



INTERNATIONAL JOURNAL OF CREATIVE RESEARCH THOUGHTS (IJCRT)

An International Open Access, Peer-reviewed, Refereed Journal

A STUDY ON CUSTOMER SATISFACTION TOWARDS DIGITAL BANKING SERVICES

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Abstract

This study is to aims at conducted to evaluate and examine the customer satisfaction towards Digital Banking. The purpose of this study is also observed and analyses the purpose of using digital banking, reason for banking digital banking services. We collect data from primary and secondary data collection method. For that we conduct questionnaire survey by using google form. We collect responds of 200 digital banking user. The study includes digital banking services in Coimbatore city. For the analyses the data, we have presented by charts and used percentage method. This study aims to measure the satisfaction levels of users towards the digital services provided by the bank. The finding of study is established that there is a strong positive relationship between consumer and digital banking. In some case the consumers are not satisfied with digital banking services.

Key words: *Mobile Banking, Internet Banking, Digital Banking, Customer Satisfaction.*

I Introduction

Banks are not just part of our lives, but have a significant role in our daily lives. Banks always try to adopt latest technologies to enhance customer experience. Digitalization is not an option for banking industry, rather it is inevitable. The buzzword in India now a day is creating a cashless economy. The successful implementation of demonetization, leads the government to implement digital transactions. Digitalization is the process of converting data into digital format. Digitalization means the adoption of technology. The main objective of the government of India is make 25 billion digital transactions through multiple facilities. Digitalization of banking requires platforms like Unified Payment Interface (UPI), Aadhar Pay, Debit Cards and Immediate Payment Service (IMPS).

Advancement in electronic banking technology has produced innovative means of handling routine banking transactions. Internet banking is an internet gateway that enables customers to avail different types of banking services like making bill payments, transferring funds from one account to other, investments in different financial instruments etc. (Pikkarainen, Karjaluo, and Pahnla 2004). With the surge in transaction volumes in the global and local markets the customers have also started adapting and preferring non-conventional ways of banking (Digital Banking) over traditional banking. An automated delivery of various banking service products without any direct participation of banks' employees using either electronic machines or technology or internet at anytime and anywhere is called Digital Banking.

Digital banking may be viewed as adoption of various existing and emerging technologies by the banks. In the present scenario, we find ourselves in a digital wonderland, where the milkman accepts wallet payment without a fuss, a man buys a geometry set worth about Rs. 100 using a credit card and the vegetable vendor uses QR code based "Scan and Pay" utility. The new innovative digital technologies and futuristic thought processes have given birth to whole new businesses and social dimensions. Make in India and Digital India is now the buzzwords to a bright and sustainable industrial and financial progress of our nation. Digital banking provides solutions to bankers for their short term and long term business and technological requirements. In the present scenario, factors like enhancing of customer satisfaction, unified customer experiences, faster output, infinite banking volumes, financial inclusion, operational efficiencies, scale of economy etc. are being sought by leveraging digital banking technologies. The digital India is the Indian government's flagship programme with a vision to convert India into a digitally empowered country. Faceless, paperless, cashless is requirement of India government. Registration, Invoicing, Payment selection, Payment confirmation are the important phases of digital payment system. This generally includes three electronic payment instruments like, cash, cheque and card.

Digital banking is a new concept in the area of electronic banking. Before the emergence of the concept of digital banking, electronic banking was being referred to as internet banking or e-banking. There were a few more indirect banking channels like ATMs, phone-banking, mobile banking etc. However, their aim was to cover only basic banking service through electronic banking. However, digital banking is very wide concept and it covers all possible banking service and all alternate banking channels like Automated Teller Machines (ATM), Point of Sale (POS), Internet Banking, Mobile Banking, Banking through Application, Phone Banking etc. except branch banking. Digital Banking can also be termed as “Direct Banking Channel”.

