



## DIGITAL BANKING SERVICES – ROAD MAP

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### ABSTRACT

This research has conducted to evaluate and investigate the concept of digital banking as well as customer satisfaction with digital banking. The goal of this research is to observe and analyses the purpose of using digital banking as well as the reasons for selecting digital banking services. We collect data using both primary and secondary sources. We manually conduct question-and-answer surveys for this purpose. We gathered responses from 200 digital banking service users. The study includes digital banking service users in the Kanyakumari district. Through the use of percentage, chi-square, and F test statistical techniques, we have presented our findings using charts. This study aims to assess the degree of customer satisfaction and the issues they encounter when using the bank's digital banking services.

**Keywords:** Internet Banking, Electronic Banking, Digital Banking, Customer Loyalty, Customer Issues

### INTRODUCTION

Digital banking services are the use of digital technology to provide customers with banking services without visiting their banks. It has provided a significant benefit to banks in terms of increasing productivity and profitability. It is achieved by using cutting-edge technology infrastructure to effect changes in internal processes and external interfaces. Cost, convenience, control, and customer experience are the 4Cs that are expected to be improve.

Digital Banking means different things to different stakeholders in a service organization. For customers, it means new services and products, ICT infrastructure, analytics, and the ability to provide accurate and reliable information on the fly. For the decision-making team, it means setting up ICT infrastructure and analytics to provide an excellent customer experience. For the regulator or third party, it means the ability to provide accurate and reliable information on the fly.

The researcher is analyzing three terms digitize, digital, and digitization. Digitize refers to the process of converting data into digital format, digital refers to the storage of data in the form of digital signals, and digitization goes beyond digitization. Financial institutions focusing on digitization may aim to improve customer engagement by improving their processes.

Digital banking services include online banking, mobile banking, and other electronic banking services. Online banking allows customers to perform banking transactions over the internet, while mobile banking offers similar services through mobile devices. Digital banking services offer benefits such as 24/7 access to banking services, reduced transaction times, increased convenience, and improved security. Additionally, digital banking services allow banks to reduce operational costs by eliminating the need for physical branches and reducing paper-based transactions. Overall, digital banking services have revolutionized the banking industry by providing customers with more convenient and efficient ways to manage their finances, while also allowing banks to improve their services and reduce



costs. This study aims to examine the customer's perceptions, satisfaction, and issues with digital banking services in the Kanniyakumari district.

### **REVIEW OF LITERATURE**

The study conducted by Santhiya and Radhika (2019) highlights the various challenges faced by customers when using internet banking services at SBI. These include fear of fraud and security issues, a lack of confidence and knowledge, and gender-related issues. It is important for banks to address these challenges to improve customer satisfaction and encourage more people to use internet banking services. Kumari Nidhi (2016) outlines the services available in e-banking, including ECS, POS, ATM, Internet banking, mobile banking, electronic fund transfers, and smart cards. Opportunities include untapped rural markets, increasing internet users, computer literacy, and customer service.

### **STATEMENT OF THE PROBLEM**

One potential research problem for digital banking services could be to investigate the factors that affect customer adoption and usage of digital banking services. This could involve examining factors such as trust in technology, perceived ease of use, perceived usefulness, and social influence. Another research problem could be to investigate the impact of digital banking services on customer satisfaction and loyalty, as well as on the financial performance of banks. This could involve examining factors such as service quality, convenience, security, and cost-effectiveness and have many more issues on customer facing by the digital banking services.

### **OBJECTIVES OF THE STUDY**

1. To determine the demographic profile of customers on digital banking services
2. To examine on the level of customer loyalty towards digital banking services
3. To analyses the constraints have faced by the customers on digital banking services

### **SOURCES OF DATA**

Sources of data have been classified as primary data and secondary data. Primary data was collected by collecting questionnaires from different respondents from Kanniyakumari district and secondary data from various sources like industry reports, government and regulatory bodies, financial institutions, social media and online communities, and academic research.

### **SAMPLING DESIGN AND SIZE**

This study sought to identify the road map for digital banking services in commercial banks and customers with digital banking. 200 respondents from different areas of Kanniyakumari were consulted and the survey was conducted through online questionnaires distributed through email and social media platforms. The questionnaire consisted of closed-ended questions designed to measure customer loyalty and issues faced by customers. Demographic questions were also included to collect data on age, gender, income, and education level. The collected data was analyzed using statistical methods to identify patterns and trends in customer loyalty to digital banking.

### **ANALYSIS OF DATA**

The analysis of the customer demographic profile in terms of age, income, gender, marital status, etc. is clearly demonstrated in Table 1. One sample t test has been used, followed by customer problems and loyalty.

