



# DIGITAL BANKING: CUSTOMER AWARENESS AND PERCEPTION FOR DIGITAL BANKING PRODUCTS OF SOUTH INDIAN BANK DURING COVID 19 OUTBREAK

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## ABSTRACT

The research deals with customers perception towards digital banking or internet banking products of South Indian Bank during the period of Covid 19. Digital banking products is one of the booming and most widely used ways in which most people bank this age. The objective of the research is to know the customer perception towards digital banking products and evaluate the various digital banking products of south Indian bank. In the present scenario it is essential to get up to date with each and every informations of changes in the economy. The study highlights the customers awareness or perception of digital payment systems, factors inducing students towards particular e- banking products, problems encountered, satisfaction level etc.

**Key words:** Covid 19, Digital/Electronic banking, Digital banking products

## 1.1 INTRODUCTION

Indian banking system is now passing through a favourable era, offering the opportunity to grow faster, expand business and strengthen financial foundation. The modern service firm must conduct its business in rapidly changing and highly competitive environment; Digital banking products is one of the booming and most widely used ways in which most people bank this age.

“**Digital**” is the new buzz word in the Banking sector. Today most people agree that “**Digital Banking**” is the new wave, and indeed it’s already here. We are going through a total transformation in our Banking Experience.”**Digital Banking**” is the incorporation of new and developing technologies in banking transactions, for enhanced customer service and for reducing the workload of the Bankers. Banks of all sizes are making sizable investments in Digital initiatives in order to maintain a competitive edge.

Digital Banking is one of the latest approaches to provide comfort to the client regarding monetary transactions. Through Digital Banking the bank wants to introduce the core concept of IT based Enabled Services (ITES). The major idea is to provide a series of services to the customer through the internet, and

make the customer feel flexible in calling out simple tasks faster instead of making visit to the bank every time. Today, one of the surest most comfortable and less risk oriented faced by banking sectors the application of electronic commerce. Digital banking is considered to have a substantial impact on banks' performance.

## 1.2 STATEMENT OF THE PROBLEM

The ability to deliver services the way customers want, through "Digital" channels, are increasingly crucial to Bank's establishing and maintaining long term relationships with customers. "Digital banking" is considered to have a substantial impact on banks' performance. Digital technology is dramatically changing how Banks interact with their customers. Today people have started using their mobile phones and laptops for doing various Banking transactions. It is not only more efficient for customers – it's hugely beneficial for Banks too. For customers, it can provide a greater choice in terms of the channels they can use to conduct their business, and convenience in terms of when and where they can do the transaction. The evolution of electronic banking started with the use of Automated Teller Machines (ATM) and has developed to Mobile Banking, Online Banking, Direct bill payment, Electronic fund transfer, Debit cards, Credit Cards, E wallets, POS, VAN, ECS, NACH, Gift cards, Travel Cards and the list goes on. This study shows that the application of "Digital Banking" can help their Banks to reduce operating costs and provide a better and fast service to their customers.

## 1.3 IMPORTANCE OF THE STUDY

Banking is now no longer confined to the branches where one has to approach the branch in person, to withdraw cash or deposit a cheque or request an account statement. "Digital Banking" (also referred as E - Banking) is the latest in this series of technological wonders in the recent past for delivery of Banking products and services. Providing "Digital Banking" is increasingly becoming a need to have than a nice to have service. In just few years Banking sector has evolved from traditional brick-and mortar operations to "Digital Banking" and today, during this time of Demonetization the importance, scope, advantageous and disadvantageous of Digital Banking is worth a study.

Therefore we are conducting a study on South Indian Bank branches in Kottayam District to identify its various "Digital Banking" products, advantages and disadvantages of "Digital Banking" and to understand the level of customer perception towards "Digital Banking" products.

## 1.4 OBJECTIVES OF THE STUDY

1. To study and evaluate the various Digital Banking products of South Indian bank.
2. To study the Customer Perception towards Digital Banking products.
3. To study the Advantages and Disadvantages of Digital Banking products in relation to customers.
4. To make Suggestions and Recommendations based on the study.

## 1.5 METHODOLOGY OF THE STUDY

### 1.5.1 COLLECTION OF DATA

Primary data was collected through structured questionnaires, which were used to collect information from the various customers of South Indian Bank in Kottayam District.

Some of the information presented in this work has been drawn from secondary data. Secondary data sources used in this work include published articles, data from corresponding website, journals.

### 1.5.2 AREA OF THE STUDY

Primary data have been collected from the various customers of South Indian Bank Kottayam District.

### 1.5.3 SAMPLE SIZE

The questionnaire was distributed among 60 customers of South Indian Bank in Kottayam District.

### 1.5.4 TOOLS AND TECHNIQUES

Tools and techniques used in the study are graphs tables and percentages.

## 1.6 PERIOD OF THE STUDY

The present study covers the period from December 2020 to February 2021.

## 1.7 LIMITATIONS OF THE STUDY

1. The study was limited to Kottayam District and there for the project conclusion cannot be generalized to the entire banking industry.
2. The study was limited to 60 respondents.
3. Vivid answering of the customers (respondent) may also genuinely affect the result.
4. Limited time period for effective collection of data.

## ANALYSIS AND INTERPRETATION

## Classification of respondents on the basis of Age

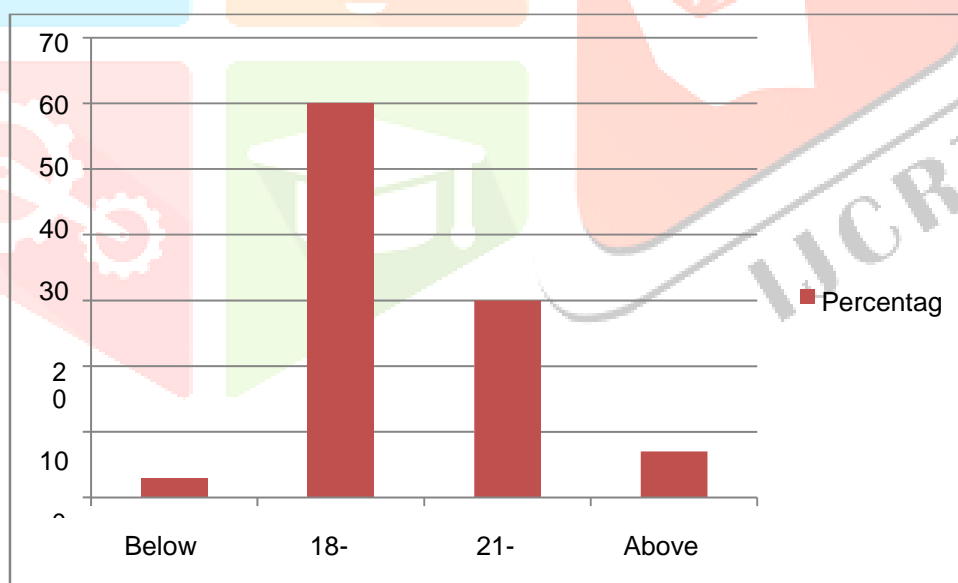
Table 1

Age	Frequency	Percentage
Below 18	2	3
18-20	36	60
21-25	18	30
Above 25	4	7
Total	60	100

Source: Primary Data

Figure 3.1

## Classification of respondents on the basis of Age



**Interpretation:** Among the 60 respondents 3% belongs to the age group below 18, 60% belongs to the age group 18-20, 30% belongs to 21-25 category and the remaining 7% belongs to above 25 category.

