

# Technology Enabled Banking Self Services in Nagaland

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## **Abstract**

*Banking environment throughout the world, during the past three decades or so, has changed significantly due to regulatory, structural and technological factors. The Indian banking system has also witnessed tremendous changes during the reformatory phase (1991 onwards). The information technology (IT) revolution has had a great impact on the Indian banking system which has revolutionized the provisioning of banking services through introduction of new distribution channels. The rapid strides in IT have in fact redefined the role and structure of banking in India. The advancement of IT has brought enormous transformation in the banking industry and made banking services easier, speedy and accessible anytime and anywhere. The facility of various electronic banking services has revolutionized the choices available with the customers. One of the major developments during the period was the introduction of new delivery channels for customers. In view of several developments taking place from 1991 onwards, the entire banking organizational as well as products structure has undergone a major change. The paper presents an overview of banking profile of Nagaland and a brief account of the technology driven self services provided and available. The findings of the study reveal that banking services in Nagaland in terms of spread and coverage is very poor due to inadequate infrastructure facilities. 71.18% of bank branches are concentrated only in three districts of Dimapur, Kohima, and Mokokchung. The people in the remaining nine districts residing in sub urban and rural areas are deprived of adequate banking services, including the technology enabled self services. Moreover, there are variations in service provisions amongst the banks and their branches. Banking sector has failed in reaching out to the core population of the state and in fulfilling the expectations of the people at the desired level. It is yet to fully exhibit market orientation and in providing services with adequate regards to customers' needs. Banks are required to change their attitude and come forward to overcome the problems faced by the customers.*

**Key Words:** *Commercial Banks, Information Technology, Technology Driven Banking Services, Technology Enabled Banking Self Services,*

## **1. Introduction**

Banking industry has undertaken numerous regulatory, structural, and technological transformations on a world-wide basis making the banking environment global and more integrated. Banking is a catalyst and life of modern trade and commerce, an integral part of all the businesses. It is a customer-oriented service industry, which has been witnessing a radical shift in the market power from banks to their customers. A bank can be said as customer-oriented if its various organizational activities are geared up to fulfill customers' needs (Ambashta, 2000). Today, information and communication technology (ICT) has become the heart of banking sector. With the advent of information technology and communication system, the customers are well aware of the service level available around the

world and thus expect the best from his bank (Rao, 2002). In a bid to stay ahead of competition and to keep pace with the changing environment, commercial banks have been adopting technology and innovative strategies at a faster rate, offering numerous services to their customers and embracing many new features including self-service channels that remove the constraint of time, distance and communication. Technology is one of the major macro-environmental factors that affect today's banks in terms of what they provide, how they provide it, and what the customer really wants. The automation in the banking service has competitive advantage and can be used as a weapon of cost-effectiveness. As cited in Ongori (2013), Hernando & Nieto (2007) inferred that banks could cut costs pertaining to preservation of bank branches and employee remuneration when adopting self-service technologies.

## 2. Technology in Indian Banking Sector

The IT revolution has had a great impact on the Indian banking system. The use of computers in the banking sector in India has increased many folds after the economic liberalization as the country's banking sector has been exposed to the world's market. Indian banks were finding it difficult to compete with the international banks in terms of customer service, without the use of IT [RBI, 2015]. The RBI set up a number of committees to define and co-ordinate banking technology such as Committee on Mechanization in the Banking Industry (1984), Committee on Computerization in Banks (1988), Committee on Technology Issues (1994), Committee for Proposing Legislation on Electronic Funds Transfer and Other Electronic Payments (1995), etc. The thrust on the usage of IT in the financial sector in India was heralded by the report of Rangarajan Committee on Computerization in Banks [1989].

The marvelous kinds of innovation in technology and hard line blend of it with IT made a paradigm shift in the banking industry. The banking and financial services sector has absorbed technology to a great extent. Now-a-days a condition has reached in which this sector cannot survive without the support of ICT. Banks, world over, have been effectively deploying ICT as a strategic resource to achieve speed, efficiency, cost reduction, customer service and competitive advantage [Joshua, 2009]. All banks in India have realized in the post-liberalization era that in order to remain competitive and provide the best services to their customers, they need to have the latest technology in place. Irrespective of status, almost all banks have given maximum importance to technological development and deployment [Upadhyay, 2007]. During the post liberalization period, banking sector has seen growth with consequent increase in the volume of banking transactions fully aided by banking technology. The technological improvement has facilitated the banks in improving their level of customer service. Almost all the banks now work in a computerized environment with core banking solution [RBI, 2010].

