

DIGITALISATION IN BANKING: CUSTOMER EXPERIENCE ON BANKING SERVICES

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Abstract:

The concept of digitization plays an important role in all sectors of the economy, and the banking sector is no exception to it. Digitization is very important in the Indian financial sector, which plays an important role in improving customer service. The main objective of this survey is to understand the customer experience of the availability and affordability of digital banking. Structured questionnaires will be held in and around Mangalore. According to this study, technological security was the biggest problem for accessibility, and customers were sometimes not digitized due to lack of maintenance. This study encourages banks to invest more in stable and reliable systems to reduce the likelihood of errors and transactions in ATM, mobile banking and POS terminals transactions.

Key words:

Digitalization,

Banking **S**ervice,

Customer **E**xpectation.

Introduction

Digitalization has become innate part of our life, without which we feel world is nothing. In the fast moving world digitalization is playing a prominent role. Digitization is the process of converting data into digital format. All most all the sectors of the economy depend on digitalization for their growth and banking sector is not exception to it. The countries

which are easily adapting to it are performing exceptionally well compared to those countries which are lagging behind in adopting digitalization.

The banking sector which is called as the sector of development of all other sectors, because of the financial assistance it provides for other sectors and thereby encouraging capital formation. Even

though India is one of the fastest developing countries in the world, it is lagging behind in the implementation of digitalization to banking sector. The banking sector is going through dramatic changes as a consequence of changing customer behavior, increasing expectations, innovation. This research paper is an attempt made to analyze the customer experience towards the Digitalization in banking and to gain a new perspective in that area. There are various digital experience banking services which are provided by the banks to its customers some of them are- National Electronic Fund Transfer, Real Time Gross Settlement, Debit and Credit Cards, Mobile Banking, Inter Bank Mobile Payment System etc. Digitalization in banking sector is very helpful in financial inclusion and helps the economy to grow faster with the development of all other sectors. Some of the significances of digitalizing in banking sectors are- Increases efficiency, Fast and furious, vast coverage, Improves the quality, less human error, Environment friendly, Increases Investment and Less cost.

Literature review

Joseph et al. (1999) investigated the impact of the Internet on transactions. In this context, banks will use the terms of banking services. They have found a large

online trading tool for clients that measure the quality of electronic financial services, such as reducing the volume of documents and quickly responding to the convenience and accuracy of customer comments and complaints in the office or at home.

Web Mols (1999) indicates that Internet banking is a marketing association, and banks are lagging behind innovative distribution channels. Innovative distribution channels have less time to wait for other industries in terms of innovation than on the existing Internet.

Brno-Britz (2006) mentioned a bank with a much cheaper structure than traditional transport channels. Internet banking not only reduces the main benefits associated with e-finance, but also increases the operating expenses of the bank and brings more benefits.

Hasan (2002) found that online banking has come out experienced by the global financial industry". They further mentioned as a significant strategy for banks to attract and retain argued that this new technological development may result customers satisfaction.

Mookerji (1998) observed that internet banking is fast becoming popular in India for payment of utility bills or for cash withdrawals/deposit

Objectives of the study

- To investigate the influence of digital banking on customer experience.
- To assess accessibility and affordability of digital banking.
- To determine adaptability and affordability of digital banking influence customer satisfaction.

Research Methodology

The study was based on primary and secondary data. Primary data was collected

by mean of structured questionnaire .Closed ended question were taken in this research for better tabulation and data interpretation, keeping in view related objectives of the research .The population infinity and enhance, sample selected was 66 respondent by convenience sample techniques .Survey method had been used through direct communication with respondent .The data analyzed with the help of simple percentage.

