

# A STUDY ON CUSTOMER PERCEPTION ON DIGITILISATION IN INDAIN BANKING SECTOR

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## ABSATRACT

After covid- 19, “digital” is common word that buzz in all sector. Regardless of industry, digital technologies are having relevance to keep up with the competition and deliver the maximum value to their customers. In banking industry digitalization is the primarily shift from the manual and paper bases process to provide digital i.e online services to enhance customer experience and build customer loyalty .Now by embracing digitalization the banks can provide better customer services . Now across all the verticals, customer needed has been met by innovative ways without any human error that builds strong customer loyalty. By Digitalization ,banks and customers both have benefitted in term of managing time and large amount of cash .this has also resulted in reducing the banking cost to banks and helps banks to generate revenue through various channels or innovative way of services it provide to its customer . Same way, customers are getting ease of banking and customized services. The overall objective of this paper is to study the consumer perception on use of invisible banking to accessing banking anywhere and any- time .The descriptive study is applied with a sample size of 500. Data was collected using online questionnaire method, through google forms. Analysis was done through spss software

**Keywords:** digitalization, customer loyalty, ease of banking, customized services, innovative.

## 1.1.1 INTRODUCTION

Digital banking means serving the customer through the online channels instead of traditional banking products & activities. Now in digital banking most of the banking services are available to customer 27\*7 on compatible smart devices, mobile phone & on laptops without the need of visiting the bank branch like obtaining bank statements, funds transfer, bill payments etc. Now digital banking has made the traditional services easier to understand, manage and to access. Digital banking term is used interchangeably with online banking and mobile banking. Digital banking is broader concept than online and mobile banking. Online banking is accessing some of underlying core banking function via internet. So the capabilities of an banking system are limited to some of banking services cannot go beyond that. While mobile banking can be defined as doing some of the underlying core banking services via using mobile without visiting your bank branch. Digital banking is more flexible and faster than traditional system. It relies on high level of process automation time to time so that it can provide the security, high level of cost efficiency and flexibility to the customers.

Since the establishment of ATMS, digitalization in the Indian banking sector can be seen. After wards Telebanking, Electronic Funds Transfer system, Electronic Compensation Service, RTGS (Real-Time Gross Settlement), Point of sale terminal, MICR etc. are the other development in the banking era towards digitalization in India .Now India has been on way becoming cashless & digital economy. Time to time various innovation, incentives and measures have been taken by government and the central bank of India to develop the tendency of doing digital transaction like BHIM-UPI , e-payments for income tax,TIN etc.

### 1.1.2 LITERATURE SURVEY

Time to time many studies has been done on the digitalization or on its one or more component, as it is a broader term.

As per **Sadhana Tiwari, et al (2021)** examined that due to IT-enabled products and services including Core Banking Facilities, Mobile Banking, Wallets, Kiosk Banking, and Online Banking, banks have experienced an integration in end-customer banking engagements during the previous decade. The advancement of technology in the banking business benefits both banks and their customers. The delivery of customer delight through IT-enabled products and services was increasingly at the heart of bank business models. Banks may use cloud technology to provide innovative pathways, reduce the time to launch new services, meet customer expectations, and comply with legal regulations at a cheaper cost by following a digital model. Cloud-based solutions give a greater worth proposition to IT services and solutions in an ever-changing technological environment. To administer a business solution utilizing cloud infrastructure, device managers may securely build, upload, configure and perform virtual tools. Moreover, without spending large expenditures, cloud IT technology may be raised up or down at any moment depending on expected usage and requirements. To determine the influence of cloud computing and AI on service and operational efficiency. The method of confirmatory factor analysis (CFA) was utilized. The study revealed if the evaluated factors accurately represent the number of constructs and if the estimate assumption was supported or denied.

