century has brought about an all embracing convergence of computing, communications, information and knowledge. This has equally changed the way we live, work and think. The growth of high spaced network, coupled with the falling cost of computing power, is making possible application undreamed of in the past. Voice, data, image and video may now be transferred around the world in micro-seconds courtesy of ICTs. This explosion of technology is changing the banking industry from paper and branch banks to a digitized and networked banking services. (Ghazini, 1998).

ICT has already changed the internet accounting and management system of banks in Nigeria and world wide. It is now fundamentally changing the delivery system banks use to interact with their customers. All over the world, banks are still struggling to find a technological solution to meet the challenges of a rapidly-changing environment. It is clear that this new and awesome technology is changing the modern day banking industry forever. Banks with the ability to invest and integrate information and communication technologies (ICT) will become dominant in the high competitive global market. Bankers are convinced that investing in ICT is critical and its potentials and benefits on the banking industry survival and future is enormous (Adam, 2005; Ghaziri, 1998).

The paper objectives are:

1. To find out the ICT facilities available for use in modern day banks;
2. To examine the extent to which ICT impacts on modern day banking;
3. To unravel the role of ICT in the banking industry;
4. To explore the attitude of employers and customers towards ICTs in modern day banking;
5. To investigate the challenges hindering modern day banks in the effective utilization of ICTs.
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