



A STUDY ON EVALUATION OF DIGITAL BANKING IN ANDHRA PRADESH

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Abstract: Digital banking is one of the most significant developments for the banking industry in its long history. However, despite the many benefits that Digital banking provides to customers, there are also a number of major concerns and challenges for marketers in the online banking sector. Traditional banking habits, security, technical issues, transaction difficulties, and small marketing budgets are all major challenges that Digital banking marketers will have to reconcile if they are to succeed in this field. However, demand for this industry continues to be very strong. So it is likely that online banks will only grow more advanced and successful as they strive to resolve their marketing challenges. However, despite the benefits of Digital banking, there is also a number of distinct issues and challenges in the Digital banking. These are highly significant both for banks that offer Digital banking, but also for their Customers, who depend on the banks to operate effectively. Digital banking marketers need to know these challenges so that they can efficiently navigate them.

Introduction

Indian economy is the fastest-growing economy among the developing countries in the world. The crisis during the year 1991 led to the introduction of new economic reforms and policies in India. These economic reforms in India while are structurally classified as Liberalisation, Privatisation and Globalisation. Liberalisation opened up economic borders for foreign investments and multinationals. Privatisation gave opportunities to the private sector, and Globalisation led to the integration of the economy of India with the world. In turn, the business environment in India experienced a change, and thereby businesses expanded beyond national boundaries. Then, during the year 2000, when the Digital revolution spread across developing nations, India became a favoured destination, and more Software companies (knowledge-intensive organisations) emerged in the Information Technology sector. These companies became the most potent driving force of India's economic growth and development.

The banking industry has transformed in the later 20th century due to advancements in information technology and telecommunication. Further, the improved digital connectivity through the internet has dramatically increased the speed of Banking transactions globally along with cost-effectiveness. The Banking

Sector in India is in the process of adopting digitalisation for improving its efficiency and cost-effectiveness. The individual Indian banks are at different stages of digitalisation, and the present study has been undertaken to evaluate the digitalisation in three select Indian banks that are most digitised.

This research aims to analyse the usage of digital banking solutions in select Indian banks by their customers and employees. It also examines the influencing factors like perceived usefulness and perceived ease of use apart from Digital Banking Service quality, Customer Perception and Intention to Use Digital Banking in Chittoor District of Andhra Pradesh.

Digitisation is the process through which data gets transformed into a digital format with the help of technology. The importance of digitisation is significant in the current banking segment. Manual banking operations can sometimes cause errors that can lead to significant losses. The increasing volumes of Banking activities and transactions has made it difficult for the manual systems to be handled effectively. This has necessitated the introduction of technology-based innovations in the Banking sector. These innovations have brought about digitisation in the banking sector, which has helped dramatically address the challenges faced by the Banking sector. Digitisation has also caused the banks to provide various services to the customers with greater efficiency and effectiveness. Thus, Digitization in the banking sector helps customers save time and make their banking transactions more convenient and secure.

With online and mobile banking development, customers now have the freedom and convenience of managing their funds whenever and wherever they are. Historically, the customers of banking and financial institutions had weathered the development of internet banking over the years with associated benefits and challenges. It is evident that with an increase in smartphone adoption, we realise that they get immensely benefitted.

Literature Review:

Review of Literature on the evolution and model and theories of digital banking evaluation with previous research. Both National and International research publications of eminent authors have been meticulously discussed. The literature evaluation is often finished to benefit the foundation of know-how in a specific area of studies and identify the research gaps by scrutinising the present literature.

Anthony Rahul Golden S. (2017) In the article "An Overview of Digitalization in Indian Banking Sector", A strive has been made to observe the assessment of digitalisation in the Indian Banking quarter. Banks are not simply part of our lives but have a sizable role in our day by day lives. The examiner observed that, because of the adoption of this digitalisation, the banking sectors in India face some first-rate adjustments and hurdles. The study also cleared that it is not feasible to avoid the increase and services or digital banking as we are in the digital world.

Khandelwal, A.K. (2017) He analysed that a solitary financial alternate is finished in a solitary day on any occasion for endless people. In this manner, banks dependably endeavour to execute leading latest technologies to improve purchaser enjoy. Digitisation is no longer a decision for banking enterprises. Instead, it is miles sure in light of the reality that each industry is being digitised, and the banking part is no exclusion.

V.G.Kannan 2017. Made a study and Identified the banks that specialise in packages which worked internally within the banks and its clients, now the fashion is more significant on inter-operable apps like UPI, BHIM,

Aadhaar pay, and other related service offerings, in which client of any bank can without difficulty push/pull/request money from clients of different banks. There is more collaboration amongst banks. Aadhaar authentication is going to have the maximum effect on all price programs. Banks are migrating sixty to eighty per cent of all banking transactions to the virtual channel in the next 1-2 years. Its impact may reduce the fee collected for the transactions executed by the banks. More person-pleasant and simple digital packages also can be expected from the banks.

Nishi Sharma (2017): The creator describes the want of net banking inside the rural regions. The Indian financial system is well represented and is well dominated by rural people. Approximately six lakhs villages are there in the USA, with 70% of the population are still residing within the rural regions. Thus, the writer has diagnosed 17 elements that may additionally create a bottleneck for the banks to offer offerings to the negative. Factors like good enough ATMs, purchaser training facility, price of preserving bank debts, transportation and other related factors. Are some of the factors which might also create trouble. Unless and until these centres do not improve, the banks might not offer the services required in the rural areas.