FINDING AND DISCUSSION

Influence of digital banking on customer satisfaction:

Particulars	Factor	Percentage
Knowledge about IT	Yes	59.7
	No	40.3
Understanding of digital banking	Cashless payment system	67.7
	Use of technology in bank	16.9
Mode of technology frequently used	ATM	50
	Online payment option	37.9
	Mobile money	16.2
Purpose of using digital banking	Accessibility	18.2
	Affordability	10.6
	Speed of transactions	71.2
Speed of digital banking	Good	43.3
	Moderate	49.3
	Bad	7.4
	Mean= 3.57, S.D=0.88	

Digital banking was used because they are considered fast, 71.2 percent of respondents use digital banking for its speed. ATM is used by almost all the respondents. Speed of operations, ease of use and accessibility are the strong predator of customer experience.

Accessibility of Digital Banking:

The second objective of the study is to determine customer experience towards accessibility of digital banking.

Most accessible mode of technology	Mobile banking	55.2
	ATM	31.3
	E banking	11.9
	POS terminals	1.6
Accessibility of the bank	I can bank anytime anywhere	31.8
	I can easily transact and pay bills	30.3
	I hardly visit branch for service	31.3
Challenges for accessibility	Distance between digital outlet	7.6
	Challenges in use of technology	18.2
	Safety and security	65.2
	Expenses incurred in digital banking	9.1

The findings as presented by Table 1.2 clearly say that the customers had an idea of what accessibility was. The study revealed that mobile banking was the most accessible form of digital banking as indicated by 55.2percent. This was followed by 31.3 percent who were of the view that ATMs were the most accessible.POS terminals were considered not to be very fast and respondents are not much aware about it. Majority of the respondents were faced challenges with safety and security, this is represented by 65.2 percent. Only a small percentage indicated that they faced challenges related to expenses incurred in digital banking and digital outlet distance. From these findings it was deduced that challenges caused safety and security were the major barriers towards accessibility.

Adaptability and affordability of digital banking:

The third objective of the study is to determine customer experience towards adaptability and affordability of digital banking.

Ease of adapting digital banking	Yes	71.6
	No	11.9
	May be	16.4
Reliability of digital banking	Very reliable	43.3
	Slightly reliable	52.2
	Not reliable	4.5

	Mean=2.39, S.D=0.58	
Failure to adapt digital banking	Yes	37.3
	No	62.7
Reasons for failure	Long queue	10.3
	Machine breakdown	12.8
	Service not available	66.7
	Complicated system	10.3
Ease of adapting digital technology	Easy online banking	49.3
	Convenient ATM	14.9
	Reduced fees	06
	No need of carrying cash	29.8
Failure of transaction due to high transaction cost	Yes	24.4
	No	74.6
Most affordable form of digital banking	E banking	09
	Mobile banking	37.3
	Fund transfer	1.5
	ATM	17.9
	All the above	34.3
Extent of affordability importance in day to day digital banking transaction	Small extent	10.7
	Moderate extent	54.5
	Large extent	34.8
	Mean=3.39, SD=1.06)	
Efficiency and Effectiveness of	Strongly agree	21.2
	Agree	45.5

using digital banking	Neutral	24.2
	Disagree	9.1
	Mean=4.21, SD=1.38)	

This study implies that majority easily adapted to technology. There was need to establish how reliable the digital channels were. Study implied that digital banking channels are very reliable thus customer can easily adapt to their use. At the same time major part of the customer experienced failed to adapt digital banking. Non availability of the service is major reason for the failure. Online banking was the easy mode to adapt digital banking according to customer experience. Mobile banking was the easiest way of adapting digital channel. Major part of the respondents agreed that they can run bank account effectively and efficiently by using digital technology.

Recommendations and conclusion

To avoid mistakes, banks should be especially attentive to reliable systems in order to avoid accounts, Internet banking and POS terminals. To improve operations, digital banking needs to be improved using the availability and affordability of digital banking. Banks must invest in ICT technology in collaboration with various institutions. Governments should consider developing new software that ensures 100% secure financial transactions. As the use of

smartphones grows, digitalization of the financial sector is inevitable in order to meet growing global expectations. This reduced human error and increased comfort. However, as the threats of the Internet grow, banks must be very careful and ready for cyber-attacks.

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