### 2.1. Technology Driven Banking Services

In the present study the terms "Technology Driven Banking Services", Technology-Enabled Banking Services' and 'Electronic Banking' have been used interchangeably. Several definitions of electronic banking exist in the literature. But, Uppal (2007) takes a broader definition to include all the services provided by banks through all types of electronic delivery channels such as telephone, internet, cell phone etc. Hence, as per this definition banking services such as internet banking, telephone banking, mobile banking and services provided through Automated Teller Machines (ATMs) are all brought under its purview. Sharma (2007) gave a rather interesting definition of electronic banking when he equated it as

‘providing banking service to customer at his/her office/home or at any other place or time wherever the person is, be it travelling, shopping or even in a stadium through the usage of electronic technology’.

The banking system in India has shown a great deal of resilience and has gone metamorphosis during the last three decades. One of the major developments during the post liberalization period was the introduction of new delivery channels for customers. Internet banking, mobile banking, ATM services, large scale usage of Real Time Gross Settlement for quick funds transfer and smartcard-based transactions as part of initiatives aimed at financial inclusion, are some of the landmark developments during this period. The use of technology in expanding banking is one of the key focus areas of the RBI. The banks in India are using IT not only to improve their own internal processes but also to increase facilities and services to their customers. One of the visible outcomes of this is that banks are aiming to serve the hitherto unbanked population of the country at their doorstep by undertaking large scale financial inclusion by offering technology based products. According to Uppal and Rani (2010), banking transformation in India took place in the following direction (Table 1). Further, they have highlighted the process of transformation, parameters of transformation and implications of Indian banking sector (Table 2.). It gives a clear picture about the paradigm shift taking place in banking service sector in India over the years.

**Table -1: Stages of Banking Transformation in India**

Stage of Transformation	Period	Structure of Banks	Objectives of Banks	Nature of Technology Used
Pre-Nationalization	Before 1969	Private Control of Bank	Higher Profitability	Manual work
Post-Nationalization	1969-1990	Control of government	Social banking	Limited computerization
Economic Reforms	1991-2000	(i) Entry of foreign and nationalized PSBs. (ii) Social banking to IT based banks	(i) Higher profitability (ii) Fierce competition	E-banking
Current stage	After 2000	Implementation of various committee reports	(i) New products & services (ii) Entry in insurance (iii) CRM with IT	Maximum use of IT and ATMs

**Source:** Uppal, R.K. & Rani, P (2010), “*Transformation in Indian Banks through Corporate Governance – Emerging Challenges and Strategies for New Gateway*”, Prabandhan: Indian Journal of Management, August, 3(8), pp. 3-4.

**Table – 2: Process of Banks' Transformation**

Parameters of Transformations	Process	Implications
Structure, Business Re-engineering, Human Resource Development, Work Culture, Information Technology, System, Process & Procedures, Ethos/Philosophies	Information Technology as the catalyst of transformation	Improved and efficient structure; improved vision for business; productivity, profitability and efficiency has increased; innovations are taking place; international outlook; inspired employees; more ethical work culture; vision for global economy.

**Source:** Uppal, R.K. & Rani, P (2010), “*Transformation in Indian Banks through Corporate Governance – Emerging Challenges and Strategies for New Gateway*”, Prabandhan: Indian Journal of Management, August, 3(8), pp. 3-4.

The advancement in ICT over the years has had a profound impact on the nature of banking and the way banks are organized. Indian banks have transformed themselves to customer centric and competitive branch. Impact of technological advancement and IT is conspicuously found in the banking industry [Biswas, 2010]. The advancement of IT has brought enormous transformation in banking industry and made banking services easier, speedy and accessible anytime and anywhere. The facility of various electronic banking services has revolutionized the choices available with the customers [Singh, 2015].

## 2.2. Evolving Technology Enabled Delivery Channels

Traditionally, banks in India relied extensively on their reach afforded by their vast branch network to effectively put emerging banks out of competition. This was a high cost strategy considering the high real estate and bank operating expenses. This forced banks to develop strategies that could help them reach out to end customers in cost-effective ways. The solution came in the form of delivery channels such as ATMs, internet banking, telephone banking, etc. With the infusion of technology into the banking systems it is now possible for banks to provide multiple delivery channels for provisioning of banking products and services. The new delivery channels along with better access to customer information have reformed the relationship between banks and customers.