- OCCUPATION

Table 3.2

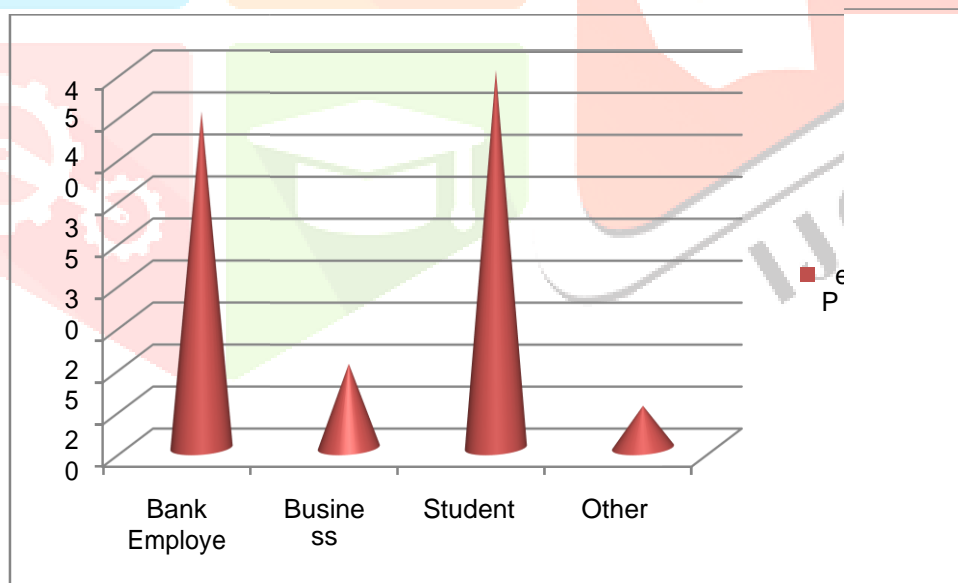
## Classification of respondents on the basis of occupation

Occupation	Frequency	Percentage
Bank Employee	24	40
Business Man	6	10
Students	27	45
Others	3	5
<b>Total</b>	<b>60</b>	<b>100</b>

Source: Primary Data

Figure 3.2

## Classification of respondents on the basis of occupation



**Interpretation:** The above analysis shows 40% of the respondents are bank employees, 10% of respondents are business man, 45% of the respondents are students and 5% of respondents are others.

- **AWARNESS ABOUT DIGITAL BANKING PRODUCT**

**Table 3.3**

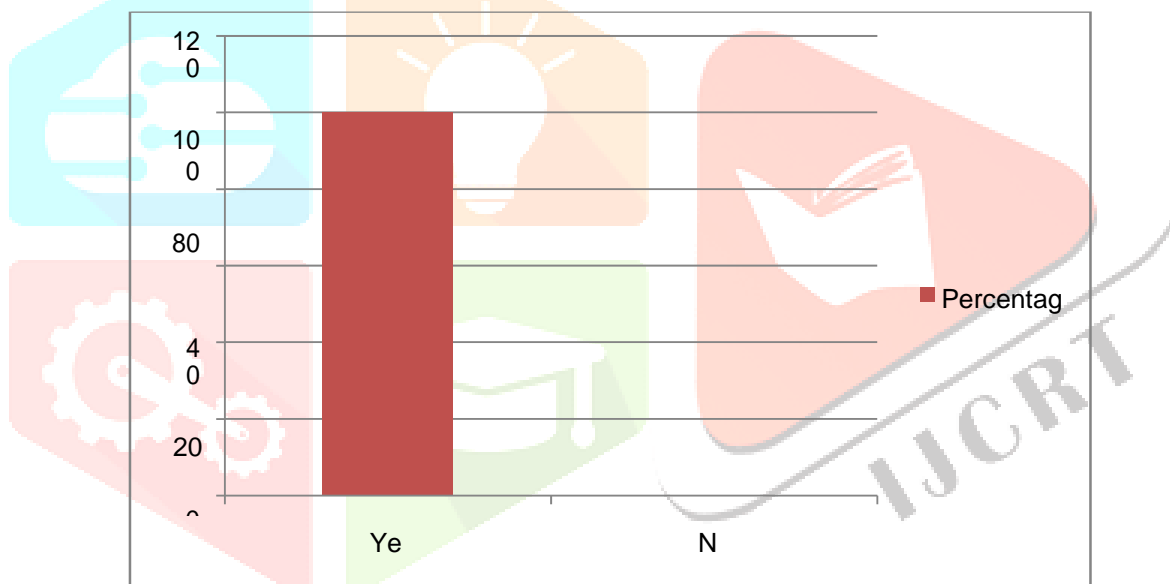
**Classification of respondents on the basis of awareness about digital banking products**

Opinion	Frequency	Percentage
Yes	60	100
No	0	0
<b>Total</b>	<b>60</b>	<b>100</b>

Source: Primary Data

**Figure 3.3**

**Classification of respondents on the basis of awareness about digital banking products**



**Interpretation:** Out of 60 respondents, 100% of respondents are well aware about the digital banking products of South Indian Bank.

