



QUALITY SERVICES IN DIGITAL BANKING

Dr. Ashwini K* Dr. Swapna .U**

**Professor, Jain (deemed-to be) University, Bengaluru.*

***Professor, Jain (deemed-to be) University, Bengaluru.*

Abstract

Digital banking is also called as internet banking and online banking and it allows patrons of financial institutions to manner precautionary transactions on a secured websites worked by the institutions. This can be a retail bank, cybernetic bank, credit union or construction civilization. The purpose of the study was to know the awareness level of the customer about digital banking services, customer satisfaction toward services and major problem faced by the customers while transacting with the digital banking and also to assess the impact of service quality on customer satisfaction in digital banking services. The research paper is based on Descriptive research, but it can't be used to create causal relationship, where one variable affects another. The information is collected through primary and secondary sources for the project with the help of a questionnaire and articles on digital banking services taken from journals, magazines published from time to time, through internet. Convenient and Judgment sampling technique was used for the study. 96 respondents were considered for the study. It can be concluded that the key factors which the banks needs towards creating awareness program, problem solving of the customers and increasing the level of confidence by providing security for their transactions and getting the feedback monthly, quarterly, or yearly so that the banks will get to know what to improve further to make the customer satisfied and keep them touch with the services newly offered by the banks. It includes increased customer satisfaction, customer retention, positive word mouth, enlarged market share, increased profitability and improved performance.

Keywords: *Digital Banks, Online Services, Customer Satisfaction.*

Introduction

Digital banking is the digitalization of all the traditional banking activities and programs that historically were only available to customers when physically inside of a bank branch. This includes activities like: Money Deposits, Withdrawals, and Transfers.

The internet banking is a parasol period for the procedure by which a supporter may perform banking transactions by electronic means without go to a brick-and-mortar institute. The next relationship to all refer to one to one form or another of online banking or personal computer (PC) banking, internet banking, cybernetic banking, internet banking, home banking, remote electrical banking, and phone bank etc. and personal computer (PC) banking, internet or online banking is the most often used images. It must be noted however, that the terms used to tag the many kinds of internet banking are often used inter alia.

Online banking is an energy that is not new to their customers and Banks having been only if their facilities to customers automatically for all the time through software program in banks. These software programs permissible the user's PC to regulator up the bank directly. In the earlier however and banks have remained very disinclined to offer their customers with banking through the internet due to security anxieties.

Now a day's banks appearance to be jumping on the movement of internet banking. Why is there an unexpected increase of bank benefits in the internet? The main first reason is since of the improved security and encryption approaches developed on the internet and the second reason is that banks prepared not need to be misplace a PMS [potential market share] to banks that were debauched to offer their facilities on the online. Many of the banks are contributing online banking facility and built on the overhead statistics in addition the analysts, digital banking the businesses absorbed on growing and improving their online banking services. By means of a part of this, the banks in progress to collaborate with purposes through online.



A customer having individual internet access must record with the institution for the service and setup some password (under several names) for customer confirmation. The password for online banking is generally not the same as for (phone banking). Financial organization now regularly assign customers numbers (also under same names), whether or not regulars intend to access their online banking capacity. Customer's figures are normally not the same as account numbers, since numbers of accounts can be related to the one client number. The customer will link to the customer number any of those accounts which the customer panels. Which may be cheque, savings, loan, credit card and additional accounts? Customer's numbers will also not be the similar as any debit or credit card supplied by the monetary institution to the customer.

To admission online banking, the customer would go to the financial organization's website, and enter the internet banking facility using the customer number and PIN. Some financial institutions have set up extra security steps for entrée, but there is no constancy to the approach accepted. Internet banking is as the mechanical transfer of new and traditional banking products and services straight to customers through electronic and cooperating communication channels. It is including the systems that agreement financial institution customers and persons or businesses. To admittance accounts, obtain info on monetary products and services through a general public or private website including the internet, customer's starter online banking facility using a smart electronic device.

Evolution of Digital Banking

The ATM cards and credit cards were pioneers in digital banking. These cards prepared the way for further development in digital banking. It was the introduction of internet in the early 90's that bought about the revolution in the banking sector. The traditional banks on the street side stated to think about various ideas that could help them to cut down on their operating cost and provided restricted online bank services.

The effort in this area provided to be beneficial, and so the banks took another leap towards creating their own space on the internet by designing a website. The website opened up a way for many features like opening new accounts online, downloading the necessary forms, and also applying for loans, Under the digital banking umbrella, with time, there were many new features added, such as income tax filling, bill payments, transfer of funds, opening recurring accounts, fixed accounts etc..

With the advent technology, many people prefer to do everything online. From online shopping to online dating, people just love to do everything from their couch.

Services of Digital Banking

➤ Online Banking

The online banking feature provides the luxury of banking anytime and anywhere.

Throughout the year, website services are offered round the clock for internet banking; except for time needed for website maintenance.

To facilitate online use, most banks that offer online banking provide a host of high quality, technological solution that make banking experience easy and fast.

- Online banking services:
- View summary
- Account statement and balance's view
- Online payments
- Reorder check
- Transfer funds



Swot Analysis on Digital Banking

Strength

1. Customer access to information 24 hrs. a day
2. Timely access to information
3. Ability to offer a customer more than one method of retrieving information
4. Sophisticated technology systems
5. Diversity helps to capture different types of market
6. The ability to cut the internet cost due to advanced technology
7. Increased accuracy of banking transaction.

Weakness

1. High cost of service
2. Continual wants of customers wants and needs
3. Hostile feelings of the employees due to possible pending layoffs due to automation
4. Multiple options for the customers
5. Initial investments in technology will be expensive.

Opportunities

1. The ability to have a large customer base
2. Global expansion-this is an enormous market which will be a great opportunity in the future
3. The ability to take advantage of growing opportunity of internet banking.

