



# A STUDY ON CUSTOMER SATISFACTION TOWARDS DIGITAL BANKING WITH SPECIAL REFERENCE TO VIRUDHUNAGAR CITY

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## ABSTRACT

The banking system plays a vital role in Modern banking. In today's world, everybody needs instant banking solutions for a better lifestyle. The name of a bank is based on the number of loyal customers. At present, almost every bank has digital banking facility. This helps the people to be less tensed as they don't want to carry hand full of cash. Because of less involvement of cash, transactions have to be done with cash with proper KYC. Usually, bank provide services based on customer needs which are friendly and convenient to use. Due to the rise in technology, traditional banking has been gradually replaced by electronic banking. Customer satisfaction is an important factor that help banks to sustain in the industry. So, it is necessary to study the customer satisfaction towards digital banking.

Descriptive study was conducted on research which shows customer satisfaction towards digital banking. This study includes both primary and secondary methods are used to collect the data. Questionnaire was framed to collect from the respondents who use digital banking. Internet and Journals are used for secondary purposes.

The statistical tools used to analyze is Percentage Analysis, ANOVA and Chi – Square test.

**Keywords:** Digital Banking, Customer satisfaction, KYC, Friendly, Quality Services.

## 1.1 INTRODUCTION

Digital banking was first introduced by ICICI Bank. Later in 1999 it gained popularity among the customers. In digital banking they digitalize all traditional activities of bank through ATM, Debit cards, Credit cards, Mobile banking and so on. The process from traditional to digital banking has been gradual in nature. The customers can operate digital banking facility through various devices such as desktop, mobile and so on.

Digital banking is a new era that explores the success and development to facilitate and enhance society and also it develops the banking industry to enhance the business operations.

The growth of digital banking has been increasing the acceptance of digital technologies and changing customer preferences, to use digital channels for their financial transactions.

### 1.1 STATEMENT OF THE PROBLEM

Previously, the only alternative for banking is to go to bank directly and perform financial transactions like a cash withdrawal, cash deposit, etc. Then later modern banking was introduced. This program supports personal bank account to be monitored and used, such as transferring funds, monitoring account balance and so on. Researcher is interested in finding out the satisfaction level, to find out a problem faced by them and offer solutions.

### 1.2 SCOPE OF THE STUDY

This study helps in knowing how far the digital banking services are used by the customers. The study further helps to develop customer retention towards digital banking. Today, for 24 hours the customer needs banking services. The entire banking structure has been changed due to widespread internet technology. This study will help us to find out the satisfaction level of customers.

### 1.3 OBJECTIVES OF THE STUDY

- To study the level of satisfaction of customer towards digital banking.
- To determine the customer awareness of digital banking.
- To explore the problems faced by customers towards digital banking services.
- To offer solutions to customers are who use digital banking services.

## 2. REVIEW OF LITERATURE

- **Karthikeya Bolar (2014)**, Creators and investors of the technology required information about the customers assessment towards their technology interface based on features and various quality phases to make vital decision in improving technology interface.
- **Hanafizadeh, Keating, and Khedmatgozar (2014)** focused on Internet banking adoption. Their findings revealed that interest in the topic of Internet banking adoption had grown significantly.
- **Ameme B., & Wireko.J (2016)** claimed in his research that in today's competitive world the technology plays an important role and if we are talking about banking sector there is a positive

relationship between technology and customer satisfaction. And they concluded that there is a significant relationship between through a technological innovation and cost.

### 3. RESEARCH METHODOLOGY

**1. Research Design:** This research study is based on descriptive research design as it includes questionnaire.

**2. Sample size:** For this study the sample size is 100 respondents.

**3. Sources of gathering data:** This research study is based on primary as well as secondary sources. Primary research work is gathered through questionnaire. And for secondary data, the information is collected from Internet and Journals.

**4. Sampling Technique:** The sampling technique used in this study is convenient sampling.

**5. Statistical Tool used for Analysis:** The data is collected through questionnaire were analysed using a Percentage Analysis, ANOVA and Chi – Square test.

### 4. ANALYSIS AND INTEPRETATION

#### 4.1 Gender of the Respondents

**Table 4.1**

Particulars	No. of Respondents	Percentage (%)
Male	50	50
Female	50	50
<b>Total</b>	100	100

**Source: Primary Date**

#### **Interpretation:**

Table 4.1 shows that both men and female were equivalent.

## 4.2 Age of the Respondents

**Table 4.2**

<b>Particulars</b>	<b>No. of Respondents</b>	<b>Percentage (%)</b>
Below 25 years	30	30
26 – 35 years	31	31
36 – 45 years	24	24
Above 45 years	15	15
<b>Total</b>	100	100

**Source: Primary Data**

### Interpretation

Table 4.2 shows that most of the respondents are between the age group of 26 – 35 years.

