

A Study On Customer Perception Towards Digital Banking Transaction In Kumbakonam

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Abstract: Digital Banking is a generic term for development of banking services and delivering products through electro. Channels, such as the Automated Teller Machines, the telephone, the internet, the mobile phone. Digital banking involves high levels of process automation and web-based services and may include APIs enabling cross-institutional service composition to deliver banking products and provide transactions. It provides the ability for users to access financial data through desktop, mobile and ATM services. Digital banking system project' aim is to automate transactions of bank and providing better faster services to the customers by using internet. All the transactions between customer and bank are stored in a database that is the centre of all information.

Keywords: Banking, Digital, Customer, Perception and Marketing.

I. INTRODUCTION

The Indian government is currently working to create a cashless economy. Digital banking is quite significant in this process. New revolutionary digital technology and brilliant ideas have given birth to entirely new economic and societal dimension. Banks have become an essential part of everyday life.

Digital banking means the digitalization of all traditional activities of banks through ATM machines, debit cards, mobile banking, electronic banking, virtual cards and others.

With the help this instrument the consumer doing bill payments, with drawls, transfer of payments etc and also know about the account details any time without going bank and any time transfer money at place and other account.

The banking industry in India expanded with development of country the banking sector contribution development of our country is very large.

STATEMENT OF THE PROBLEM

Banking is the heart of Indian financial service sector. Banking sector has reformed tremendously for traditional era

to modern banking is nothing but going paperless and ensuring digitalized services to the customers at their convenience 24/7/365 days.

OBJECTIVES OF THE STUDY

- ✓ To analyse customer preference towards digital banking. To study the recent development in digital banking services To study the factors influencing digital banking services.
- ✓ To analyse the challenges of digital banking.

Strength of Digital Banking

- ✓ Access at any time
- ✓ Save a lot of time
- ✓ Faster transaction with lower costs
- ✓ Convenience for customers
- ✓ Competitive advantages for economies of scale
- ✓ Provides better convenience and greater efficiency.

Weakness of Digital banking

- ✓ Security issues in digital mode.
- ✓ Sensitivity to the global economy.

- ✓ The use of internet banking depends on the availability of the internet.
- ✓ Can only target specific customers.

LIMITATIONS OF THE STUDY

- ✓ This study is based only on customers of various banks. The total number of respondents is limited to 100 Customers only.
- ✓ Lack of accountability of respondent's response which May be biased.

SCOPE OF THE STUDY

Scope of this study is related to understand the concept of online banking and to know the impact of online banking and to know the awareness and preference of consumer towards online banking.

II. REVIEW OF LITERATURE

According to Daniel (1999), digital banking is electronic connection between the bank and customer in order to prepare, manage and control financial transactions. Sathya (1999) also asserted that electronic banking can be defined as a variety of the following platforms.

Daniel, 1999; Mols; 1998; Sathya (1999) different authors have defined it in different ways based on their understanding of the application of electronic banking. Also, while only 1% of digital banking users utilized the digital banking services in 1998, but the digital banking user base increased to 16.7% by mid-2000.

Mishra (2005) in his paper stated the benefits and security concerns digital banking. According to him increased customer loyalty, improved customer access, attracting new customer, offering of more services are the digital banking association, member of instructions.

Preeti Singh (2011) The study finds out customer point of security associated with digital banking technology, standard of services provided by HDFC, mobile banking operations are having a positive perception for the customers to adopt for a long run.

Jagannathan (2023) the study witnessed that Paytm is leading among other wallet provider, "By identifying the aspects of a digital banking that bank managers should gain awareness of being able to more effectively develop appropriate strategies to address the customer of the bank" Larsson. A. and Viraja, Y. (2017).

PROFILE OF THE STUDY

Digital banking, the automation of traditional banking services, is the key to customer engagement, better profitability and control. Its redefined banking by substituting a bank's physical presence with an online presence and doing away with the customer's need to visit a branch.