### [a]. Automated Teller Machines (ATMs)

ATM facilitates the customer to do banking transactions such as cash withdrawal, balance enquiry, obtaining mini statement, transfer of funds between his/her own accounts etc. [Malli, 2011]. The common non-banking services provided by banks via ATMs are payment of electricity, telephone, cellular & credit card bills, insurance premiums, and recharging pre-paid mobile phone [Joshua, 2009]. ATMs have gained prominence as a delivery channel for banking transactions in India. ATM network is now available to customers from any bank for transactions, irrespective of the banks in which they have their accounts. ATM now is not an exception [Hota, 2017]. With the advent of ATMs, banks are able to serve customers outside the banking halls (Table 3). As there is now major focus on financial inclusion, ATMs have a wider scope of reach in rural and remote areas. As per RBI, total number of on-site and off-site ATMs of all Indian banks was 1,00, 042 by July, 2012, which has increased to 1,60, 055 in 2014 (including foreign banks), 2,05,151 in October, 2016, and 2,08,477 in June, 2017 (including foreign banks) [RBI, 2017]. There is a huge opportunity for growth of ATM market in India as it is a place of 1.20 billion people where 40% of them were unbanked [Hota, 2017].

**Table – 3: Periodic Trends in the Features/Functionalities of ATMs**

Period	Features/Functionalities
1988-1994 (the initial period)	Deposit of Cash, Withdrawal of Cash
1995-1999 (Early Developments)	Mini Statement, Balance Enquiry
2000-2001 (First Extension)	Fulfilling Requests from Customers (e.g. Cheque Book), Account Transfers, Touch Screen Menus/Facilities
2004-2006 (Non-Banking Services)	Ticket Booking-Railway and Airlines, Bill Payments, Mobile Recharges
2007 onwards	Check Deposit with Scanning, Customized ATMs, Ubiquitous Multifunction ATMs, Biometric ATMs

**Source:** Kumar, L., Malathy, D., & Ganesh, L.S. (2011), The Diffusion of ATM Technology in Indian Banking, *Journal of Economic Studies*, 38(4), 483-500 – cited in Hota, J. (2017).

### [b]. Internet Banking

Internet banking (IB) is defined as the usage of internet and telecommunication networks to deliver banking products and services to customers. It allows customers to conduct financial transactions on a secure website operated by their retail/virtual bank. The common features are - account to account transfer, payment of bills to third parties, fund transfers between customers' own transactional accounts and savings accounts, investment purchase/sale, loan applications, online statement, cheque links, balance enquiry, order for demand draft, etc. [Joshua, 2009, Malli, 2011]. There has been a steady growth in the use of IB in India with population penetration from 0.1% in 1998 to 34.8% in 2016 (<http://www.quora.com>). This penetration in IB services in India is expected to rise further in the days to come with the increase in bank branches in the unbanked areas. IB has enhanced customer convenience and comfort, but at the same time exposed customers to unforeseen frauds [RBI, 2010].

### [c]. Mobile Banking

According to Joshua (2009), mobile banking refers to the provisioning and availability of banking and financial services through mobile technology. It is another addition to the technology-enabled banking services. According to Malli (2011), it provides services on a/c information, transfer, deposits, payments, withdrawal, etc. Now-a-days, all the commercial banks are providing mobile banking facility to their customers. As the mobile phone penetration in India is quite high, mobile banking has immense potential as a cost effective method of conducting banking transactions by the customers including the rural population. Mobile banking can be provided as a value-added service for the existing customers and at the same time it has the potential to be used as a means to bring into the banking fold the unbanked and under banked segment of the population.

### [d]. Tele Banking

Telephone banking is a service provided by a financial institution that allows its customers to perform transactions over the telephone. It is another form of technology-enabled banking providing various banking services in the self-service mode through the telephones to its customers. A customer can carry out transactions by accessing his/her account through

telephone at any time or from any place with the same tele banking PIN. With the exception of cash withdrawals and deposits, it offers virtually all the features of an ATM [Malli, 2011]. Tele banking is not very popular in India.

### **[e]. Other Technology Driven Banking Services**

Some of the other technology driven facilities worth mentioning are: Electronic Funds Transfer, Real Time Gross Settlement, Electronic Bill Payment, E-Cheque, Debit & Credit Cards, Demat Account, Digicash, Net Cash, M-cheque, and E-invest [Malli, 2011].