**Sadia Khatoon, et al (2020)** analyzed the link between the aspects of electronic (E)-banking service quality and consumer purchase intents investigated in the research, with customer satisfaction serving as a mediator factor. A verified closed-ended questionnaire was used to obtain data from 235 workers and clients employed in various Qatar banks. The gathered data were subjected to regression and correlation analysis to evaluate the research assumption, and the research delivered precise findings that met our predictions. According to the research's findings, client purchase intentions are influenced by dependability, economy, responsiveness, interaction, safety, and confidentiality. If clients are happy with the efficiency of E-banking services, their purchase intentions improve dramatically. It has been proven that customer satisfaction acts as a mediator between E-banking service excellence and customers' purchasing intentions. Consumer fulfillment had a limited influence on the link between E-banking service quality, information technology (IT), and customer purchase intentions when used as a mediator. The investigation had made a substantial contribution to the field of behavioral finance research in particular. The research had important implications for academics and professionals alike.

**Dr. Anil B Malali, et al (2020)** stated that, as an outcome of artificial intelligence (AI), A new way of doing business, innovative products and services for customers, and a reduction in the impact on the customer experience are all possibilities for banks and financial institutions. Utilizing innovative technology to supplement or even replace human work with intricate algorithms, banks find themselves in a competitive position in the machine age period. Fintech businesses assist banks in the endeavour. Banking and financial institutions need to adopt artificial intelligence and integrate it into their corporate plan and functions if they were to maintain their keen energetic edge. Through an examination of some of the significant unresolved challenges in the banking and financial sector, the study investigated the characteristics of artificial intelligence ecosystems in the banking and finance industry and how it was quickly emerging as a very crucial disruptor. In the sector, the possibilities of artificial intelligence may be seen from several perspectives using a variety of lenses, with the primarily focused being on the ramifications and relevance of AI across the operational background of the banking and financial services business

. **Dr. G. Anbalagan (2017)** investigated that unified Payment Interface (UPI), cloud technology, and other innovations had fueled banking sector growth in India in the new financial year, according to experts. Banks face a variety of issues, including changing client requirements, new laws, and more technological advancements for their customers. Along with monetary notes, the researcher now had the E-Banking system. A new instrument, as well as liquidity and safety, can be created by India's monetary system. There had been several developments in banking in India, including the introduction of the card in 1982 and the Electronic Clearing Service (ECS) in 1990. Other innovations include EFT, RTGS, NEF, mobile banking, and internet banking. The study emphasizes the importance of new technical developments in the Indian banking sector.

### 1. 1.3 Research Methodology

**Research Objectives:** To analyze customer perception on invisible banking i.e digital banking in term of accessing banking is now fast and can be used anytime, anywhere

**Hypothesis:** There is no significant difference in the ease of banking in term of fast, and can be use anytime and anywhere in customer perspective

**Research Design:** The study is a descriptive study. The questionnaire method was used to collect data for analysis. The questionnaire has demographics variables used the age group , Education of the Respondents, Monthly Income of the Respondents to define customer perception towards accessing banking is now fast and can be used anytime, anywhere in 5 point scale is used . Simple random sampling was used by the researcher. The sample size for this study is 500. Questionnaire method was used to collect the primary data for this study. The graphical representation for the same has been shown.

### 1. 1.4 DATA ANALYSIS AND INTERPRETATION

Descriptive study is on customer perception towards accessing banking is now fast and can be used anytime, anywhere.

**Table 1: Age Group of the respondent**

Age Group			
		Frequency	Percent
	20-29 Years	101	20.2
	30-39 Years	167	33.4
	40-50 Years	148	29.6
	Above 50 years	84	16.8
	<b>Total</b>	500	100.0

it is observed that, out of the 500 respondents selected for the study, 20.20 % are in the age group of 20 – 29 years, 33.40 % fall in the age group of 30-39 years, 29.60 % are between 40–50 years and 16.80 % are above 50 Years. The age group is between 30–39 years with the highest (33.40 %) of the sample respondents.