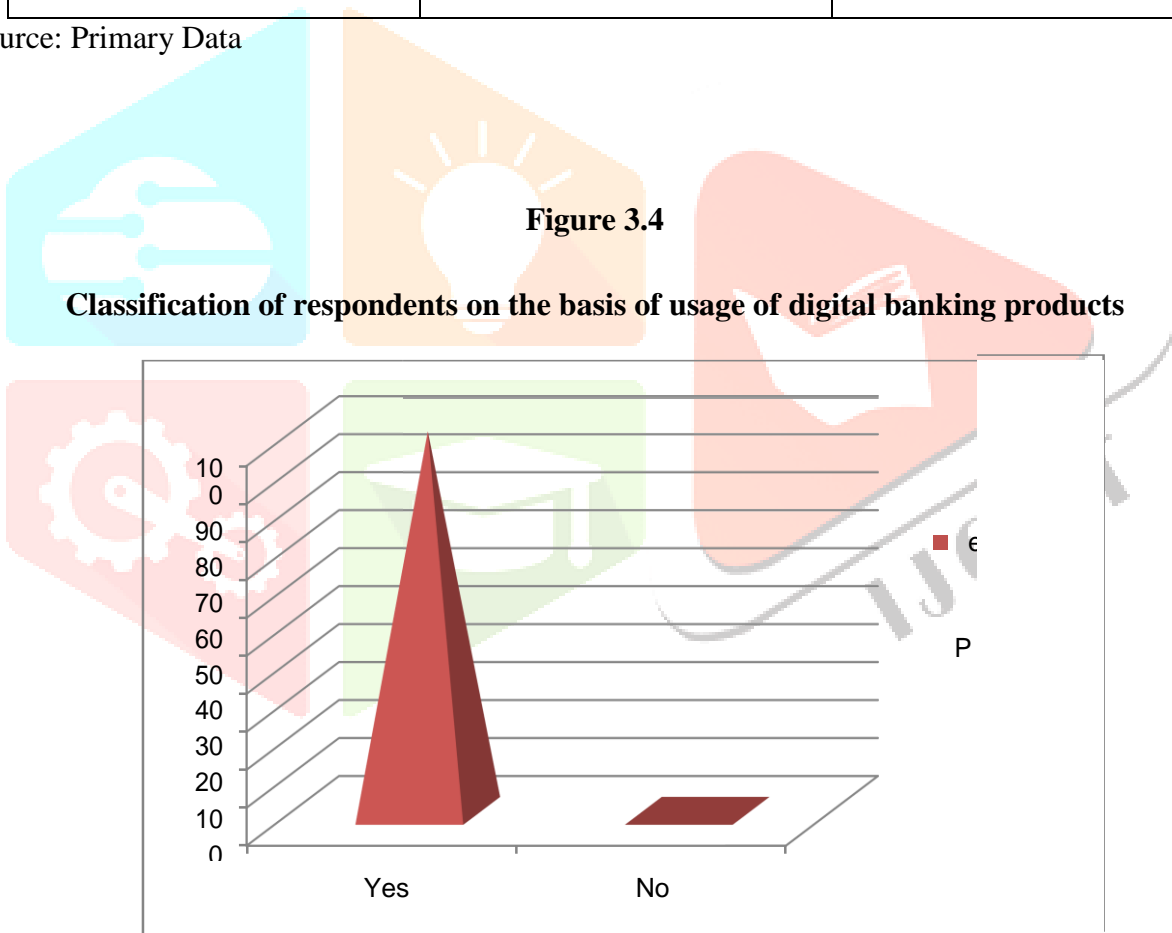
• **USAGE OF DIGITAL BANKING PRODUCTS**

**Table 3.4**

**Classification of respondents on the basis of usage of digital banking products**

Opinion	Frequency	Percentage
Yes	60	100
No	0	0
Total	60	100

Source: Primary Data



**Interpretation:** This table shows that, 100% of respondents are using digital banking products of south Indian bank.

- **TIME PERIOD OF USING DIGITAL BANKING PRODUCTS**

Table 3.5

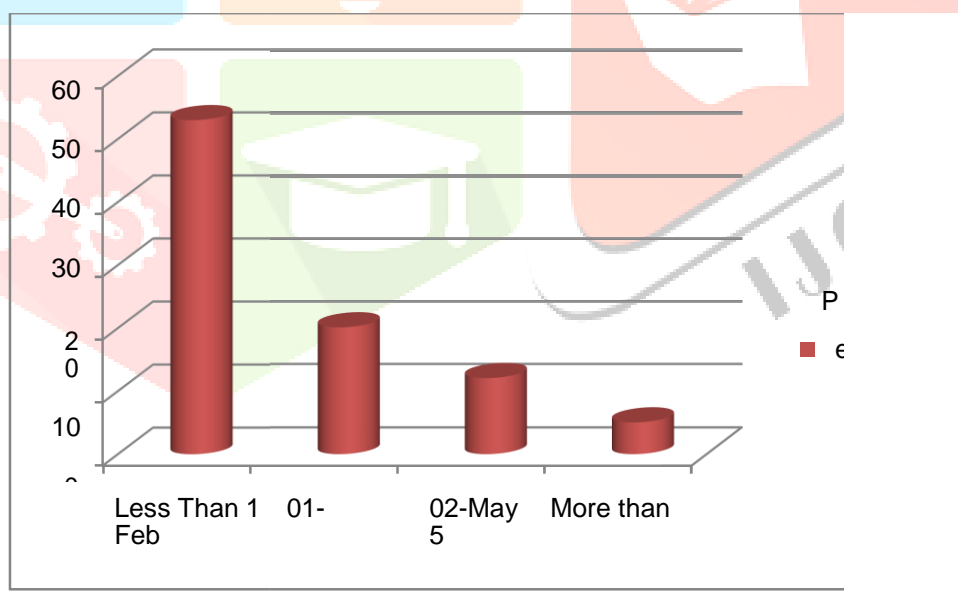
**Classification of respondents on the basis of time period of using digital banking products**

Year	Frequency	Percentage
Less Than 1 year	20	53
1-2	30	20
2-5	7	12
More than 5 Years	3	5
<b>Total</b>	<b>60</b>	<b>100</b>

Source: Primary Data

Figure 3.5

**Classification of respondents on the basis of time period of using digital banking products**



**Interpretation:** Among 60 respondents, 53% of the people are using digital banking products for less than 1 year, 20% are using these services between 1-2 years, 12% are using digital banking products between 2-5 years and 5% are using these digital banking products more than 5 years.



- FREQUENCY IN USING DIGITAL BANKING PRODUCTS

Table 3.6

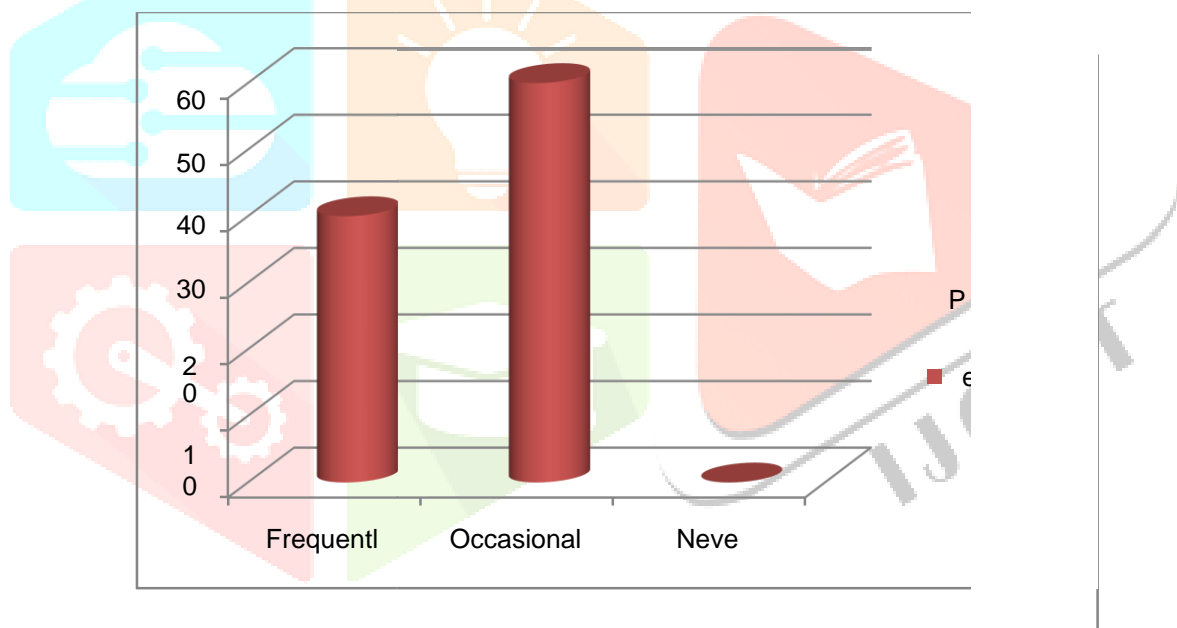
Classification of respondents on the basis of frequency in using of digital banking products

Usage	Frequency	Percentage
Frequently	24	40
Occasionally	36	60
Never	0	0
Total	60	100

Source: Primary Data

Figure 3.6

Classification of respondents on the basis of regularity in usage of digital banking products



**Interpretation:** Above table explains that among 60 respondents, 40% of them use digital banking products frequently and 60% of them use digital banking products occasionally.

