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A Study on Customer Satisfaction with Digital Banking in Kutch District

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Abstract

In recent years, the use of digital platforms for banking has grown tremendously. This study aims to identify the satisfaction level of customers and the problems they face while using digital banking services in Kutch district of Gujarat. It includes customer feedback, common problems they face and suggestions to improve digital banking services. This study is based on primary data collected by the survey method. The survey has been done through questionnaire by Google form. The findings reveal that majority of users agree that digital banking makes daily transactions easier and faster. However, they also face problems such as server downtime and fear of online fraud. This study highlights customer satisfaction levels with digital banking in Kutch and aims to provide suggestion to improve digital banking.

***Keywords**: Satisfaction Level of Customers, Digital Banking, Digital Banking Services.*

Introduction

The banking sector has evolved from standing in queues to availing services with a simple touch. Over the past few decades, the impact of technology has brought about significant changes in the banking sector. Especially digital services such as UPI, ATM cards and credit cards have become particularly popular. Digital banking refers to do banking activities such as checking account balance, paying bills, transferring funds, opening bank account etc. without going to the bank. Digital banking is more convenient as it allows to do banking activities anywhere at anytime. Customers are the backbone of any service. Customer satisfaction is an important tool to measure the effectiveness of any service. It is important to understand how far digital banking services have reached across the Kutch district of Gujarat and what types of problems customer face in a geographically diverse region like Kutch. This study aims to measure the level of customer satisfaction with digital banking in the Kutch district and to identify the problems they face while using digital banking services, so that digital banking can be effectively implemented in rural areas. This study will provide insights into the perspectives of people of Kutch on digital banking and identify the improvements they expect in this sector.

Significance of the Study

This study is significant as it explores the satisfaction level of users in Kutch district. Kutch region has unique geography. The findings provide valuable insights into user experiences, identifies difficulties faced by users and their point of view about digital banking. This study will be helpful to banking sector for enhancing banking system and to increase adoption ratio of digital banking. These insights will be helpful to policymakers to promote greater financial inclusion in underserved areas.

Literature Review

Mansuri et al., (2021) studied customer satisfaction with digital banking services of Indian banks with the help of primary and secondary data. Primary data was collected by using simple random sampling method from 250 respondents of Rajkot city. They used percentage analysis and graphical methods as statistical tools to analyse the collected data. This study found that most of people use digital banking only once a month. This study revealed that despite of customers find digital banking convenient and faster they have a fear of hacking of accounts and thus don't go on for internet banking.

Aahara&Raiyani(2022) studied psychology of an Indian customer towards digital banking with reference to Kachchh region. This study was based on primary data collected through a well – structured questionnaire from 500 respondents who used digital banking services in Kachchh. Non-probability convenience sampling was used to select the samples. They used descriptive statistics such as percentage and frequency distribution to analyse the collected data. To find out the variation of opinion among various categories Mann-Whitney and Kruskal-Wallis test have been applied. The study found that people are more likely to use digital banking for fund transfer, Mobile/DTH recharge and bill payments. The main reason for using digital banking is to save time and it's anytime availability. The study revealed that some of the respondents and among them the most often faced problem was the unavailability of cash in ATM machines.

Tejashwini &Jarakunti(2024) studied customer satisfaction for digital banking services of banks in Davangere city with the help of both primary and secondary data. Primary data was collected by using random sampling method from 100 respondents of Davangere city. They used both graphical and percentage methods as statistical tools to analyse the collected data. This study revealed that even though banks provide variety of digital services, the majority of customers only utilize it once a month. The study found that the primary factors for using online banking are comfort and convenience.

Objectives of the Study

The objectives of this research are:

- To study the level of satisfaction of customers with digital banking in Kutch district.
- To evaluate the effectiveness of digital banking services in Kutch district.
- To analyse the comforts and challenges faced in digital banking.

Research Methodology

- **Primary Data:** The data is collected by the survey method. The survey has been done through questionnaire by Google form. The questionnaire was designed in Gujarati to ensure better understanding by the respondents. The collected responses were later translated into English for presentation in research paper.
- **Sample Size:** The sample size of this research is 66 respondents who used digital banking.
- **Sampling Method:** Non-probability convenience sampling method was used to select the sample.
- **Statistical Tools Used for Data Analysis:** To analyse the collected data, percentage method was used. Tables and charts were used to present the data clearly and effectively.

