

# AN ANALYSIS OF CUSTOMER EXPERIENCES AND CHALLENGES ENCOUNTERED WITH DIGITAL BANKING

Dr. SYEDA TABASSUM S.G

H.O.D of Commerce

ABBAS KHAN COLLEGE FOR WOMEN  
Affiliated to Bengaluru City University  
OTC Road Cubbonpet,  
Bangalore Karnataka

## ABSTRACT

One of the biggest innovations in the banking industry's history is digital banking. In order to provide online customer service, all conventional banking goods, procedures, and activities must be digitalized. Many bank clients have become much more accustomed to using digital channels during the last six months and have visited branches less frequently. Currently, there are 2.5 billion users worldwide that utilize digital banking services. Of them, 68% of Indian consumers undertake financial transactions using online or mobile banking. Digital banking is quick, practical, and effective. It's an easy way to transfer money across accounts, pay bills, deposit and withdraw money, manage loans, and access account services, among other things. It is accessible around-the-clock for convenient banking services.

Notwithstanding the aforementioned advantages, there exist a number of obstacles such as the risk of identity theft and breach of security, the possibility of excessive spending, technical glitches, conventional banking practices, absence of internet connectivity, lack of personal banker relationship, and inadequate understanding of digital banking. The banking industry has undergone a paradigm change and emerging trends have simplified banking.

## Introduction

One creative way to increase a process's efficiency is through digitalization. Through the use of electronic media, the internet, and mobile devices, customers can conduct banking transactions through digital banking, which allows them to access typical services like checking their balance, transferring funds to other accounts, paying bills, and more—all without having to visit a bank. The digitization of the banking industry has been made possible by the development of the Automated Teller Machine (ATM) and the use of computerization. Every bank began operating through several channels, including ATMs, credit cards, debit cards, online banking, mobile banking, NEFT, IMPS, RTGS, and ECS. Customers find digital banking to be a more convenient option than going to the bank in person. Notwithstanding these advantages, customers still have difficulties in resolving certain banking concerns, irrespective of the channel they utilize for transactions. Numerous difficulties exist, such as identity theft, security risks, and the possibility of overspending on technical issues, among others. The main obstacle that consumers have while using digital banking is security. When conducting business online, security concerns are the first thing that come to mind for customers. It is regretful to report, nevertheless, that hackers continue to force financial institutions to run out of money. Therefore, some customers are unwilling to take any risks.

## Objectives of the study

- Evaluate consumers' experiences using digital banking services
- To investigate the difficulties encountered while using digital banking.
- To analyze the initiatives taken by customers to access digital banking services
- To make recommendations in light of findings of the study.

## Statement of Problem

Online banking has made it possible for customers to access banks around-the-clock. Digital banking is quick, practical, and effective. It has made things simpler. But even with these advantages, there are still a number of problems that consumers must

deal with. For example, bank transactions can go wrong for a number of reasons, frequently without the customers' fault; hackers can hack passwords, leaving a trace of their activity; identity theft occurs; security is lacking; regulations pertaining to digital payments are unclear; and public awareness is low.

### literature review

Internet banking users were happy with the cost-saving aspect, according to **Vichuda Nui Potaloglu and Serap Ekin's** "An empirical investigation of the Turkish consumers acceptance of internet banking services" published in the International Journal of Bank on 1-1-2001. Since 1997, a number of prominent banks have successfully provided online banking services.

According to **Kumbhar's (2011) research**, the customer demographics have an impact on how satisfied customers are with and how easily they adopt online banking services. The younger generation, who are well educated and well-off, favors online banking services. The survey also demonstrated the distinction between public and private banks' customer satisfaction levels, demonstrating that private banks offer their customers quick, high-quality services

### Research Methodology

This study's research objectives include exploration and description. The descriptive research design was employed in this study. Primary data was collected, and the pilot study was carried out using a structured questionnaire distributed to a sample of 100 respondents. The questionnaire is reliable and valid. The acquired data is structured, classified, and analyzed using a variety of appropriate statistical methods such as mean and standard deviation.