## 4.3 Classification of category of the bank

**Table 4.3**

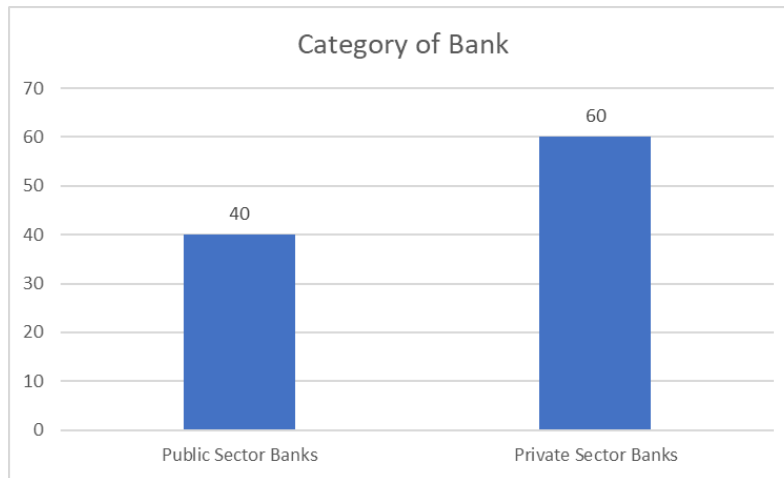
<b>Particulars</b>	<b>No. of Respondents</b>	<b>Percentage (%)</b>
Public Sector Banks	40	40
Private Sector Banks	60	60
<b>Total</b>	100	100

**Source: Primary Data**

## Interpretation

Table 4.3 shows that majority 60% of the respondents use public sector banks.

**Figure 4.3**



## 4.4 Types of Accounts

**Table 4.4**

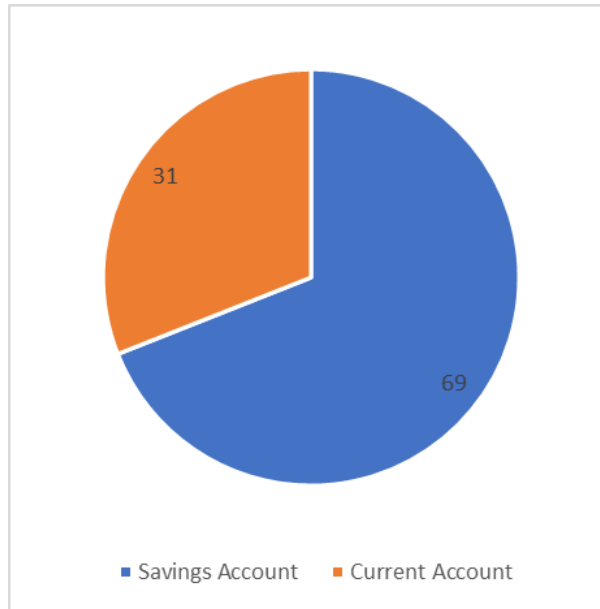
Types of account	No. of Respondents	Percentage (%)
Savings Account	69	69
Current Account	31	31
<b>Total</b>	<b>100</b>	<b>100</b>

Source: Primary Data

## Interpretation

The above table reveals that 69% of the respondents have a savings account with in their banks.

**Figure 4.4**



**4.5 Do you think digital banking services are necessary in present scenario?**

**Table 4.5**

Particulars	No. of Respondents
Yes	100
No	0

Source: Primary Data

**Interpretation**

The above table reveals that all the respondents think digital banking is necessary in present world that is 100%.

**4.6 Are you availing digital banking services: -**

**Table 4.6**

Particulars	No. of Respondents
Yes	100
No	0

Source: Primary Data

**Interpretation**

The above table reveals that all the above respondents use digital banking that is 100%.

#### 4.7 Which of the following Digital Banking Service you are aware of?

Table 4.7

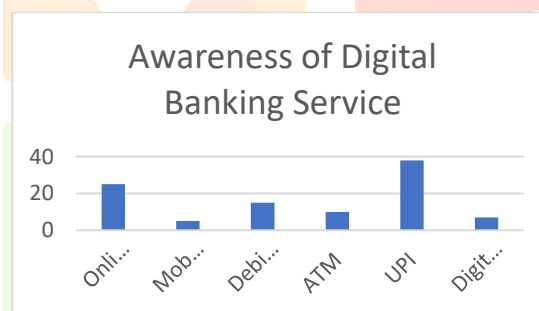
Particulars	No. of Respondents	Percentage (%)
Online Banking	25	25
Mobile Banking	5	5
Debit cards	15	15
ATM	10	10
UPI	38	38
Digital Wallet	7	7
<b>Total</b>	<b>100</b>	<b>100</b>

Source: Primary data

#### Interpretation

The above table reveals that majority 38% of the respondents are aware of UPI in digital banking service.