Threats

1. Continual changing technology
2. Uncertainty of the banking industry
3. Competition from the lower price operations
4. Possible failure of product due to non-acceptance of customers.

Future Digital Banking in India

Digital banking is a part for moving towards online banking, where banking services are delivered over the internet. The shift from traditional to digital banking has been gradual and remains ongoing, and is constituted by differing degree of banking service digitalization. Digital banking involves high level of automation and web-based services and may include APIs enabling cross institutional service composition to deliver banking products and provide transactions. It provides ability for the users to access financial data through desktop, mobile and ATM services.

New Generation Banks:

New generation banks are not just banks who are involved in the implementing new strategy for the sake of survival. But banks who are in the process of creating a paradigm shift to overcome the ever-changing market requirements and customer preference by the way they organize the internal and external activities, and initiating by considering traditional human values and modern technology. That may be result in creating large revenue by properly managing and investing the funds to create optimum profit and goodwill for the long of the business can be considered and proved as sustainable.

Development in New Generation Banks

1. Automated Teller Machine
2. Electronic clearing service
3. Bank net
4. Chip card
5. Phone banking
6. Tele banking



7. Internet banking
8. Mobile banking
9. Anywhere banking
10. Voice mail
11. kiosks

Review of Literature

Uibbor Jain and Smrita Jain(Feb.2012) The study was administered through private banks like ICICI, HDFC, KOTAK and INDUSIND banks. The study identifies that reliability and responsiveness are the most relevant factors for the service quality perception and they have compared the individual scores with the average mean values scored by the private banks under the study. **Jayraman Manuswamy (2010)** the study found that assurance factor has a positive relationship with customer satisfaction reliability factor does not have that much impact on customer satisfaction. **Parmita Mehta(2012)** For the study one public sector bank, 3 private banks and 2 co-operative banks were chosen. To understand the relationship between the two segments of the customers, the study concludes saying that relationship dimension has the highest shortfall and assurance shows the lowest, when compared with customer expectations and also suggest that type of account is a significant variable in profiling the two segments. **Sumatra(2011)** Effect of service quality on customer satisfaction with bank Nagari main branch Padang. The study focuses on how the influence of service quality affects the satisfaction of the banking customers. **Santhiyavalli (2011)** Customer perception of service quality of SBI. The objective of the study is to evaluate the service quality of the SBI in Coimbatore area. The study would also help in understanding of the customer perception of service quality in selected branches of SBI and also major factors responsible for the customer satisfaction.

Statement of the Problem

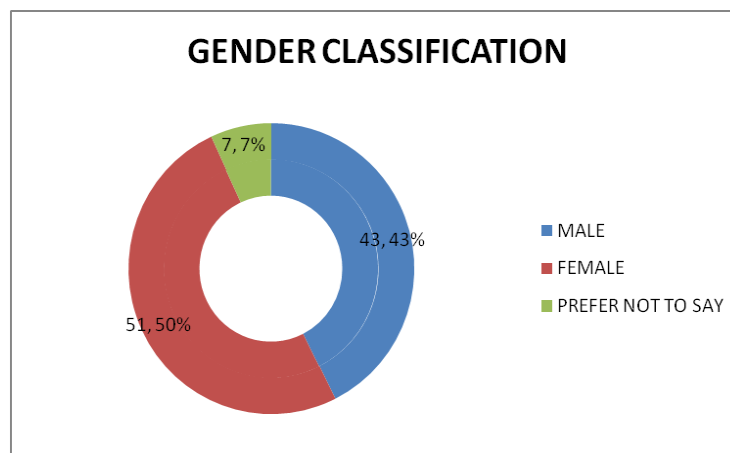
The success of digital banking not only depends on the technology but also on the large extent the attitude, commitment and involvement of the operating at all the levels and how far the customers get the benefit from digital banking services. It is crucial for the banks that offer Internet banking services periodically and consistently measure the satisfaction of their customers. The purpose of this study is to examine the customer satisfaction with various service quality dimensions.

Objectives of the Study

1. To find out the major issues faced by the users in digital banking services.
2. To evaluate the impact of service quality in digital banking services.
3. To ascertain the customer satisfaction level towards the digital banking services.

Data Analysis and Interpretation

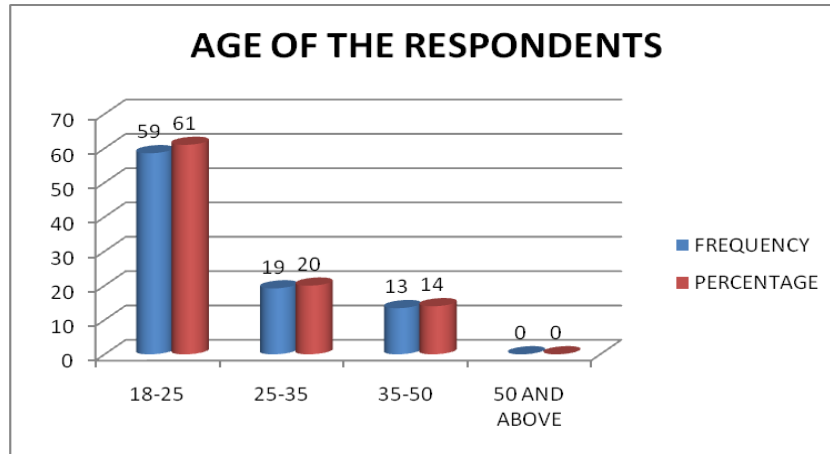
Graph No.1- The Graph showing the gender classification of the respondents.