- FREQUENTLY USING DIGITAL BANKING PRODUCTS

Table 3.7

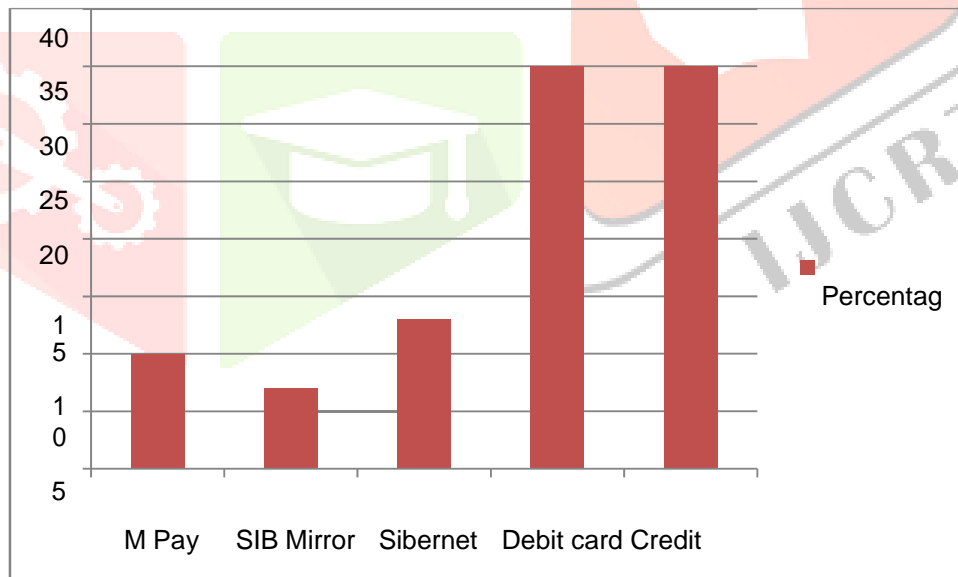
Classification of respondents on the basis of frequently using digital banking products

Products	Frequency	Percentage
M Pay	6	10
SIB Mirror	4	7
Sibernet	8	13
Debit card	21	35
Credit card	11	35
<b>Total</b>	<b>60</b>	<b>100</b>

Source: Primary Data

Figure 3.7

Classification of respondents on the basis of frequently using digital banking products



**Interpretation:** From the above table, 10% of them use M Pay, 7% of them use SIB Mirror, 13% of them use sibernet, 35% of them use debit card and remaining 35% of them use credit card.

• **CONFIDENCE IN USING DIGITAL BANKING PRODUCTS**

**Table 3.8**

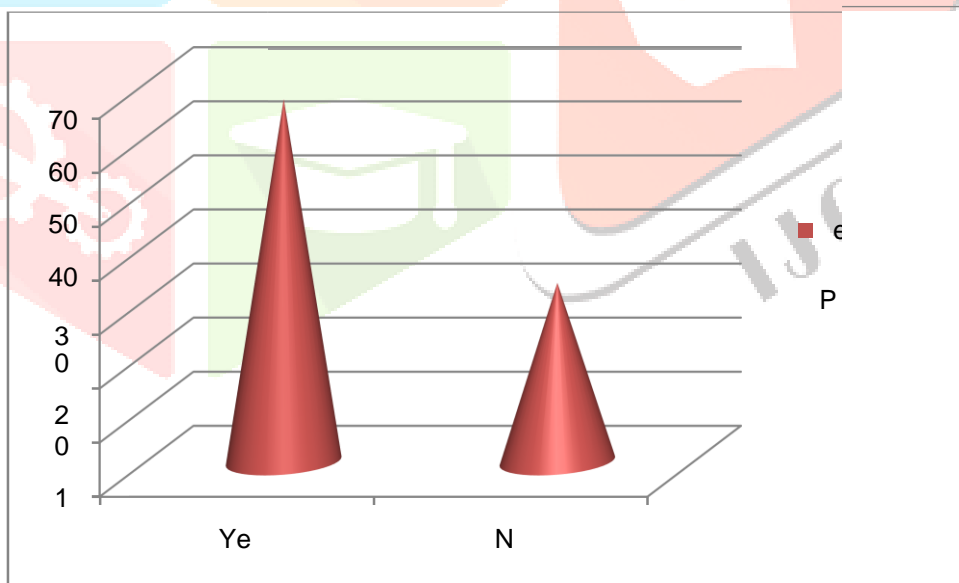
**Classification of respondents on the basis of confidence in using of digital banking products**

<b>Opinion</b>	<b>Frequency</b>	<b>Percentage</b>
<b>Yes</b>	<b>40</b>	<b>67</b>
<b>No</b>	<b>20</b>	<b>33</b>
<b>Total</b>	<b>60</b>	<b>100</b>

Source: Primary Data

**Figure 3.8**

**Classification of respondents on the basis of confidence in using digital banking product**



**Interpretation:** Out of 60 respondents, 67% of them are confident in using digital banking products and the remaining 37% of them are not confident in using digital banking products.