### Research Instrumentation

The survey questionnaire is divided into four sections. The first section seeks personal information from responders. The second section seeks to learn about the customer experience with digital banking. The final section will look at the difficulties associated with adopting digital banking. The fourth section examines client initiatives to gain access to digital banking services.

### Analysis and Interpretation

**Table 1.1 Mean and Standard Deviation of Customer Experience of Digital Banking Services.**

VARIABLES	Mean	Std. Deviation
Digital Banking is user friendly	4.56	.500
Digital Banking is customizable according to customer requirements	4.34	.612
Easy access to customer service	4.34	.483
Data security is available for users of Digital Banking	4.01	.645

From the mean score of the respondents in table 1.1, it is clear that Digital Banking is user friendly, which is the main factor with a mean value of 4.56 and a standard deviation of 0.500, followed by easy access to customer service and customizable for users of digital banking with a mean of 4.34 and a standard deviation 0.645. The least factor considered was data security is available for users of digital banking, which has mean value of 4.01 and standard deviation of .645.

**Table 1.2 Mean and Standard Deviation of the challenges faced while using digital banking.**

VARIABLES	Mean	Std. Deviation
Users lack knowledge & proper training to use digital banking	4.00	.856
User face technical difficulties while using Digital Banking	3.64	1.072
User get frustrated while getting work done electronically	2.82	1.033
User feel stressed due to E-Banking as compared to manual banking	2.55	1.080

From the mean score of the respondents in Table 1.2 it is clear that users lack knowledge and proper training to use digital banking with a mean 4.00 and standard deviation of 0.856, followed by users face technical difficulties while using Digital Banking with a mean of 3.64 and a standard deviation of 1.072. The least factor considered was user feel stressed due to E-Banking as compared to manual banking with a mean of 2.55 and a standard deviation of 1.080

**Table 1.3 Mean and Standard Deviation the initiative taken by customers to access digital banking service**

VARIABLES	Mean	Std. Deviation
Use anti-virus protected systems to safeguard banking details when banking online	3.55	.894
Users purchase smart phones, internet connections in order to access Digital Banking	4.18	1.118
Users set strong password to securely use E-Banking services	4.45	.500
User have gained knowledge, training through YouTube, relatives, friends and other sources	4.45	.658

From the mean score of the respondents in Table 1.3 it is clear that users set strong password to securely use E-Banking services with a mean 4.45 and standard deviation of 0.500, followed by users have gained knowledge, training through YouTube, relatives, friends and other sources with a mean 4.45 and standard deviation 0.658. The least factor considered was the use of anti-virus protected system to safeguard banking details when banking online with a mean of 3.55 and a standard deviation of 0.894.

## **FINDINGS**

1. According to Table 1.1, customers find digital banking to be user-friendly, with data security being the least important criterion considered.
2. According to Table 1.2, the majority of users lack knowledge and sufficient training to utilize digital banking, and the least considered reason was stress when using digital banking.
3. Table 1.3 clearly demonstrates that users create strong passwords to secure their accounts and also obtain knowledge and training from YouTube, family, friends, and other sources, with the use of anti-virus protected systems being the least important element considered while banking online.

### **SUGGESTIONS**

- Banks can promote digital banking literacy among the elderly and those residing in rural areas, as digital banking services are largely used by young and urban people.
- Bank customer service should be more visible and easy to reach
- Users should be able to automate their savings with the use of Digital Banking services.
- Loan procedures on digital platforms should be streamlined.
- Follow up with customers to improve usability.

### **CONCLUSION**

The research process begins with the presentation of answers to the research questions. The majority of respondents believe that digital banking is convenient and user pleasant, yet many have difficulty utilizing it owing to a lack of knowledge, training, or other factors. As a result, it is advised that the banking sector raise knowledge about the usage of digital banking at the grassroots level.

### **REFERENCE**

1. <http://www.centralbankofindia.co.in>

2. <https://www.icicibank.com>