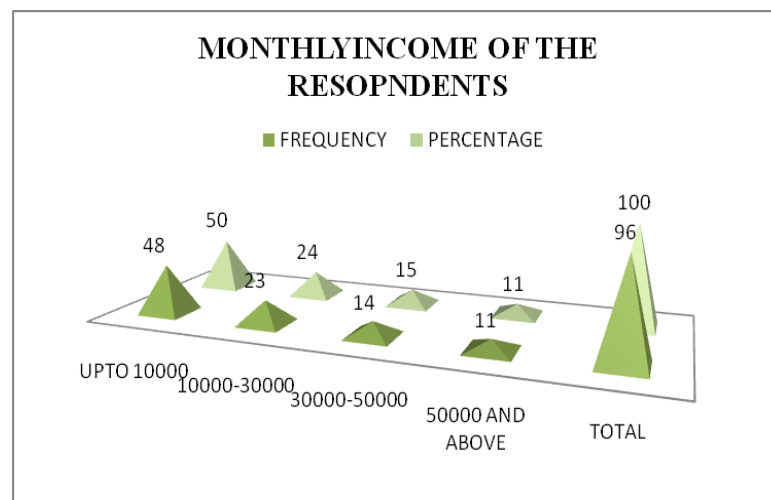
The above shows the frequency of males, females and prefer not to say of the total samples taken for the study. In the total sample 43% are male respondents, 51% are females and 7% are prefer not to say respondents. So the female respondents are more. It is clear that more than half of the respondents are females and prefer not to say respondents are also involved in the study.

Graph No.2- The Graph showing the age of the respondents.



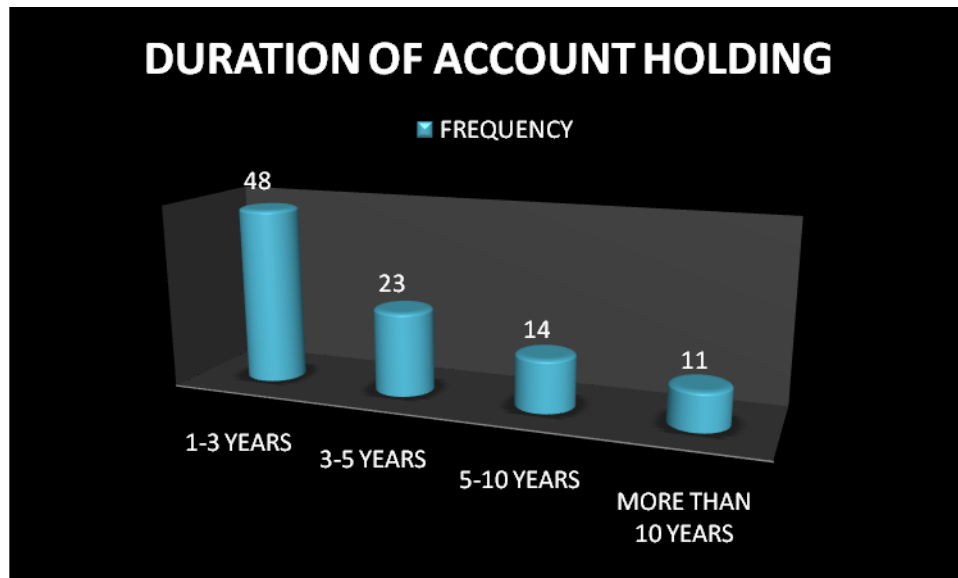
The above shows that 61% of the respondents out of 100 are aged between 18-25, 20% of the respondents are aged between 25-30 and 14% of the respondents are between 35-50 and no one are using digital banking services more than 50 and above. It is clear, that new customers of the bank and the youths are using more the digital banking services and above 50 age people are not using the services of digital banking.

Graph No.3- The Graph showing the monthly income earning by the respondents



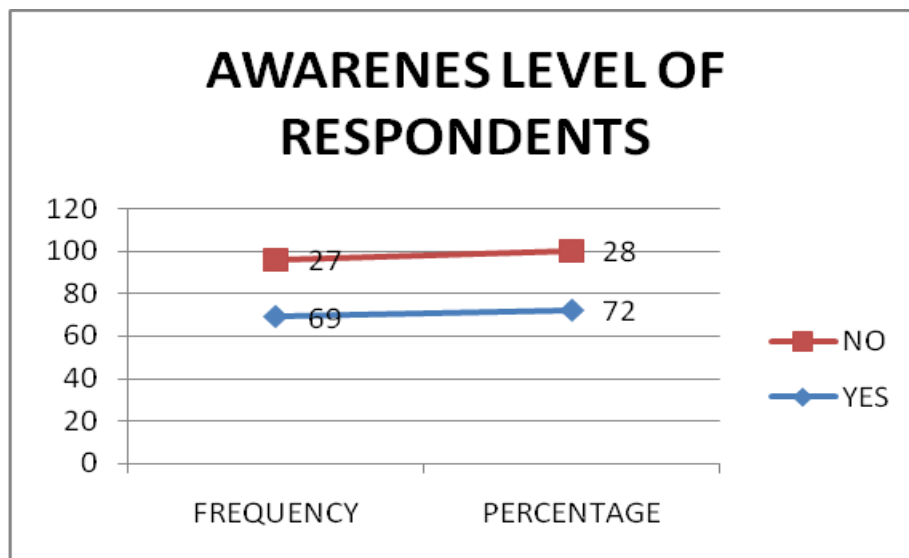
From the above graph it is analyzed that 50% i.e., 48 respondents are earning up to 10000 and 24% i.e., 23 respondents are earning more than 10000 and up to 30000, and more than 30000 earning respondents are very less. From the above graph it is interpreted that the users of the digital banking service are earning less than 10000 and very few respondents are respondents are earning above 30000.

Graph No.4- The Graph showing the duration of having their accounts by the respondents.



From the above graph, it is analyzed that half of the percent 1-3 years having their account in the bank. The above graph shows that the respondents are have their account below 5 years so they opened their accounts in the recent years and less respondents are holding accounts above 5 years.

Graph No.5- The Graph showing the awareness level of the respondents.