**Table-2 Education of the Respondents**

Education			
		Frequency	Percent
	Undergraduate	178	35.6
	Graduate	154	30.8
	Postgraduate	97	19.4
	Ph.D.& above	71	14.2
	<b>Total</b>	500	100.0

Table 2 clearly define that, out of the total 500 sample respondents, 35.60 % are Undergraduates, 30.80 % of them are graduates,19.40 % are Postgraduates and 14.20 % of the respondents have Ph.D. & above. It is understood that the majority of the respondents are Undergraduates (35.60 %).

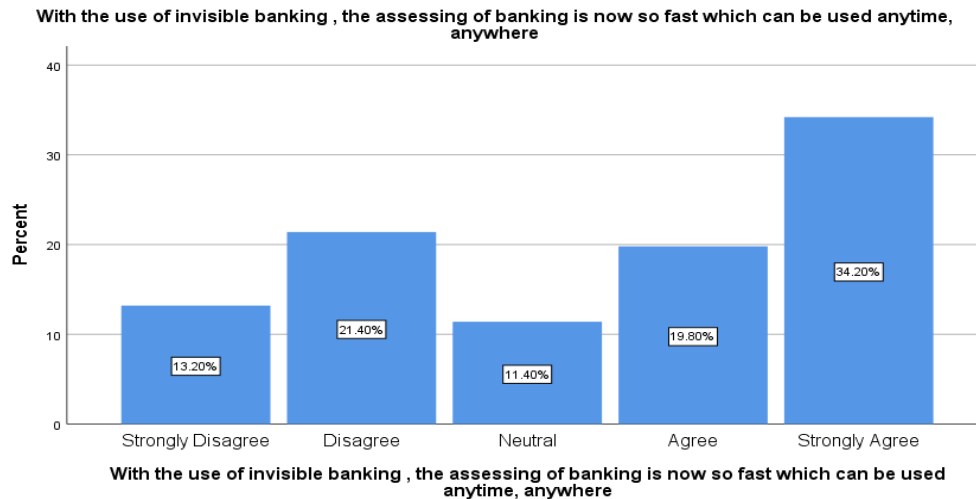
**Table-3: Monthly Income of the Respondents**

Monthly Income			
		Frequency	Percent
	<b>Below 20,000</b>	90	18
	<b>20,001-30000</b>	123	24.6
	<b>30,001-40,000</b>	97	19.4
	<b>40,001-50,000</b>	105	21
	<b>50,000 Above</b>	85	17
	<b>Total</b>	500	100

From the above Table 3 it is clearly understood that there are 24.60 % of the respondents whose monthly family income is 20001-30000, 19.40 % belong to the income bracket of 30001-40000, 21.00 % belong to the income group of 40001-50000, 17.00 % are the income group of above 50000, and the remaining 18.00 % belong to the category of below 20000. It is known that respondents earning a monthly income between 20001-30000 are the major income(24.80 %).

**Table 4: use of invisible banking**

With the use of invisible banking, the assessing of banking is now so fast which can be used anytime, anywhere			
		Frequency	Percent
	<b>Strongly Disagree</b>	66	13.2
	<b>Disagree</b>	107	21.4
	<b>Neutral</b>	57	11.4
	<b>Agree</b>	99	19.8
	<b>Strongly Agree</b>	171	34.2
	<b>Total</b>	500	100.0



The above table-4 and bar chart define the use of invisible banking. In which strongly disagree respondents are 13.20 %, disagree respondents are 21.40 %, neutral respondents are 11.40 %, agree respondents are 19.80 %, strongly agree respondents are 34.20. so with the use of invisible banking customers feels that the transactions have become more fast which can be used anywhere and any time

### 1. 1.5 CONCLUSION \SUGGESTIONS

The banks' efforts to create and nurture strong and healthy relationships with their clients will give rise to a sense of empowerment. Consumers' levels of satisfaction rise as a result of their empowering experience And Consumer happiness. Information technology is playing an important role in bringing about significant improvements in the banking system, notably in the new privatized sector and international institutions is an important factor in reducing client turnover since pleased consumers become loyal clients. . It was also necessary to pay more attention to watertight security procedures and systems when banks expanded into virtual banking. E-banking oversight and auditing must be bolstered, and vigilance against hackers must be increased.

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