



“A Study on Customer's Perception and Experience on Effectiveness of Digital Banking Services during COVID-19 Lockdown Period in Nagpur City”

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ABSTRACT:

Rapid changes took place in the year 2020 as COVID-19 pandemic spread everywhere in the world and nothing is spared from COVID-19. The globally hit pandemic COVID-19 has changed the way of living in the entire economy. The outbreak of COVID-19 pandemic has adversely challenged the banking sector in India. Previously the banking customers used to visit the bank branches to avail banking services. Banks have experienced a more shift towards the digital or internet banking during the pandemic period. In the scenario of COVID 19 Lockdown, many banks recommended bank customers to use Digital Banking Services (DBS). Digital banking has become a boon for the society in this COVID-19 pandemic by operating completely electronically as instead of exchange of cash currency i.e. rupees and coins, people selected cashless transaction or online/e-transactions. The purpose of this research is to examine the customer's perception and experience on effectiveness of Digital Banking Services (DBS) during COVID-19 pandemic lockdown period in Nagpur City. The current study will focus on importance of factors which influence customers to use DBS and level of satisfaction of customers for DBS, problems faced by the customers in use of DBS, perception of customers about the effectiveness of DBS and the comparison between usage of digital banking services before, during and after COVID-19 Lockdown.

Key Words : Digital Banking Services (DBS), COVID-19 Lockdown, Customer Satisfaction, Customers Perception, Effectiveness.

I. INTRODUCTION:

Digital Banking means adapting all traditional banking services to digital or online mode such as deposits, transfers, withdrawals, applying for various financial services, account handling, loan management, and bill payments etc. Digital banking eliminates the need for paperwork and prevent the visit to banks to perform all banking activities 24/7 (Avadhani, 2020). With the growth of digital banking many consumers of India adopted digital banking services (Mr. Hitendra Lachhwani, Oct.2020). Banking sector provide sophisticated services to their customers by anywhere and at any time by adopting digitalization.

In the scenario of COVID 19, most banks have reduced the branches working hours and they recommend their customer to use digital banking services. The prospect of digital banking depends on customers therefore, understanding customer's requirement and meeting their demand and expectation is becomes a challenge for banks (G.Parimalarani, 2020). There is a shift in customer approach towards digital banking as people are feeling completely safe and easily accessible in online transactions, as this can be done from a distance, contact is not needed and risk of contacting COVID-19 is minimized (Chavda, 2021). The COVID-19 pandemic forced many people, including the ones who resisted the use of digital technologies in banking services, to

adopt the use of digital banking services. The longer duration of lockdown helps the customers to get familiarized with digital banking services (Shafique Ahmed, 2021)

II. LITERATURE REVIEW:

According to Tammana Muzawar,(2020) due to COVID-19 pandemic and nationwide closure people believe that visiting branches and availing banking services is not safe and secure. Due to modernization of banks, they have encouraged their bank customers to avail benefit of online, internet and mobile banking services. The study resulted that most of the people are using mobile banking services as it is clear that since time saving, cost effective, reliable and easy to use than Traditional Banking. (Seena Mary Mathew, n.d.)

According to Chailtali Avadhani (2020) in an article, digital banking reduces a person's bank visits and manual work, along with saving time. The COVID-19 pandemic has enhanced the procedure of digital banking due to its numerous benefits. During the COVID-19 pandemic, smartphone usage has resulted in an additional surge in digital banking. Moreover, 24/7 banking facilities, swift transactions, and smooth mobile banking have flourished the digital banking industry. (Avadhani, 2020)

According to Centeno (2004), speed, simplicity of remote access, availability 24/7 and price rewards are main motivators for consumers to use internet banking. (Verma, 2022)

III. OBJECTIVES OF THE STUDY:

1. To study the importance of factors which influenced customers to use DBS during COVID-19 Lockdown.
2. To study the perception of customers about the effectiveness of DBS during COVID-19 Lockdown
3. To find out the level of satisfaction of customers towards DBS during COVID-19 Lockdown.
4. To find out the problems faced by the customer while using DBS during COVID-19 Lockdown
5. To find out the usage of DBS before, during and after COVID-19 Lockdown
6. To examine the relationship that exists between bank's digital services and overall customer's experience during COVID- 19 lockdown period.

IV. RESEARCH METHODOLOGY:

The current study is based on both primary and secondary data based. The primary data was collected from bank customers who are using digital banking services. A well-planned questionnaire was constructed for collecting primary data in which both open and close ended questions were asked based on factors, benefits, effectiveness, problems faced, satisfaction level etc. of bank customers who use DBS. A convenience sampling method was used to collect data from 118 respondents from Nagpur City. The secondary data was collected from internet, websites, online articles, research publications in books, journals and periodicals, dailies, and reports available on the chosen topic to review the literatures and understand theoretical background. The collected data is analysed using the methods of simple percentage and two-way table.

V. DATA ANALYSIS & INTERPRETATION:

The data was collected from 118 bank customers of Nagpur city who use DBS through a questionnaire having both open and close ended questions.