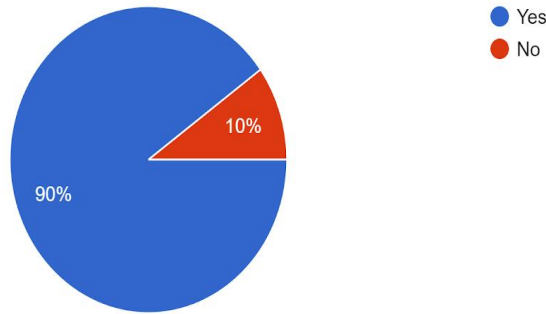


The above shows the awareness level of the respondents about digital banking services. Among them 72% of the respondents are aware about the digital banking while opening the account with the bank. And 28% of the respondents are not aware about it. From the above graph it is interpreted that more than 70% of the respondents are aware about the services and they are making use of the digital services and less than 30% of the respondents are not aware about the digital services.



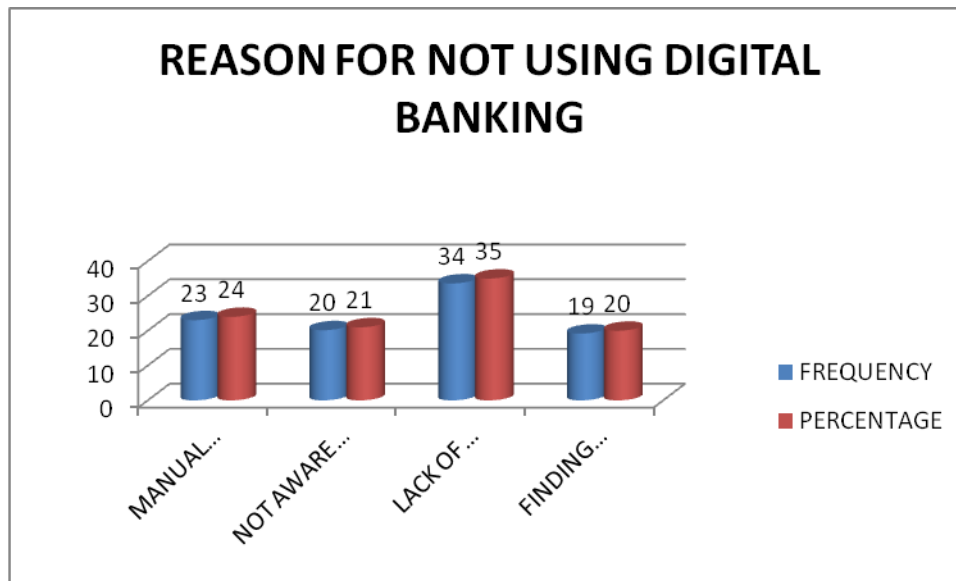
Graph No.6- The Graph showing using of digital banking services.

Do you use digital banking
 100 responses



The above graph shows that more than 85 percentage are using the digital banking and the respondent of no is 10 percentage. From the above it can be interpreted that more than 90% are using the digital banking services. This shows the good opinion on digital banking, only 10% are not using digital banking services.

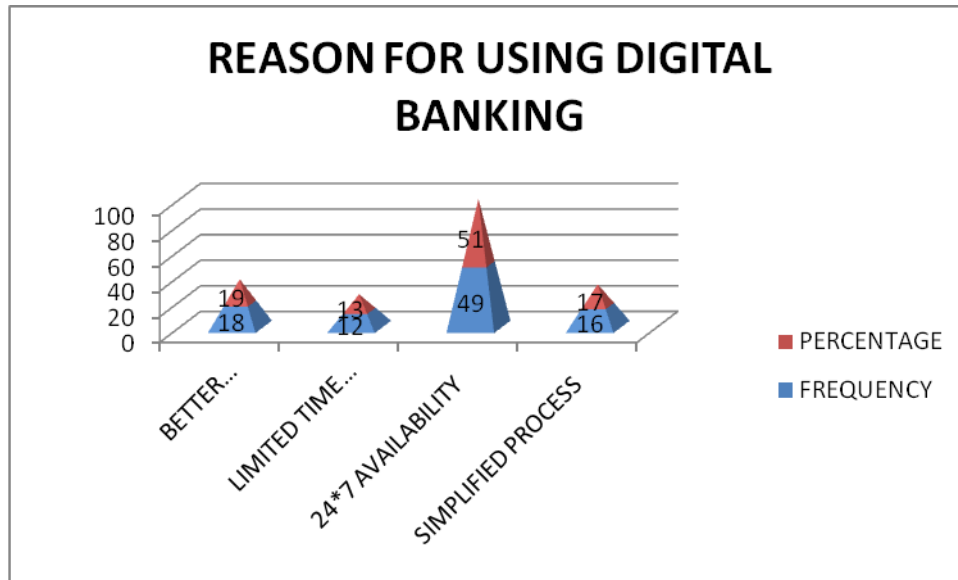
Graph No.7- The Graph showing reasons for not using digital banking services.



From the above graph, it can be seen that the reason for not using Digital banking services. Many of the respondents not using because of lack of confidence(34), and 23 were not using because of manual backing is more convenient for them , 20 were not aware about it and 19 respondents are finding the process is too difficult. The graph shows the reason for not using digital banking services by the respondents. Here analysis shows that majority of the respondents are not using because of lack of confidence i.e, 35% of the sample, 24% are feeling manual banking is more convenient for them and 21% are not aware about it and remaining were finding the process too difficult.

