



Digital Banking – Awareness And Attitude Of Banking Customers In 24 Parganas – A Study

DR. JAYEETA PAUL
ASSISTANT PROFESSOR
DEPARTMENT OF COMMERCE
NETAJI NAGAR DAY COLLEGE
KOLKATA
INDIA

Abstract

The banking industry of India is undergoing continuous evolution in the recent times owing to significant changes not only in terms of customer requirements but also the business environment in larger scale. This has forced the banking sector in India to strive for making innovations in banking products and services and also provide better customer satisfaction. All the banks are striving hard to achieve this but it is observed that the main hindrance in this process is the customers lack of knowledge and awareness about the recent banking innovations. Therefore, it has become imperative for the banks nowadays to create awareness and also educate their customers about the digital banking innovations. However, it is found that certain factors like demonetization, covid – 19, government policy have been instrumental in compelling people to shift from traditional banking to online digital banking.

Keywords: banking sector, digital banking, customer awareness.

Introduction:

Development in technology caused by rapid increase in internet penetration even to rural areas accompanied by significant cost reduction in internet data packs have made internet accessible to most of the people. Nowadays people can perform a wide range of activities online – from shopping to banking. So, banking is now made more convenient for people as they can do it from their convenient place at any time of the day. They are now no longer required to visit the bank and stand in long queues. Digital banking has now become the most convenient way of banking for its customers. Digital India initiative of the government of India has also been instrumental in this regard whose main objective is ‘faceless, paperless, cashless society’. All the banks are striving hard to achieve this but it is observed that the main hindrance in this process is the customers lack of knowledge and awareness about the recent banking innovations. Therefore, it has become imperative for the banks nowadays to create awareness and also educate their customers about the digital banking innovations. However, it is found that certain factors like demonetization, covid – 19, government policy have been instrumental in compelling people to shift from traditional banking to online digital banking.

Literature Review :

Trust, security, and safety in online business are the most difficult problems for banks. In addition to this, gaining and maintaining the trust of consumers will be a future difficulty for banks, particularly with regard to online banking (Aladwani, 2001). Due to concerns about security and privacy, the majority of users are hesitant to use online banking services (Lee and Turban, 2001). The issues with security play a major role in lower consumer satisfaction. Customer happiness and acceptability are critical factors in any new product or service's success (Huang et al., 2004). On the other hand, one of the main reasons why innovations fail in the

market is client resistance and discontent (Ram And Seth, 1989). The automated teller machine (ATM) is the first widely used method in the online banking industry that was designed to make it easier for consumers to access and complete their banking operations quickly. Nonetheless, the results of numerous studies demonstrate a strong correlation between the demographic characteristics of consumers and the ways in which they use ATMs (Hood, 1979, Murphy, 1983). However, it is now believed that there is a considerable association between customer psychographic profiles and ATM usage patterns.

Malhotra (2014) investigated the variables influencing the uptake of online banking. It was discovered that the perceptions of internet banking's utility, simplicity of use, and dependability all had an impact. Nippatlapalli (2013) studied customer satisfaction as a gauge for how well a company's goods and services meet or exceed the expectations of its clients. Saini (2013) attempted to investigate the connection between customer happiness and service quality at two Indian private sector banks. One way to characterize service quality is as an attitude that emerges from contrasting the prospect with the recital (Cronin and Taylor, 1992, Parasuraman et al, 1985).

According to Gronoos (1982), consumers compare their expectations of the services they receive with their perceptions of the actual services they receive when assessing the quality of the service. Kumbhar (2011) assesses the main variables (i.e., perceived value, brand perception, and service quality) that influence consumers' happiness in e-banking service environments. This study assesses the impact of service quality on e-banking satisfaction, perceived value, and brand perception.

Malhotra (2012) found demographic factors that influence e-banking adoption and especially e-banking adoption in India. The results of this study show that age, education, income and occupation are the most influential demographic variables that affect the use of internet banking. Furthermore, it was revealed that 40 percent of Indian consumers who responded to this survey were already using online banking services. The results of this study provide interesting additions to the knowledge of electronic banking and help to understand the users and non-users of Internet banking.

Research Gap :

The change in the business environment accompanied with rapid technological changes have compelled the banks in its endeavour to increase their digital banking facilities for its customers. This has made it possible for the customers to avail different banking services at their convenience online 24 hours. Despite this it is observed that due to psychological issues and lack of awareness among the customers they have not fully accepted and availed of the different digital banking services. Various studies are conducted by researchers on different aspects of digital banking practices, not only in India but through out the world. But few studies are undertaken to discuss the level of awareness and perception of the banking customers towards e-banking or digital banking practices. In the light of the initiative of the present Government towards digital India and also the initiative for building up a cashless economy by the Central government, it is without doubt relevant to conduct a study on the perception of the customers towards digital banking. In this regard, the present study has been undertaken to highlight the perception of the customers of banks in 24 Parganas towards different digital banking practices.

Objectives of the study:

1. To study the relation between sample demographic variables and the frequency with which they use digital banking services.

Limitations of the study :

1. The study is confined to 24 Parganas, West Bengal alone.
2. Few respondents were reluctant to respond and also some of them did not provide complete information.
3. There is a possibility of customer providing biased opinion, which may affect the accuracy of the study result.

