

A Study on Customer Preference and Satisfaction on Digital Banking

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Abstract: Digital transformation in the banking sector is a continuous process that affects both the external and internal environment by redesigning internal processes and existing methods. There are many reasons why digital transformation takes place, such as servicing remote areas without physical branches, differentiation from competitors or reduction of operating costs. In any case, there are a lot of doubts about the acceptance of digital technologies. Thus, this article examines the acceptance rate of digital transformation in the banking sector. A chi-square analysis was implemented to analyse the items of the Technology Acceptance Model. The findings of this paper indicate the perception of bank employees with regard to new technologies. Executives are curious if employees are ready to accept and implement digitalization in their daily job routine. This paper helps in understanding customers' attitudes towards such modern services provided by banks. E-Banking is an application that has been developed for a well-established regional bank operating primarily in South India.

Keywords: E - Banking, Banking Services, Digitalization, Internet

I. INTRODUCTION ON DIGITAL BANKING

The automation of traditional banking services is known as digital banking. Customers can use an online platform to access banking products and services, which is known as digital banking. Digital banking entails digitising all banking operations and substituting an everlasting online presence for the bank's physical presence, as well as eliminating the need for customers to visit a branch. Digital banking systems are more adaptable than traditional banking systems, allowing banks to add and expand features more quickly. Digital banking is based on web-based services that automate high-level processes, giving banks and their customers a high level of cost efficiency, security, and flexibility.

1.1 Objectives of the Study

- To understand the problems faced by customers while using digital banking.
- To know the reason why customers are using or not using digital banking services

II. RESEARCH METHODOLOGY

Research Methodology refers the discussion regarding the specific methods chosen and used in a research paper. This discussion also encompasses the theoretical concepts that further provide information about the methods selection and application.

2.1 Research Design

The Research Design used in this study is descriptive research design.

Sources of Data

- **Primary Data:** The primary data were collected based on the structured questionnaire with the help of Google Form.
- **Secondary Data:** The secondary data for the study have been collected from books, magazines, articles and websites.

Sampling Technique

The sampling techniques used for the study is simple random sampling.

Sampling Size

The sample size was collected from 110 respondents.

Limitations of the Study

This research aims to analyse the various factors that have evolved in digital banking and to show a comprehensively integrated framework of E- Banking services to understand the satisfaction and preference of consumers in Digital Banking.

Tools used for the Study

The SPSS package used for the study

- Percentage Analysis
- Chi – Square Test

2.2 Data Analysis

Percentage Analysis

Table 1 : Gender

GENDER	NO. OF RESPONDENTS	PERCENTAGE
Male	50	47.6
Female	55	52.4
TOTAL	105	100

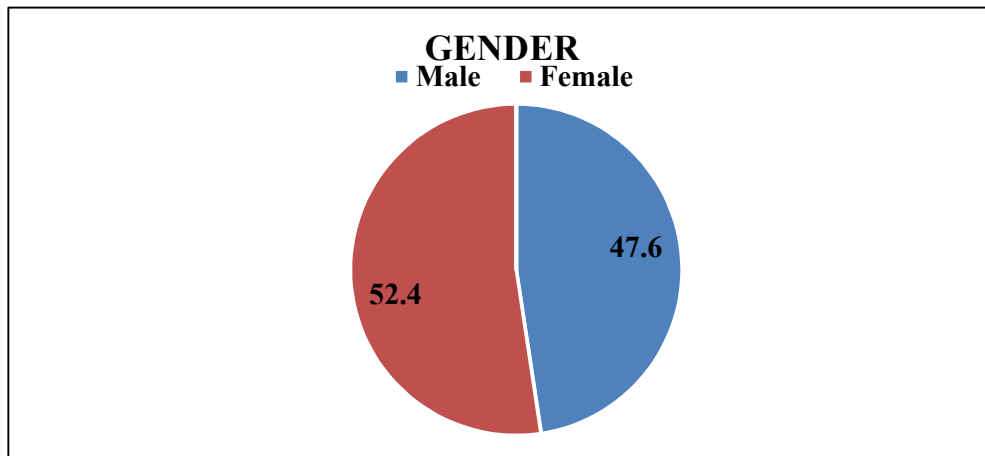


Table 2: Age

AGE	NO. OF RESPONDENTS	PERCENTAGE
Below 20 years	21	20
21 years - 30 years	29	27.6
31 years - 40 years	15	14.3
41 years - 50 years	33	31.4
Above 51 years	7	6.7
TOTAL	105	100