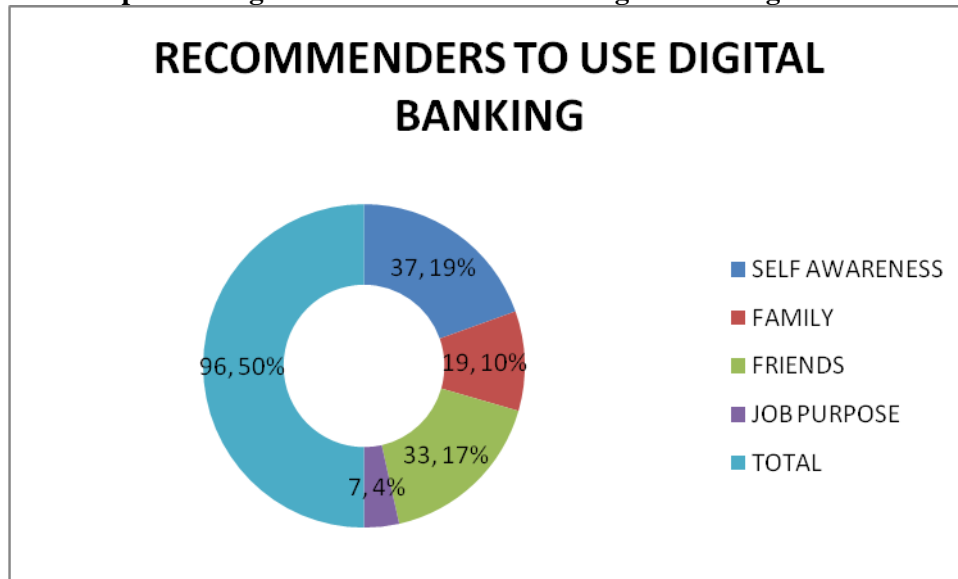


Graph No.8- The Graph showing reason for using digital banking.



The above graph shows the various reasons for using digital banking. Nearly 49 respondents are using because of 24*7 availability of services and 18 respondents are using because of better information, 16 respondents are using because of and lastly 12 respondents are using for saving their time. The above graph shows the reason for using digital banking services many of the respondents are using this because it is available in 24*7 and other respondents are using it to get better information and simplified process and limited time consumption.

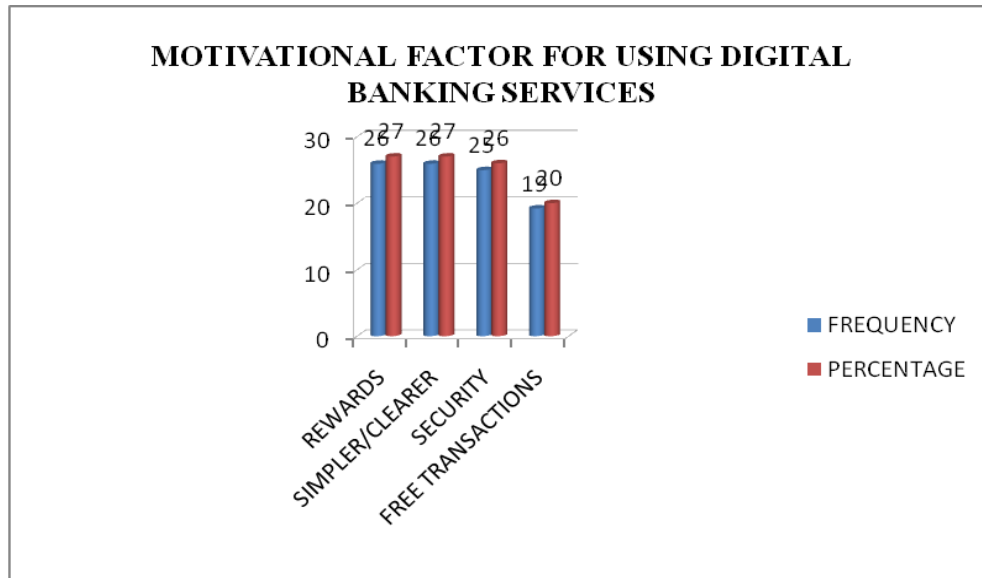
Graph No.9- The Graph showing the recommenders to use digital banking services to the respondents.



From the above graphs it shows that majority of the respondents are self-aware that is 37, and some of the respondents are influenced by their friends i.e., 33, and 19 respondents are influenced by their family and very less respondents are using for job purpose. The above graph shows that the majority of the respondents are self-aware of using digital banking services i.e, 50% and half of the respondents are influenced by friends, family and very less are using because of job purpose.

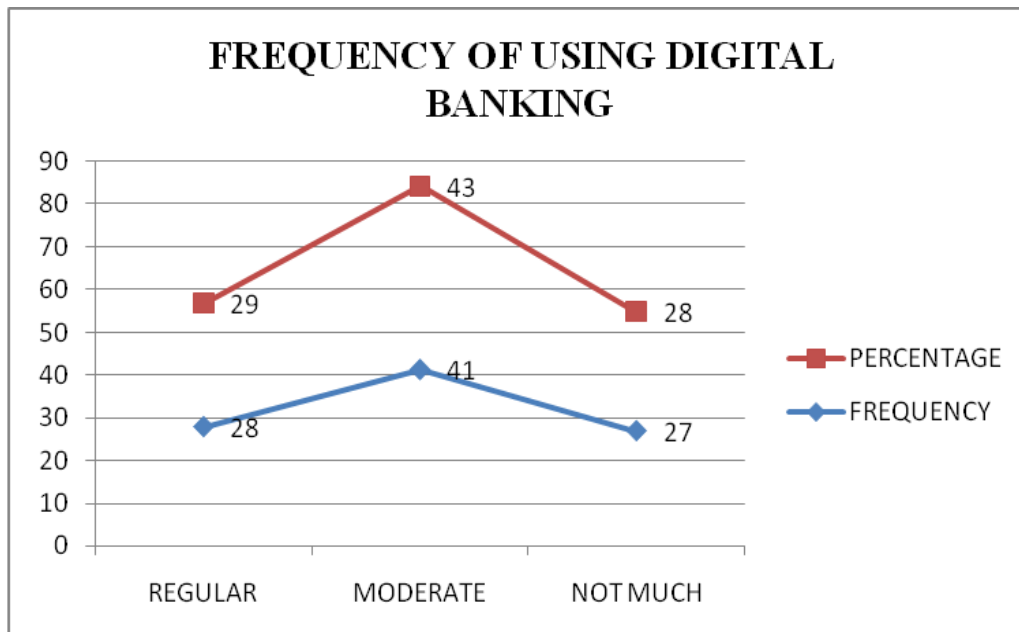


Graph No.10- The Graph showing the motivational factor for using digital banking services.



