

Impact of technology in service industry

Technology



**ASSIGN
BUSTER**

On the other hand, most of consumers nowadays are also prefer to choose a technology-based arrive delivery and it has also rising some significant concern about the impact that technology on service quality and how it affects customer satisfaction levels. The growth technology has proved remarkable growth in service sector especially in Malaysia banking industry. It has proved that technology has a massive result in banking sector by providing more flexible payment system and more user-friendly banking services to their customers.

These banks have understood the impact on technology and they are willing to invest more In new technology in order to help them to enhance the company effectiveness and efficiency. Through such Improvement and advancement, most of the banks have started to serve their customers better and faster. Technology has also Increase cost efficiency of banks by providing chances to cut down labor by replace computer technology.

This can be seen from the invention of ATM machine and online banking which is clearly replace human manpower as people do not need to wait and queue and they can get some services faster and easier through the advancement of technology. From all above point, we can see some of the importance of technology and how it impact customer satisfaction in banking industry. 2. Technological Advancement Change Banking Industry In Malaysia There are a lot of examples that show how technological advancement has changes Malaysia banking Industry. First, Is through Internet banking.

Internet banking is also named as online banking, which is one of the banking services, for example paying of bills, funds transfer and viewing account statement through a computer system or similar devices that can connect to the banking site via the internet. Internet banking can be classified by two categories which is transactional and non transactional activities. The examples of transactional activities are included electronic funds transfer, bill payment and wire transfer, loan application and repayments and also buying investment product.

On the other hand, non transactional activities are included account balance viewing, viewing of previous bank transactions, bank statement downloading, check book ordering, E banking application downloading and also the provision of account or bank statement. According to statistical from Bank Engage Malaysia, the number of Internet banking and mobile Internet subscriber In Malaysia has Increased since year 1995. Table 1 : Internet Banking and Mobile Banking Subscriber in Malaysia One of the reasons that Malaysian like to use online banking because it is very convenient.

By using the online banking system, we are able to do the business transaction anywhere as long as we have a device which can connect to the internet. All of the banks that provide this service allow their customer to do the transaction 24 hours a day and 365 days round the year anywhere and anytime as long as internet connected. Users do not need to worry about the bank working hours as everything can be done in one click, no need to travel to bank and waiting to be helped in order to get banking done.

Mbabane is the first bank in Malaysia that recommend Internet Banking services in Maybug. Com and captures around 54% of the online banking market share in Malaysia (Sin Chew Daily, 2010). It was once become the leader among other banks and become most visited local site with more than 1 million visitors. The services provided previously include balance inquiry, payment, funds transfer, registration for new account, personal profile update, insurance renewal and others. On the other hand, COMB Bank Bertha and Public Bank also recommend similar services in the own portal Symbolic. Mom and Bank. Com. Symbolic. Mom was then become second popular Internet Banking site next to Maybug. Com with hit around 475, 000 active users recorded. The third most visited Internet Banking site is Bank. Com, with 325, 000 unique visitors using the website. But among these banks, COMB bank was the first bank that has been rewarded as the " Best Internet Bank in Malaysia" at Global Finance's The World's Best Internet Bank Awards ceremony in year 2010. According to Global Finance magazine publisher Joseph D.

Guarantor, the company has put a lot of hard work by making sure that they provide their customers the most excellent service with the highest level of security is laudable. Besides that, the head of retail and financial services of COMB bank, Peter England also said that this honor recognizes all its hard work to offer a secure online platform to its customers (The Sun Daily, 2010). Mobile banking is also one of the internet banking. It has been very popular nowadays among Malaysian due to dramatic increase of smart phone users. It allows user to make payments to selected merchants by using mobile phones.

Payments and purchase of goods and services can be done without cash transactions. It is easy as BBC because user only have to register and open an account with mobile payment arrive providers. A recent research has been done by KC Wong (2013) in Table 2 stated that, Malaysian has become one of the most active users with an average of 6.4 hours spent in a week on data usage (Commerce mill, 2013). A lots of phones APS has been invented and make banking easier for those with a Smartened users like the Apple phone or 'Touch, Samsung Android, Blackberry and also ETC.

Table 2 : Smartened Usage The company has work together with Golden Screen Cinema and they come out with GAS Hong Leone credit card-the ultimate movie card on 7 February 2013. Those orderlies who purchase the ticket thru payment are eligible to enjoy buy one free one movie ticket offer. They can also purchase their ticket faster and hassle free at the outlet Priority Ticketing Lane too. (Hong Leone Bank, 2013) Although most of Malaysian has started to use online banking and mobile banking as their daily routine, there is some of the population do not preferring this service.

Some of them worried about security uncertainties problem and concerned with the security of their identity, funds and electronic banking transactions. For example, some may worry that their personal information been used by others when their vice been stolen or using by other people or funds that they transfer may not reach the intended receiver. Next, Bank Engage Malaysia had introduced the National Electronic Queue Information Clearing System which is also known as speck to replace the previous Sister Pen]Alaskan Mimes Eek Sebastian (SPICY) queue clearing system in year 2008.

<https://assignbuster.com/impact-of-technology-in-service-industry/>

The purpose of implementing speck is to improve the efficiency of the payment system. Through speck, both of the customer and business will benefit because it provide faster service in order to help the customers to receive funds from the huge deposited during business hours on the next business day and serve their customer better. (Bank Engage Malaysia, 2010) Another recent change in Malaysia banking industry is Easy; it is introduced by RIB bank. It is a latest idea which providing easy and express service by using the latest technology and banking system to serve its customers.

The services provide included easy loan, easy debit, easy insurance, easy saving and easy contest where all this service will be approved and done in 10 minutes. Other than that, another technological change in Malaysia banking industry is the innovation of Malaysian Electronic Payment System which is also known as MAPS. It is an interbrain network service provider that implements smart cards for ATM machine cards from magnetic stripe card to chip based card.

MAPS allow bank customers easily proceed cash withdrawal and also balance inquiry by sharing ATM network among bank, transferring fund among bank, allow recipient to receive the fund instantly, provide convenience for mobile phone user to reload their credit through ATM, allow oversea cash withdrawal in several countries and lastly allow customer to make reedit card and loan repayment. As a conclusion, from all the point above, we can see the importance on how technology affects banking industry. Obviously, they have keep improving from time to time by investing in new technology to improve their service quality.

We can see that technology improvement has help traditional banking method to online banking and mobile banking. Technology improvements have created more flexible payment method and provide more user friendly services. The efficiency and effectiveness of bank in serving their customer better is mostly depend on the use of new technology. We also mentioned how it helps bank to reduce unnecessary cost by cutting down manpower and replace it by the new technology. The only key factors that some of been mentioned clearly previously.

2013]