Digital Banking is a system which enables banking transactions like transfer of funds, payment of loans and EMI's, deposit and withdrawal of cash virtually with the help of internet. It is one among the extended features which banks provide in addition to the traditional banking. It is the most used feature by the Indian citizens after the effect of demonetization. There are different types or sectors under digital banking services. The major services, offered by banks are internet banking, mobile banking, ATM's, NEFT, PPIs, SMS Banking, e-cheques, debit and credit cards etc. The first bank in India to offer digital banking was ICICI Bank in 1996. Since then, a number of other banks have followed this and today most of the banks provide digital banking services.

II Objective of the study

1. To study on level of awareness towards customers in Digital banking.
2. To identify the level of customer satisfaction by the usage of Digital banking Services.
3. To identify the problems are faced by the customers in Digital banking Services.

Scope of the study

- ❖ A Study on customers opinion towards Digital Banking Services with reference selected commercial banks
- ❖ The Commercial Banks Provide various utility Service of Digital Banking facilities to their Customers
- ❖ The purpose of this study is to analyze the satisfaction level of customers towards digital banking services
- ❖ The research will cover the customer opinion on digital banking services which will be helpful for further development and growth of banking industries.

Methodology

Both Primary data and secondary data have been used for data collection. Primary data have been collected through interview schedule and through observation the secondary data are collected from research journals, articles, and websites.

Sampling Design

Research design constitutes the blue print for the collection, measurement and analysis of data. The present study seeks to identify the extent of customer's satisfaction towards digital banking. By using convenient and random sampling method, 200 respondents were considered for the study. For the purpose of survey, digital banking users from different areas in Coimbatore were consulted.

Sample Size

It indicates the numbers of people to be surveyed. Though samples give more reliable results than small samples but due to constraint of time and money, the sample size was restricted to 200 respondents. The respondents belong to different income group and profession.

Statistical Tools used for Data analysis

The statistical tools used are percentage analysis and Garrett Ranking method and 5 point scaling techniques.

III Review of Literature

Ameme B., & Wireko.J (2016) claimed in his research that in today's competitive world where technology plays a very important role and if we talk about banking sector industry there is a positive relationship between technology and customer satisfaction. They also stated that satisfaction of customer is not merely introducing if the bank wants to become the market leader in the competitive environment it must use the innovation approach in all the aspects like products and services. Also, there is a significant relationship between technological innovation and cost. As the innovation increase the cost is also increase.

IV DATA ANALYSIS AND INTERPRETATION

Gender wise Classification

Gender is a range Of Physical, Mental, And Behavioral Characteristics Distinguishing Between Masculinity and Femininity. It is one of the important determinants which decide about the capacity of the people having relationship with banks. The Gender-Wise Distribution of the Sample Respondents are given below in Table 1.1

Table 1.1**Gender-Wise Classification**

S.No	Gender	Frequency	Percentage
1	Male	104	52
2	Female	96	48
TOTAL		200	100

Source: Primary Data

Figure 1.1 Indicates That The Male Respondents Constitute 52 Per Cent While The Female Respondents Constitute 48 Per Cent Of The Sample Population. So, It Is Observed That In Most Of The Indian Families, Males Are The Head Of The Family Who Deals With Financial Transactions Of Their Families And Hence They Are Exposed To Digital Banking Services

Age wise Classification

Age Is One Of The Decisive Factors That Decide The Nature Of Any Venture. Thus, It Helps To Determine Which Age Group Customers Are Highly Aware Of Digital Banking Services. The Age Composition Of The Respondents Are Given In Table 1.2

TABLE 1.2**Age Wise Classification**

S.No	Age	Frequency	Percentage
1	Below 20 Years	87	43.5
2	21-25 Years	48	24
3	26-30 Years	30	15
4	Above 31 Years	35	17.5
Total		200	100

Source: Primary Data

Table 1.2 reveals that 43.5 Percent (87) of the sample respondents are below the age group of 20 years and 24 Percent (48) are in the age group of above 21-25 years. 15 Percent (30) of the Sample Respondent are in the age group of 26-30 years. 17.5 percent (35) of The Sample respondents are the age 31 years. It is inferred that the youngsters are mostly using Digital Banking Services. Because, they have more knowledge about technological development.