FEATURES OF DIGITAL BANKING ONLINE BANKING

- ✓ Online banking allows customers the luxury of banking anytime, anywhere. Some of the most common online banking features and services include: Fund transfer [now available 24*7 with IMPS].
- ✓ Viewing bank transaction history.
- ✓ Printing account statements and balances. Transfer of funds from one account to the other

MOBILE BANKING

➤ Mobile banking is a service provided by a bank or other financial institution that allows its customers to conduct financial transactions using a mobile device such as a smartphone or tablet. The banks create user-friendly apps that allow customers to bank efficiently from the comfort of their home

SOURCE OF DIGITAL BANKING

- ✓ Mobile banking app
Many banks in India offer their own mobile banking apps that allow customers to access various banking services through their smartphone.
- ✓ Internet Banking
Banks provide internet banking services through their websites, enabling customers to perform banking transaction online.
- ✓ Unified payment interface (UPI)
 - UPI is a real – time payment system which is developed by NPCI which stands for national payments corporation of India which facilitates instant funds transfers between banks through mobile devices.

BENEFITS OF DIGITAL BANKING

- ✓ The convenience of banking from the comforts of home. 24*7 availability of access to banking functions.
- ✓ Enables set up of automatic payments regular utility bills. Facilitates online payments for online shopping etc.
- ✓ Extends banking services to remote areas.
- ✓ Paperless banking.

III. TYPES OF DIGITAL BANKING

- ✓ ATM-Automated Teller Machine

An automated teller machine (ATM) is an electronic banking outlet that allows customer to complete basis transactions without the aid of a branch representative or teller.

✓ Personal Computer Banking

PC banking refers to a person being able to access their banking information from a “personal computer”. It has become a popular method for people to manage money and pay bills, transfer money between accounts and reconcile check leaders.

✓ Mobile Banking

Mobile banking is the act of making financial transactions on a mobile device (cell phone, tablet, etc). This activity can be as simple as a bank sending fraud or usage activity to a client’s cell phone or as complex as a client paying bills or sending money abroad.

✓ E-Mail Banking

E-mail bank any bank that has authorized use of an electronic mail address as its notice address for purpose of this agreement, as specified in an administrative questionnaire (or other written notice) delivered to the administrative agent and CFC,

COMPANY PROFILE

The history of digital banking in India can be traced back to the late 1990s and early 2000s when the concept of online banking started gaining attention. In the middle of the 1990s, when private sector banks were first established, a new business model centred on a solid information technology (IT) foundation arose in India. ICICI bank, a private sector bank, started digital banking in India in 1998. However, the real transformation began in the 2010s with the growth of smartphones and internet accessibility. Around 2010, mobile banking apps started emerging, allowing customer to perform various banking tasks through their smartphones. The launch of the unified payments interface (UPI) in 2016 was a significant mile stone. UPI revolutionized digital payments by enabling instant and seamless fund transfers between bank accounts through mobile apps. The Indian government’s push towards a digital economy, especially with initiatives like “digital India and JAN DHAN YOJANA,” further accelerated the adoption of digital banking. In 2016, the demonetization drive acted as a catalyst, prompting many Indians to adopt digital payment methods.

✓ The pandemic in 2020 further highlighted the importance of digital banking as people turned to online transactions due to lockdown and safety concerns. Traditional banks also embraced the digital transformation, enhancing their online and mobile banking services.

✓ The Reserve Bank of India (RBI) played a crucial role in shaping the digital banking landscape. It introduced regulations and guidelines to ensure the security of digital transactions and customer data. The RBI’s “know your customer” [KYC] norms, were adapted to digital platforms, allowing for remote customer verification through Aadhaar or other approved methods

DATA ANALYSIS AND INTERPRETATION

✓ Analysis and interpretation are closely related. Interpretation is not possible without analysis and without interpretation analysis has no value. Hence the term analysis is widely used to refer both analysis and interpretation.

✓ The study was both primary as well as secondary data. Primary data was collected through field survey method. For collecting the data questionnaire was used as a main tool. The data thus collected were tabulate systematically in an orderly form.

PERCENTAGE ANALYSIS

✓ Percentage analysis refers to special kind of ratio, percentage are used in making comparison between two or more service of data used to describe the ration. Since the percentage reduced everything to a common base and there by allow meaningful comparison to be made.

AGE	NO.OF. RESPONDENTS	PERCENTAGE
18-25	85	85%
25-40	11	11%
40+Above	4	4%
Total	100	100%

Table No. 4.1: Age Of Respondents

INTERPRETATION

From the above table interpreted that of respondents are of age group. 85% of the respondents are between the age of 18-25 and 11% of the respondents are between the age 25-40. 4% of the respondents are more than the age of 40.