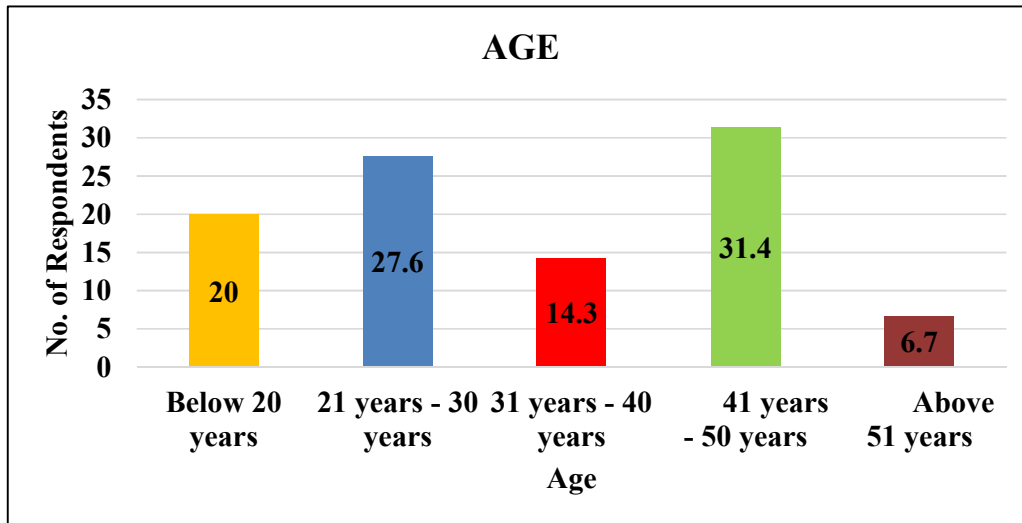


Table 3: Educational Qualification

EDUCATIONAL QUALIFICATION	NO. OF RESPONDENTS	PERCENTAGE
School level	18	17.1
Under Graduation	27	25.7
Post-Graduation	32	30.5
Professional	18	17.1
Others	10	9.5
TOTAL	105	100

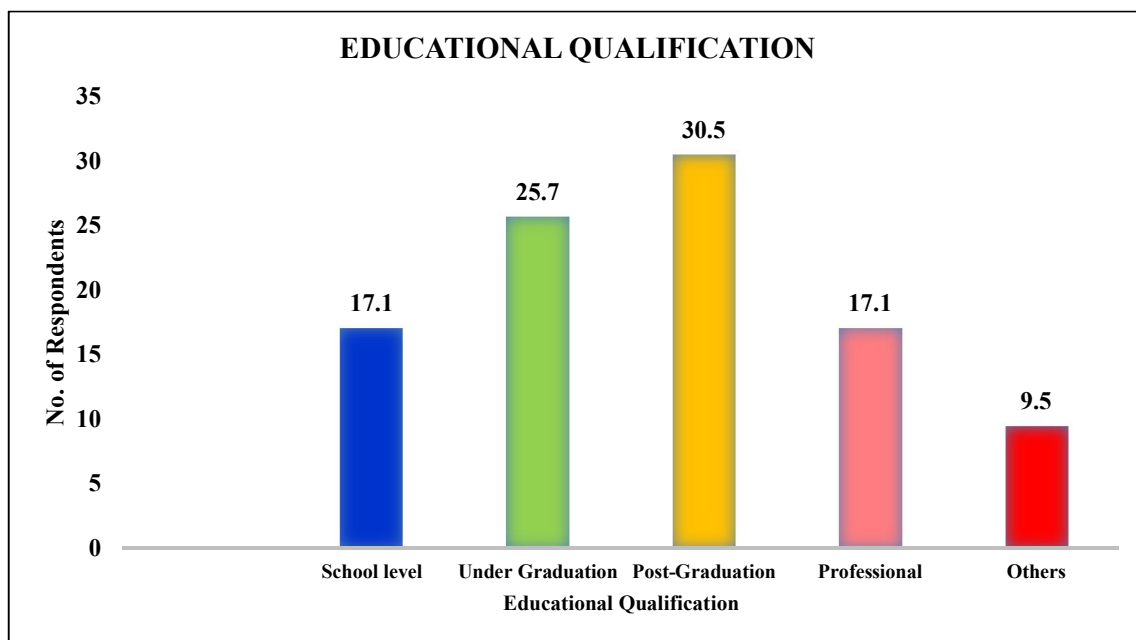


Table 4: Positive Factors of Digital Banking

POSITIVE FACTORS OF DIGITAL BANKING	NO. OF RESPONDENTS	PERCENTAGE
Transaction Speed	24	26.1
Security	24	26.1
Easy in Transfer of fund	25	27.2
Process of bill payment quickly	19	20.7
TOTAL	92	100