Data Analysis and Interpretation

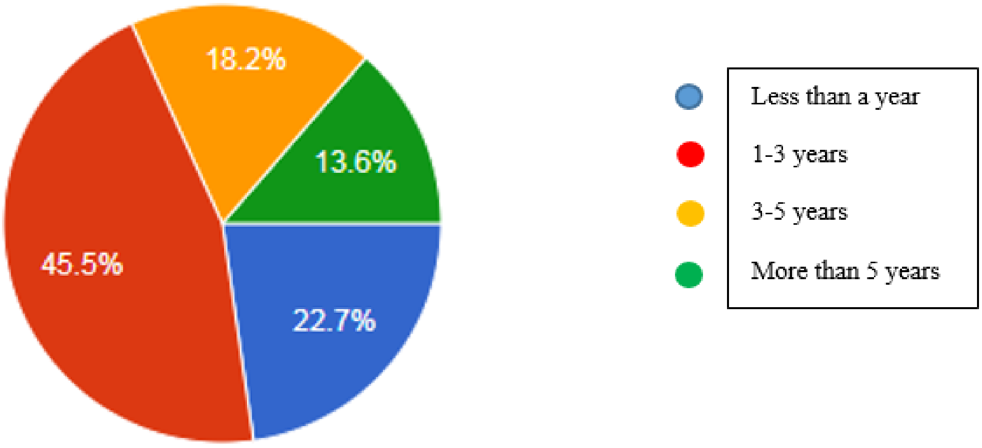
Table 1 : Distribution of the Respondents on the basis of Demographic Variable

Demographic Variables	Categories	Frequency	Percentage
Gender	Male	22	33.3%
	Female	44	66.7%
Age in years	Below 20	10	15.2%
	21 - 30	47	71.2%
	31 - 40	3	4.5%
	41 - 50	4	6.1%
	Above 50	2	3%
Area	Urban	23	34.8%
	Semi – urban	12	18.2%
	Rural	31	47%
	Below std. 10th	4	6.1%
Education level	Std. 10th to 12th	7	10.6%
	Graduation	20	30.3%
	Post - graduation	31	47%
	Above PG	4	6.1%
Occupation	Student	32	48.5%
	Salaried	8	12.1%
	Business	8	12.1%
	Housewife	4	6.1%
	Other	14	21.2%

As shown in the table, the sample consists 66 respondents out of which 66.7% are female and 33.3% are male indicating that the majority of participants re women. Looking at the age, most respondents (71.2%) belong to the 21-30 years category which shows that study mainly represents views of young adults. Looking at the area of respondents 47% of respondents are from rural area, indicating digital banking services reach in rural area. Regarding the education level, majority of respondents are well educated. 47% are post-graduates and 30.3% are graduates. As for occupation, a significant number of respondents are students (48.5%) indicating that youth participation is prominent in this research. Additionally, 21.2% of the respondents fall under the “other” category, which may include farmers, freelancers or unemployed individuals.

Following are the responses of respondent on important questions related to digital banking.

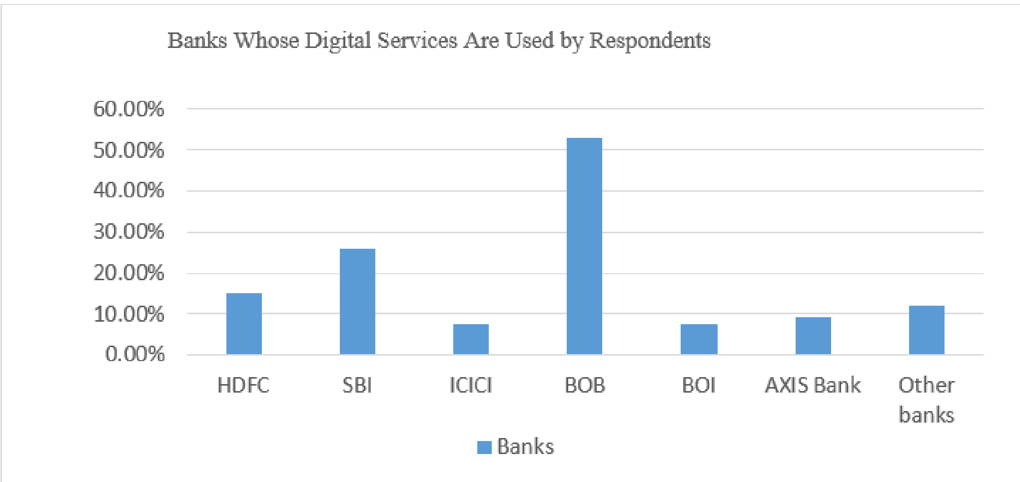
- **Question 1:** How many years have you been using digital banking?