P. Vimal Kumar and V. Mekala 2015: Their examine found majority of respondents who use net banking offerings have finished P.G. and use net banking offerings of personal bankers. It is located that there is no considerable dating among gender and educational qualifications with the level of safety and safety of transactions. Respondents were happy with the internet banking services presented and the security and protection of net banking services. It has also been recommended that the service expenses on net banking prices will be decreased.

ImolaDrigă and Claudia Isac (2014) stated that conventional banking services, primarily based on lending and deposit-taking operations, are the best part of banking sports. As the emergence of expertise based economy and society as statistics and communication technology advanced, banking offerings have gone through profound changes all through the beyond a long time. To improve the general high-quality of customer support shipping and consequently reduce transaction price, banks have invested to a sizable quantity in ICT and still have adopted ICT networks for handing over an enormous range and variety of banking products and services. Banks the world over have focussed on revolutionary banking technology and virtual banking offerings in recent times.

STATEMENT OF THE RESEARCH PROBLEM:

This study is focused on Evaluate Digital Banking in Indian Banks in terms of the Effectiveness of Digital Banking and the pace of digital penetration across all the customer segments. To increase the number of clients, banks providing digital banking services keep the services' charges minimum and provide the best of the services. For banks, these electronic services significantly reduce operational costs. Banks have cut down the number of branches and kept staffing for operational requirements.

This study aims to provide appropriate suggestions for improving the effectiveness and the pace of digital banking penetration in India. In order to face global competition, India Banks have to increase digitalisation to match their foreign competitors. In light of this situation, there is a need to study the digital banking penetration in India. This made the researcher take up this study. Thus, the focus of this study is titled “AN EVALUATION OF DIGITAL BANKING IN ANDHRA PRADESH “

OBJECTIVE OF THE STUDY:

To investigate the role of digital banking in enabling the bankers to meet the challenges in the current day banking trends.

DATA ANALYSIS AND INTERPRETATION:**Table 1: Digital payment methods – Share of the user by house-holds**

% of households who use digital payments in each income group using --	Income Group		
	Bottom line	Middle Class	UPPER MIDDLE class
Paytm, PhonePe type apps	80%	79%	78%
UPI	56%	45%	56%
Online shopping using credit or debit card	27%	42%	44%
Use Bank App	18%	41%	43%

Households using UPI as a platform may not be completely aware of the platform's interoperability; By educating and creating awareness about interoperability, UPI is the potential to increase adoption.

Though less developed when compared with payment banks, Online banking has good potential. The mobile phone usage (Given the number of internet users in India via mobile phones) for banking is low. Mobile banking application download is also lower than the usage of the internet in mobile banking. There is a 36% gap between smartphone ownership and digital payment users. Bridging the gap between app downloads and education usage represents an immediate and low hanging fruit opportunity (Table 2)

Table 2: Status of online banking

% Of households in each income group Who have	Income Group		
	Bottom line	Middle Class	UPPER MIDDLE class
Have smart phones	57%	72%	90%
Do Digital Payments	24%	34%	49%
Have mobile app for bank	14%	37%	59%
Use phone for banking related matters	5%	17%	30%

With half of the households in the top segment making digital payments and having mobile banking apps, there is a high possibility that UPI's user share increase. A quarter of households in the bottom segment will be drivers of digital payments in future.

Model Summary				
Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
Public Sector Banks	.358 ^c	.128	.116	.69999
Private sector banks	.343 ^c	.118	.106	.71488
a. Predictors: (Constant), Easy to Recover, Convenience in Banking, Responsiveness, Reliability, Assurance and Security				
b. Dependent Variable: Perceived Ease of Use				
c. Predictors: (Constant), Easy to Recover, Convenience in Banking, Responsiveness, Assurance and Security, Reliability				

ANNOVA

Model	Sum of Squares	df	Mean Square	F	Sig.
Residual	193.178	378	.511	16.721	.000 ^b
Total	218.906	383			

ANOVA table presented above shows whether a linear regression can fit between digital banking services quality components such as Convenience in Banking, Assurance and Security, Reliability, Responsiveness, Easy to Recover, and customer perceived usefulness. Withstand to the test results, it can be accepted that there is linearly relationship exist between digital banking service quality components and customer perceived usefulness since P value is statistically significant: $F = 16.271$; $df = 378$; $p = 0.000 < 0.01$

Conclusion: Study stated that The financial institution services clients are using o the advanced technology like phone banking and internet banking adopted by non-public region banks. Nowadays, the customers rely greater on non-public area banks and sense the duty of banks will grow in future, conventional banking services, primarily based on lending and deposit-taking operations, are the best part of banking transactions. As the emergence of expertise based economy and society as statistics and communication technology advanced, banking offerings have gone through profound changes all through the beyond a long time.. Banks the world over have focussed on revolutionary banking technology and virtual banking offerings in recent times. To improve the general high-quality of customer support shipping and consequently reduce transaction price, banks have invested to a sizable quantity in ICT and still have adopted ICT networks for handing over an enormous range and variety of banking products and services

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