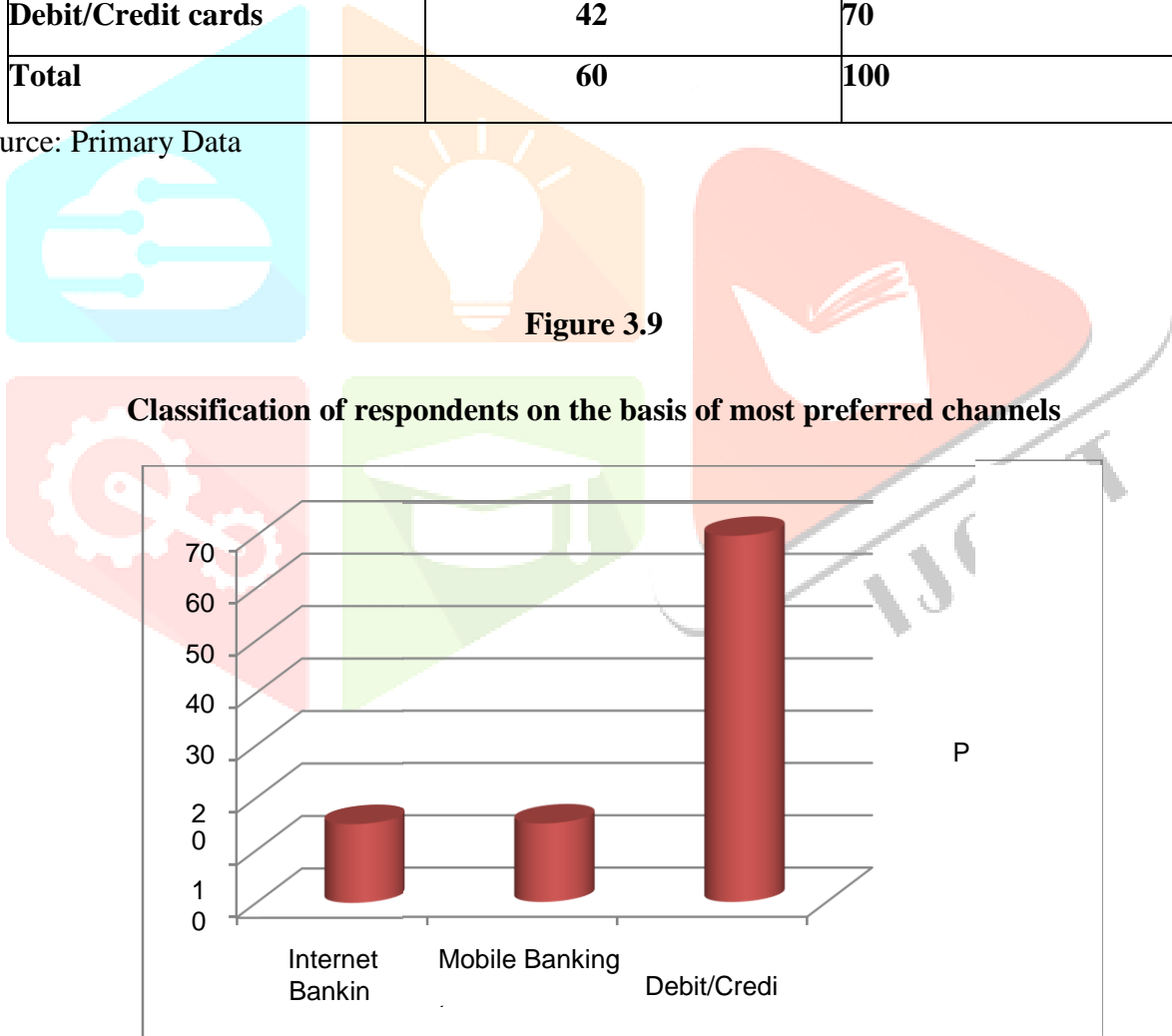
• **MOST PREFERRED CHANNELS**

**Table 3.9**

**Classification of respondents on the basis of most preferred channels**

Facilities	Frequency	Percentage
Internet Banking	9	15
Mobile Banking	9	15
Debit/Credit cards	42	70
Total	60	100

Source: Primary Data



**Interpretation:** From the above table, 15% of them prefer Internet banking, another 15% of

them prefer mobile banking and the rest 70% of them prefer Debit/Credit cards.

• **ATTRACTING FACTOR TOWARDS DIGITAL BANKING PRODUCTS**

**Table 3.10**

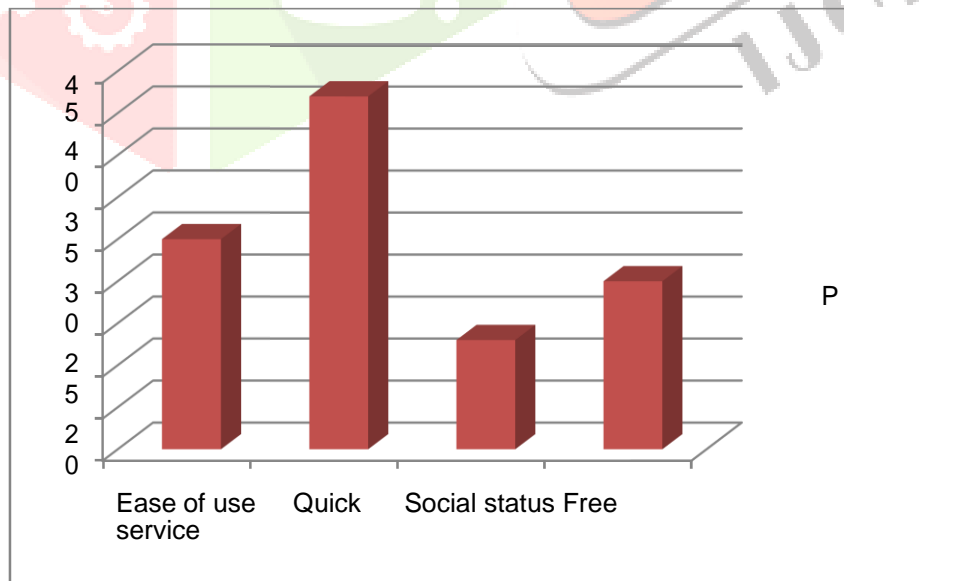
**Classification of respondents on the basis of attracting factor towards digital banking products**

Reasons	Frequency	Percentage
Ease of use	15	25
Quick transaction	25	42
Social status	8	13
Free service	12	20
Total	60	100

Source: Primary Data

**Figure 3.10**

**Classification of respondents on the basis of attracting factor towards digital banking products**



**Interpretation:** From the table it is clear that the quick transaction is the main attractive feature towards the digital banking products, followed by ease of use, free service and social status.

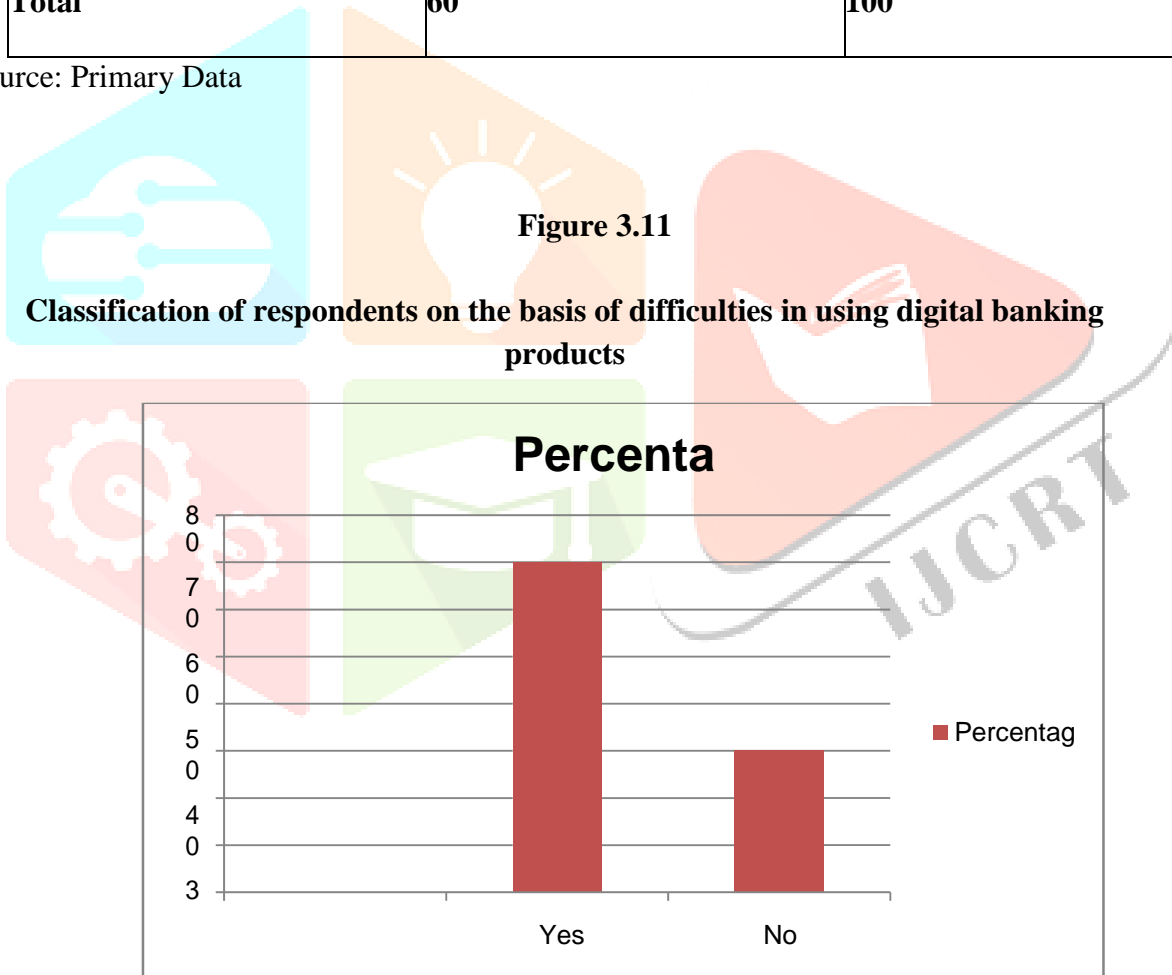
• **DIFFICULTIES IN USING DIGITAL BANKING PRODUCTS**

**Table 3.11**

**Classification of respondents on the basis of difficulties in using digital banking products**

<b>Opinion</b>	<b>Frequency</b>	<b>Percentage</b>
<b>Yes</b>	<b>42</b>	<b>70</b>
<b>No</b>	<b>18</b>	<b>30</b>
<b>Total</b>	<b>60</b>	<b>100</b>

Source: Primary Data



**Interpretation:** From this observation it is clear that 70% of respondents facing problems while using digital banking products and 30% doesn't face any problem.