➤ **Analysis of the Respondent According to Gender, Age, Education and Occupation:**

Table 1.1 and Figure 1.1, 1.2, 1.3 and 1.4 shows that the survey had a larger ratio of male 76 (64.40%) as compare to female 42 (35.59%). Most of the respondents were from 20-40 years age group 62 (52.54%), followed by age group 41-60 years 38 (32.20%), and 12 respondents were from below 20 years of age (10.16%) and above 60 years of age were least respondents i.e 06 (5.08%). Majority of respondents were Graduates 60 (50.84%) followed by Post Graduates 44 (37.28%) and 14 (11.86%) respondents were above

PG. As per Occupation most of the respondents 46 (38.98%) were employees i.e belongs to service class followed by 38(32.20%) respondents were from business class, whereas 20 (16.94%) respondents were students. The least respondents 04 (3.38%) and 10 (8.47%) belong to retired and other category.

Table 1.1 : Respondents According to Gender, Age, Education and Occupation

Category	No. of Responses	Percentage (%)
Gender	<ul style="list-style-type: none"> • Male : 76 • Female : 42 	<ul style="list-style-type: none"> • Male : 64.40% • Female : 35.59%
Age	<ul style="list-style-type: none"> • Below 20 : 12 • 20-40 : 62 • 41-60 : 38 • Above 60 : 06 	<ul style="list-style-type: none"> • Below 20 : 10.16% • 20-40 : 52.54% • 41-60 : 32.20% • Above 60 : 5.08%
Level of Education	<ul style="list-style-type: none"> • Graduate : 60 • Post Graduate : 44 • Above PG : 14 	<ul style="list-style-type: none"> • Graduate : 50.84% • Post Graduate : 37.28% • Above PG : 11.86%
Occupation	<ul style="list-style-type: none"> • Service: 46 • Business: 38 • Student: 20 • Retired: 04 • Other: 10 	<ul style="list-style-type: none"> • Service : 38.98% • Business : 32.20% • Student : 16.94% • Retired : 3.38% • Other : 8.47%
Total : 118		
Source : Survey		

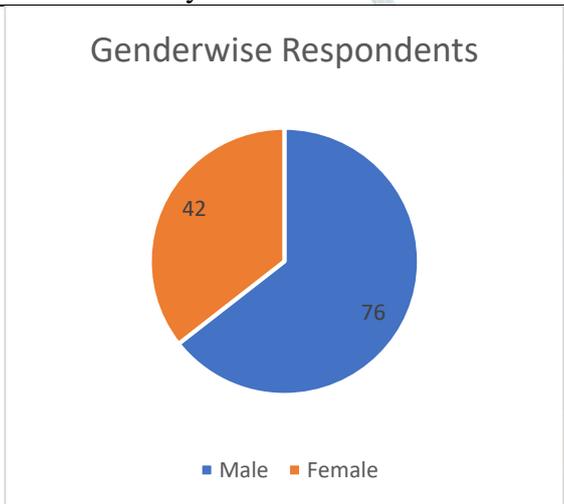


Figure : 1.1 Gender wise Respondents

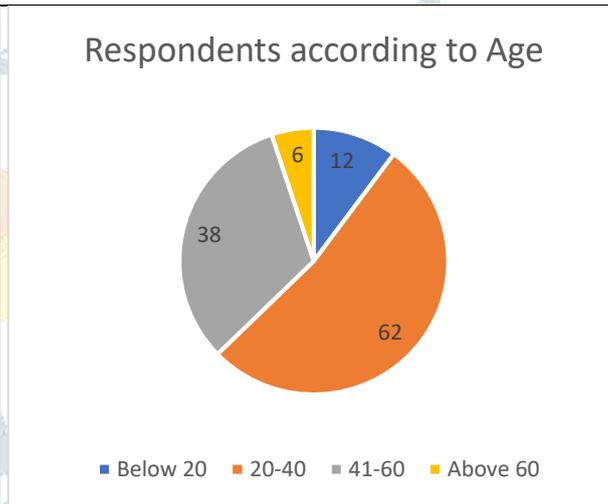


Figure : 1.2 Age wise Respondents

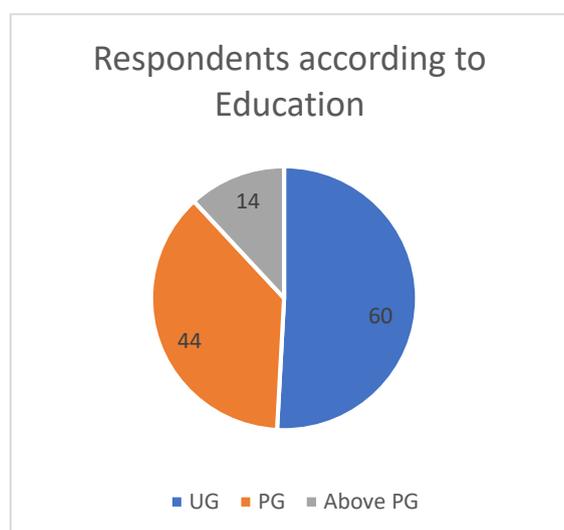


Figure:1.3 Respondents as per Education

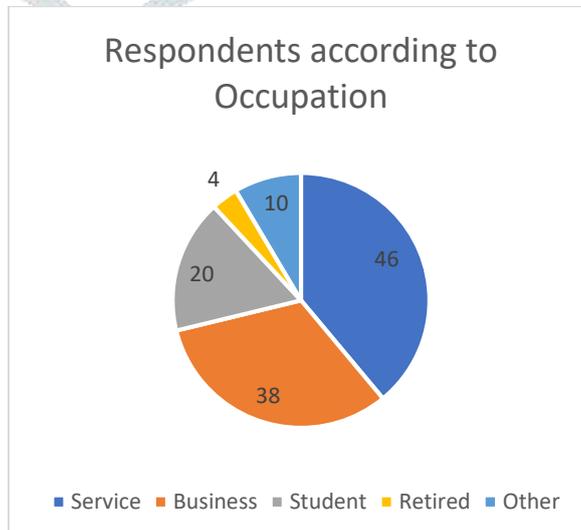


Figure:1.4 Respondents as per Occupation

➤ **Analysis of the Respondents for Effectiveness of Digital Banking Services during COVID-19**

