

STUDY OF CUSTOMER SATISFACTION TOWARDS DIGITAL BANKING

Ms. Shweta Sharma*
Ms. Shubhlaxmi Raul**

ABSTRACT

Digital Banking is progressively sought-after both in elsewhere. Customers magnetized by Digital Banking because of Convenience, seamless coverage, Web enabled functions etc. A cashless economy will allow less tension of facing a wallet full of notes along with us, which is not at all safe in a world full of anti-socials. We can rather use our mobile as a best solution for all kinds of transactions such as bill payments, fees payments, funds transfer, recharge, etc. Because of least involvement of cash, transactions have to be done through banks where proper KYC verifications will be done prior to banking transactions and hence, it will be easier for the Government to check and mend the income tax evasion by the injudicious persons. The main objective of this study is to find out the present scenario of Digital Banking in HDFC Bank. Find out customer satisfaction relating to Digital banking services. In this analysis, both primary and secondary methods are used to collect the data. For primary data purpose Online Questionnaire filled by the 62 respondents from Delhi NCR who are using Various Digital banking services to get the first hand information. For secondary data purpose Internet and Journals are used.

Keywords: *Digital Banking, Sought-After, Web Enabled, KYC, Customer Satisfaction.*

Introduction

The World has now moved towards modern culture with more advancements and developments which helps people to buy, sell, communicate etc. from one place. Now-a-days people are mostly dependent on technology and internet which paved way for digitalization. Digital revolution in banking sector utilizes technology to allow a bank's customers and other stakeholders to interact and transact with the bank effortlessly through a variety of channels such as the internet, wireless devices, ATM's and physical branches. Digital banking has depended onto the web and the internet is a strong and cost effective medium for business to interact with their customers. The number of digital banking services to customers continues to grow and the internet offers huge opportunities for banks, and other financial services to radically reshape their organizations. It can said that finally banks are finding that a comprehensive online banking strategy is essential for success in the increasingly competitive financial services market.

Competition and advancements in technology and lifestyles have changed the face of banking in the present environment are seeking alternative way to provide and differentiate their services. For success in the growingly competitive financial services market, banks are finding that a extensive online banking strategy is essential which also provides the security requirements. Security policy should comprise management commitment, technological support and effective disseminations of the policy and the security awareness to all users. Security measures should be taken very soberly by the banks because the standard for secure online transactions on the internet and its widespread acceptance including security measures like encryption, digital authentication, and verification of online identity, increase consumer confidence. Such advancements in internet security can surely put banks in perspectives again as financial intermediaries and facilitators of complete commercial transaction via electronic networks.

* Assistant Professor, Department of Management Studies, ACEM, Faridabad, Haryana, India.

** MBA Student, ACEM, Faridabad, Haryana, India.

Literature Review

Ashima Tondon, Manisha Goel and Sunita Bishnoi (2016), Digital banking is regarded as a delivery channel, which over a period of time has gained recognition. It is in fact growing in many countries and has changed the traditional banking. This channel has been provided competitive advantage to the banks. With the help of digital banking the consumer has an access to number of services just at click of mouse.

Pallavi Mehta (2015), New channels used to offer banking services will drive the growth of banking industry exponentially in future by increasing productivity and acquiring new customers. During the last decade, banking through ATMs and internet has shown a terrific growth, which is still in the growth stage. Digital banking allows customers of a financial institution to conduct financial transactions on a secure website operated by institutions, which can be retail or virtual bank, credit union or building society.

Alam, Soni and Dangarwala (2010), The creators tried to find the components influencing a bank's choice to clasp Digital banking in Vadodara – Gujarat. Especially, it examined the relationship between the bank's reception choice and market attributes. And therefore the information for this review include the board information of 25 banks in Vadodara, Gujarat covering the cash related years 2000-2001 to 2008-2009.

Kartikeya Bolar (2014), Creators and investors of the technology required information about the customer's assessment of their technology interface based on features and various quality phases to make vital decision in improving technology interface and compete on various quality dimensions.