Thus, in view of several developments taking place from 1991 onwards, the entire banking organizational as well as products structure has undergone a major change. IT revolution has made it possible to provide ease and flexibility in operations. Rapid strides in IT have in fact redefined the role and structure of banking in India. Banks are changing with time and are trying to become one-stop financial super markets. Market focus is shifting from mass banking products to class banking with introduction of value added and customized products.

## **3. Objectives of the Study**

The study aims to explore (i) the banking profile of the state of Nagaland and (ii) the technology enabled self services rendered by commercial banks in the State.

## **4. Methodology of the Study**

The research followed a descriptive method to fulfill the objectives of the study. A total of 34 commercial bank branches, taking 26 from public sectors and 8 from private sectors, were selected for data collection, using convenience sampling. The study is based on both primary and secondary data. Primary data has been collected through an Opinion Survey of Bank Managers of 34 selected bank branches of Nagaland through an open ended questionnaire. Secondary data has been collected from unpublished data from Regional Business Office of SBI, Dimapur, and other bank branches, journals, and theses.

## **5. Findings of the Study**

The findings of the study are discussed in the following paragraphs and tables.

### **5.1. An Overview of Banking Scenario in Nagaland**

Nagaland was constituted as the 16<sup>th</sup> state of the Indian Union on 1<sup>st</sup> December 1963, and having an area of 16,579 Sq.km. As per the 2011 Census of India, the population of the state was 19, 80,602 accounting for 0.16 per cent of total population of India, and has literacy rate of 80.11 per cent [Sebu, 2013]. Banking net-work in the state is not large and wide. The records, however, indicate that there is a steady growth in the functioning of this sector in the state. As per SBI Regional Business Office, Dimapur, as on 30/06/2017, a total of 28 banks are operating in Nagaland, out of which 18 are nationalized/public sector commercial banks, 8 are national level private sector commercial banks, 1 state owned co-operative bank, and 1 regional rural bank. The state has a total of 177 bank branches, of which 117 are of public sector and 29 are of private sector commercial bank, 10 are of regional rural bank, and 21 are of co-operative bank. Out of the total of 177 bank branches operating in the state, 59 branches (33.33%) are located in Dimapur District, 42 branches (23.73%) in Kohima District, and 25

branches (14.12%) in Mokokchung District. The remaining 9 districts of the state, together account for only 51 branches (28.81%). This shows the poor network as well as inadequate banking services in the state. Banking sector has failed in reaching out to the core population of the State.

Although commercial banks perform the same/identical functions and services everywhere in the country, all the banks operating in the state do not perform all the services and in certain areas the services are rendered with limitations. There are variations in service provisions amongst the banks and their branches. In addition to accepting deposits and advancing loans, banks also render agency, general utility, and developmental functions including technology enabled services. The facility of various electronic banking services available elsewhere are also available in the state. However, services like foreign exchange, depository service, travel card, multi currency card, bullion trading is provided by only few banks [Opinion Survey of Bank Managers].

As far as the difficulties/problems faced by the operating banks in Nagaland, through the opinion survey of bank managers and correspondence and personal visits, it is understood that the major problems faced by the banks are interrupted power supply; lack of security for advancing loans; poor communication connectivity; remoteness restricting the wider coverage of branch networks; external influences for sanctioning of loans. The moderate problems are frequent link failure; shortage of man power; inconvenient branch location; default in repayment of loans by the customers; etc. The minor problems are inadequate customer relationship management; lack of awareness programme for customers; absenteeism; social insecurity, etc. The problems faced by the banks have consequences on the customers. These consequences vis-à-vis problems faced by the people in general and banking customers in particular are that majority of the state's population are deprived of banking services; customers are deprived of loans; people are unaware of banking products/services, & schemes, resulting in non-availing of available products/services; they are deprived of the scope of sharing their grievances with the bank officials; delay in service and non-receipt of timely communication; loss of time due to inadequate off-site ATMs, unattended faulty/cashless ATMs. All these point to the fact that banking sector has failed to fulfill the expectations of the people at the desired level.

## **5.2. Synoptic Outline of TEBSS in Nagaland**

The technology enabled banking services here includes ATM/Debit and Credit cards, internet banking, mobile banking, and tele banking. The technology enabled banking self services is not impressive as is depicted in Tables 4 and 5.

