

Digital Banking Services: Customer Perspectives

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Abstract : Digital Banking is a generic term for development of banking services and delivering products through electronic channels, such as the Automated Teller Machines, the telephone, the internet, the mobile phone. Customers are still waiting for new fastest banking services but India is developing in Technology enabled banking service in a revolutionary transformation that will bring many new features, including anytime, anywhere, ultra-fast response times in banking transaction. The overall objective of the study is to identify the factors influencing of digital banking on customer satisfaction. This research also identifies the factors to taking the development in terms of level of accessibility, adaptability, affordability and efficiency in the usage of digital banking services. Descriptive study is applied with a sample size of 100. Data was collected using questionnaire method. Analysis was done through SPSS using for univariate, bivariate and multivariate techniques. The study recommends that there is need by banks to invest more on robust reliable systems to reduce incidents of failed transactions and transactional errors in ATMs, Mobile banking and POS terminals, need to come up with an application that can be used to enhance digital banking, facilitation of ICT skills so that technology can be embraced and lastly there is need to carry out customer satisfaction surveys to establish how customers are adapting to technology. The paper discusses the relevant few review of literature, research methodology of this study, research analysis, research finding and conclusion of this study.

IndexTerms - Banking Services, Technology in banking

I. INTRODUCTION

Banks in India have witnessed a radical change from conventional banking to digital banking. Today they are poised for digital banking at a rapid pace. The buzzword in India today is creating a cashless economy and their future. The conventional way of banking services in India was slow, not cost-effective and created barriers to rapid economic growth.

The introduction of digital banking has revolutionized the banking sector with various recent updated modernizing technology. The Computer world has changed different new technology such cloud computing, grid computing, Mobile computing, IoTs, Machine learning and Artificial Technology.

1.1 Bank : It is a financial institution that accepts deposits from the public and creates credit. Lending activities can be performed either directly or indirectly through capital markets.

1.2 Customer Satisfaction: It is a term frequently used in marketing. It is a measure of how products and services supplied by a company meet or surpass customer expectation. Customer satisfaction is defined as the number of customers, or percentage of total customers, whose reported experience with a firm, its products, or its services exceeds specified satisfaction goals.

1.3 Digital Banking: It is further defined as delivery of banking products and services to customers through electronic channels. Digital Banking is also known as Electronic Banking, Cyber Banking, Home Banking, or Virtual Banking and includes various banking activities that can be conducted from anywhere.

1.4 Research methodology: It is the specific procedures or techniques used to identify, select, process, and analyse information about a topic.

1.5 Technology: It is the collection of techniques, skills, methods, and processes used in the production of goods or services or in the accomplishment of objectives, such as scientific investigation.

1.6 Online Banking: It is an electronic payment system that enables customers of a bank or other financial institution to conduct a range of financial transactions through the financial institution's website. The online banking system will typically connect to or be part of the core banking system operated by a bank and is in contrast to branch banking which was the traditional way customers accessed banking services.

2.REVIEW OF LITERATURE

Sikdar and Makkad (2013) in this study discussed on Internet Banking in India – a perspective on benefits and challenges involved suggested that commercial banking activities over the long haul can be significantly streamlined by limiting the branch based connections with the customers, empowering the banks to centre around coordinate offering and different exercises requiring higher spotlight with respect to commercial banks.

Trivedi and Remedios (2014) this research explained the Impact of Internet banking on customer retention plainly demonstrate that internet banking holds customers. On the off chance that the bank intends to expand the customer base of internet banking they should concentrate more on service quality, responsiveness, protection and security, affirmation and dependability elements of internet banking. All the more ever the bank ought to be more mindful to make their internet banking service greater quality full for their customers.

Manivannan (2017) author stated in this study on usage of Digital Banking and the customer centric banking. They are Internet, Wireless gadgets, ATM's, Mobile payment wallets and different digital applications. These offices are broadly given by all the banking organizations. The study concluded industry looking preferences a customer centric banking industry.