Ankit Kesharwani & Gajulapally Radhakrishna (2013), Different banks is on condition that digital banking services, as this may revolutionize their profits. Since Digital banking in India is remaining in its nascent stage, it's essential for digital banking institutions to reinforce reception and usage of internet as banking channel by their customers.

Research Methodology

- **Research Objective:** To study the satisfaction level of customers towards digital banking.
- **Research Design:** This research study is based on descriptive research design as it includes questionnaire.

Sample Design

- **Sample Size:** For this study the sample size is 60 respondents.
- **Sources for Gathering Data:** This Research study is based on primary as well as secondary sources. I have gathered the first hand information through questionnaire. And for secondary data, I have used Internet and Journals.
- **Statistical Tool Used for Analysis Research Study:** Questionnaire was formed with the help of Google forms and the response were analysed with the help of SPSS software.

Data Analysis and Interpretation

Descriptive Statistics – Frequency (Mean/ Standard Deviation)

Table 1

Which age group do you belong to?

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	0	1	1.6	1.6	1.6
	18-25	38	61.3	61.3	62.9
	25-30	10	16.1	16.1	79.0
	30-35	8	12.9	12.9	91.9
	35-above	5	8.1	8.1	100.0
	Total	62	100.0	100.0	

Interpretation

The information stated in the above table determines the age group factor where can see that majority of the respondents are belonging to the age group of 18-25 whereas 16.1% of respondents are belonging to 25-30 age group. Very few respondents are belonging to 30-35 i.e. 12.9%.

Table 2

Do you like Digital banking?

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	0	1	1.6	1.6	1.6
	Yes	58	93.5	93.5	95.2
	No	3	4.8	4.8	100.0
	Total	62	100.0	100.0	

Interpretation

This table indicates that Most of the respondents 93.5% are using digital banking services, whereas very few respondents are not using digital banking services. I think that digital banking services are satisfying the customer's transaction need.

Table 3

Tick which bank you preferred?

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	0	1	1.6	1.6	1.6
	ICICI	19	30.6	30.6	32.3
	SBI	24	38.7	38.7	71.0
	SBH	2	3.2	3.2	74.2
	AXIS Bank	9	14.5	14.5	88.7
	Union Bank	6	9.7	9.7	98.4
	HDFC bank	1	1.6	1.6	100.0
	Total	62	100.0	100.0	

Interpretation

The above table indicates that the maximum number of respondents i.e. 38.7% preferred SBI as this bank provides better services as compared to other banks. SBI bank is Top in service of digital banking. After that ICICI Bank is being preferred by 30.6% of respondents.

Table 4

Why this bank?

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	0	1	1.6	1.6	1.6
	Service is good	42	67.7	67.7	69.4
	They provide security	18	29.0	29.0	98.4
	Cheaper service fees	1	1.6	1.6	100.0
	Total	62	100.0	100.0	

Interpretation

It can be seen that most of the respondents i.e. 67.7% , preferred SBI bank because they found that this bank offers better services as compared to other banks. Some respondents i.e. 29% preferred this bank because of security concerns- the bank provide safe and secure transactions.

Table 5

Which type of service mostly you use?

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	0	1	1.6	1.6	1.6
	Balance and transaction history search	12	19.4	19.4	21.0
	Transfer fund online	11	17.7	17.7	38.7
	Card to card fund transfer	1	1.6	1.6	40.3
	Open fd	2	3.2	3.2	43.5
	Lock/active debit cards/ATM	25	40.3	40.3	83.9
	Request a check book	7	11.3	11.3	95.2
	Stop payment	2	3.2	3.2	98.4
	Railway pass/ticket	1	1.6	1.6	100.0
	Total	62	100.0	100.0	

Interpretation

The above table shows that various digital banking services used by customers. Most of the respondents i.e. 40.3% are using Lock / active debit cards/ATMs services whether 19.4% of respondents are using digital banking services i.e. balance and transaction history search. Least of the respondents i.e. 1.6% are using digital banking services for railway pass/ ticket booking etc.