Lockdown period:

As shown in the Table 1.2 and Figure 1.5 most of the respondents more than 70% replied “Excellent, Very Good and Good” for effectiveness of DBS and they believe that Digital Banking Services is most effective during COVID-19 particularly because of lockdown restrictions.

Table 1.2 : Effectiveness of DBS during COVID-19 Lockdown period

Category	No. of Responses	Percentage (%)
Effectiveness of DBS	Excellent : 22	Excellent : 18.64%
	Very Good: 40	Very Good : 33.89%
	Good: 34	Good : 28.81%
	Satisfactory : 17	Satisfactory : 14.40%
	Fair : 05	Fair : 4.23%
	Total : 118	
Source : Survey		

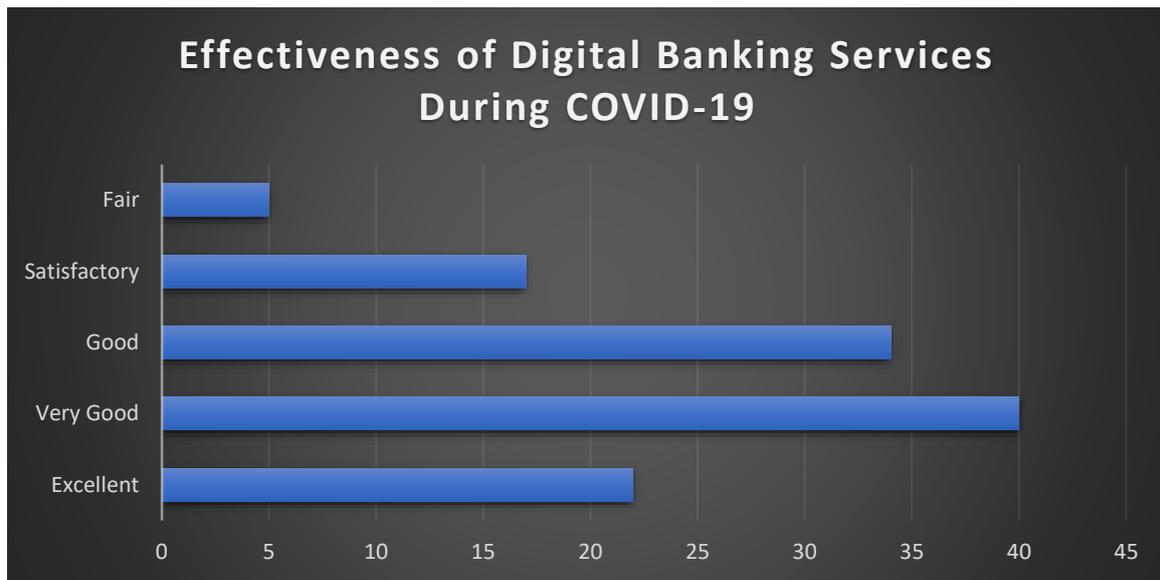


Figure:1.5 Effectiveness of DBS

➤ **Analysis of the Respondents for Importance of factors which influence customers to use DBS during COVID-19 Lockdown**

As shown in the Table 1.3 and Figure 1.6 majority of respondents i.e more than 70% replied “Extremely important” and “Important” for the factors such as 24X 7 availability, Convenience, Time Saving, Work from Home, Security features, easy to use and access to multiple services at one place. These factors influenced customers to use DBS during COVID-19 lockdown.

Table 1.3 : Importance of factors which influence customers to use DBS during COVID-19 Lockdown

Factors	No. of Responses and %									
	Extremely Important		Important		Moderately Important		Somewhat Important		Not at all Important	
24 X 7 availability	34	28.81%	51	43.22%	22	18.64%	09	7.62%	02	1.69%
Easy to use	32	27.11%	46	38.98%	24	20.33%	12	10.16%	04	3.38%
Convenience	38	32.20%	44	37.28%	29	24.57%	04	3.38%	03	2.54%
Security features	40	33.89%	43	36.44%	28	23.72%	05	4.23%	02	1.69%
Time Saving	36	30.50%	40	33.89%	31	26.27%	07	5.93%	04	3.38%
Easy access to finances	10	8.47%	32	27.11%	34	28.81%	30	25.42%	12	10.16%
Affordable services	24	20.33%	28	23.72%	30	25.42%	26	22.03%	10	8.47%
Access to multiple services at one place	36	30.50%	42	35.59%	28	23.72%	08	6.77%	04	3.38%
Peer/Friends pressure	26	22.03%	24	20.33%	34	28.81%	22	18.64%	12	10.16%

Work from Home	38	32.20%	44	37.28%	22	18.64%	12	10.16%	02	1.69%
Total : 118										
Source : Survey										