### **[a]. ATM Services in Nagaland**

The number of ATMs installed in the state of Nagaland till 30<sup>th</sup> June, 2017 (Survey of Bank Managers) shows a gloomy picture. As can be seen from the Table 4, it is only the SBI which has at least reasonable number (207) of ATMs, and that too most of them (173 or 83.57%) are located in the three districts of Dimapur, Kohima, and Mokokchung. That means only 34 or 16.43% are installed in all the remaining 9 districts. This indicates the lack of spread of ATMs in the state. Moreover, most of the ATMs are on-site ATMs with few on off-sites [Opinion Survey of Bank Managers]. Again, in terms of population of the state, the number of ATMs installed is only 0.015%, whereas it is 0.017% for all India. Though there is not much gap in the percentage of ATMs in Nagaland compared to the all India percentage,

the problem lies with the spread of ATMs in the state as most of the ATMs are located either in the vicinity of the bank branch or in towns with no reach for the rural masses.

**Table - 4: District-wise & Bank-wise Numbers of ATMs in Nagaland as on June, 2017**

Name of Bank	Name of the Districts											State Total
	Dimapur	Kohima	Mokokchung	Wokha	Zunheboto	Mon	Phek	Tuensang & Noklak	Kiphire	Longleng	Peren	
SBI	92	56	25	9	6	5	5	4	1	1	3	207
Bank of Baroda	1	1	2	1	0	0	0	0	0	0	0	05
CBI	1	1	2	1	1	1	0	0	0	0	0	07
Allahabad Bank	1	0	1	0	0	0	0	0	0	0	0	02
Bank of India	1	1	0	0	0	0	0	0	0	0	0	02
Canara Bank	1	1	1	0	0	0	0	0	0	0	0	03
Indian Bank	0	0	0	0	0	0	0	0	0	0	0	00
P&SB	1	1	0	0	0	0	0	0	0	0	0	02
PNB	1	0	0	0	0	0	0	0	0	0	0	01
Syndicate Bank	1	0	0	0	0	0	0	0	0	0	0	01
UCO Bank	4	2	0	0	0	0	0	0	0	0	0	06
UBI	2	1	0	0	0	0	0	0	0	0	0	03
Union Bank	1	0	0	0	0	0	0	0	0	0	0	01
Vijaya Bank	2	3	0	0	0	1	0	0	0	0	0	06
Bank of M'rashttra	1	0	0	0	0	0	0	0	0	0	0	01
IOB	0	0	0	0	0	0	0	0	0	0	0	00
IDBI Bank Ltd	1	3	4	1	0	0	0	0	0	0	0	09
Corporation Bank	1	0	0	0	0	0	0	0	0	0	0	01
Axis Bank Ltd	9	6	1	1	0	0	0	0	0	0	0	17
Federal Bank Ltd	0	0	0	0	0	0	0	0	0	0	0	00
HDFC Bank Ltd	2	2	1	0	0	0	0	0	0	0	0	05
ICICI Bank Ltd	3	2	1	1	0	0	0	0	0	0	0	07
IndusInd Bank Ltd	1	1	0	0	0	0	0	0	0	0	0	02
South Indian Bank	1	1	0	0	0	0	0	0	0	0	0	02
Yes Bank	1	0	0	0	0	0	0	0	0	0	0	01
Bhandan Bank	1	1	0	0	0	0	0	0	0	0	0	02
NStCB Ltd.	3	1	1	1	1	1	1	1	1	0	1	12
NRB	0	0	0	0	0	0	0	0	0	0	0	0
<b>Total</b>	<b>133</b>	<b>84</b>	<b>39</b>	<b>15</b>	<b>8</b>	<b>8</b>	<b>6</b>	<b>5</b>	<b>2</b>	<b>1</b>	<b>4</b>	<b>305</b>

**Source:** Regional & Branch Offices of Concerned Banks

[**Note:** Combined data has been taken for the 2 districts of Tuensang & Noklak as the district of Noklak has been bifurcated on 21/12/2017 out of Tuensang district, after the collection of data for the study].

**[b]. Alternate Channels in Nagaland**

Alternate channels here include internet banking, mobile banking, tele banking, debit card and credit cards. The data on these channels collected till 30<sup>th</sup> June, 2017 from Regional Business Office of SBI, Dimapur and branches of other commercial banks operating in the State are depicted in Table 5.