Table 6

Are you satisfied with the using of Digital banking?

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	0	1	1.6	1.6	1.6
	Yes	60	96.8	96.8	98.4
	No	1	1.6	1.6	100.0
	Total	62	100.0	100.0	

Interpretation

As we can see from the above table most of the respondents i.e. 96.8% are satisfied by using digital banking whereas very less respondents i.e. 1.6% are denying for digital banking. I think this can be the result of unawareness of the benefits from digital banking. Digital banking provides virtual as well as physical structural support.

Table 7

According to your opinion, what is the major reason of introducing digital banking?

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	0	1	1.6	1.6	1.6
	Competing foreign banks	7	11.3	11.3	12.9
	Manpower shortage	46	74.2	74.2	87.1
	Qualitative customer service	7	11.3	11.3	98.4
	Faster transaction & time saving	1	1.6	1.6	100.0
	Total	62	100.0	100.0	

Interpretation

From the above table it can be seen that it is believed by most of the respondents i.e. 74.2%, that manpower shortage is the main reason of introducing digital banking whereas other respondents i.e. 11.3% believes that digital banking introduced due to establishment of various competing foreign banks and others i.e. 11.3% are think that it is introduced to provide Qualitative customer services.

Table 8

Disadvantage of Digital Banking

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	0	1	1.6	1.6	1.6
	No disadvantage	19	30.6	30.6	32.3
	Difficult in using	4	6.5	6.5	38.7
	Limited services	3	4.8	4.8	43.5
	Security concerns	27	43.5	43.5	87.1
	Others	8	12.9	12.9	100.0
	Total	62	100.0	100.0	

Interpretation

As we can see from above table most of the respondents i.e. 43.5% are consider security concerns are the major disadvantage of digital banking whereas 30.6% of respondents are consider that there is no disadvantage of using digital banking services. Least of the respondents i.e. 4.8% are think that there is a disadvantage of limited services while using digital banking.

Table 9

Correlation Analysis

Correlations					
		Which age group do you belong to?	Do you like digital banking?	Tick which bank you preferred.	Why this Bank?
Which age group do you belong to?	Pearson Correlation	1	.173	.290*	.329**
	Sig. (2-tailed)		.178	.022	.009
	N	62	62	62	62
Do you like digital banking?	Pearson Correlation	.173	1	.060	.169
	Sig. (2-tailed)	.178		.644	.190
	N	62	62	62	62
Tick which bank you preferred.	Pearson Correlation	.290*	.060	1	.012
	Sig. (2-tailed)	.022	.644		.925
	N	62	62	62	62
Why this Bank?	Pearson Correlation	.329**	.169	.012	1
	Sig. (2-tailed)	.009	.190	.925	
	N	62	62	62	62

*. Correlation is significant at the 0.05 level (2-tailed).
 **. Correlation is significant at the 0.01 level (2-tailed).

Interpretation from the above Table

- The correlation between the age group and users for digital banking is .173 and it lies between the range +0.25_+0.75 which shows it is a moderate positive correlation.
- The correlation between age group and preferred bank is .290 which is also moderate positive correlation.
- The correlation between age group and reasons for selecting the specific bank is .329 which is a positive correlation of low order.

From the above table, we came to conclusion that the degree of association between age group along with other variables is showing moderate positive correlation.

Table 10

Regression Analysis

Model Summary				
Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.173a	.030	.014	.252

a. Predictors: (Constant), 1. Which age group do you belong to?

ANOVA ^a						
Model	Sum of Squares	df	Mean Square	F	Sig.	
1	Regression	.118	1	.118	1.856	.178b
	Residual	3.817	60	.064		
	Total	3.935	61			

a. Dependent Variable: 2. Do you like digital banking?
 b. Predictors: (Constant), 1. Which age group do you belong to?

