

# A COMPARATIVE ANALYSIS OF DEMOGRAPHICS EFFECT ON DIGITAL BANKING SERVICES BETWEEN INDIAN AND AFGHAN CONSUMERS.

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**Abstract:** *The present research paper attempts to better understand the consumers demographics and its effect on their perceptions and service experience in context of digital banking services. As India and Afghanistan are one of the quickest developing online business showcases in Asia Pacific. With increment in web entrance, appropriation of advanced mobile phones and lower information rates, the manner in which India shops is totally changing with time as well Afghanistan is also in the same race. Aside from the customary online configurations of retail banking and way of life. Consumers mindset and banking designs are changing quick. Internet banking will wind up standard in the following a very long time to come. Exploiting this changing situation now; the techno based business organizations are finding an extremely decent chance and are looking through the approaches to exploit this golden opportunity.*

**Keywords:** Digital Banking, Banking Service Experience, Consumer Perception, Globalization, Consumer Demographics.

## **1. Introduction:**

The current research paper initiates with an audit of definitions, causes and effects of globalization. There are countless differing points of view relating to what globalization is, the thing that has caused it and what has come about because of it. This part looks to unite these viewpoints and thoughts to compactly break down the latest time of universal financial movement. Empowering influences and drivers are then examined and talked about, and the key players and jobs are exhibited. To give some unique situation, empowering agents are factors that have made globalization conceivable, while drivers are factors that have lead or pushed the event of globalized movement. What has been seen inside the universal economy is next talked about, and this is diverged from what has happened in before times of financial history, both the period proceeding the latest time of globalization, and after that to a period in history which is featured as one of uplifted global monetary exercises. The second 50% of the part examines what ongoing events have intended for the developing scene, and all the more explicitly, the most immature countries.

In connection to what has been seen inside the later time of global financial action, previous studies state that there has been a progressive advancement toward globalization instead of a quantum jump at a specific point in time, that what has risen is anything but a genuinely worldwide economy, but instead an elevated level of association between individual players inside the global economy. The monetary segments of globalization relate to creation, exchange, speculation, fund, rivalry and request. These elements have shown expanded universal mix in the course of the last two decades. As alluded to in the presentation of this research paper, empowering influences are factors that have changed inside the global economy to permit an expanded degree of reconciliation or more noteworthy streams between nations. A portion of these components have spoken to decreases in hindrances to universal exercises that have recently existed. Comprehensively, the components that have empowered globalization envelop innovation and advancement, upgrades in transportation and communication, political improvements, diminished protectionism, patterns towards deregulation, and advancements in money related markets.

Two key political advancements have empowered globalization – ideological movements and development in global establishments. The finish of the virus war and the destruction of socialism have expanded the quality of private enterprise and free market powers inside the global economy, which has thus encouraged the spread of private segment action. All the while, multilateral organizations, for example, the World Bank, International Monetary Fund (IMF) and World Trade Organization (WTO), have fortified in impact,

and unions between nations, for example, Group of 7 (G7) have risen. Such improvements have added to a more significant level of reconciliation inside the universal economy.

Advancement and productivity in innovation, assets usage and administration division has changed the world in a worldwide town. Thus, at this situation for a cutting edge individual time is winding up increasingly important, they are less excited about burning through their time, in occasions like long lines in Banks, poor client assistance or being limited to business hours. Presently by taking advantage over E-banking you can achieve the vast majority of the straightforward financial methods in minutes and at any time. Financial execution alludes to the demonstration of performing money related movement. In more extensive sense money related execution alludes to how much budgetary targets have been cultivated.

The idea of administrations through computerized banking (Digital Banking) has turned out to be significant in the financial area. The advancement of computerized banking has noteworthy ramifications for banks' showcasing endeavors, as it influences client interfaces. Computerized banking empowers banks and their clients to profit by money related administrations. In any case, the change towards computerized banking because of changing client conduct exhibits a test to banks, especially in the manner in which administrations are advertised. As client desires and bank rivalry increment, catching and holding clients and improving productivity become critical after the monetary emergency of 2008. Habitually, clients utilized money related services through bank offices.