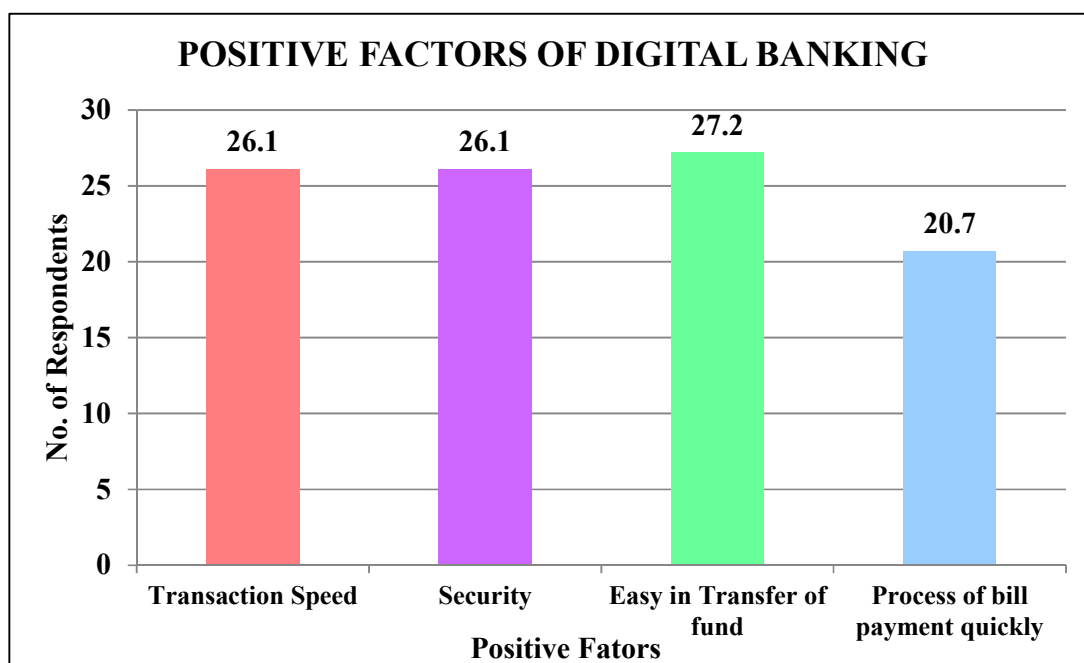


Table 5: Negative Factors Of Digital Banking

NEGATIVE FACTORS OF DIGITAL BANKING	NO. OF RESPONDENTS	PERCENTAGE
Insecurity	26	28.3
Identity theft	26	28.3
Not always consistency	26	28.3
Scam	14	15.2
TOTAL	92	100