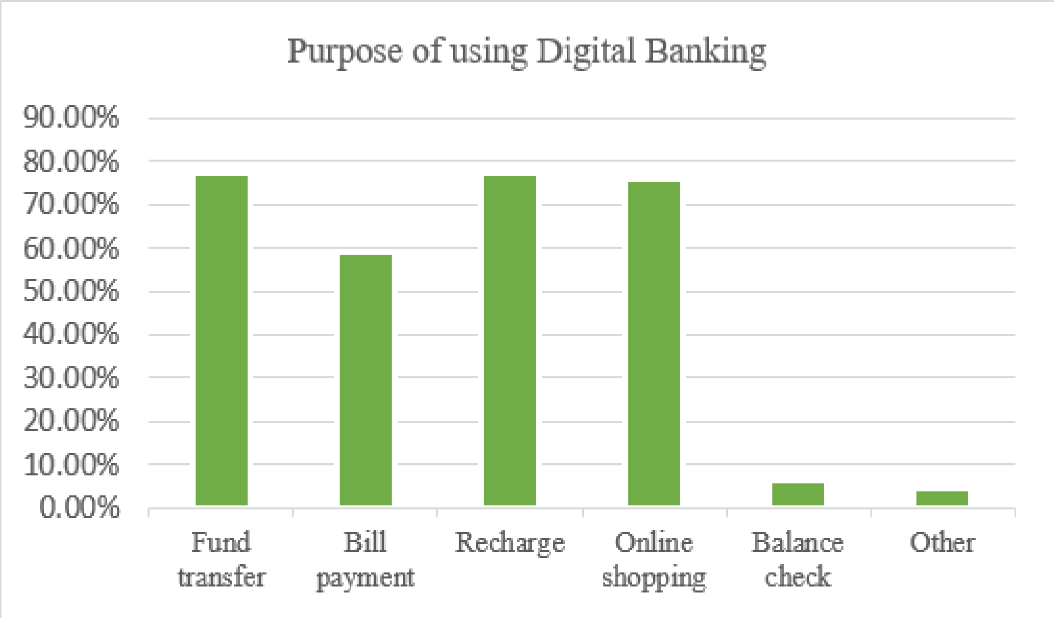
Interpretation: The above chart shows that the majority of users have been using digital banking for 1-3 years, which shows that digital banking has gained popularity in recent years. There are only 13.6% of users have been using it for more than 5 years. This indicates that the adoption of digital banking has increased significantly in the last few years.

- **Question 2:** Which bank's digital services do you use?

Interpretation: The below chart shows banks whose digital services are used by respondents. Among 66 respondents majority of the respondents (53%) use the digital services of Bank of Baroda (BOB), which shows BOB's strong presence in the Kutch region. Next comes State Bank of India (SBI) with 25.8% and HDFC with 15.2%, which are also popular choices. A small proportion of respondents (12%) has mentioned other banks such as Canara, PNB, Union Bank of India, etc. This data suggests that public sector banks such as BOB and SBI have a strong acceptance among digital banking users in Kutch district. This was a checkbox question, so respondents were allowed to choose more than one bank. That is why the total percentage is more than 100%.

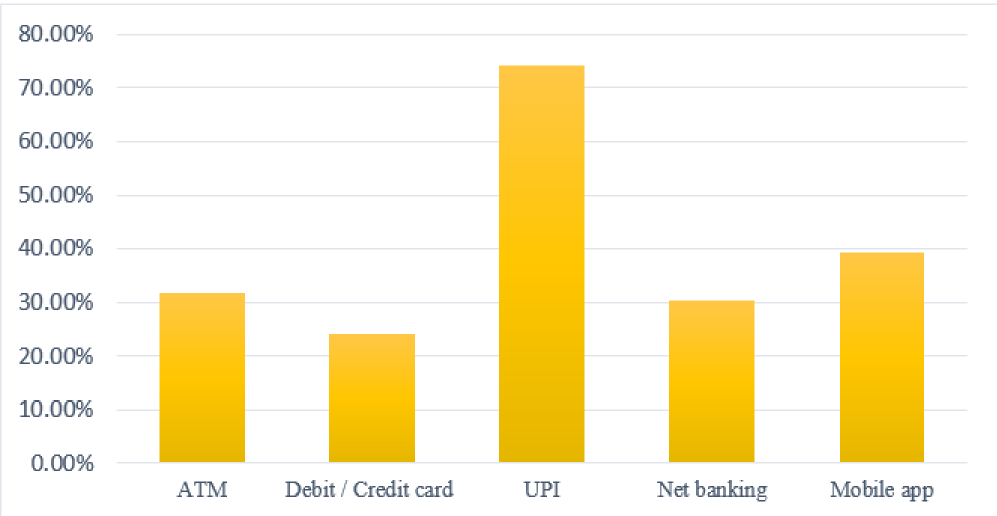


- **Question 3:** What do you use digital banking for?