- **PROBLEM FACING WHILE USING DIGITAL BANKING PRODUCTS**

Table 3.12

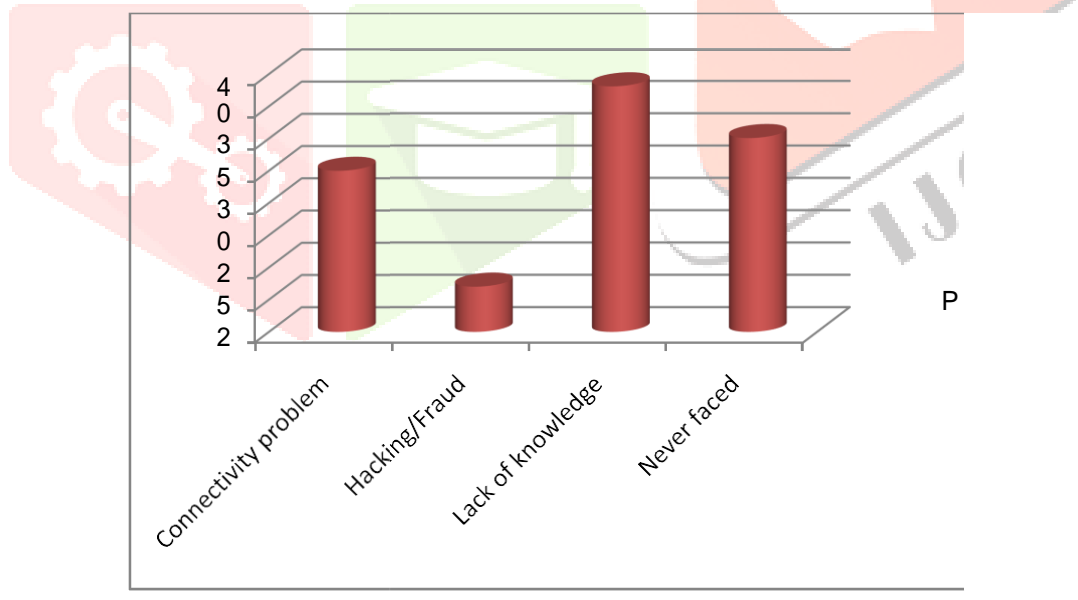
Classification of respondents on the basis of problems facing while using digital products

Problems	Frequency	Percentage
Connectivity problem	15	25
Hacking/Fraud	4	7
Lack of knowledge	23	38
Never faced	18	30
<b>Total</b>	<b>60</b>	<b>100</b>

Source: Primary Data

Figure 3.12

Classification of respondents on the basis of problems facing while using digital products



**Interpretation:** Out of 60 respondents, 25% of respondents facing connectivity problem, 7% facing hacking/fraud, 38% facing lack of knowledge and 30% never faced any problem.

- **RATING OF SECURITY ASPECTS**

Table 3.13

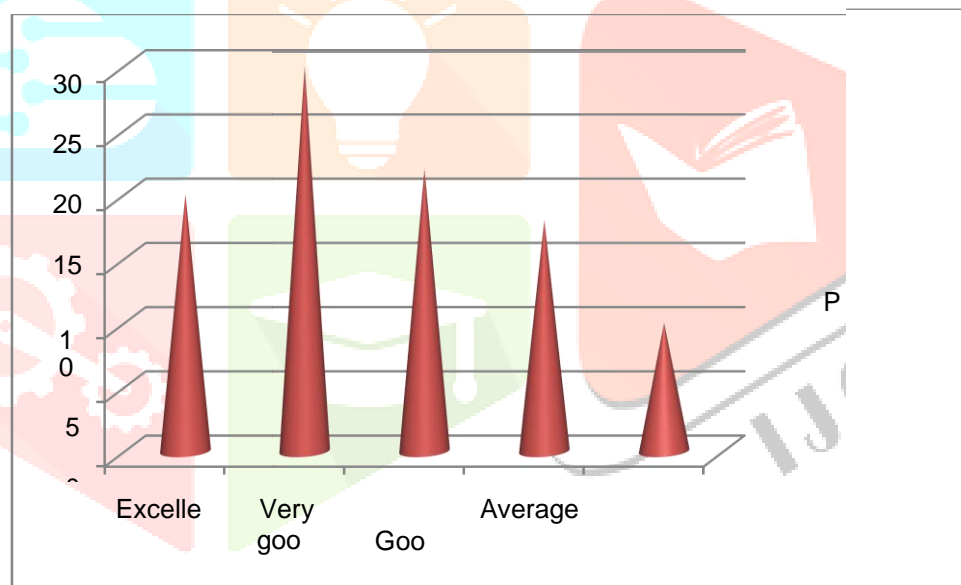
### Classification of respondents on the basis of rating of security aspects

Opinion	Frequency	Percentage
Excellent	12	20
Very good	18	30
Good	13	22
Average	11	18
Poor	6	10
<b>Total</b>	<b>60</b>	<b>100</b>

Source: Primary Data

Figure 3.13

### Classification of respondents on the basis of rating of security aspect



**Interpretation:** In the above table, 20% of respondents rated the security aspect as excellent, 30% of respondents rated security aspect as very good, 22% of respondents rated security aspect as good, 18% of respondents rated security aspect as average and the rest 10% of the respondents rated as poor.

