

CUSTOMER PERCEPTION TOWARDS DIGITAL BANKING – A SELECT STUDY

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ABSTRACT

Growth of Information Communication Technology has conveyed many accomplishments to mortal civilization, influencing the lives of people, behaviours, and societal measures. The digital economy and digital banking are now being used by the new technologies and the wider global network, especially internet, within and outwardly. The study investigates the customer perceptions towards the awareness levels on digital banking as well as the perceptions on features of digital banking services. For the purpose of the study four banks namely AXIS Bank, HDFC, ICICI, SBI are chosen based on the best customer served bank ratings.

INTRODUCTION:

In the current scenario, customers are moving towards digital banking, slowly but steadily. Banks have started providing digital banking services at the finger tip of the customer to satisfy the desires of the customer. Service quality is one of the main factors determining the success/failure of digital banking. Thus, there is a need to understand of how customers evaluate these services. Therefore, the present study is undertaken by the researcher to identify the customer perceptions towards the Digital Banking.

REVIEW OF LITERATURE:

Suma Vally and Hema Divya (2018) studied the impact of age and education of customers on usage of digital payments. The data were collected from 183 respondents who were using e-banking using questionnaire. The respondents were selected based on the convenience sampling. The gathered data was analysed using simple percentage and chi square test. The study suggested that banks should take measures in making mindfulness towards the compelling utilization of innovation and security.

Anthony Rahul Golden S. (2017) the article entitled “An Overview of Digitalization in Indian Banking Sector”. In this article an attempt has been made to study the overview of digitalization in Indian Banking sector. Banks are not just a part of our lives but have a significant role in our daily lives. Thus banks always try to adopt latest technologies to enhance customer experience. The study found that, due to the adoption of this digitalization, the banking sectors in India face some remarkable changes as well as hurdles. The study also found that, as we are in the digital era, it is not possible to avoid the growth and services or digital banking.

Kumar (2015) has done a study on consumer awareness and usage of e-banking services. The result of his research has revealed that consumers are not continuously using E-banking services. The present study is being undertaken to analyze how the banks are using internet and mobile usage as an alternative, new channel and new department for delivering banking services.

Elavarasi, et al. (2014) examines that mean age of e-banking users man is compared to women. The major finding is that there is an increasing change in technology all over the world which leads to improving online banking services in various banks. As today’s human life has become more complicated and busy, they don’t have enough time to visit a bank branch for performing their banking activities and they could access it anywhere at any time if they have an internet connection.

Mas I., (2011), “Capturing the Potential of M-Payments for the Unbanked”, This article discusses the potential of using mobile phones to greatly increase access to financial services in developing countries, and reviews the main success factors in a mobile banking project.

NEED FOR THE STUDY:

In recent years, market orientation has changed to product orientation to customer orientation. After understanding the importance of the use of different channel of banking and financial companies, the people focus on digital banking, especially when it comes to maintaining a relationship with the customers. The study has been carried out to study the perceptions of customers in term of digital banking services offered by the banks.

OBJECTIVES OF THE STUDY:

The objectives for the study are as follows:

1. To study the customer awareness levels on Digital banking.
2. To analyse the customer perception towards digital banking services of the select banks.

SOURCES OF DATA:

The primary data was collected from the respondents through questionnaire. The questionnaire consists of various questions focusing on the awareness level and satisfaction level towards digital banking services. The researcher collected the secondary data from books, journals, web sites, etc.

ANALYSIS & INTERPRETATION:

TABLE - 1
DEMOGRAPHIC PROFILE OF THE RESPONDENTS

Gender	Responses
Male	248 (62.00%)
Female	152 (38.00%)
Total	400 (100.00%)
Experience (in yrs.)	Responses
Below 28	235 (58.75%)
28 to 35 Years	84 (21.00%)
36 to 50 Years	45 (11.25%)
Above 50 Years	36 (9.00%)
Total	400 (100.00%)
Location (Area Wise)	Responses
Rural	32 (8.00%)
Semi-Urban	120 (30.00%)
Urban	248 (62.00%)
Total	400 (100.00%)
Marital Status	Responses
Married	112 (28.00%)
Unmarried	288 (72.00%)
Total	400 (100.00%)
Occupation	Responses
Business	76(19.00%)
Professional	68 (17.00%)
Student	214 (53.50%)
House-Wife	42 (10.50%)
Total	400 (100.00%)

From the above table, it is evident that among the respondents 62% of them are Male, whereas 38% represents Female. In case of Experience, 58.75% of the respondents belong to Below 28 years, 21% represents 28 to 35 years, 11.25% represents 36 to 50 years, remaining belongs to above 50 years.

With respect to location, 62% of the respondents belong to Urban and 38% belongs to Semi-Urban and Rural areas. In case of Marital Status, 72% are married and 28% are Unmarried. Occupation wise distribution represents 53.5% represents students, followed by Businessmen (19%), Professionals (17%), least by House wife (10.5%).

Awareness level on Digital Banking Services:

To measure the awareness level of the customers towards digital banking services of four banks viz., Axis Bank, ICICI bank, HDFC Bank, SBI on eight parameters.