Coefficients ^a						
Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.
		B	Std. Error	Beta		
1	(Constant)	.961	.062		15.593	.000
	1. Which age group do you belong to?	.044	.032	.173	1.362	.178

a. Dependent Variable: 2. Do you like digital banking?

Interpretation from the above Table

Table of modal summary, provides the value of R and R square. The value of R represents the simple correlation and is 0.173, which indicates the positive correlation. The value of R square indicates how much total variation in the dependent variable, can be explained by the independent variable. In the case, 3% can be explained, which is low. The computed value of F is 1.856 at a 5% significance level. The tabulated value for F_{60}^1 at 5% level is 4.00 as our F value is 1.856 and this value is high with respect to tabulated value which means that hypothesis is accepted. The table of coefficients provides us with the necessary information to predict the users for digital banking from age of respondent, as well as determine whether users of digital banking statistically significantly to the age group. Further, we can use the values in the 'B' column under the "Unstandardized Coefficients" column as shown above;

To represent the Regression equation as:

$$\text{Digital Banking} = 0.961 + 0.044 (\text{age})$$

This means that with increase in one variable, there arise a small increase in other variable too i.e. 0.044.

Findings from the Research Study

- After analysing the data collected from 62 respondents, it is revealed people belong to 18-25 age group prefers to use digital banking.
- Most of the banks are connecting to the software companies to run the Digital banking services. In these services SBI bank (38.7%) is the top in service of digital banking.
- The services that are mostly used by maximum customers are active debit card/ATMs, history search, and transfer fund online, request a check book etc.
- 96.8% of the respondents are satisfied while using digital banking services.
- In the users ratio of digital banking 61.3% of customers are using this service, there is 43.5% of the customers are facing issues related to security concerns.

Suggestions / Recommendations

- To secure digital banking from remaining customers to prompt this service through advertising company.
- After repairing this basic deficiency, banks must ensure that there services is competitive.
- Banks should not take more charges from their customers for availing digital banking services.
- It is recommended that one should change passwords regularly, atleast every 30 days or so.
- Keeps internet banking passwords confidential?
- Government has to take a step forward to launch various apps related to (digital banking) to be used like BHIM app, YONO app, etc.

Conclusion

From the above research study, it can be shown that digital banking is becoming necessary survival weapon and is fundamentally changes the Banking industry worldwide. It also gives direction to research tools, research types and techniques. The reseach study shows that there are various digital banking services provided by banks to their customers – digi lockers, ATMs, online fund transfer etc. As per this study, 61.3% of customer's prefer digital banking is the best medium of transaction purpose. Although the finding reveal that people know about the services but still many people are unaware so the bank should try promotional strategies to retain the customers. Banks have to upgrade and always think of new innovative customized packages and services to remain competitive. Without any confusion, we can say that the international scope of Digital banking provides new growth perspectives and Internet business is a catlyst for new technologies and new business processes. Ovearall, we can say that the digital banking services could become improved by establishing orientation programmes to educating and explaining about the benefits of digital banking services.

References

- ✧ Dr. Surajit Ghosh Dastidar (2018), Faculty, Department of Marketing, EILM, Affiliated to Vidyasagar University, India and Dr. Rajib Kumar Das (2018), faculty, Department of Economics, EILM, Affiliated to Vidyasagar University, India. Customers' motivation to adopt digital banking: A case study of HDFC Bank in Kolkata, ISBN: 978-93-86171-94-8.
- ✧ Inder Pal Singh S/o Roop Singh, Dr. Payal Bassi (2017), student of M.Phil Desh Bhagat University Punjab, Customer Satisfaction with Internet Banking in Public and Private Bank, International Journal of Engineering Sciences and Research Technology, ISSN : 2277-9655.
- ✧ S.V. Mohana sujana (2018), Academician, Sri Kanyaka Parameswari Arts & Science College for Women, Digitalization in Banking Sector, International Journal of Research and Analytical Reviews, E-ISSN 2348-1269, P- ISSN 2349-5138.