**Table - 5: Bank-wise Total Number of Internet Banking, Mobile Banking, Tele Banking, Debit Card, and Credit Card Users in Nagaland as on 30<sup>th</sup> June, 2017.**

Name of Bank	Internet Banking	Mobile Banking	Tele Banking	Debit Card	Credit Card
State Bank of India	22,598	13,335	112	8,72,812	2012
Bank of Baroda	2196	1794	NA	27,982	NA
Central Bank of India	1498	1578	NA	26452	NA
Allahabad Bank	2487	1737	NA	7614	NIL
Bank of India	978	957	NA	5964	NA
Canara Bank	245	219	NA	3150	NIL
Indian Bank	400	150	NA	4800	25
Punjab & Sind Bank	ID	ID	ID	ID	ID
Punjab National Bank	ID	ID	ID	ID	ID
Syndicate Bank	205	350	NA	3100	NIL
UCO Bank	744	732	NA	18980	NIL
United Bank of India	419	141	NA	8319	NIL
Union Bank of India	202	252	NA	4051	16
Vijaya Bank	ID	ID	ID	ID	ID
Bank of Maharashtra	121	96	119	2236	6
Indian Overseas Bank	550	185	NA	3256	05
IDBI Bank Ltd	NA	NA	NA	NA	50
Corporation Bank	107	992	NA	7083	8
Axis Bank Ltd	10011	9849	NA	25876	6007
Federal Bank Ltd	405	532	91	2345	NA
HDFC Bank Ltd	6410	8910	NA	9214	1011
ICICI Bank Ltd	2504	5147	NA	10093	150
IndusInd Bank Ltd	ID	ID	ID	ID	ID
South Indian Bank Ltd	150	2408	NA	2800	NIL
Yes Bank	ID	ID	ID	ID	ID
Bhandan Bank	600	600	NA	10838	NIL
Nagaland St. Co. Bank Ltd	NIL	NIL	NIL	NA	NIL
Nagaland Rural Bank	NIL	NIL	NIL	NIL	NIL
<b>Total</b>	<b>52,830</b>	<b>49,964</b>	<b>322</b>	<b>10,56,965</b>	<b>9,290</b>
<b>Source:</b> Regional & Branch Offices of Concerned Banks					

**Note:** NA = Not Available, ID = Information Denied, NIL = Service Not Provided

**[i]. Internet Banking Services in Nagaland**

Out of 28 banks operating in Nagaland, data on internet banking could be obtained for only 20 banks as some of the bank officials denied the information. For these 20 banks, Table 5 shows that number of users of internet banking services in the State are 52,830, which is 2.67% of state's population; whereas it is 34.8% for all India. This shows that internet banking users in the state is still very low compared to the average of India.

### [ii]. Mobile Banking Services in Nagaland

Data on the number of mobile banking users could be obtained for 20 banks. As indicated in Table 5, these 20 banks have a total of 49,964 users of mobile banking in the state as on 30<sup>th</sup> June, 2017, which is 2.52% of state's population. The data for all India could not be accessed, for which comparison is not possible. Mobile banking users in the state is yet to pick up in large scale.

### [c]. Tele Banking Services in Nagaland

As indicated in Table 5, data on tele banking users could be obtained for only 3 banks which have a total of 322 users. Due to lack of data comparison could not be made.

### [d]. Debit and Credit Cards

The data on debit card users could be obtained for 20 banks only. These 20 banks have a total of 10,56,965 users in the state which is 53.37% of the state's population. The data on credit card users could be obtained only for 10 banks, which has a total of 9,290 users accounting for 0.47% of the population. It is interesting to note that out of the total, Axis Bank alone has 6007 users of credit cards in the state.

## 6. Conclusion

Given the survey of literature and interview with branch managers, it is revealed that banking services in Nagaland in terms of bank network is very poor and most of the geographical area is unbanked. Due to inadequate infrastructure facilities and remoteness, the spread and coverage of banking services in the state is very poor. 71.18% of bank branches are concentrated either in towns and sub-urban areas of only three districts of Dimapur, Kohima, and Mokokchung. The people in the remaining nine districts who are residing in sub urban and rural areas are deprived of banking services. Majority of the people in the state are financially not literate, and there is lack of awareness programmes. The technology enabled banking self services are inadequate. Due to poor communication connectivity in most part of the state, the use of internet banking, mobile banking, etc. are inadequate. The ATM installations in the state are mostly in the vicinity of banks with very few on the off-sites. People in the remote areas are required to travel long distance to either avail banking services from the bank branch or from the ATMs in the towns or sub urban areas. Thus, banking sector has failed to fulfill the expectations of the people of Nagaland at the desired level. Banking industry is yet to fully exhibit market orientation and in providing services with adequate regards to customers' needs. Banks are required to change their attitude and come forward to overcome the problems faced by the customers.

**Note:** *Data on ATMs and alternate channels collected for Nagaland are for the period ended 30/06/2017; whereas comparison of these data with population as per 2011 census.*

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