Figure 4.7



#### 4.8 Which type of Digital Banking Service you use the most?

Table 4.8

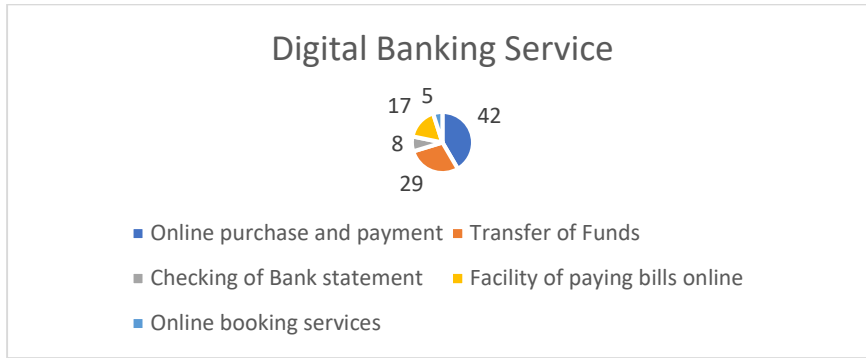
Particulars	No. of Respondents	Percentage (%)
Online purchase and payment	42	42
Transfer of Funds	29	29
Checking of Bank statement	8	8
Facility of paying bills online	17	17
Online booking services	5	5
<b>Total</b>	<b>100</b>	<b>100</b>

Source: Primary Data

#### Interpretation

The above table reveals that majority 42% of the respondents use online for purchase and payment.

**Figure 4.8**



**4.9 Which benefits you get the most from Digital Banking Services?**

**Table 4.9**

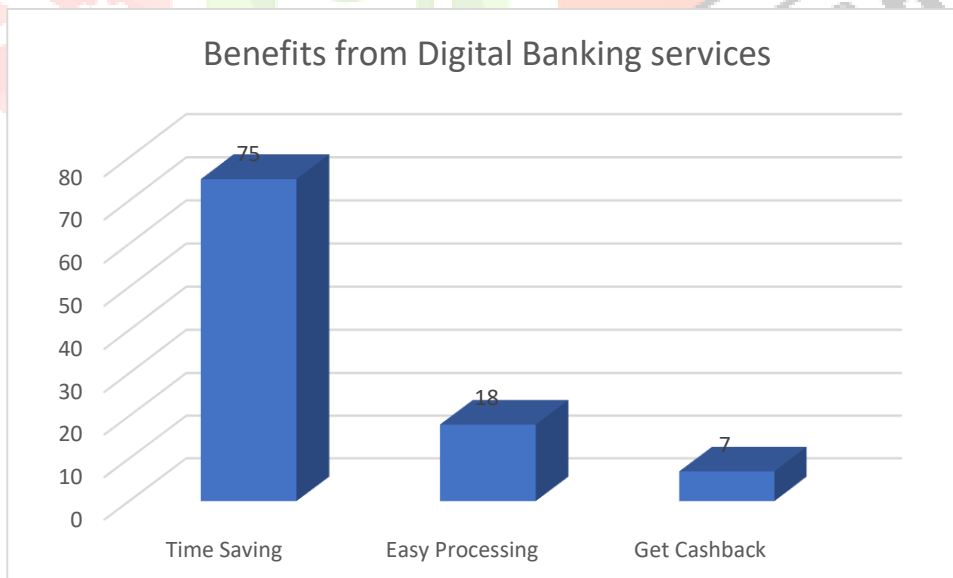
Particulars	No. of Respondents	Percentage (%)
Time Saving	75	75
Easy Processing	18	18
Get Cashback	7	7
Total	100	100

Source: Primary Data

**Interpretation**

Table 4.9 shows that majority of the people that is 75% of the respondents feel it is time saving.