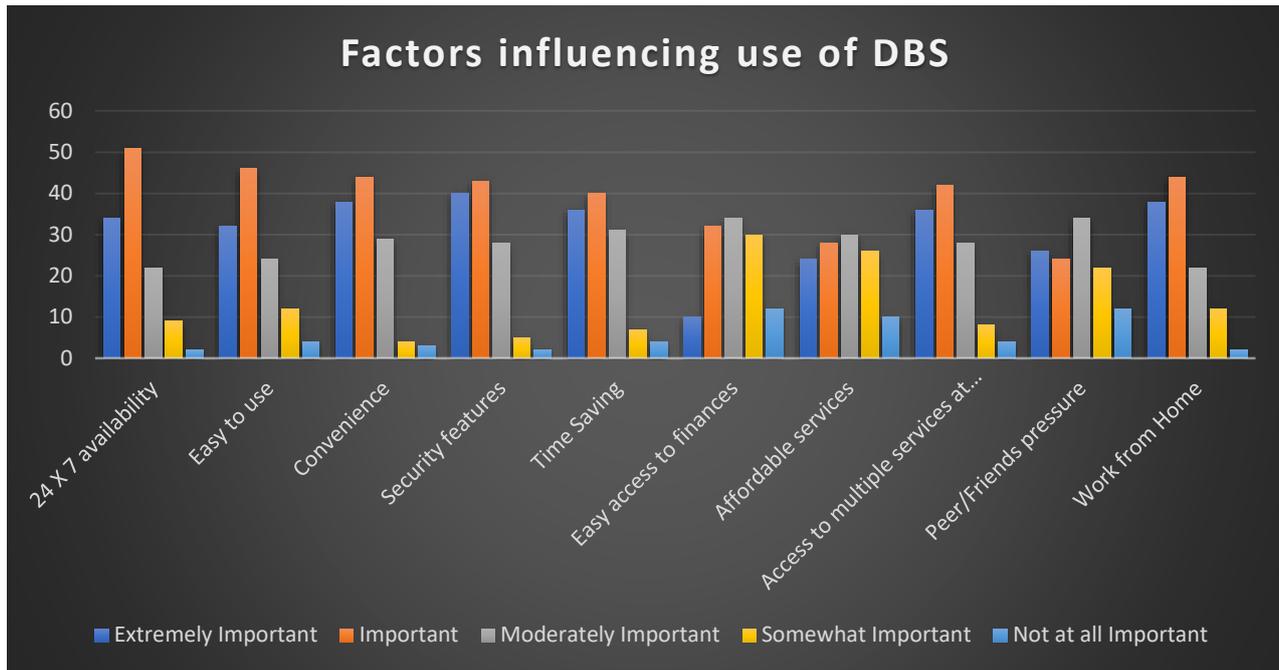


Figure:1.6 Important factors which influence use of DBS during COVID-19

➤ **Analysis of the Respondents for the level of satisfaction towards different DBS during COVID-19 Lockdown**

The Table 1.4 and Figure 1.7 shows the level of satisfaction on various Digital Banking Services. 33.89% respondents are “Highly satisfied” and 45.76% are “Satisfied” for the DBS like Fund transfer, for Immediate Payment Services (IMPS) 31.35% were “Highly satisfied and 46.61% were “Satisfied”, for Balance enquiry and e-passbook 35.59% were “Highly satisfied” and 38.98% were Satisfied, Top up & Recharge 25.42% were “Highly satisfied” and 44.06% were Satisfied, for Bill Payment(Electricity/Water/Credit card) 26.27% were “Highly satisfied” and 47.45% were “Satisfied”, for Mini Statement 35.59% were “Highly satisfied” and 34.74% were “Satisfied”, for Shopping 33.89% “Highly satisfied” and 47.45% are “Satisfied”, whereas very few respondents were dissatisfied with these services.

Table 1.4 : The level of satisfaction towards the DBS during COVID-19 Lockdown

Services	No. of Responses and %									
	Highly Satisfied		Satisfied		Neutral		Dissatisfied		Highly Dissatisfied	
Fund transfer (Within and Outside the bank)	40	33.89%	54	45.76%	19	16.10%	03	2.54%	02	1.69%
Immediate Payment Services (IMPS)	37	31.35%	55	46.61%	18	15.25%	05	4.23%	03	2.54%
E-Deposit (SB/FD/RD/PPF etc.)	36	30.50%	52	44.06%	22	18.64%	04	3.38%	04	3.38%
Bill Payment (Electricity/Water/Credit Card/Insurance etc.)	31	26.27%	56	47.45%	24	20.33%	05	4.23%	02	1.69%
Top up & Recharge (Mobile/DTH etc.)	30	25.42%	52	44.06%	24	20.33%	07	5.93%	05	4.23%
Balance Enquiry and e-passbook	42	35.59%	46	38.98%	19	16.10%	08	6.77%	03	2.54%
Cheque book request	26	22.03%	40	33.89%	38	32.20%	08	6.77%	06	5.08%
Mini Statement	42	35.59%	41	34.74%	27	20.33%	05	4.23%	03	2.54%
Shopping	40	33.89%	56	47.45%	11	8.47%	07	5.93%	04	3.38%

Demat A/c services	22	18.64%	36	30.50%	42	35.59%	13	11.01	05	4.23%
Total: 118										
Source : Survey										