Research Design:

This study is based on both primary and secondary data. The sample size was 180 banking customers from 4 banks (sample units) in 24 Parganas – State Bank of India, Punjab National Bank, Axis Bank and HDFC Bank. Random sampling was followed for the selection of the sample respondents. The primary data was collected on the basis of a face to face interview.. One way ANNOVA has been used for the purpose of analysis of the collected data.

Data Analysis :

Firstly, the Cronbach Alpha is determined to find out the reliability of the questionnaire and the value of alpha calculated was 0.806, which suggested the presence of high internal consistency for the scale that is being used in the questionnaire.

Demographic profile of Digital banking customers.:

The demographic profile of the sample respondents of digital banking customers is presented in the following table 1:

Table 1 : Demographic profile of digital banking customers

Sr. No.	Demographic factors		Number	Percentage
1.	Gender	Male	74	41.1
		Female	106	58.9
2.	Age Group	Below 25	15	8.3
		25 – 35	57	31.7
		35 – 45	52	28.9
		45 – 55	36	20
		55 and above	20	11.1
3	Educational Qualification	Class 10	12	6.7
		Class 12	25	13.9
		Graduate	52	28.8
		Post graduate	73	40.6
		Others	18	10
4.	Occupation	Service	64	35.6
		Business	57	31.7
		Professional	40	22.2
		Others	19	10.5
5.	Annual Income	Below Rs. 2,50,000/-	46	26
		2,50,001 – 4,00,000	64	36
		4,00,001 – 5,00,000	22	12
		Above 5,00,001	48	26
6	Years of Banking	Less than 2 years	38	21.1
		2 – 3 years	62	34.4
		3 – 4 years	26	14.4
		4 – 5 years	28	15.6
		5 years and above	26	14.5

Source : Primary Data

The Frequency of digital banking services availed by respondents is presented in the following table 2:

Table 2: Frequency of digital banking services availed by respondents:

Frequency	No. of respondents	Percentage (%)
Every day	42	23
Alternative day	27	15
Every week	38	21
Every monthly	64	36
Rarely	7	4
Never	2	1
Total	180	100

This study also conducts the statistical test – Analysis of Variance (ANOVA) to find out whether there exists any significant difference between the annual income of the sample respondents and the frequency with which they avail the digital banking services.

Table 3 : ANOVA test for Annual Income of the sample respondents and the frequency with which they avail the digital banking services :

Parameters	Sources of variance	Sum of Squares	d.f.	Mean Square	F	Sig.
Online money transfer between bank accounts	Between Groups	8.969	3	2.989	1.76	0.13
	Within groups	148.351	176	0.843		
	Total	157.32	179			
Booking of hotels and air/ rail/ bus tickets	Between Groups	6.987	3	2.329	1.37	0.27
	Within groups	156.935	176	0.892		
	Total	163.922	179			
Online Shopping	Between Groups	5.652	3	1.884	1.69	0.16
	Within groups	92.088	176	0.523		
	Total	97.74	179			
Immediate recharge	Between Groups	10.356	3	3.452	1.72	0.17
	Within groups	178.746	176	1.016		
	Total	189.102	179			
Money transfer via NEFT/ RTGS	Between Groups	9.76	3	3.253	1.66	0.15
	Within groups	187.982	176	1.068		
	Total	197.742	179			
Request for statement of accounts	Between Groups	4.329	3	1.443	0.89	0.42
	Within groups	142.764	176	0.811		
	Total	147.093	179			
Request for cheque book	Between Groups	7.389	3	2.463	2.49	0.06
	Within groups	159.34	176	0.905		
	Total	166.729	179			
Online tax and automatic bill payments	Between Groups	6.468	3	2.156	2.88	0.08
	Within groups	192.565	176	1.094		
	Total	199.033	179			
DEMAT & IPO support	Between Groups	6.389	3	2.129	1.27	0.22
	Within groups	152.986	176	0.869		
	Total	159.375	179			

Payment for credit card purchases	Between Groups	4.038	3	1.346	2.61	0.07
	Within groups	113.565	176	0.645		
	Total	117.603	179			

Source : Primary Data

Findings of the study:

1. From the above table 1, it is observed that the number of female respondents in the sample is more than the male respondents and they prefer digital banking.
2. The young age group people from 25 years to 45 years are using digital banking more in comparison to the senior ones.
3. The graduates and the post graduates are using the digital banking more in comparison to the less educated one.
4. The service holders followed by the businessmen are the majority of the people using digital banking.
5. It is also evident from the above table 1, that the middle income people are in favour of the digital banking services.
6. People with 2years to 3 years of banking experience are mostly preferring digital banking.
7. From the above table 2, it is found that maximum number of respondents are using digital banking services atleast every month.
8. From the above table 3, it is found that there exist no significant difference in the frequency of use of digital banking services and the annual income of the sample respondents at 5 % level of significance for all the parameters as revealed by the one way ANOVA.

Conclusion :

The Indian bankers have the responsibility to both popularise and also implement the concept of digital banking on a large scale. In the present rime also it is found that many people are not aware or even if they are aware about the convenience of digital banking, they hesitate to avail it. So, it is the duty of the bank officials to motivate and persuade the customers to use digital banking irrespective of their demographic profile like age, educational qualification, occupation, annual income, etc.

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