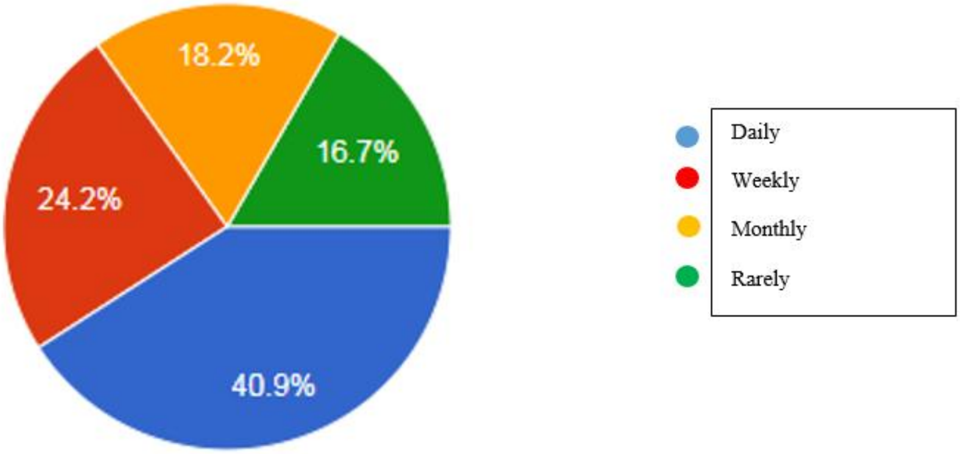
Interpretation: Below chart indicates that the majority of respondents use digital banking for fund transfer and recharge. Next comes online shopping with 75.80%, which shows that a significant number of respondents are using digital banking for online shopping. This was a checkbox question, so respondents were allowed to choose more than one purpose behind using digital banking and that's why the total percentage is more than 100%.

- **Question 4:** Which services do you use the most?



Interpretation: This bar chart indicates that UPI is most popular service, followed by mobile banking apps and ATM services. This shows that users most users rely on fast and convenient services like UPI for payments.

- **Question 5:** How often do you use digital banking services?



Interpretation: The above chart that the majority of people (40.9%) use digital banking services daily, indicating that it's a part of their daily routine. A small proportion (16.7%) use digital banking rarely. This data indicates the increasing dependency on digital banking for daily banking activities.

To analyse customer satisfaction with digital banking services, a set of statement was provided to the respondents. For analysis of each statement on the five-point Likert scale frequency and percentange of responses were calculated.

- **Statement 1: Digital banking is easy to use.**

Level of Agreement	Frequency	Percentage
Strongly Agree	19	28.79%
Agree	35	53.03%
Neutral	7	10.60%
Disagree	2	3.03%
Strongly Disagree	3	4.55%

Interpretation: This data highlights that 81.82% (28.79% + 53.03%) of respondents find digital banking user-friendly, which reflects a positive user experience and high customer satisfaction.

- **Statement 2: Digital service is available at all times.**

Level of Agreement	Frequency	Percentage
Strongly Agree	10	15.16%
Agree	18	27.27%
Neutral	22	33.33%
Disagree	14	21.21%
Strongly Disagree	2	3.03%

Interpretation: This data shows that 33.33% of respondents gave a neutral response, indicating that a significant number of users are unsure about service availability. 27.27% of respondents agreed, while 21.21% disagreed, suggesting some respondents may have faced issues regarding service availability. This data highlights that there is a need for better service availability and consistency.

- **Statement 3: Digital Banking enables faster transactions**

Level of Agreement	Frequency	Percentage
Strongly Agree	13	19.7%
Agree	42	63.64%
Neutral	6	9.09%
Disagree	2	3.03%
Strongly Disagree	3	4.54%

Interpretation: This data shows that 83.84% (19.7% + 63.64%) agreed that digital banking enables faster transactions. This shows satisfaction of the users towards speed of services.