3. RESEARCH METHODOLOGY

3.1 Formulation of Research

Customer satisfaction is one of the factor for the long term success of any organization. In customer role is most important than other in all business. Customer demands and expectations are threat in financial services in banking and the same time these days' consumers are increasingly developing relationships with multiple providers. Competitors from adjacent industries and financial technology startups are now flooding the market with innovative, technology-driven deviations from the traditional banking mode. Digital modernization, is giving traditional banks a second chance to deepen customer satisfaction and loyalty, driving long-term relationships and profitability with the approach. Digital banking channels improve customers' access, facilitate the offerings of more services, attract new customers, provide services offered by competitors and reduce customer attrition. So digital banking is most need for banking services in the business world. Hence developing the technology in banking sector is very essential to attract the customers therefore enhancing the technology in customer point of view is also very essential. Therefore, researcher is taken this research for main objective of services required to improve the technology and develop in banking. The purpose of the study is to analyse the impact of digital banking services and reasons for choosing internet banking, satisfaction of customers towards digital banking and find out the problems encountered by the customers. This research problem also focuses on analysing the level of accessibility, adaptability, affordability, accuracy, reliability and efficiency in the usage of various digital banking services.

3.2 Scope of this Research

The recent digital banking innovative services are electronic payment, electronic banking, mobile banking, Automated Teller Machines, Electronic Clearing Services, National Automated Clearing House, Credit and Debit Cards, Immediate Payment Service (IMPS), National Electronic Funds Transfer (NEFT), Prepaid Payment Instruments (PPIS), Unified Payments Interface (UPI), Social Media Banking. In this numerous technology development business world required critical evaluation and examination of digital banking services in respect of customer satisfaction and to find new strategy to adopt or develop the technology and systems. In Digital India now days Government is taking initiation of digital services in banking like ACH, online, wire transfer and mobile money transfer therefore this study is most essential for improving services of bank. Though a number of research study already has taken this research area , researcher has done this research to taking the development in terms of level of accessibility, adaptability, affordability and efficiency in the usage of digital banking services in customer perspective and to this study focuses on Digital banking - a technology driven banking that involves E- banking, Digital wallets like PayPal, Mobile banking, ATMs, RTGS and POS terminals which influences customer satisfaction which is a measure of how a customer responds having used in digital banking platforms that makes them remain loyal to the bank, or lead to increase in the numbers of customers using the various digital channels platforms to do their banking. In current business world in digital scenario of all business and specially technology enabled banking services are having numerous development of technology like cloud computing, mobile computing, IoTs, financial analytics so the research in technology based banking services are having major scope in business research.

3.3 Research Objectives

To analyse the factors influencing usage of technology in banking services.

To identify and analyse the impact of technology in banking services in term of accessibility, adaptability, affordability, efficiency in customer perspectives.

3.4 Research Design

The study is type of descriptive study. The questionnaire method was used to collect data for analysis. The questionnaire has demographics variables and other variables are used to identify customer satisfaction level in accessibility, adaptability, affordability, efficiency in banking services. Simple random sampling was used by the researcher. The sample size of this study is 100. Questionnaire method was used to collect the primary data for this study. The questionnaire was divided in three sections. Section A gathered demographic data regarding respondents such as gender, age, and academic qualification. Section B deals with questionnaire related to speed of transaction, section C deals with questionnaire related to accessibility, Section D deals with questionnaire related to adaptability, Section E deals with questionnaire related to affordability, section F deals with questionnaire related to efficiency, section G deals with questionnaire related to ease and convenient banking, section H deals with questionnaire related to accuracy and I deals with questionnaire related to reliability respectively.

Descriptive data analysis entailed counts, percentages, cross tabulations and measures of central tendencies. T test, Anova, Chi-Square were used for analysis the relationship among variables.