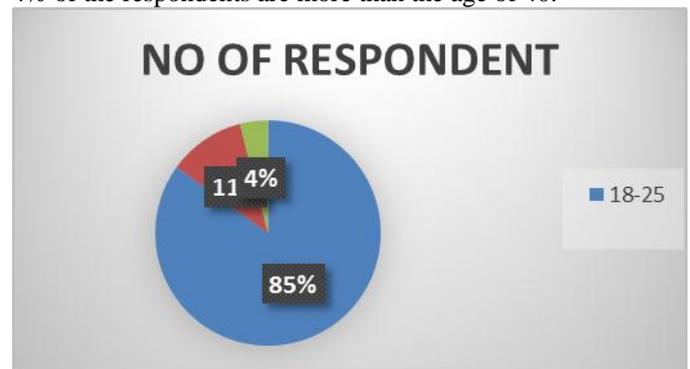


Diagram No 4.1: Age Respondents

Table 4.2: Gender Of The Respondents

GENDER	NO.OF. RESPONDENTS	PERCENTAGE
Male	35	35%
Female	65	65%
Total	100	100%

✓ INTERPRETATION

From the above table, it is interpreted that of the respondents are of gender. The 32% of respondents are male and 65% of respondents are female.

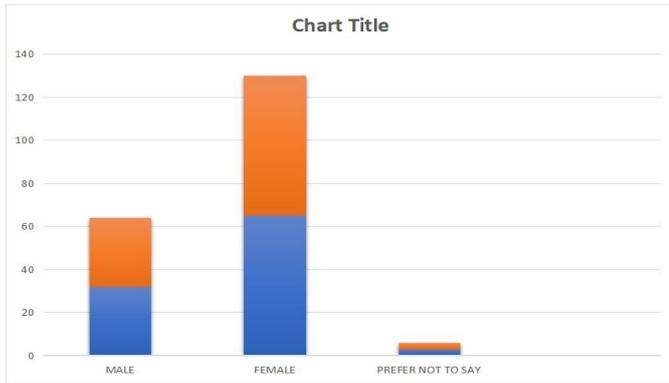


Diagram No 4.2: Gender of Respondents

OCCUPTION	NO OF RESPONSE	PERCENTAGE
Student	77	77%
Employed	17	17%
Other	6	6%
Total	100	100%

Table 4.3: Occupation Of The Respondents

INTERPRETATION

✓ From the above table shows that 77% of the respondents are college students. 17% of the respondents are employed. 6% of the respondent are others. Maximum 77 respondents are students and the minimum 17 respondents are employed.

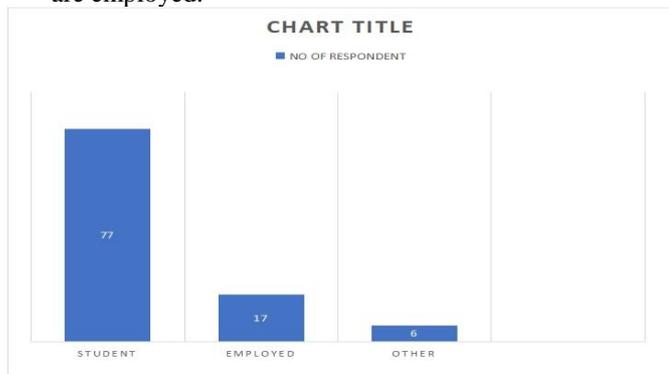


Diagram No 4.3: Occupation Of The Respondents

OPTION	NO OF RESPONSE	PERCENTAGE
Yes	65	65%
No	35	35%
Total	100	100%

Table 4.4: Usage Of Digital Banking

✓ INTERPRETATION

From the above show that 65% of the respondents are having digital banking and 35% of the respondents are not having the digital banking facilities.

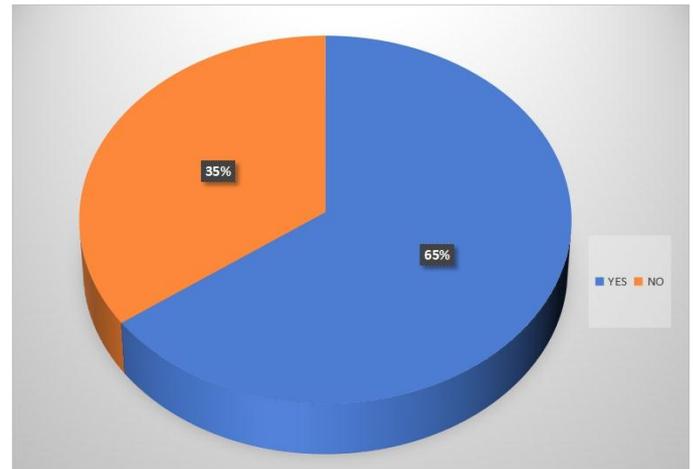


Diagram No 4.4: Usage Of Digital Banking

OPTION	NO OF RESPONSE	PERCENTAGE
Yes	30	30%
No	70	70%
Total	100	100%

Table 4.5: Difficulties Faced By Registration Of Digital Banking

✓ INTERPRETATION

From the above table shows that 30% of the respondents facing the registration problems of digital banking. And 70% respondents are not facing the registration problems.