### • UPDATES FROM SOUTH INDIAN BANK

Table 3.14

### Classification of respondents on the basis of getting updates from south Indian bank

Opinion	Frequency	Percentage

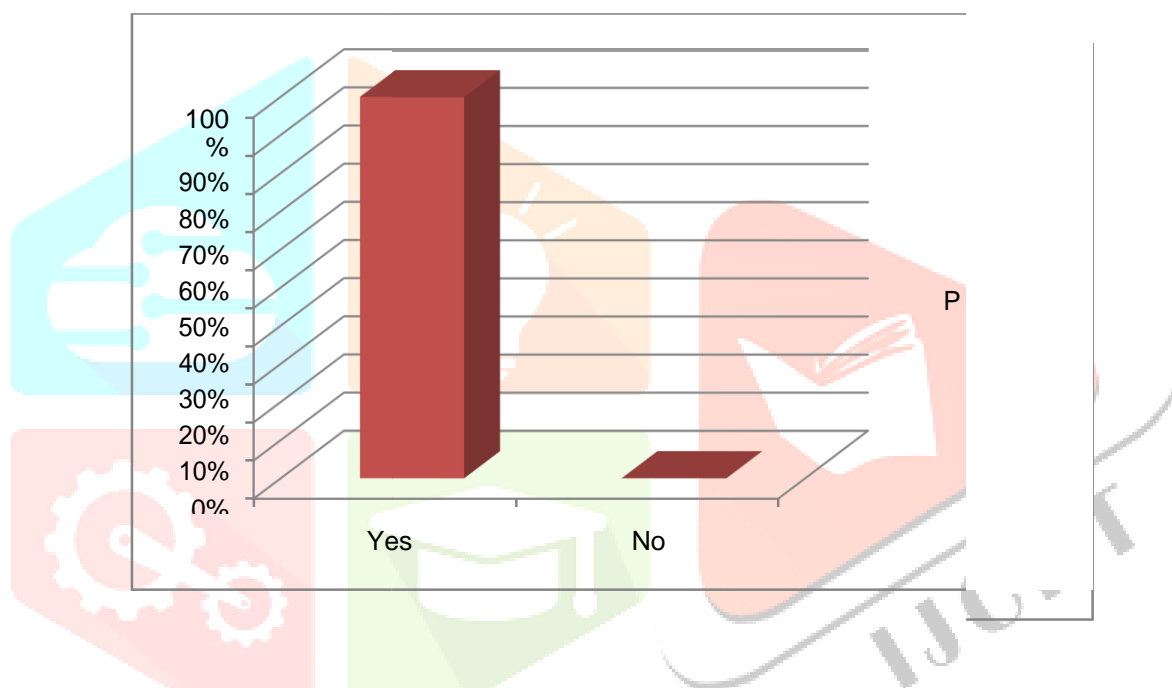


<b>Yes</b>	<b>60</b>	<b>100</b>
<b>No</b>	<b>0</b>	<b>0</b>
<b>Total</b>	<b>60</b>	<b>100</b>

Source: Primary Data

**Figure 3.14**

**Classification of respondents on the basis of getting updates from south Indian bank**



**Interpretation:** Out of 60 respondents, all are getting regular updates from South Indian Bank.

• **POTENTIAL OF SIB TO REPLACE TRADITIONAL BANKING**

**Table 3.15**

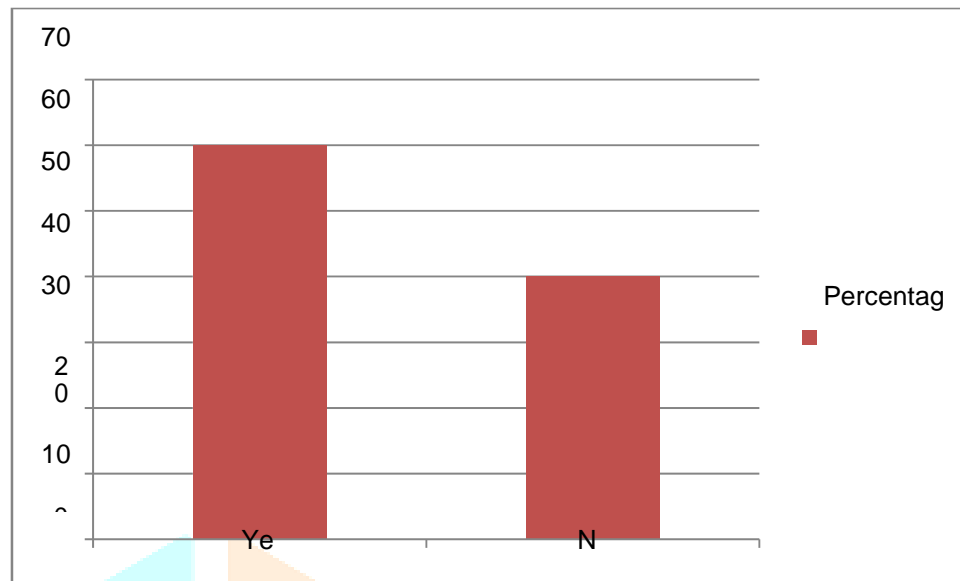
**Classification of respondents on the basis of potential of sib to replace traditional banking**

<b>Opinion</b>	<b>Frequency</b>	<b>Percentage</b>
<b>Yes</b>	<b>36</b>	<b>60</b>
<b>No</b>	<b>24</b>	<b>40</b>
<b>Total</b>	<b>60</b>	<b>100</b>

Source: Primary Data

Figure 3.15

### Classification of respondents on the basis of potential of sib to replace traditional banking



**Interpretation:** From the above table, 60% of respondents are confident that SIB digital product can replace the traditional banking system. And remaining 40% of respondents doesn't have any confidence regarding that.

### • SATISFACTION REGARDING DIGITAL BANKING PRODUCTS

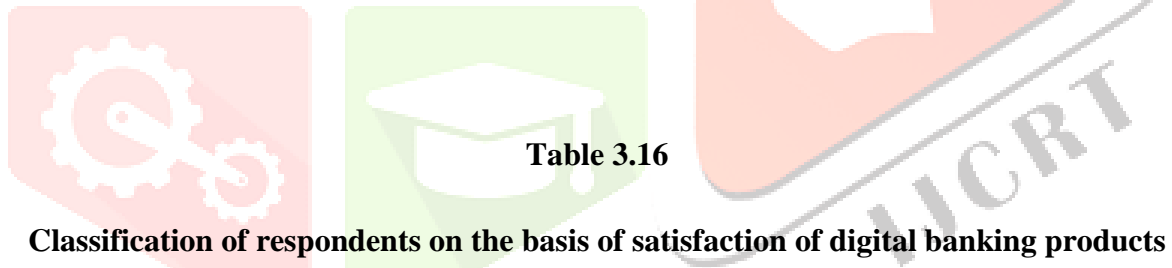


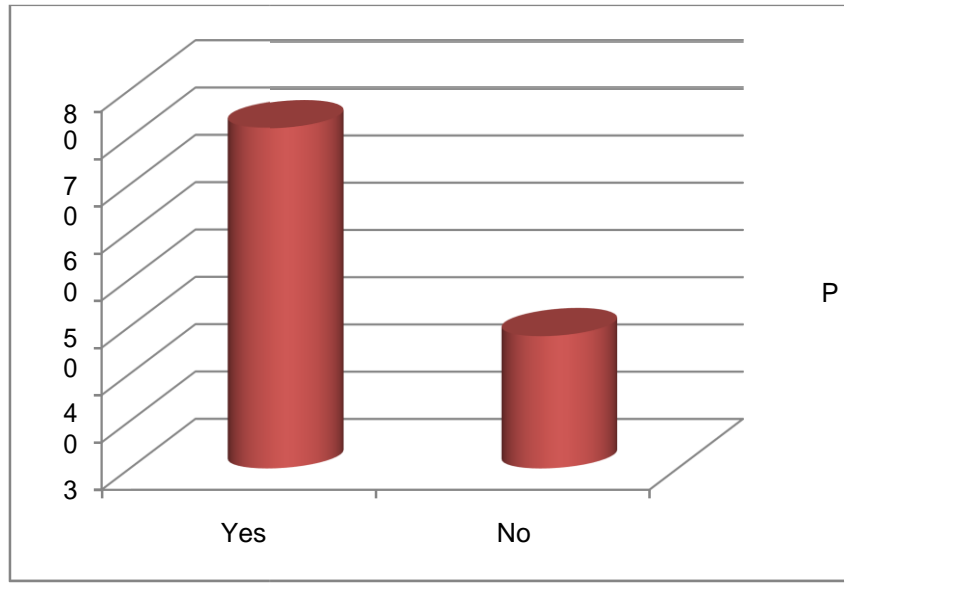
Table 3.16  
Classification of respondents on the basis of satisfaction of digital banking products

Opinion	Frequency	Percentage
Yes	43	72
No	17	28
<b>Total</b>	<b>60</b>	<b>100</b>

Source: Primary Data

Figure 3.16

### Classification of respondents on the basis of satisfaction of digital banking products



**Interpretation:** Out of 60 respondents, 72% of respondents are satisfied with digital banking products of SIB where as 28% of respondents are not satisfied.