TABLE - 2
AWARENESS LEVEL ON DIGITAL BANKING SERVICES:

Name of the Bank		Internet banking	Mobile Banking	Credit and Debit Card Payments	Bill Payments	Order for Cheque Books	DEMAT & Mutual Funds
AXIS	Mean	3.49	4.34	4.16	4.18	4.18	4.34
	N	100	100	100	100	100	100
	SD	1.124	.476	.707	.687	.687	.476
ICICI	Mean	3.48	4.33	4.15	4.17	4.17	4.33
	N	100	100	100	100	100	100
	SD	1.132	.473	.702	.682	.682	.473
HDFC	Mean	3.00	4.58	3.74	3.87	3.88	3.87
	N	100	100	100	100	100	100
	SD	1.073	.496	1.169	.991	.998	.837
SBI	Mean	3.05	4.53	3.61	3.78	3.78	3.78
	N	100	100	100	100	100	100
	SD	1.104	.502	1.145	.991	.991	.824
Total	Mean	3.26	4.45	3.91	4.00	4.00	4.08
	N	400	400	400	400	400	400
	SD	1.128	.498	.985	.867	.869	.721

Source: Compiled from Primary Data

Interpretation:

Internet Banking:

With regard to Internet Banking, it is found that Axis Bank is with highest mean i.e., 3.49, followed by ICICI bank (3.48), SBI (3.05) and HDFC (3.00), whereas the mean of the total respondents is 3.26 represents a satisfactory towards the Internet Banking Services offered by the banks. In case of Standard Deviation of the total sample respondents is 1.128.

Mobile Banking:

From the table, with regard to Mobile Banking services, it is revealed that the HDFC scored the highest mean i.e., 4.58, followed by 4.53 with SBI, Axis Bank (4.34), ICICI Bank (4.33), whereas, the overall mean of the respondents is 4.45, represent the customer very much aware about the Mobile Banking services offered by the sample banks. In case of Standard Deviation, SBI has greater variation with the mean i.e., 0.502, whereas overall SD is 0.498.

Credit and Debit card payments:

The opinions related to customer opinions related to Credit and Debit card payments are presented in the above table, it is found that Axis Bank is with the highest mean (4.16), followed by ICICI (4.15), HDFC (3.74) and a least with SBI (3.61). The overall mean is 3.91 and SD is 0.985.

Bill Payments:

With regard to the opinions related to Bill Payments of the customers Axis Bank (4.18) is with the highest Mean showing higher satisfaction levels followed by ICICI (4.17), HDFC (3.87), SBI (3.78), whereas, overall mean score is 4.00 shows that the customers are

very satisfied with regard to the bill payments. The overall SD is 0.867, showing the positive correlation among the opinions of the respondents.

Order for Cheque Books:

With regard to the opinions related to order for cheques books of the customers Axis Bank (4.18) is with the highest Mean showing higher satisfaction levels followed by ICICI (4.17), HDFC (3.88), SBI (3.78), whereas, overall mean score is 4.00 shows that the customers are very satisfied with regard to the order for cheque books. The overall SD is 0.869, showing the positive correlation among the opinions of the respondents.

DEMAT & Mutual Funds:

It is observed from the above table that Axis Bank is with the highest mean (4.34), followed by ICICI (4.33), HDFC (3.87) and a least with SBI (3.78). The overall mean is 4.08 and SD is 0.721 in case of Mutual Funds.

CUSTOMER PERCEPTION TOWARDS DIGITAL BANKING SERVICES:

To identify the customer perception towards Digital banking services, seven parameters have been identified in order to assess by differentiating the services offered by the select banks.

TABLE - 3
PERCEPTION ON THE DIGITAL BANKING SERVICES

Name of the Bank		Effective payment service	Technical Advancement	User friendly Apps	Confidence & Security provided
AXIS	Mean	4.18	4.18	4.18	4.34
	N	100	100	100	100
	SD	.687	.687	.687	.476
ICICI	Mean	4.17	4.17	4.17	4.33
	N	100	100	100	100
	SD	.682	.682	.682	.473
HDFC	Mean	4.01	3.45	3.87	3.46
	N	100	100	100	100
	SD	.759	.914	.646	1.193
SBI	Mean	3.99	3.39	3.80	3.39
	N	100	100	100	100
	SD	.772	.863	.636	1.145
Total	Mean	4.09	3.80	4.01	3.88
	N	400	400	400	400
	SD	.729	.877	.683	.999

Source: Compiled from Primary Data

Effective payment service:

With respect to effective payment service, Axis Bank stood with highest mean of 4.18, followed by ICICI (4.17), HDFC (4.01), and least by SBI (3.99), whereas, an average mean score of all the four banks is 4.09.

Technical Advancement:

From the above table, it is clear that, the mean score of Axis Bank is highest (4.18) when compared to the other three banks i.e., ICICI (4.17), HDFC (3.45), SBI (3.80) with respect to the advancements in technology.

User friendly Apps:

The opinions related to user friendliness of the application is also been evaluated, which resulted that Axis again with highest mean (4.18), followed by ICICI (4.17), HDFC (3.87), SBI (3.80).

Confidence & Security provided

With regard to confidence and security provided in the transactions as well as information is been influencing factor, Axis Bank rated with 4.34 mean score, followed by ICICI (4.33), HDFC (3.46), SBI (3.39).

Conclusion:

Today, everyone is utilizing the digital banking services, as those are made available at the finger tip on a single click. The banks should still need to put all those efforts in creating awareness on their services, still public sector banks like SBI when compared with private sector banks need to very advanced in terms of technology as well as customer service, the needs of the customer has been ever changing in the changing competitive technological era. Security been the most important factor where in terms of safeguarding the passwords and other personal information from fraudulent activities and hackers has to be taken care by effective implementation of firewalls in the applications.

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