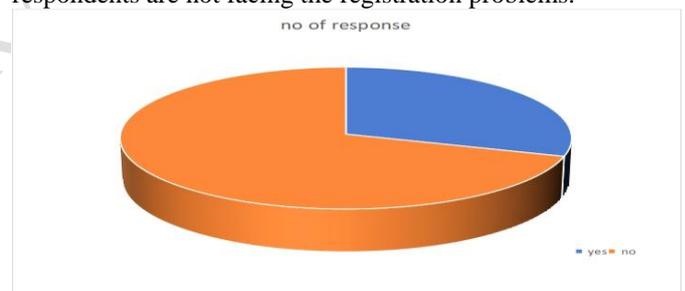


Diagram No 4.5: Difficulties Faced By Registration Of Digital Banking

OPTION	NO.OF RESPONSE	PERCENTAGE
Strongly Agree	20	20%
Agree	50	50%
Neutral	10	10%
Disagree	5	5%
Strongly disagree	15	15%
Total	100	100%

Table No 6: Access Digital Banking Services

✓ INTERPRETATION

From the above table show that customer can access digital banking services at anytime and anywhere. 20% of the respondent are strongly agree 50% of the respondent are agree 10% of the respondents disagree and 15% of the respondents are strongly disagree to the access of digital banking services at anytime and anywhere.

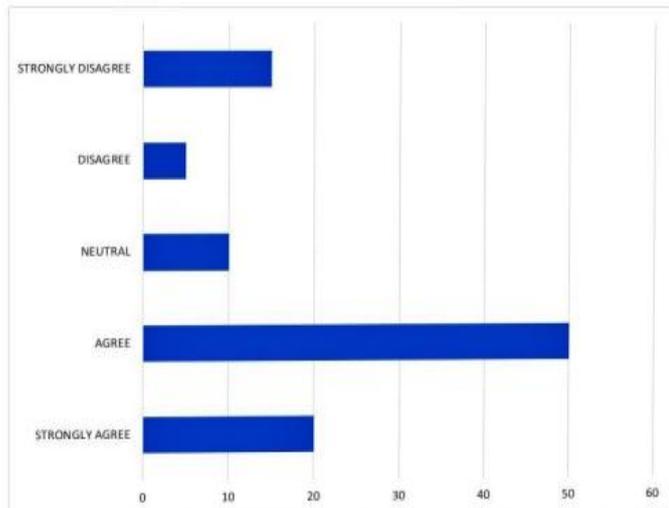


Diagram No.6: Access Of Digital Banking Services

IV. FINDINGS OF THE STUDY

The following are the major findings from the research on digital banking.

- ✓ Majority 85% respondents are AGE between 18-25.
- ✓ Majority 65% of gender of respondents are FEMALE.
- ✓ Majority 77% of the respondents are COLLEGE STUDENT.
- ✓ Majority 67% of the respondent YES having digital banking.
- ✓ Majority 70% of respondent YES have face difficulties in net banking registration.
- ✓ Majority 50% of the respondents AGREE customer can access digital banking services at any time.

V. SUGGESTIONS

- ✓ Banking sector has to focus more on security threats.
- ✓ Banking sector should enlighten customers about the usage of digital apps by providing practical knowledge.
- ✓ Banking sector can encourage customer to refer their bank transaction statement from internet banking instead of hard copy from the banks.

VI. CONCLUSION

The research report is based on primary data. According to the study, the researcher concludes that the most of the bank customers are aware about all the digital banking services. The banks further have to take necessary steps to educate the customers regarding the new technology and other services offered by the banks. Banks may extend customer meeting time with bank officials and also friendly approach is necessary. Definitely it will help to retain the existing

customers and to attract new customers. It will automatically improve the banking services and development of banks in India and also in abroad. The research report is useful to know the customer awareness of digital banking system and what types of risk involved in digital banking system.

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