**Table 1. DEMOGRAPHIC PROFILE OF THE CUSTOMERS**

Category	Options	Frequency (N=200)	Percentage
Age	Below 30	52	26
	31-40	43	21
	41-50	46	23
	Above 50	59	30
Gender	Male	113	57
	Female	87	43
Marital Status	Married	105	53
	Unmarried	95	47
Educational Qualification	Upto HSC	45	23
	Graduate	34	17
	Post Graduate	42	21
	Professional	37	19
	Others	42	20
Occupation	Student	41	21
	Home Maker	34	17
	Salary	50	25
	Business	34	17
	Others	41	21
Monthly Income	Upto ₹20,000	57	29
	₹20000-40000	40	20
	₹40,000-60,000	51	25
	Above ₹60,000	52	26
Residential Area	Rural	107	54
	Urban	93	46

**Source: Primary Data.**

The above table shows the demographic profile of the customers in kanniyakumari district. Majority of the customers 30 percent are in the age group of above 50 years as they have a loyalty of customers in financial institution, 26 percent respondents are in the age group of below 30 years, 23 percent respondents are in the age group of 41-50 years and the remaining 21 percent respondents are in the age group of 31-40 years.

Gender wise classification of respondents exhibits that 57 percent are males and 43 percent are females. Hence, it is observed that majority respondents are male since, it clear that males are income earned by the group of families.

The marital status wise respondents indicated that 53 percent of respondents are married and 47 percent of respondents are unmarried.



The educational qualification of the respondents revealed that 23 percent respondents are up to HSC, 21 percent are Postgraduates, 20 percent respondents are others, 19 percent respondents have completed their education professional level, and 17 percent belongs to graduate category.

Occupation of the respondents depicts that 25percent comes under salaried category, like government and private employees, 21 percent have both students and others, 17 percent respondents are utilising digital banking services have both home maker and business people.

Monthly family income of the respondents shows that 29 percent are earning below ₹20,000 per month, 26 percent are in the monthly income group of above ₹60,000 , 25 percent are earning in the group of ₹.40,000 to 60,000 per month and remaining 20 percent respondents are earning above ₹20,001 to 40,000 per month. Hence, it reveals that the majority of the respondents earns a monthly income of upto ₹20,000. The reason for that all respondents are adopting digital banking services in post demonetization.

The area wise respondents showed that 54 percent respondents are in rural and 46 percent respondents are in urban area.

### Customer Loyalty

The table below shows customer loyalty to digital banking services. Here The significant at one percent level employed a one sample t test.

**Table 2. CUSTOMER LOYALTY TOWARDS DIGITAL BANKING SERVICES**

S.No	Variables	N	Mean	Std. Deviation	Mean difference	't'	'df'	Sig
1	More convenient to access customer information	200	3.13	1.376	3.130	32.176	199	.000
2	Provide robust security measures for customer financial information	200	3.05	1.452	3.050	29.708	199	.000
3	Easy to use	200	2.79	1.427	2.790	27.652	199	.000
4	Provide more responsive and effective customer support	200	3.00	1.509	2.995	28.073	199	.000
5	Innovating and introducing new technology feature	200	3.02	1.358	3.015	31.399	199	.000
6	Not aware of customer service	200	2.96	1.474	2.955	28.344	199	.000
7	Provide rewards program like cash back, travel rewards etc.	200	2.99	1.434	2.985	29.477	199	.000
8	User friendly services	200	2.83	1.350	2.825	29.586	199	.000

Source: Primary Data



Table .2 reveals that customer loyalty towards digital banking services among the following variables are more convenient to access customer information from anywhere at any time, provide robust security measures for customer financial information, Innovating and introducing new technology feature gives highest loyalty to customer regarding digital banking services. They have the highest mean score of 3.13,3.05 and 3.02 respectively.

Customers have low level of loyalty towards digital banking services regarding Not aware of customer service, user friendly service and easy to use. Since they have the lowest mean score of 2.93,2.89,and 2.79 respectively.

All the 8 variables regarding customer loyalty towards digital banking services are significant at 1 percent level.

### PROBLEM FACED BY THE DIGITAL BANKING SERVICES

Table .3 shows that system crashes, slow loading times, software bugs, customer access to accounts may be lost, technical glitches, hacking of customer information, cyber security thefts, poor communication, unresponsive representatives, poor customer service, confusing bank policies, customers may use more complex banking services, lack tech savvy, lack interest in connectivity, and lack awareness of banking services.