- **Statement 4: Digital Platforms are secure for transactions.**

Level of Agreement	Frequency	Percentage
Strongly Agree	7	10.61%
Agree	23	34.84%
Neutral	24	36.36%
Disagree	7	10.61%
Strongly Disagree	5	7.58%

Interpretation: This data indicates that 36.36% of respondents are neutral, while 45.45% (34.84% + 10.61%) of respondents agreed that digital platforms are secure. That means most of the users find digital platforms secure. But, some users may have fear of online fraud or they may have faced some issues that's why they are neutral. So, this highlights lack of trust among users towards digital banking.

- **Statement 5: Customer care helps properly and on time.**

Level of Agreement	Frequency	Percentage
Strongly Agree	3	4.55%
Agree	26	39.39%
Neutral	27	40.91%
Disagree	5	7.58%
Strongly Disagree	5	7.58%

Interpretation: This data shows that 43.94% (4.55% + 39.39%) of respondents agreed that customer care helps properly. But 40.91% of respondents are neutral which indicates their uncertainty about this statement, which is may be because they have faced issues regarding customer care. This data highlights that there is a need of proper customer care services.

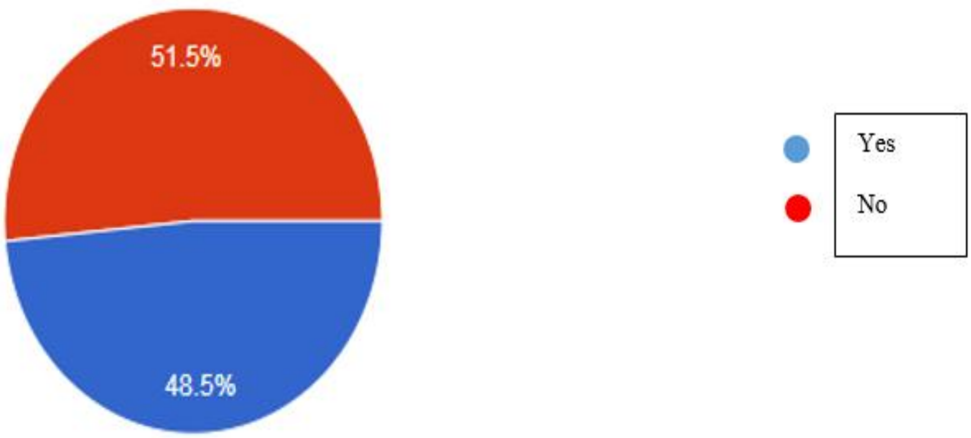
- **Statement 6: The use of digital banking enables users to perform day-to-day transactions with ease.**

Level of Agreement	Frequency	Percentage
Strongly Agree	15	22.73%
Agree	38	57.58%
Neutral	10	15.15%
Disagree	0	0%
Strongly Disagree	3	4.55%

Interpretation: This data shows that 80.31% (22.73% + 57.58%) of respondents agreed that the use of digital banking enables users to perform day-to-day transactions with ease. This indicates users find digital services convenient. This data highlights that only 4.55% of respondents are disagree with the statement.

In order to identify whether the respondents have faced any difficulties and problems while using digital banking services, the following question was included in the survey :

- **Question: Have you faced any difficulties while using digital banking ?**



Interpretation: The below chart indicates that 51.5% of respondents have not faced any difficulties while using digital banking services. However it can not be overlooked that the remaining 48.5% of respondents have faced difficulties which indicates gaps in the digital banking services.

An open-ended question was also added to collect detailed information about the difficulties faced by users to identify where digital banking services need improvement. The majority of respondents reported server downtime and network issues. These are the major two problems faced by respondents. Then last question was an open ended question to invite suggestions from users regarding the improvement of digital banking services. However, no specific pattern was observed, as they have their own expectations for security and speed of digital banking services.

Limitations of the Study

- The study was limited to the Kutch district.
- The research was conducted with a relatively small sample size.
- Some respondents may not provided accurate information.

Conclusion

The study was conducted to identify the level of customer satisfaction with digital banking services. The findings of the study revealed that public sector banks like BOB and SBI are the most commonly used for digital banking services. Among variety of services simple and convenient services like UPI are the most widely used. The majority of the users use digital banking services for their day-to-day transaction, as they find them easy to operate. However, a certain level of dissatisfaction was observed regarding availability of digital banking services. Some users expressed concerns about the security on digital platforms. Their uncertainty regarding effectiveness of customer care supports shows dissatisfaction somewhere. The study revealed that half of the users have faced difficulties while using digital services. The major problems faced by users in Kutch district while using digital banking are server downtime and network issue. The study revealed the areas where improvements are needed. Addressing the above mentioned challenges user satisfaction can lead to greater adoption of digital banking and increase trust in digital banking.

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