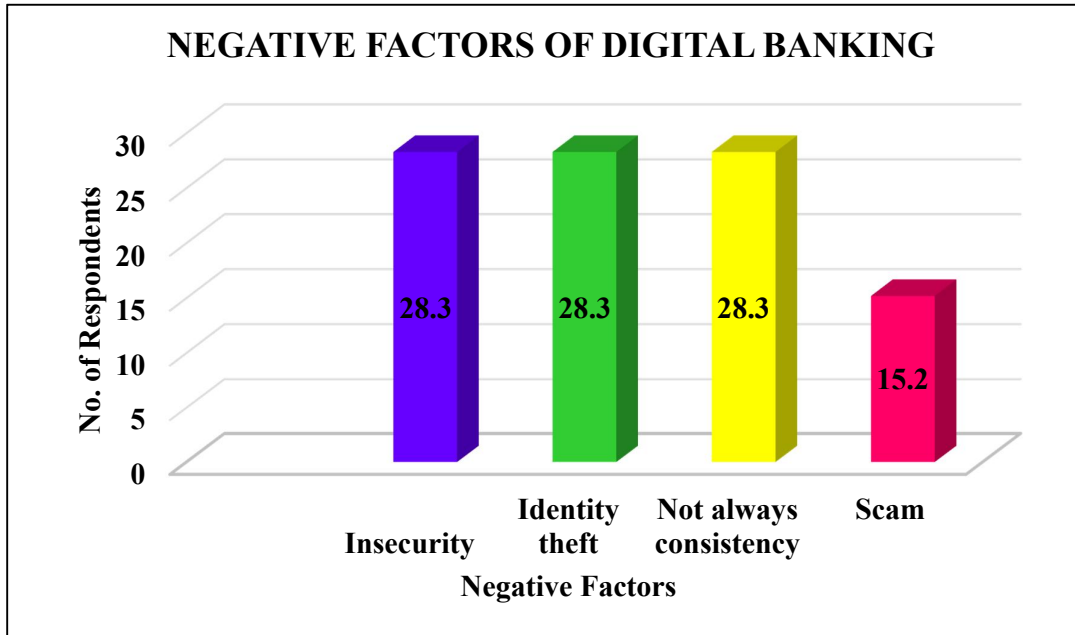
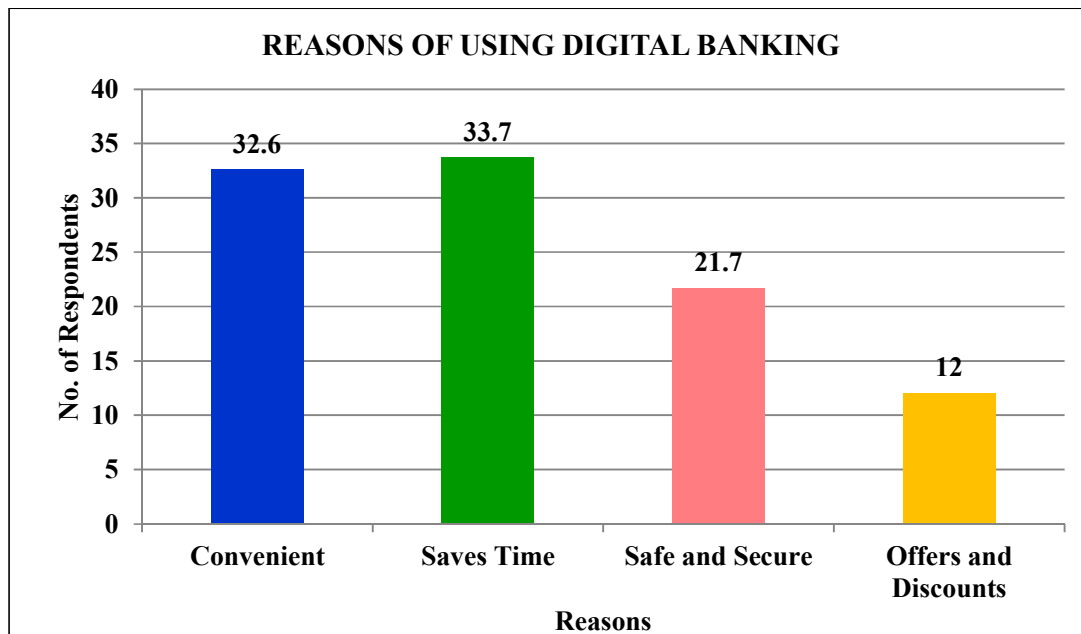


Table 6: Reasons of Using Digital Banking

REASONS OF USING DIGITAL BANKING	NO. OF RESPONDENTS	PERCENTAGE
Convenient	30	32.6
Saves Time	31	33.7
Safe and Secure	20	21.7
Offers and Discounts	11	12.0
TOTAL	105	100



Chi-Square Test

Comparison between Age and Level Of Satisfaction

- H_0 : There is no significant relationship between age and level of satisfaction
- H_a : There is a significant relationship between age and level of satisfaction

FACTORS	CALCULATED VALUE	D.F	P.VALUE
Service Quality	22.965 ^a	12	0.028
Security and Privacy	16.297 ^a	12	0.178
Convenience and Speed	15.578 ^a	12	0.211
Rewards	22.004 ^a	12	0.037
Efficient Problem Solving	18.263 ^a	12	0.108

III. FINDINGS

3.1 Findings from Percentage Analysis

- Majority (52%) of the respondents are female.
- 31.4% of the respondents are between the age group of 41 years - 50 years.
- 30.5% of the respondents are Post-Graduates
- 27.2% of the respondents are Influenced by Easy in Transfer of fund,
- 28.3% of the respondents face Negative factors in Insecurity, Identity theft, and it is not always consistency,
- 33.7% of the respondents are Saves Time.

3.2 Findings from Chi-Square Test

- There is a significant relationship between age and level of satisfaction.

IV. CONCLUSION

Customers of a bank can use an electronic or online platform to access banking products and services. Digital banking entails digitising all banking operations and replacing the bank's physical presence with an always-on internet presence, obviating the need for customers to visit a branch. The transition to online banking, in which banking services are supplied through the internet, includes digital banking. The transition from traditional to digital banking has been gradual and continues, with various degrees of banking service digitization. Digital banking is characterised by high degrees of process automation and web-based services, as well as APIs that enable cross-institutional service composition to supply banking products and facilitate transactions. It allows users to view financial information.

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