4.0 RESEARCH DATA ANALYSIS AND INTERPRETATION

Table 1.0 – Descriptive Analysis

Attributes	Standard Deviation
Mobile Banking	.502
E-Banking	.498
POS Terminals	.197

ATM	.488
Telebanking	.219
Digital Alerts	.416
Once a day	0.2727
Two or more times a day	0.488
Once a week	0.465
Two or more times a week	0.409
Mobile Banking	0.502
E-banking	0.492
Mobile Money	0.327
Fund Transfers	0.429
Plastic Money	0.197
Faster log in facility	0.845
Performance of E-Cards	0.730
Transfer of funds (NEFT, RTGS)	0.784
Clearing services (ECS- credit/ debit)	0.798
ATM services	0.709
Internet Banking Services	0.820
Telephone Banking Services	0.813
Mobile Banking Services	0.837
24 Hrs Services	0.744
Information provided on Bank Website	0.828
Up to date content	0.740
Process of Transactions	0.844
Wide range of products and services provided	0.871
Problem solving through instant information	0.790
Bank insists on error free transaction records	0.770
Electronic bill payments	0.757
Service charges	0.847

The table 1.0 shows how the speed of transactions adaptability, affordability, efficiency, accuracy, reliability are influenced Customer Satisfaction

Null Hypothesis: There is no significant difference between gender and selected attributes in digital banking services in customer perspective.

Alternate Hypothesis: There is significant difference between gender and selected attributes in digital banking services in customer perspective.

Table 2.0 Attributes - Customer Satisfaction – Banking Services

Attributes / Factors	Gender	Mean	S.D	T value	P value
Speed of transaction	Male	5.8615	2.73791	1.312	.014
	Female	5.1714	2.00713	1.438	
Accessibility	Male	17.3077	2.06854	.175	.714
	Female	17.2286	2.31473	.169	
Adaptability	Male	12.3538	1.80651	1.104	.862
	Female	11.9429	1.71401	1.122	
Affordability	Male	13.9692	1.26206	.520	.178
	Female	13.8286	1.33913	.511	
Efficiency	Male	7.5846	2.38414	-.283	.075
	Female	7.7143	1.74173	-.311	
Ease and convenient banking	Male	8.0308	2.37151	.490	.288
	Female	7.8000	1.98227	.518	
Accuracy	Male	9.0462	3.03846	-.628	.258
	Female	9.4571	3.27506	-.614	
Reliability	Male	7.8769	2.45273	.582	.424
	Female	7.5714	2.59281	.573	
Overall Use of Digital Banking Services	Male	82.0308	9.69853	.691	.341
	Female	80.7143	7.78978	.738	

Table 2.0 shows the descriptive statistics of the various factors of digital banking services. From the table 2.0 it is understood that the customers are neutral on the variables indicating the speed of transaction based on the standard deviation of the respondents which is 2.5177. The customers are neutral on the variables indicating the accessibility based on the standard deviation of the respondents which is 2.14655. The customers are neutral on the variables indicating the adaptability based on the standard deviation of the respondents which is 1.77693. The customers are dissatisfied on the variables indicating the based on the standard deviation of the respondents which is 1.28456. The customers are satisfied on the variables indicating the efficiency based on the standard deviation of the respondents which is 2.17263. The customers are satisfied on the variables indicating the ease and convenient banking based on the standard deviation of the respondents which is 2.23550. The customers are highly satisfied on the variables indicating the accuracy based on the standard deviation of the respondents which is 3.11301. The customers are satisfied on the variables indicating the reliability based on the standard deviation of the respondents which is 2.49385. From this it is understood that the speed of transaction is not very much attractive and reliability is considered to be most effective factor with respect to digital banking services. The overall use of digital banking services 81.57. The standard deviation is 9.057 where the deviation is consistent. From the table 2.0 the comparison of P value shows there is no relationship between gender and the corresponding attributes or factors in term of customer satisfaction therefore null hypothesis is accepted.

5.0 FINDINGS AND SUGGESTIONS

- ✓ On speed of transactions, it was revealed that mobile money was the most frequently using digital channel. ATM services were considered not to be speedy thus was the major area that needed to be addressed by majority of the respondents.