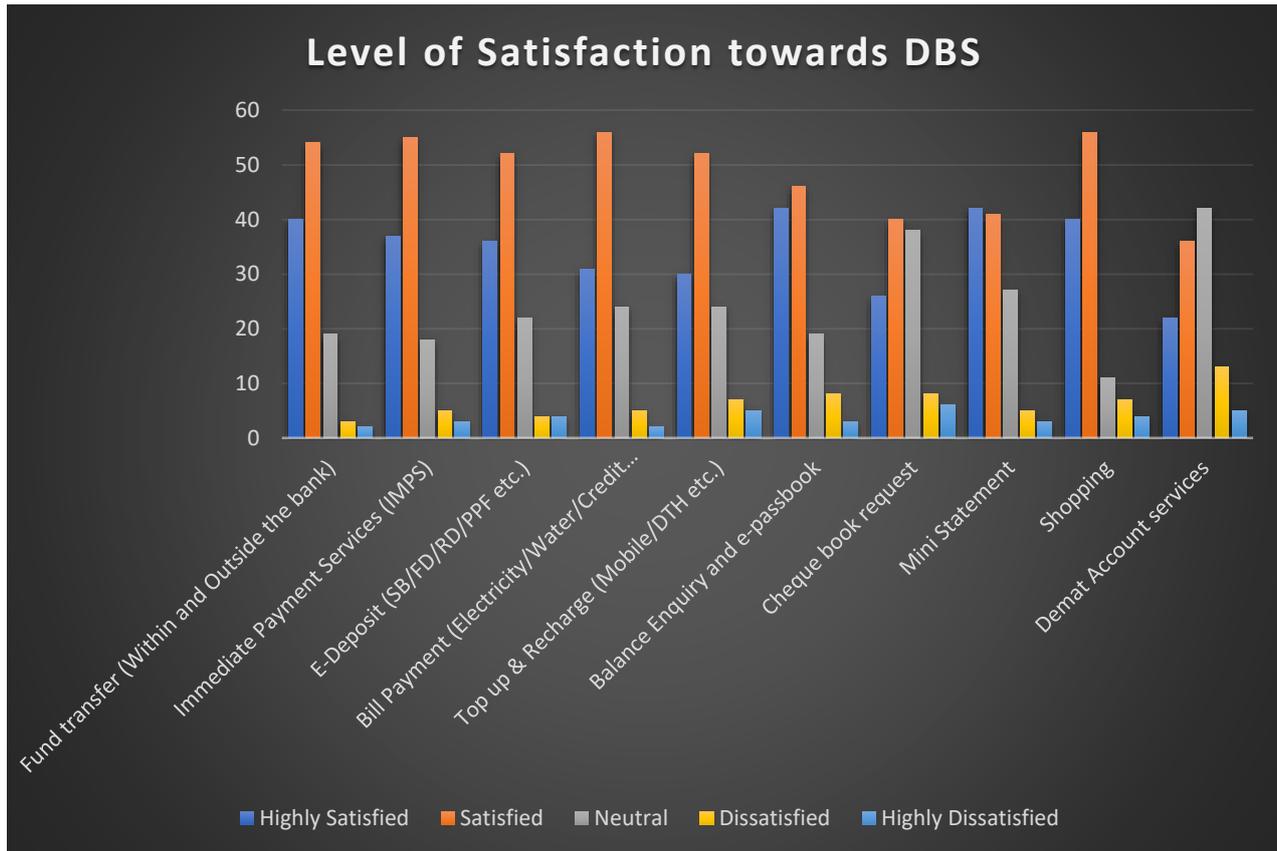


Figure:1.7 Level of Satisfaction towards different DBS during COVID-19

➤ **Analysis of the Respondents for the level of problems faced by the customers while using DBS during COVID-19 Lockdown**

The Table 1.5 and Figure 1.8 shows that majority of customers responded that they “Sometimes” faced problems like Busy Server, Failed Transaction, Language barrier, Complex Procedure, Authentication Process Issue, Virus and Malware Attack, Extraordinary charges, Delay in refunds, Problem in receipt download, Non-Generation of OTP, Memorization of password, etc., Internet issue, App based issue, Fear of Hacking, Mobile Handset operability. Whereas few respondents did not face any problems while using DBS during COVID-19.

Table 1.5 : Level of problems faced by the customers while using DBS during COVID-19 Lockdown

Problems faced	No. of Responses and %									
	Always		Often		Sometimes		Rarely		Never	
Busy Server	10	8.47%	18	15.25%	56	47.45%	24	20.33%	10	8.47%
Failed Transaction	12	10.16%	22	18.64%	48	40.67	28	23.72%	08	6.77%
Language barrier	04	3.38%	16	13.55%	54	45.76%	34	28.81%	10	8.47%
Complex Procedure	06	5.08%	12	10.16%	48	40.67	36	30.50%	16	13.55%
Authentication Process Issue	08	6.77%	14	11.86%	42	35.59%	24	20.33%	30	25.42%
Extraordinary charges	12	10.16%	22	18.64%	46	38.98%	30	25.42%	08	6.77%
Delay in refunds	08	6.77%	18	15.25%	46	38.98%	32	27.11%	14	11.86%
Problem in receipt download	09	7.62%	16	13.55%	52	44.06%	34	28.81%	07	5.93%