Duration of Availing Digital Banking

Duration means the period of time during which something exists. People use particular product or service for a long time If they are satisfied. In this study duration of using Digital Banking Services is gauged and presented.

Table 1.3

DURATION OF AVAILING DIGITAL BANKING

S.No	Usage Time	Frequency	Percentage
1	Less Than 6 Month	60	30
2	6 To 12 Month	47	24
3	13 To 24 Months	44	22
4	Above 24 Months	49	24
TOTAL		200	100

Source: Primary Data

Table 1.3 Indicates that Majority of the 30percent (60) of the sample respondents are using digital banking services less than 6 Months and least (22 percent) of the sample respondents (44) were using Digital Banking Services from 13 to 24 months.

Problems in Digital Banking Services

Every industry is digitizing, and the banking industry is working hard to cope. Although electronic banking is becoming more popular today. It is good to know that digital banking services are still facing several challenges. however, it should not go without mentioning that there are some profitable opportunities in digital banking. Garrett's Ranking Technique is used to rank the problems are faced by the respondents While Using Digital Banking Services and it is presented in the table 1.4

Table 1.4
Challenges are faced by the Digital Banking Services

S.No	Factor	1	2	3	4	5	6	7	Total
1	Innovative Technology	44	25	31	22	27	21	30	200
2	Availability of 24/7 Banking Services	24	30	46	33	34	14	19	200
3	Technology Upgradation	34	48	28	25	24	20	21	200
4	Avoid standing in Queues	28	37	31	35	26	30	23	200
5	Cashless transaction	22	18	22	39	40	41	18	200
6	Safety And Secure	33	21	27	29	23	21	46	200
7	Cash Back/Promo Coral Offers	29	32	28	24	37	29	21	200

Source: Primary Data

Rank Given By The Respondents											
S.NO	Awareness	1	2	3	4	5	6	7	Total	%	Rank
1	Innovative Technology	3432	1650	1767	1100	1161	714	630	10454	52.27	3 rd
2	Availability of 24/7 Banking Services	1872	1980	2622	1650	1462	476	399	10461	52.31	2 nd
3	Technology Upgradation	2652	3168	1596	1250	1032	680	1197	11575	57.88	1 st
4	Avoid Standing in Queues	2184	2442	1767	1750	1118	680	483	10424	52.12	4 th
5	Cashless Transaction	1716	1188	1254	1950	1720	1394	378	9600	48.0	6 th
6	Safety and Secure	2574	1386	1539	1450	989	714	966	9618	48.09	7 th
7	Cash Back/Promo Coral Offers	2262	2112	1596	1200	1591	989	441	10188	50.94	5 th

Source: Primary Data

The Table 1.4 reveals that the Customer's Problems Towards Digital Banking. In this regard, The Technology Upgradation has Been ranked First By the Respondents with the Percentage of 57.88, Availability of 24/7 Banking Services has been ranked second with a percentage of 52.31. Innovative Technology has been ranked third with a percentage of 52.27. Avoid Standing in Queues has been ranked Fourth with a Percentage of 52.12. Cash Back/Promo Coral Offers has been ranked Fifth with a percentage of 50.942. Cashless Transaction has been ranked Sixth with a percentage of 48. Safety And Secure has been ranked Seventh with a Percentage of 48.09.

Customer satisfaction

Digital Banking has been on rise even before the pandemic. The percentage of traditional retail bank customers are using online and mobile channels only. Banks were required to temporarily close many brick - and – mortar branches with pandemic linked shut down last year, they attempted to shift the majority of offering to their digital platforms. Consumers reported lower levels satisfaction with them.