The above table shows that many of the respondents are motivated because of reward, simpler/clearer, and security purpose i.e., (26,26,25) and less number of respondents are motivated because of free transactions i.e., 19 out of 96. From the above graph interpreted that 80% of the respondents are motivated by security, simpler and rewards and 20% of the respondents are motivated by free transactions.

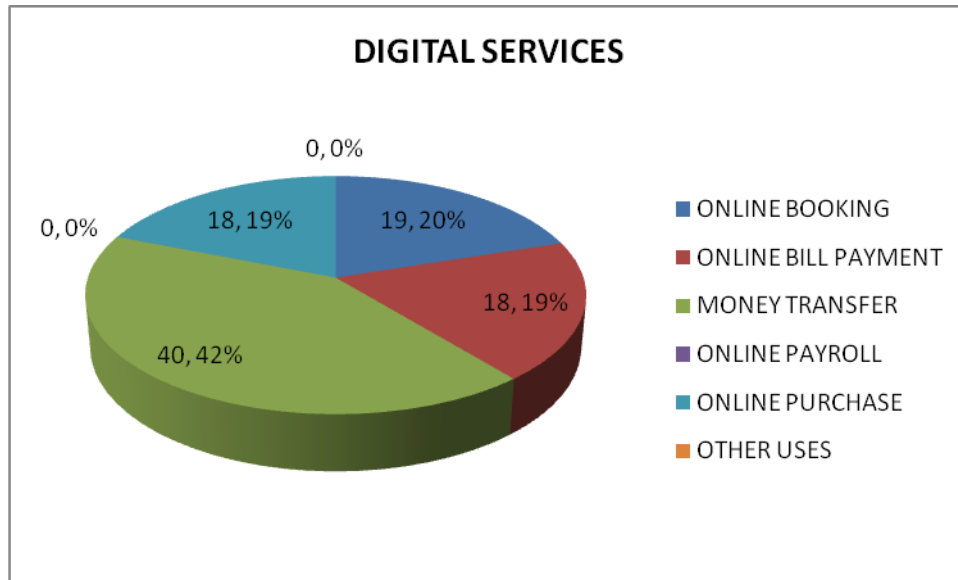
Graph No.11- The Graph showing frequency of using digital banking services.



From the above, it shows that 43% respondents are using moderate, 29% of the respondents using regularly and 28% are not using much. From the above graph it is interpreted that majority of the respondents are moderately using digital banking services and remaining are using regularly and not much.

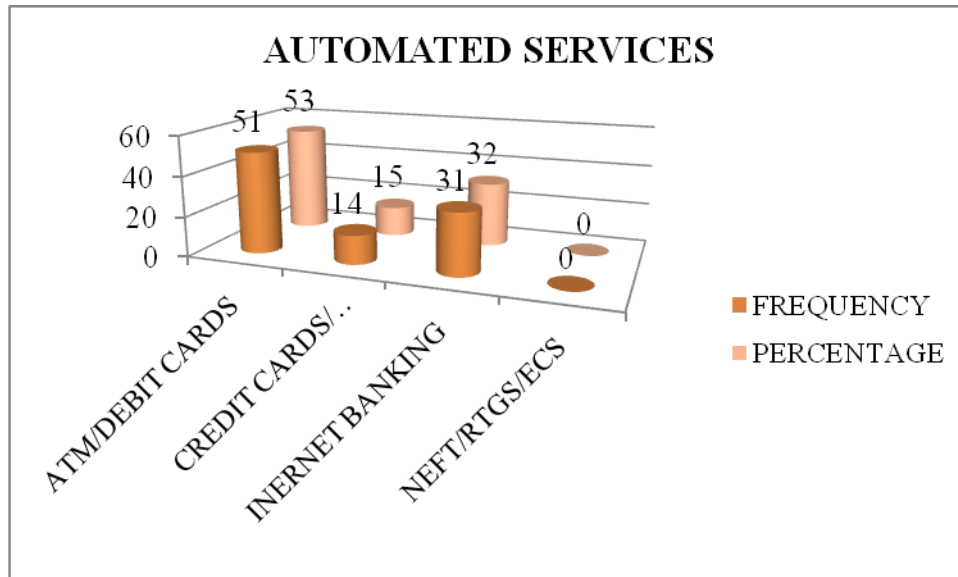


Graph No.12- The Graph showing the purpose of using digital banking services by the respondents.



From the above it is analyzed that 40 respondents are using digital banking services for the purpose of money transfer; 19 respondents are using for the purpose of online booking and 18 respondents are using for making bill payments and online purchase. No respondents are using for online payroll out of 96 respondents. From the above graph it is interpreted that majority of the respondents are using digital banking services only for money transfer and relatively a smaller number of respondents are using it for making online booking, online bill payment and online purchase. And no one are using for online payroll purpose.