Non-Generation of OTP	14	11.86%	26	22.03%	36	30.50%	32	27.11%	10	8.47%
Memorization of Password	10	8.47%	26	22.03%	48	40.67	26	22.03%	08	6.77%
Internet issue	06	5.08%	16	13.55%	52	44.06%	32	27.11%	12	10.16%
App based issue	14	11.86%	24	20.33%	46	38.98%	28	23.72%	06	5.08%
Fear of Hacking	32	27.11%	26	22.03%	38	32.20%	18	15.25%	04	3.38%
Mobile Handset operability	18	15.25%	28	23.72%	38	32.20%	28	23.72%	06	5.08%
Total : 118										
Source : Survey										

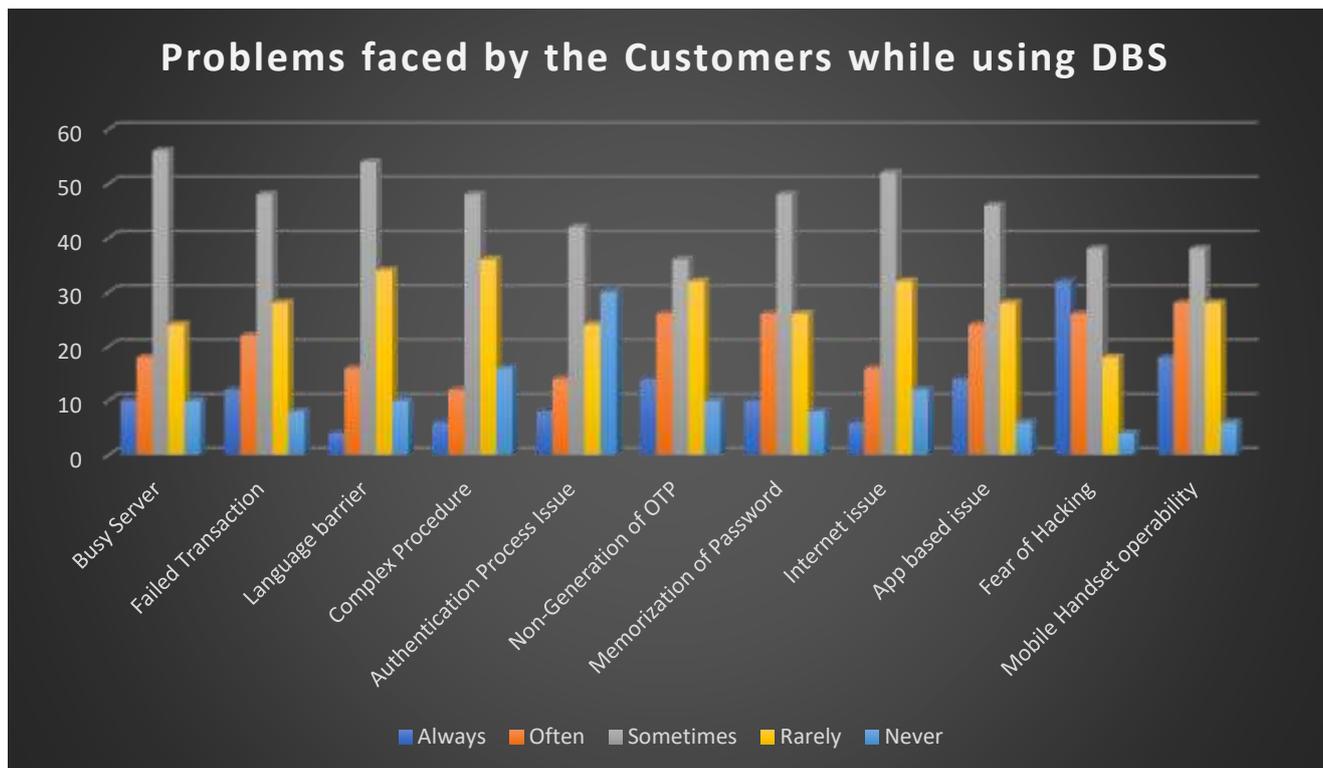


Figure 1.8. Level of problems faced while using DBS during COVID-19 Lockdown

➤ **Analysis of respondents for the Extent of use of DBS before, during and after COVID-19 Lockdown**

As per Table 1.6 and Figure 1.9 majority of respondents 52.54% responded that there was “Average usage” of DBS before COVID-19 Lockdown, whereas very few responded (5.08% and 13.55%) “Heavy and “Moderate usage” of DBS before COVID-19. It is also observed that usage of DBS increased during COVID-19 Lockdown as 33.89% responded “Heavy usage” and 40.67% responded “Moderate usage” of DBS during COVID-19 Lockdown. It is also observed that after COVID-19 Lockdown also customers continued using DBS and majority responded “Heavy usage” 31.35% and “Moderate usage” 44.06% of DBS after COVID-19 Lockdown also.