The appearance of advanced financial stations, for example, phone (t-banking), web (e-banking) and portable (m-banking) banking have changed the manner in which clients acquire administrations, testing conventional financial techniques. Computerized banking was conceived from a unique idea of selling administrations by means of the phone in the late 1980s by First Direct (First Direct, 2014). It has empowered banks to offer multi-channel administrations, adjusting the manner in which they communicate with clients and made banks close branches esteemed unfruitful because of client numbers lessening. These adjustments in banks have made examination into computerized banking extremely convincing.

To help banks improve administrations, this examination focuses on the impact of advanced counts on client experience and banks' money related execution, in light of the assessments of banks recorded in their budgetary reports, representatives (ranking directors) and clients. This section gives an early on outline of the theory. It begins with the banking setting, a clarification of the exploration justification, foundation, questions and targets, and methodology received.

## **2. Background:**

However over fifteen years after the fact plainly worldwide intrigue and commitment in Afghanistan has likewise conveyed unreasonable impacts, including unsustainable and mutilated monetary development, more extensive and more profound defilement, and thriving markets for illegal merchandise. Since a significant part of the worldwide reconciliation that has happened since 2001 was overseen furthermore, interceded by remote powers, our comprehension of Afghanistan's experience with globalization has would in general accentuate its advantages instead of its expenses. This study tries to give a progressively adjusted image of the impacts of globalization and regionalization as seen quickly through the focal points of Afghanistan's opiates dealing, exchange, and media scene. This specific research has been led in Afghanistan to think about and assess the person's recognition toward e-banking stage, and to further distinguish the difficulties that are looked with this newborn child wonder. In spite of decades' war and decimation in Afghanistan, all things considered, it was seen that the private banks took an indispensable and extraordinary part in the acknowledgment of e-banking administrations and items through their monetary organizations in such a wide assortment of setting which can be an idealistic vision for the improvement of things to come of electronic banking in Afghanistan.

During many years of contention, the money related and banking frameworks of Afghanistan were crushed. The Afghan financial industry was contained six state-possessed business banks that were to a great extent inert, and were predominantly situated in the capital, Kabul, with few branches in the huge urban areas. In late 2001, after the military mediation of United States and their partners, the Afghan financial framework developed drastically, with a convergence of global guide, extension of open administrations, and the section of nearby and worldwide organizations; all required financial administrations to help their tasks. The development of budgetary administrations in the Afghan current financial industry is in the underlying stages, with an all out encounter of close to ten years. This is viewed as a test just as a chance.

The issues of security and banking society are the greatest hindrances to profitability development for Afghan banks. In the interim, the financial business in Afghanistan is a recently settled industry with number of difficulties in the regions of innovation, models, encounters, and administrative systems. On other hand, the present circumstance in the Afghan financial industry can be considered a chance to make a dream, and work toward structure a comprehensive money related framework plan in Afghanistan by receiving global benchmarks with nearby ramifications, where banking administrations ought to be in a situation to focus all in all of Afghanistan in the long haul. In Afghanistan, starting at 2014, 16 banks were working: three state-possessed banks, nine exclusive business banks and three parts of remote banks.

The Indian banking advancement happens in the reasonable world from 1991 "Progression, Privatization and Globalization" approach. According to "LPG" approach all confinement on the Indian economy was completely broken up and the soundest stage for the Indian financial framework receive here. This additionally changed the situation of the macroeconomic world. According to the rule the fragments for improvement is having different issue thus the significance of open area can't be disregarded. The nation is overflowed with outside banks and their ATM stations. Endeavors are being put to give a palatable help to clients. Telephone banking

and net banking presented. The whole framework turned out to be progressively helpful and quick. Time is given more significance than cash. The money related arrangement of India has demonstrated an extraordinary arrangement of versatility. It is protected from any emergency activated by any outer macroeconomics stun as other East Asian Countries endured.