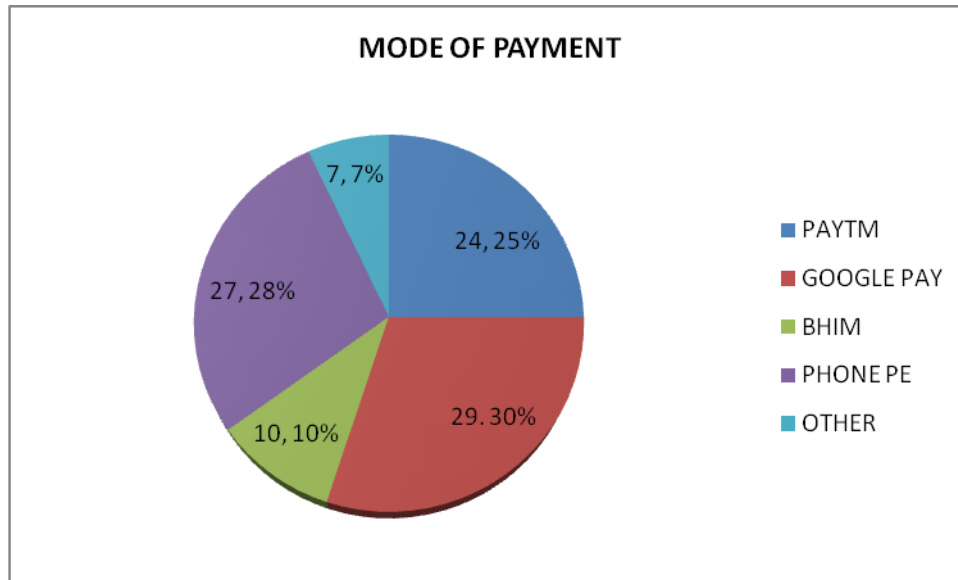
Graph No.13- The Graph showing the automated services used by the respondents.



The above shows that 53% of the respondents out of 100 are using ATM/Debit cards and 32% are using internet banking and 15% of the respondents are using credit cards. From the above graph it is found that nearly half of the respondents are using ATM/ Debit cards as as automated service and remaining half of the respondents are using internet banking, credit cards and no one are using NEFT/RTGS/ECS.

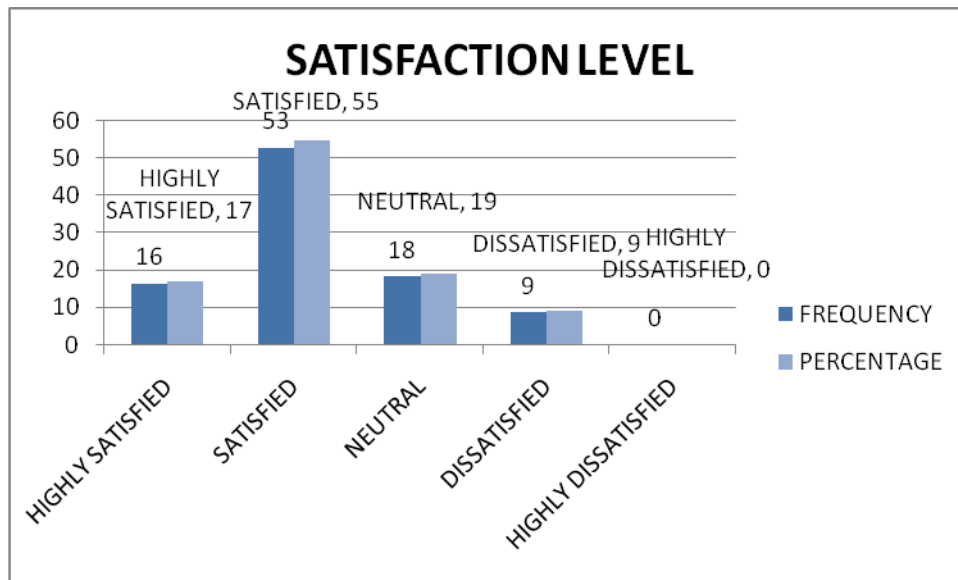


Graph No.14- The Graph showing mode of payment preferred by the respondents.



The above shows that Google pay users are more that is 30% of the respondents out of 100%, phone pay users are 28% , pay tm users are 25% and BHIM users are 10% and very least respondents are using other payment method i.e., 7%. It is interpreted that Google pay users are more than other payments like Pay tm, phone pay and other payment mode are using very few respondents out of 96 respondents.

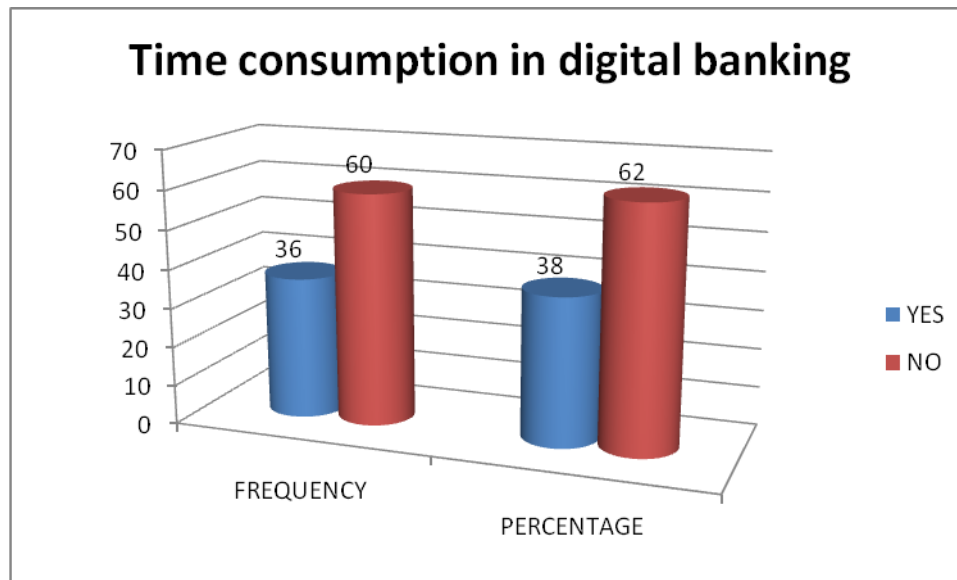
Graph No.15- The Graph showing satisfaction level of the respondents from the digital banking services.



This clearly shows that 55% of the respondents are satisfied of using digital banking services , 19% of the respondents are neutral and 17 respondents are highly satisfied and only few are dissatisfied from the digital banking services .Therefore, it is interpreted that more than half of the respondents are satisfied by the digital banking services and all the respondents are satisfied highly and neutral and only very few are dissatisfied.