Table 1.6 Extent of you use of DBS before, during and after COVID-19 Lockdown

Extent of you use of DBS before , during and after COVID-19 Lockdown	No. of Responses and % on Use of DBS before COVID-19 Lockdown		No. of Responses and % on use of DBS during COVID-19 Lockdown		No. of Responses and % on use of DBS after COVID-19 Lockdown	
Heavy Usage	06	5.08%	40	33.89%	37	31.35%
Moderate Usage	16	13.55%	48	40.67%	52	44.06%
Average Usage	62	52.54%	28	23.72%	27	22.88%

No Usage	34	28.81%	02	1.69%	02	1.69%
Total	118					
Source : Survey						

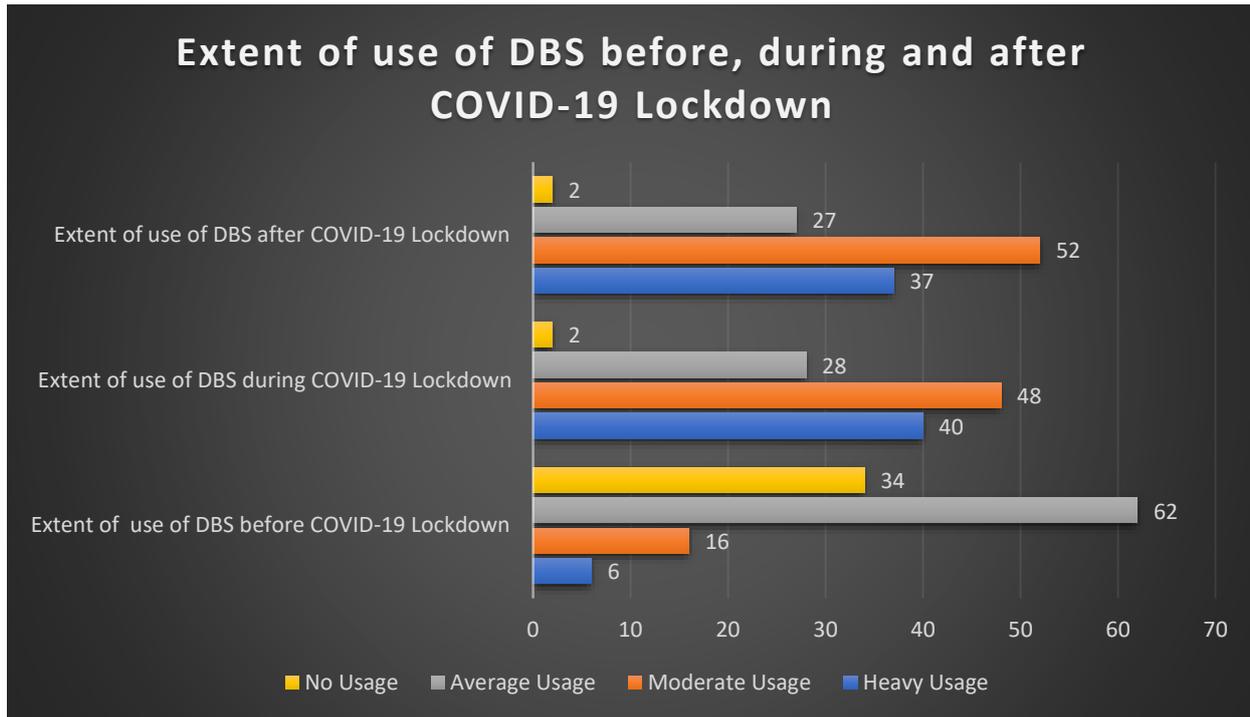


Figure 1.9 Extent of you use of DBS before, during and after COVID-19 Lockdown

➤ **Analysis of respondents for the opinion about impact of COVID-19 on usage of DBS:**

As shown in Table 1.7 and Figure 1.10 27.11% “Strongly agree” and 40.67% “Agree” regarding statement “After COVID-19 Lockdown trust on DBS has increased”. 16.94% and 43.22% are “Strongly agree” and “Agree” regarding statement “After COVID-19 Lockdown new DBS explored”. 26.27% and 39.83% respondents replied “Strongly agree” and “Agree” regarding statement “After COVID-19 Lockdown DBS helped a lot in daily routine. Majority of respondents are “Strongly agree” 35.59% and “Agree” 27.96% regarding statement “After COVID-19 Lockdown usage of traditional banking decreased”. 35.59% and 32.20% respondents responded “Strongly agree” and “Agree” regarding statement “After COVID-19 Lockdown usage of DBS has increased”. 26.27% and 35.59% responded strongly agree and agree on the statement “After COVID-19 Lockdown use of DBS by peer, family member or friend increased”. As per survey it is also observed that majority of respondents increased the usage of DBS during and after COVID-19 pandemic lockdown.

Table 1.7 Impact of COVID-19 on usage of DBS

Customers opinion about the impact of COVID-19 on usage of DBS	No. Responses and % on “After COVID-19 Lockdown trust on DBS has increased”		No. Responses and % on “After COVID-19 Lockdown new DBS explored”		No. Responses and % on “After COVID-19 Lockdown DBS helped a lot daily routine”		No. Responses and % on “After COVID-19 Lockdown usage of traditional banking decreased”		No. Responses and % on “After COVID-19 Lockdown usage of DBS has increased”		No. Responses and % on “After COVID-19 Lockdown use of DBS by peers, family member or friends increased”	
	No.	%	No.	%	No.	%	No.	%	No.	%	No.	%
Strongly Agree	32	27.11%	20	16.94%	31	26.27%	42	35.59%	42	35.59%	31	26.27%
Agree	48	40.67%	51	43.22%	47	39.83%	33	27.96%	38	32.20%	42	35.59%
Neutral	26	22.03%	32	27.11%	26	22.03%	25	21.18%	20	16.94%	28	23.72%
Disagree	08	6.77%	09	7.62%	10	8.47%	11	9.32%	12	10.16%	11	9.32%
Strongly Disagree	04	3.38%	06	5.08%	04	3.38%	07	5.93%	06	5.08%	06	5.08%
Total	118											