**RECOMMENDATION REGARDING DIGITAL BANKING PRODUCTS OF SIB Table 3.17**

on the basis of recommends others to use digital banking products

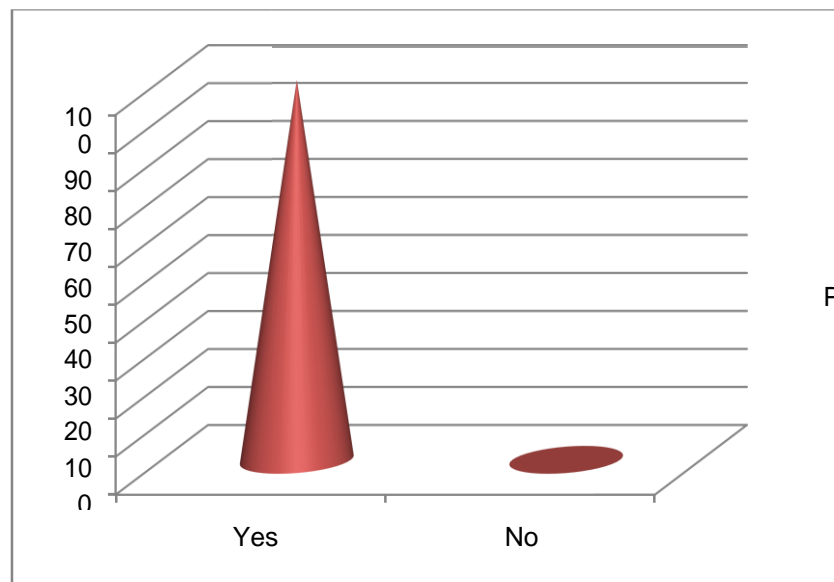
Opinion	Frequency	Percentage
Yes	60	100
No	0	0
<b>Total</b>	<b>60</b>	<b>100</b>

Source: Primary Data

**Figure 3.17**

**Classification of respondents on the basis of recommends other to use digital banking products**

percentag



**Interpretation:** The above analysis shows that all the respondents are willing to recommend digital banking products of South Indian Bank to others.

## FINDINGS

- This study reveals that all the respondents are aware about digital banking products of South Indian Bank.
- Among the total 60 respondents, 53% of the people are using digital banking products for less than 1 year, 20% are using these services between 1-2 years, 12% are using digital banking products between 2-5 years and 5% are using these digital banking products for more than 5 years.
- From the study it is understood that 40% of them use digital banking products frequently and 60% of them use digital banking products occasionally.
- Study shows that 10% of the respondents use M Pay, 7% of the respondents use SIB Mirror, 13% of the respondents use Sibernet, 35% of the respondents use debit card and remaining 35% use credit card.
- Out of 60 respondents 67% of them are confident in using digital banking products and the remaining 37% of them are not confident in using digital banking products.
- From the study it is clear that among various channels, 15% of them prefer Internet banking, another 15% prefer mobile banking and the rest 70% of them prefer Debit/Credit cards channels.
- 'Quick Transaction' is the main attractive feature towards Digital Banking Products, followed by 'Ease of Use'.
- 70% of respondents faced problems while using digital banking products and 30% doesn't face any problem.
- From the study it was found that 25% of respondents faced connectivity problem, 7% faced hacking/fraud, 38% are facing issues due to lack of knowledge and 30% never faced any problem.
- Out of 60 respondents 20% of respondents rated the security aspect as excellent, 30% of respondents rated security aspect as very good, 22% of respondents rated security aspect as good, 18% of respondents rated security aspect as average and the rest 10% of the respondents rated as poor.
- Out of 60 respondents, all are getting regular updates from SIB.
- Study reveals that 60% of the respondents are confident that SIB Digital Products can replace the traditional Banking System.
- Study shows 72% of respondents are satisfied with digital banking products and where as 28% of

respondents are not satisfied.

- All the respondents are willing to recommend digital banking products to others during this Covid 19 time.

#### 4.1 SUGGESTIONS

1. Bank should focus more on customer awareness on Digital Banking Products via advertisements and training programs especially during this Covid 19 time to avoid rush in banks.
2. Bank should also focus on increasing the confidence level of customers in using Digital Banking Products.
3. Digital Banking Products should be regularly updated to overcome the security issues.
4. All the Bank staffs should be properly trained to address the customer issues with regard to Digital Products.
5. In this technologically advanced society customers should be willing to accept the new technological advancement in the Banking field.
6. Customers especially those who are well aware of using Digital Banking Products should come forward in educating and training others in Digital Banking Products.

#### 4.2 CONCLUSION

South Indian Bank LTD is one of the leading new generation bank, which is moving very fast in the direction of digitalizing the banking transaction. Recently they have received many laurels for technological advancement in the field of banking transaction. The young and motivated work force of South Indian Bank is helping not only the bank, but the society at large in digitizing the money transaction during this time of Covid 19.

Our study on the Digital Banking Products of South Indian Bank shows that majority of its customers are well aware and using the digital banking products of South Indian Bank. Out of various Digital banking products, customer's top preference is for Debit/credit cards followed by Mobile banking. Since South Indian Bank gives top priority for updating their digital products to overcome the various security issues, customers are very much confident and satisfied in using their digital products.

And as customers, it's our responsibility to help the nation in achieving its greatest goal of digital banking for all.

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## QUESTIONNAIRE

Name:

Age:

Occupation:

Address:

1. Are you aware about Digital Banking Products offered by South Indian bank?

Yes  No

2. Are you using Digital Banking Products of South Indian Bank?

Yes  No

3. How long have you using Digital Banking Products?

Less than 1 year  Between 1 to 2 years  Between 2 to 5 years  More than 5 years

4. How often have you using Digital Banking Products?

Frequently  Occasionally  Never

5. Which Among the following is the most used Digital Banking Product?

M Pay  SIB Mirror  Sibernet  Debit card  Credit card

6. Are you confident in using Digital Banking Products?

Yes  No

7. Which is the most preferred Channel?

Internet banking  Mobile banking  Debit/Credit cards

8. What attracts you to Digital Banking Products of South Indian Bank during Covid 19 period?

Ease of use  Quick transaction  Social status  Free service

9. Do you ever face any difficulties in using Digital Banking Products of South Indian Bank?

Yes  No

10. Which among the following is the problem faced while using Digital Banking Products?

- Connectivity problem  Hacking/ Fraud  Lack of knowledge  Never faced

11. How do you rate the Security aspect of SIB Digital Products?

- Excellent  Very good  Good  Average  Poor

12. Are you getting Digital Banking updates from South Indian Bank?

- Yes  No

13. Do you think that Digital Banking Products of SIB has the potential to replace traditional banking?

- Yes  No

14. Are you satisfied with Digital Banking Products of SIB?

- Yes  No

15. Will you recommend others to use Digital Banking Products of SIB during this time of Covid 19?

- Yes  No