**Figure 4.9**





#### 4.10 Problems faced in Digital Banking Services

Table 4.10

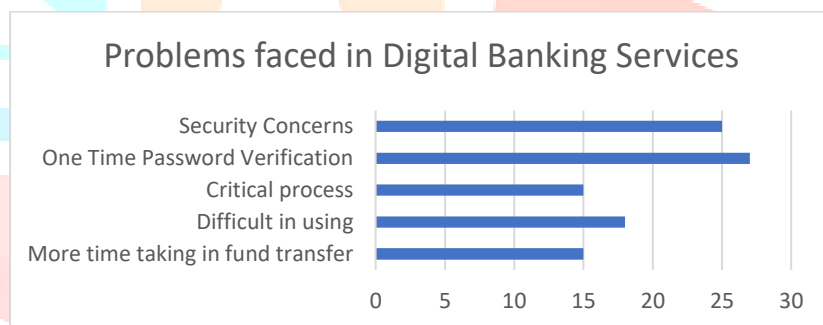
Particulars	No. of Respondents	Percentage (%)
More time taking in fund transfer	15	15
Difficult in using	18	18
Critical process	15	15
One Time Password Verification	27	27
Security Concerns	25	25
<b>Total</b>	<b>100</b>	<b>100</b>

Source: Primary Data

#### Interpretation

The above table reveals that majority 27% of the respondents face problems towards One Time Verification.

Figure 4.10



#### 4.11 Hypothesis

Hypothesis (H<sub>0</sub>)

There is no substantial difference between age and digital banking services among the customers.

Table 4.11

Contribution of new technology	No. of Respondents	Percentage (%)
Very High	14	14
High	26	26
Average	38	38
Low	10	10
Very Low	12	12
<b>Total</b>	<b>100</b>	<b>100</b>

Source: Primary Data

## Interpretation

The above said ANOVA table indicates that digital banking services such as fund transfer, cash withdrawals, paying the bills, mobile banking, keeping track of transactions, the likelihood output is higher than 0.05 among age and service quality. Thus, Null hypothesis is accepted and it is assumed that these factors do not vary significantly inside the age range of respondents.

**4.12 HYPOTHESIS**

Hypothesis Analysis H<sub>0</sub> (Null Hypothesis): There is significance difference in the usage of digital banking services and customer satisfaction.

H<sub>1</sub> (Alternative Hypothesis): There is no significance difference in the usage of digital banking services and customer satisfaction.

Particulars	Yes	No	Total
Online purchase and payment	34	7	42
Transfer of funds	24	5	29
Checking of Bank statement	6	2	8
Facility of paying bills online	14	3	17
Online booking services	3	2	5
<b>Total</b>	<b>81</b>	<b>19</b>	<b>100</b>

**Table 4.12.1**

Chi-square test table 1 So in Chi-square test table-1 cell are there which have less than 5 values, the table should be modified by merging last three columns together. So, the modified table for test is as follows

Particulars	No. of Respondents
Online purchase and payments	42
Transfer of funds	29
Checking of Bank statement 8	
Facility of paying bills online 17	
Online booking services 5	
<b>Total</b>	<b>100</b>

Modified table for Chi-square test Degree of freedom = (row-1) (column-1) = (2-1)(3-1)=2 Level of significance = 0.05

## Calculation of Chi-square Value

Row	Column	Fo	Fe	Fo - Fe	Fo - Fe <sup>2</sup>	Fo - Fe <sup>2</sup> /Fe
1	1	34	33.21	0.79	0.62	0.018
1	2	24	23.49	0.51	0.26	0.011
1	3	23	24.3	-1.3	1.69	0.0695
2	1	7	7.79	-0.79	0.62	0.080
2	2	5	5.51	-0.51	0.26	0.047
2	3	7	5.7	1.3	1.69	0.296
<b>Total</b>						0.5215

### Conclusion

Null hypothesis is accepted. Reject alternative hypothesis.

### Interpretation

The above analysis shows that H<sub>0</sub> is accepted and H<sub>1</sub> is rejected. So, it can be concluded that there is significance for the usage of digital banking services and the customer satisfaction. When the customers did not get the services, they expected and they will be unsatisfied. Same as that if they got a good service from provider then, they will be satisfied. So, it can be concluded that, the customers are satisfied with the Digital Banking Services.

## 5. SUGGESSTIONS AND CONCLUSIONS

### 5.1 SUGGESSTIONS

- Banks should take more steps to boost the customers to use all types of digital banking services.
- Cash back offers can be given to retain the customers.
- The process should be simplified so that even an uneducated people can make use of it.
- Timing for transfer of funds should be reduced.
- Government has to take steps forward to laugh new apps related to digital banking.
- Bank should not charge more from customers.

### 5.2 CONCLUSION

From the above research study, we can say that digital banking is growing in a tremendous way. Digital Banking could be used to improve productivity in a rightful way. There are both advantages and disadvantages in digital banking. Banks have to upgrade to next stage to implement innovative ideas to remain competitive. So, Digital Banking can be improved and established by conducting orientation programs to educate and explain about the services rendered. This study reveals that the customers are satisfied with the digital banking services.

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