Source : Survey

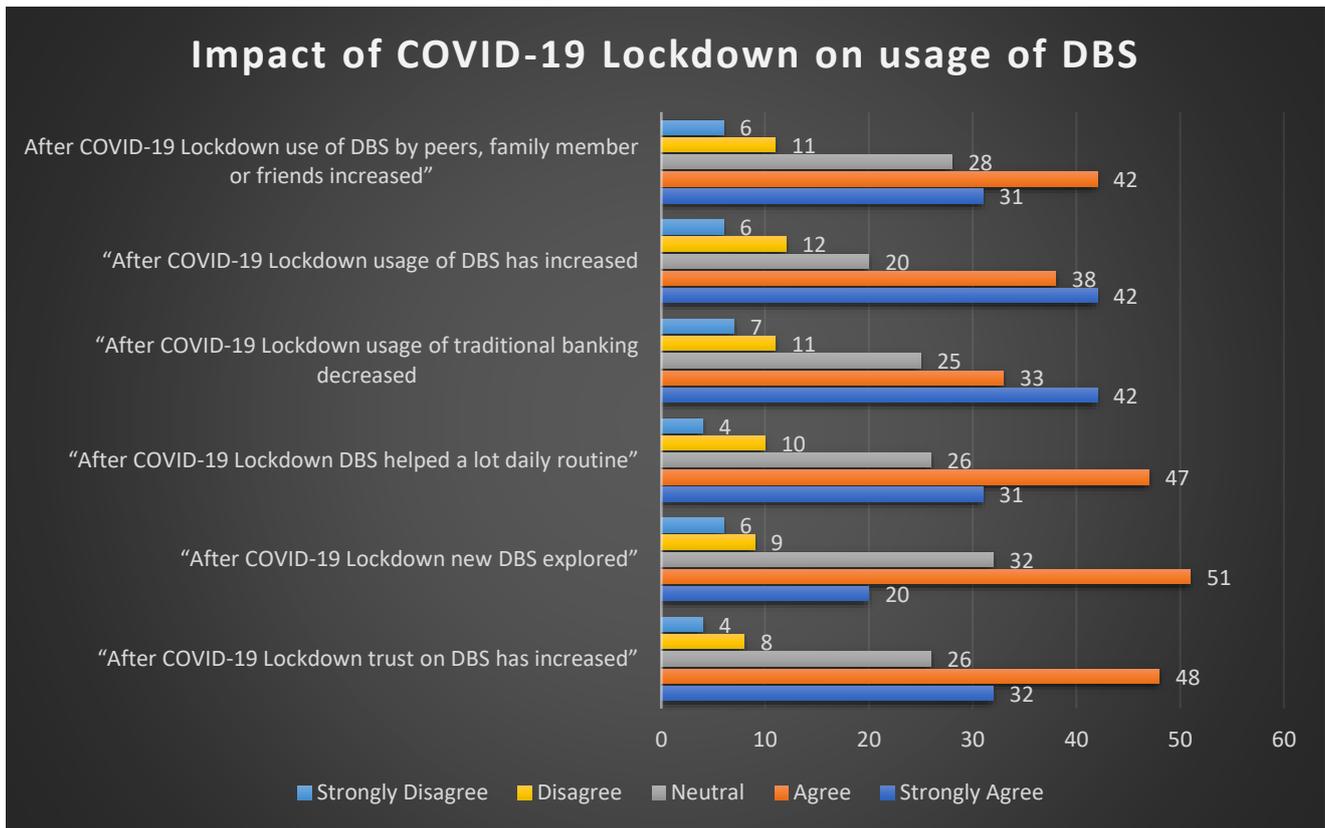


Figure 1.10 Impact of COVID-19 on usage of digital banking services

VI. CONCLUSION:

COVID-19 pandemic has certainly influenced the banking industry and customers. It has been noticed that DBS plays an important role during and after the COVID-19 era. 24 X 7 availability, Easy to use, Security features, Time Saving, Access to multiple services at one place, Work from Home are the important factors which influenced the customers to use DBS during COVID-19. Bank customers are satisfied with DBS such as Fund transfer (Within and Outside the bank), Immediate Payment Services (IMPS), Bill Payment, e-Deposit, Top up & Recharge (Mobile/DTH etc.), Mini Statement, Shopping, Cheque book request etc. as it helps in performing all the banking activities 24/7 without literally going to the bank. Digital banking has become a boon for the society in this COVID-19 pandemic lockdown period by operating completely electronically as instead of exchange of cash currency i.e. rupees and coins, people selected cashless transaction or online/e-transactions. Customers sometimes faced problems like Busy Server, Internet Issue, Failed Transaction, Authentication Process Issue, Virus and Malware Attack, Delay in refunds, Non-Generation of OTP, Memorization of password etc. As per customers perception there are various impacts on usage of DBS due to COVID-19 pandemic, trust on digital banking services has increased, customers have explored new digital banking services and it helped a lot during COVID-19. Usage of Digital banking increased and traditional banking decreased during COVID-19. Before COVID-19 Lockdown period there was very less and average usage of DBS. After COVID-19 Lockdown restrictions large number of customers switched to Digital banking from traditional banking and usage of DBS increased. As per bank customers perception and experience DBS was very effective during COVID-19 pandemic lockdown period, as use of DBS prevents personal visit to banks which ensures a low risk of COVID-19 infection and also the liberty of transactions anytime and anywhere.

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