Table 1.5
Level of Satisfaction

S.No	Services	Highly Satisfied	Satisfied	Moderate	Dis Satisfied	Highly Dis Satisfied	Total	Rank
1	Difficulties in Implementation of Global Technology	96 (480)	59 (236)	26 (78)	12 (24)	7 (7)	200 (825)	I
2	Necessity of Internet Services	39 (195)	98 (392)	39 (117)	19 (38)	5 (5)	200 (747)	II
3	Issues of Security	36 (180)	63 (252)	66 (198)	26 (52)	9 (9)	200 (691)	V
4	Customer Care Services	36 (180)	71 (284)	46 (138)	33 (66)	14 (14)	200 (682)	V1
5	Security Precautions	42 (210)	64 (256)	56 (168)	21 (42)	17 (17)	200 (693)	IV
6	Technical Difficulties	56 (280)	47 (188)	62 (186)	18 (36)	17 (17)	200 (707)	III

Source: Primary Data

The Table 1.5 Shows that the level of satisfaction of the sample respondents. It is evident that, The first rank is given to difficulties in Implementation of Global Technology because it scored 825 Points, The second rank is given to Necessity of Internet Services scored 747 and Third Rank is given to Issues of Technical Difficulties 707 points respectively. Fourth Rank is given to Security Precautions 693 Points. Fifth Rank is given to Issues of Security which scored 691 points. Finally, sixth rank is given to Customer Care Services Scored 682. Hence, it is analyzed that the Customer Satisfaction provided by the Digital Banking Services.

Limitations of the study

Due to constraints of time and resource, the study is likely to suffer from certain limitations. Sum of these is mentioned here under so that the findings of the study may be understood in a proper perspective.

- The study is related to Commercial banks only. Co-operative & foreign banks are not included.
- The study is related to Coimbatore only.
- The information given by the respondents might be biased because sum of them might not be interested to give correct information.
- Customer satisfaction focuses only related to banking services. Other are not covered.

Findings

- ❖ Majority (52%) of the male respondents are using digital banking services.
- ❖ Majority (43.5) of the respondents are using digital banking services by the age group of 20 years.
- ❖ Majority of the (30) percent peoples were using digital banking services by the month of less than 6 months.
- ❖ The level of satisfaction of the sample respondents. It is evident that, The first rank is given to difficulties in Implementation of Global Technology because it scored 825 Points, The second rank is given to Necessity of Internet Services scored 747 and Third Rank is given to Issues of Technical Difficulties 707 points respectively. Finally, sixth rank is given to Customer Care Services Scored 682.
- ❖ The Customer's Problems Towards Digital Banking. In this regard, The Technology Upgradation has been ranked First By the Respondents with the Percentage of 57.88, Availability of 24/7 Banking Services has been ranked second with a percentage of 52.31. Cashless Transaction has been ranked Sixth with a percentage of 48. Safety And Secure has been ranked Seventh with a Percentage of 48.09.

Suggestion

- ❖ Most of the people satisfied with Internet banking 24/7
- ❖ More aware of Net banking services
- ❖ Most of users got benefits while using digital banking services Time saving, Inexpensive and Easy processing
- ❖ Most of users felt prefer Good service, Easy transfer and Good security prefer while choosing Digital Banking Services.

Conclusion

This study attempted to identify key quality attributes of internet banking services by analyzing internet banking customers and their comments on banking experience. The finding of this study shows that despite of many advantages of online banking. People still consider it as an alternative for analyzing their bank records. Although every bank today provides the facility of online banking but most of people use it only once a month. The reason is that in case of internet banking interpersonal interaction with customers is seldom possible. The Banks have to upgrade and constantly think of New Innovative Customized Packages and Services to remain competitive. Proper training should be given to customer by the bank employees to open an account will be beneficial secondly the website should user friendly, so that the Customers can easily access to their accounts, this will retain the customer to use Digital Banking Services.

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