Graph No.16- The Graph showing the time consumption in digital banking services.



The above chart shows that 62% of the respondents are saying that it is not time consuming and 38% of the respondents are feeling the digital banking service is time consuming. It can be interpreted that the digital banking service is not a time consuming as more than half of the respondents are feeling it is not time consuming and less than half are feeling it is time consuming.

Summary of Findings

From the analysis the following findings were drawn

1. In digital banking services 43% of males are using it more than the males 51.50% female are using and also even prefer not to say people also using digital banking services.
2. Most of the users are qualified with post graduate 60% and graduation 24% so that it is found that only educates are most using it and majority of the users are students.
3. The 47.24% public sector banks are found that technologically advanced compared to private sector .
4. Most of the respondents are aware and using the digital banking services while opening the account very less respondents are not aware about the services and they are aware by themselves and some of are got to know from family and friends about the services of digital banking.
5. The non-users of digital banking services are not using because of lack of confidence, convenience of manual banking , lack of awareness and process difficulty.
6. The users of digital banking services using anytime availability, less time consumption and better information.
7. The users of the digital banking services are motivated to use because of rewards, security purpose, free transaction and simpler .and they are using in moderate not regularly more.
8. The most of the respondents are using for the purpose of money transfer, online booking and online bill payment purpose and by using automated services that is ATM and internet banking and making payment majority by Google pay and pay tm.
9. All the respondents are satisfied with the services of digital banking no one are dissatisfied and the it is not time consuming and the service charges, service quality is also very good.
10. The difficulty faced by the users are impersonality of services, assistance and security problem and the users are recommending others to use the digital banking services to others.



Conclusion

Digital banking services are presently very much important for the customers and the banker. With the help of the services the banks can get more customers for the bank and the transaction level of the customers also increases because of less time consumption, security and 24*7 availability of services. It is concluded that time consumption for the transaction, confidence of the customer and more services offered by the banks regards to automated services, motivational services and simpler process the customers are moving forward to use the digital banking services. The banks should also provide awareness program or should inform regularly about the services offering by the banks so that the non users of the digital banking services also get to know and they will also start to use the digital services. Because of security, less confidence, service charges and due to some threats the customers are not forwarding them to use the services. If bank solves these problems definitely the customers will move a step towards using the digital services. The study brings about the key factors which requires the banks attention need to be given towards s creating awareness program, problem solving of the customers and increasing the level of confidence by providing security for their transactions and getting the feedback monthly, quarterly, or yearly so that the banks will get to know what to improve further to make the customer satisfied and keep them touch with the services newly offered by the banks. It includes increased customer satisfaction, customer retention, positive word mouth, enlarged market share, increased profitability and improved performance.

References

1. Amin, Muslim. 2016. Internet Banking Service Quality and Its Implication on E-Customer Satisfaction and e-Customer Loyalty. *International Journal of Bank Marketing* 34: 280–306. [Google Scholar] [CrossRef]
2. Awan, Usama, Andrzej Kraslawski, and Janne Huiskonen. 2020. Progress from Blue to the Green World: Multilevel Governance for Pollution Prevention Planning and Sustainability. In *Handbook of Environmental Materials Management*. Edited by Chaudhery Mustansar Hussain. Cham: Springer, pp. 1–22. [Google Scholar] [CrossRef]
3. Awasthi, Anjali, Satyaveer S. Chauhan, Hichem Omrani, and Ariyo Panahi. 2011. A Hybrid Approach Based on SERVQUAL and Fuzzy TOPSIS for Evaluating Transportation Service Quality. *Computers and Industrial Engineering* 61: 637–46. [Google Scholar] [CrossRef]
4. Bauer, Hans H., Maik Hammerschmidt, and Tomas Falk. 2005. Measuring the Quality of E-banking Portals. *International Journal of Bank Marketing* 23: 153–75. [Google Scholar] [CrossRef]
5. Bollen, Kenneth A., and Kwok-fai Ting. 2000. A Tetrad Test for Causal Indicators. *Psychological Methods* 5: 3–22. [Google Scholar] [CrossRef]
6. Braun, Virginia, and Victoria Clarke. 2006. Using Thematic Analysis in Psychology. *Qualitative Research in Psychology* 3: 77–
7. Basha, Jeelan, Haralayya et al. Performance Analysis of Financial Ratios - Indian Public Non-Life Insurance Sector (April 30, 2021). Available at SSRN: <https://ssrn.com/abstract=3837465>
8. Haralayya, Bhadrappa. Study on Performance of Foreign Banks in India (APRIL 2, 2016). Available at SSRN: <https://ssrn.com/abstract=3844403> or [http:// dx.doi.org/10.2139/ssrn.3844403](http://dx.doi.org/10.2139/ssrn.3844403)
9. Haralayya, Bhadrappa. E-Finance and the Financial Services Industry (MARCH 28, 2014). Available at SSRN: <https://ssrn.com/abstract=3844405> or [http:// dx.doi.org/10.2139/ssrn.3844405](http://dx.doi.org/10.2139/ssrn.3844405)
10. Haralayya, Bhadrappa, Saini et al. An Overview on Productive Efficiency of Banks & Financial Institution. *International Journal of Research* 2018; 5(12). Available at SSRN: <https://ssrn.com/abstract=3837503>
11. Haralayya, Bhadrappa. Review on the Productive Efficiency of Banks in Developing Country. *Journal for Studies in Management and Planning* 2018; 4(5). Available at SSRN: <https://ssrn.com/abstract=3837496>
12. Haralayya, Bhadrappa. The Productive Efficiency of Banks in Developing Country With Special Reference to Banks & Financial Institution (april 30, 2019). Available at SSRN: <https://ssrn.com/abstract=3844432> or [http:// dx.doi.org/10.2139/ssrn.3844432](http://dx.doi.org/10.2139/ssrn.3844432)