This is all because of a adaptable swapping scale system, the remote stores are high, the capital record isn't however completely convertible, and banks and their clients have restricted remote trade introduction. The Indian financial framework has experienced noteworthy basic change since the 1990s. A regulated system under state possession until the commencement of budgetary division changes in 1992, the area was opened to more noteworthy challenge by the section of new private banks and increasingly liberal passage of outside banks in accordance with the suggestions of the Report of the Committee on the Financial System (led by Shri M. Narasimham-1991): opportunity of section into the money related framework ought to be changed and the Reserve Bank should now allow the foundation of new banks in the private area, if they fit in with the base startup capital and other necessities and the arrangement of prudential standards with respect to bookkeeping, provisioning what's more, different parts of operations.

In present day period of ferocious challenge, each bank and banking gathering is endeavoring to draw in an ever increasing number of clients towards itself, with the goal that it can make its name in the financial business and gets distinction by their tasks and working, so that their client's devotion can be expanded towards them and they can use this in their future approaches. Rivalry among them has additionally make them quality situated. Presently a day they are not just worried about furnishing their clients with loads of offices, yet the nature of those administrations are additionally their significant concern issue.

The main fragment which is for the most part profited by these exercises and tasks of the banks are the clients. Today banking industry isn't bank situated yet it is client situated. Every one of the banks and banking gatherings are doing what their clients are requesting from them. They are prepared to give them every one of the offices just to hold them with their bank. A portion of the instances of this are 24 hour ATM office to their clients, portable banking, electronic reserve move and so forth. These offices make clients more battled and fulfilled. There are various parameters on which these banks and bank gatherings contend with one another. The real reason behind this rivalry is to improve their client base and gainfulness by expanding their proficiency. So these parameters hold a significant spot in the strategies of the banks what's more, they ought to be appropriately dealt with and fitting polices ought to be made to make the best utilization of these parameters.

### **3. Research Methods:**

It is essential for any organization to measure its customer experience and their satisfaction/ dissatisfaction over time to time because it leads forthcoming organization -customer relationship. Demographic variables are the vital factors in the assurance of a person's capacity, distinction, utilization patterns and control of administrations, utilities, and so on. It becomes need of the hour to better understand the customers need, their consumption experience and post consumption behavior still better in terms of their different demographic profiles to serve customers appropriate services/ products as per their needs in current competitive era of internet.

The prime objective of this research paper is to find out the differences in the consumers perceptions regarding digital banking opportunities/challenges, internal/external factors, perceived trust/risk, consumers' service experience and financial performances due to differences in consumers nationality in Afghanistan and India. For the purpose of drawing inferences of objective of the study the researcher framed a null hypothesis "**H<sub>0</sub> 1-** There is no Nationality wise significant difference exist in Opportunities\Challenges, External\Internal factors, Perceived Trust/Risk, Service Experience and Financial Performance regarding E-banking services between the Afghan and Indian consumers".

As research is descriptive in nature, the survey research design has been selected for collection of primary data for the completion of this study. A total no. of 498, E-banking consumer responses were collected through schedule method from New Delhi and Kabul region using convenient and snowball sampling method. The structured questionnaire contains 36 close ended questions and all responses were taken into five point Likert scale ( strongly disagree=1 to strongly agree=5). In pilot testing all is said well-done, measures applied in this examination had great reliability, and validity.

### **4. Data Analysis:**

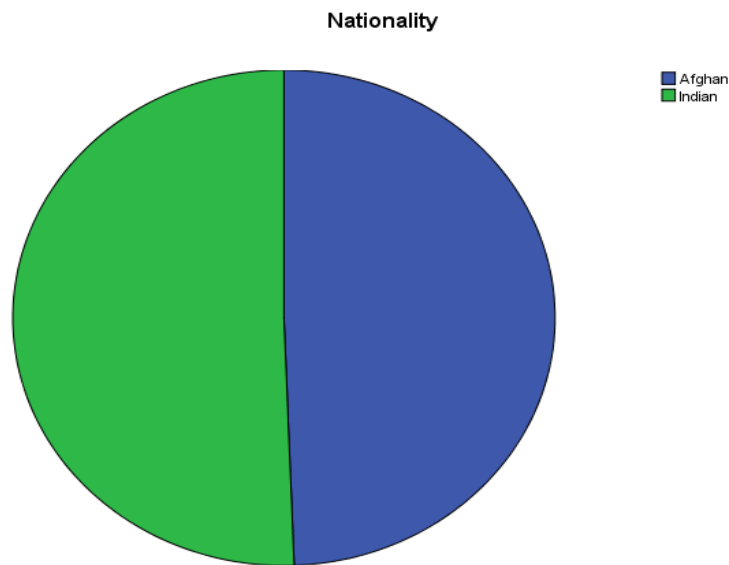
The respondents has been patronizing banking services in different nations (Afghanistan & India) are introduced in underneath table.