**TABLE 3 PROBLEMS FACED BY THE DIGITAL BANKING SERVICES**

S.No	Variables	N	Mean	Std. Deviation	Mean difference	't'	'df'	Sig
1	System crashes	200	2.94	1.404	2.935	29.568	199	.000
2	Slow loading times	200	2.95	1.370	2.950	30.452	199	.000
3	Software bugs	200	3.12	1.423	3.120	31.001	199	.000
4	Customer may loss access to their accounts	200	3.11	1.392	3.110	31.597	199	.000
5	Technical glitches	200	2.93	1.345	2.925	30.760	199	.000
6	Hacking customer information	200	2.98	1.475	2.975	28.526	199	.000
7	Cybersecurity thefts	200	3.02	1.382	3.020	30.910	199	.000
8	Poor communication	200	3.15	1.372	3.145	32.409	199	.000
9	Unresponsive representatives	200	3.03	1.369	3.025	31.253	199	.000

10	Poor customer service	200	2.82	1.395	2.820	28.579	199	.000
11	Confusing bank policies	200	3.03	1.383	3.025	30.923	199	.000
12	Customers may use more complex	200	3.12	1.462	3.120	30.188	199	.000
13	Customers are not tech savy	200	3.10	1.400	3.100	31.316	199	.000
14	Lack of internet connectivity	200	3.01	1.412	3.005	30.088	199	.000
15	Lack of awareness on banking services	200	2.97	4.426	2.985	29.402	199	.000

**Source: Primary Data**

Table .3 reveals that customer problems towards digital banking services among the following variables are poor communication, both customer may use more complex and software bugs, customer may loss access to their accounts, and customers are not tech savy gives highest problems on customer regarding digital banking services. They have the highest mean score of 3.15,3.12,3.11 and 3.10respectively.

Customers have low level of loyalty towards digital banking services regarding lack of awareness on banking services, slow loading times and system crashes. Since they have the lowest mean score of 2.97, 2.95 and 2.94 respectively.

All the 15 variables regarding problems on customers towards digital banking services are significant at 1 percent level.

## FINDINGS

- ❖ The demographic profile of customers in Kanniyakumari district is based on age, with 30 percent of customers in the age group of above 50 years, 26 percent in the age group of below 30 years, 23 percent in the age group of 41-50 years, and 21percent in the age group of 31-40 years.
- ❖ The gender-wise classification of respondents shows that 57 percent are males and 43 percent are females, indicating that males are income earners for the group of families.
- ❖ 53% of respondents are married, while 47% are unmarried.
- ❖ 23 percent of respondents are up to HSC, 21 percent are postgraduates, 20 percent are others, 19 percent have completed their education at the professional level, and 17 percent are graduates.
- ❖ 25 percent of respondents are salaried, 21 percent are both students and others, 17 percent are using digital banking services, and 17 percent are both homemakers and business people.
- ❖ The majority of respondents earn a monthly income of up to 20,000 due to the adoption of digital banking services after demonetization. This is due to the majority of respondents adopting digital banking services post demonetization.
- ❖ Rural areas have a larger percentage of respondents than urban areas.
- ❖ Table 1.2 reveals that customer loyalty towards digital banking services is influenced by the following variables: being more convenient to access customer information, providing robust





security measures, and innovating and introducing new technology features. Customers have the highest mean scores of 3.13, 3.05, and 3.02, respectively. However, customers have low levels of loyalty towards digital banking services due to not aware of customer service, user friendly service, and easy to use. All 8 variables are significant at 1% level.

- ❖ Table 1.3 highlights the issues customers have with digital banking services, such as poor communication, software bugs, lost account access, and difficulty for less tech-savvy customers. Additionally, customers have low loyalty due to lack of awareness, slow loading times, and system crashes. All 15 variables related to customer problems with digital banking services are significant at the 1% level.

### **SUGGESTION**

- ❖ Older people are not adopting digital banking services because they do not easily understand the banking services.
- ❖ The banking industry has adopted new technologies to enhance the customer experience, but the rush to implement these changes has left some customers feeling left behind. Many people still prefer traditional banking methods, so the transition to digital banking has been met with resistance and scepticism from customers. Additionally, concerns over security and privacy have contributed to the anxiety surrounding digital banking services.
- ❖ Banking institutions must prioritize meeting customer expectations in order to retain their loyalty. This can be achieved through personalized services, competitive rates, and efficient communication. By doing so, banks can not only retain existing customers, but also attract new ones through positive word-of-mouth and reputation.

### **CONCLUSION**

Digital banking services have revolutionised the way people manage their finances by providing convenient and accessible options for transactions, account management, and financial planning. However, traditional banking services still play a crucial role in the financial industry and may be preferred by some individuals. Additionally, while digital banking services offer many benefits, they also come with potential risks, such as cybersecurity threats and identity theft. It is important for users to take the necessary precautions to protect their personal and financial information when using digital banking services. Overall, digital banking services have greatly improved the banking experience for many individuals, but it is important to weigh the pros and cons before making a decision on which banking method to use.

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