- ✓ On accessibility of digital banking, it was revealed that ability to transact at preferred timing was considered the most important factor while looking at accessibility. Majority of the respondents believe that accessibility to them is extent to which a customer or user can obtain a good or service at the time it is needed. With regards to accessibility in using mobile banking, customers don't access mobile banking much.
- ✓ The bank customers were required to rate the level of efficiency of any digital channel they use. It is incurred that customers are satisfied with respect to faster log in facility, performance of plastic cards, transfer of funds and clearing services.
- ✓ The customers are satisfied with respect to the information and process of transactions are made with accurate details. Also customers are satisfied with respect to the products and services provided by the bank.
- ✓ The effect the bank customers were required to rate the level of reliability of any digital channel they use. it is studied that customers are satisfied with respect to bill payments, error free transactions, problem solving and service charges.
- ✓ On accessibility, it was found that bank customers were aware of what entailed accessibility. The most accessible digital platform was mobile banking with a feeling that digital banking could be accessed on a moderate extent. Additionally, having the ability to bank anytime and anywhere and further check balances and access statements could be interpreted as accessibility. Use of technology was the major barrier towards accessibility as technology was changing very fast without the bank customers embracing the needed skills to cope with this new phenomenon. The study thus concludes that increase in accessibility leads to an increase in customer satisfaction.
- ✓ On adaptability, it was found that mobile money was the most adaptable digital channel due to the personal touch it offers to the bank customers. Digital banking was seen as fast and efficient hence adapting to their use was easy. Further from the customer's daily transactions, it was concluded that the adaptability to the given digital banking channels was very high as presented by the daily number of transaction and years that the customers had used digital banking. Bank customers used different digital banking channels which was an indicator of their adaptability. Most of the digital platforms of banking used were further reliable however majority of bank customers had failed to adapt to digital banking at one point in their lives with various reasons given for this failure. Banks try to ensure customers can adapt by passing information on how to use digital banking lastly the study concludes that there is a significant relationship between adaptability of digital banking and customer's satisfaction. With an increase in adaption then customer satisfaction also increases.
- ✓ On affordability of digital channels, the study concludes that digital banking channels are affordable. Affordability while transacting using digital banking is important however there are other considerations to be put in place apart from affordability. The negative minimal correlation implied that that affordability did not influence on customer's satisfaction. It is therefore concluded affordability is not one of the key factors that is looked at while carrying a digital banking transactions. Customers will transact using any other channel that is fast, accessible and easily adaptable.
- ✓ The bank customers were required to rate the level of reliability of any digital channel they use. it is studied that customers are satisfied with respect to bill payments, error free transactions, problem solving and service charges.

6.0 CONCLUSION

In this research has concluded that accessibility of digital banking is undertaken while considering only persons that are deemed physically fit in the society. A study needs to be undertaken to determine the influences of accessibility of digital banking amongst persons living with disabilities. In order to have faster processes in digital banking, there is need by banks to invest more on robust reliable systems to reduce incidents of failed transactions and transactional errors in ATMs, Mobile banking and POS terminals. Banks should further automate most services like loan recovery, loan disbursement and introduce queue management systems. Banks need to come up with an application that can be used to enhance digital banking which will be considered safe and private in order to boost the operations, availability and accessibility of digital banking. There is further need to facilitate ICT skills so that technology can be embraced. Through a joined venture with education institutions ICT skills can be impacted through banks teaching individuals and cooperates on the changing world of banking technologies. There is need to carry out customer satisfaction surveys to establish how customers are adapting to technology. Suitable techniques should be devised based on what customers want and not what is convenient for banks. There are many new technology and development came in the business world. The recent developments are neural networking, zero carbon natural gas, genetic fortune telling, quantum leap, robotics, sensor devices, business analytics, machine learning, natural Language Process and deep Learning. Therefore, banks are aware of the technology development as much possible implement the latest technology and create new strategy through them to fulfil the customers need with fullest services.

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