<b>Table : 1; Nationality</b>					
		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Afghan	246	49.4	49.4	49.4
	Indian	252	50.6	50.6	100.0
	Total	498	100.0	100.0	

Table :1, Source: This Study

The above table 1 represents that the respondents selected for the current study are representing the population universe clearly as they are banking in different nation's. Since, 246 respondents are Afghan nationals (49.4%), and 254 are Indian nationals (50.6%) in

the primarily collected in pool of 498 responses from both India and Afghanistan, and participants also have claimed to have enough banking experience and knowledge to respond appropriately, have voluntarily participated in the study. The following Pie Graph displays information, and data in an easy to comprehend pie portion design with different size of portions represents that the single data component exists in the collected data pool. The bigger the portion, the more of that particular data was gathered of that component.



As per the collected data characteristics and requirement of this study, one way ANOVA tool found most suitable for hypothesis ( $H_0$  1) testing purpose for seeking variance among variables of the present study interest.

**Table 2: ANOVA**

Factor	Nationality	Sum of Squares	df	Mean Square	F	Sig.	Results
O/C	Between Groups	1.619	1	1.619	1.435	.232	
	Within Groups	559.693	496	1.128			Accepted
	Total	561.311	497				
E/ I	Between Groups	10.362	1	10.362	5.411	.020	
	Within Groups	949.750	496	1.915			Rejected
	Total	960.112	497				
T/R	Between Groups	11.378	1	11.378	6.230	.013	
	Within Groups	905.867	496	1.826			Rejected
	Total	917.245	497				
SE	Between Groups	7.721	1	7.721	4.642	.032	
	Within Groups	824.924	496	1.663			Rejected
	Total	832.645	497				
FP	Between Groups	4.493	1	4.493	2.628	.106	

Within Groups	848.149	496	1.710			Accepted
Total	852.643	497				

Table: 2; Source: This Study

The above ANOVA statistics has been derived from SPSS output, shows that variance in between and within the Opportunities\Challenges, External\Internal factors, Perceived Trust/Risk, Service Experience and Financial Performance regarding E-banking services between the Afghan and Indian consumers in frame of their nationality groups wise.

The table 2 displays the results, due to chance factor at 5% significance level, as the calculated value (F Ratio) of the said variables e.g. External\Internal factors, Perceived Trust/Risk, and Service Experience variances are 5.411, 6.230 and 4.642 respectively, and all values are greater than the critical value. Hence the originated results could be inferred as customers responses do differ significantly. Whether Opportunities\Challenges and Financial Performance are 1.435 and 2.628 and all is less than the critical value. Hence the originated results could be inferred as customers responses do not differ significantly for said variables in context of nationality wise E-banking services perceptions between the Afghan and Indian consumers.

### **5. Conclusion:**

The study finds that the different nationality of the respondents do not have significant difference on Opportunities\Challenges and Financial Performance, while External\Internal factors, Perceived Trust/Risk, and Service Experience do differ in context of Digital banking consumers in India and Afghanistan. Despite the basic characteristics of consumers the behavior pattern of consumers are more or less similar to each other, particularly in the aspects like Gender, Education and Occupation. However it is evident that the present approaches to draw the attention of customers are not adequate. The consumers are particular about the appropriate system of distribution and hence there is a great need for change in the digital banking system in Afghanistan. It may not be always correct to say that consumers behave in the same way as it much depends on other variables like type of services, quality of the services and price of the services (discussed earlier in main study). Consumer attitude towards digital banking based on age group, and income group leads major role while purchasing the electronic goods among the demographic variables.

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