

Customer Adoption and Satisfaction towards Digital Banking Services with special reference to Coimbatore City

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ABSTRACT

Technical advancements and technology based services dominate our life. Especially after demonetization in India, the need for using or adopting digital services in banking sector was increased exponentially. This paper aims to study the customer adoption and satisfaction towards using digital banking services by Coimbatore City respondents. A structured interview schedule has been prepared and data were collected from 100 respondents. Statistical tools used like Percentage, One-way ANOVA, Z Test and Ranking for Data Analysis. It finds out that, all 8 factors were highly influenced on usage of Digital Banking Services and Majority of them were highly satisfied with Digital Banking Services.

1. Introduction

The customer's encounters by method for focused, intuitive, on-request and generally reasonable contributions. More or less, Banks have to construct new and inventive commitment show consistently and furthermore for all sort of customer's. With the goal for banks to flourish in this evolving situation, an all-encompassing comprehension of customer's needs end up basic for specialist organizations to implant their administration contributions totally into customer's lives. There are numerous FinTech players in our nation, out of which few players will rise as conquerors, making a manageable plan of action that appropriate for current situation. These models will emphasis on holding customer reliability, among developing customer desire; reinforcing IT, in a situation of exponential innovation progressions; receiving information focuses further bolstering their good fortune; looking for suitable subsidizing; bringing down cost of services, and offering value added services.

2. Digital Banking

Digital banking is the digitization (or moving internet) of all the customary keeping money exercises and projects that truly were just accessible to customers when physically within a branch bank. Digital Banking is the use of innovation to seamless end-to-end (STP in the 'old' language) preparing of banking transactions/activities; started by the customer, guaranteeing most extreme utility; to the customer as far as accessibility, convenience and cost; to the bank as far as diminished working costs, zero mistakes and improved services.

Digital banking can be characterized as stretching out the value-based office to customers by banks through different anchored digital channels by dealing with information security, related hazard relief and administrative angles by banks themselves. This is achieved by integrating online (internet) and mobile banking services by adoption of latest digital technologies like analytics, social media, innovative payment solutions and mobile technology with the aim of more than

customer expectation, convenience and experience.

Online banking primarily focuses on remote deposits, money transfers, bill pay, and basic online management of accounts. Along these lines, internet saving money centers around digitizing the " main " parts of managing an account, however digital banking includes digitizing each program and movement attempted by monetary foundations and their customers.

Till two decades back, banks had been following physical branch arrange (brick and mortar) technique for expanding customer base and branch system. This technique includes more costs by method for lease, maintenance costs, power charges and so on. Indeed, even after much advancement in digital banking, cost to pay proportion of a significant number of the banks are in the choice of 45-55%.

April 11, 2016 was an epic day for many individuals living in India. On that Monday, the government launched its Unified Payment Installment Interface (UPI), a digital banking method that enables individuals to effortlessly exchange cash to and from a bank or to others by means of a cell phone. While this kind of money transferring was available to people before that date, it wasn't accessible to everyone. Now, with UPI, nearly everyone in the nation can open a bank account, save money and make transactions.

3. Statement of Problem

Today we wind up in an advanced wonderland, where the milkman acknowledges wallet payment without an object, a man purchases a geometry set worth about Rs 100 for his little girl utilizing a Credit card and the vegetable seller utilizes QR code based "Scan and Pay" utility. The new inventive advanced technologies and leading edge points of view have brought forth entire new organizations and social measurements. Activities, for example, make in India and Digital India are currently the trendy expressions to a brilliant and maintainable modern and money related advancement of

our country.

As a component of its driving force for Digital Transformation in India, Government additionally energizes innovation reception/upgradation while furnishing network with rapid transmission capacity to each alcove and corner of the nation. This has uncovered the maximum capacity of the until now undiscovered market in India. Most recent innovation and administration contributions in the new age Digital Payments space by the Banks, for example, Unified Payments Infrastructure (UPI) including BHIM (Bharat Interface for Money) which is a Mobile App created by National Payments Corporation of India (NPCI), Bharat Bill Payment System (BPSS), versatile cash, e-wallets, payment aggregation and the rest have meet transformation by themselves. In India, more digital banking options are available and after demonetization usage of digital banking by the people also increased rapidly. The research work related to Digital banking in India is very limited is the main cause for the approach of this research article.

4. Review of Literature

Neeharika, P & V, N. Sastry (2014), explain an outstanding thing for the implementation of mobile wallet that are able to work in several areas and also work on the security challenges by affording control over several models towards mobile wallet.

Doan, N. (2014) studied "Consumer Adoption in Mobile Wallet: A Study of Consumers in Finland". The fundamental aim of the study was to distinguish factors influence the main objective m-wallet from the customers in Finland. The researcher has gathered essential information with the assistance of organized poll and led an overview of 100 respondents. For the research reason, the researcher has distinguished eight factors that impact the appropriation of m-wallet which were Exchange expenses, accessibility, usability, Brand faithfulness, Security, utility of growth and helpfulness of m-wallet. The researcher has found that security was the most influence factor for the adoption of m-wallet.

DeLaCastro et.al (2014) stress the way that customers hope to encounter saving money without limits, similarly as they do in retail and different businesses. What makes a difference most to them is the manner by which they encounter the bank's image. There are different channels the extent that advanced keeping money is concerned. The channels to be discussed are: Internet Banking, ATMs, Tele-Banking, Digital wallets, Mobile banking plus POS terminals.

Cross (2014) refers to a few conclusions of what digital banking implies. He says, what digital basically does is that it utilizes innovation to configuration encounters, both seen and concealed. Digital is tied in with making what can be seen inconspicuous - making administrations so smooth and consistent that it ends up undetectable to the client. It includes anticipating advanced activities which requires something other than the mechanization of administrations, yet to likewise considering the passionate part of saving money - what is customers' opinion about cash and what do they do with it? Enthusiastic requirements must be at the Focal point of the

whole client encounter. "Consumer loyalty is a proportion of how glad clients feel when they work with an organization in this setting a bank.

Kumar (2014) recommends that clients' developing utilization of digital channels for managing an account and their interest for an individualized ordeal have constrained numerous banks to return to their client benefit endeavors. Notwithstanding expanding rivalry from developing digital banks, which are rethinking consumer loyalty and tricking more youthful clients, customary banks must use digital networks to make an additionally remunerating consumer loyalty.

Poonam Painuly and Shalu Rathi (2016) in their exploration paper "m-wallet : An upcoming mode of business transaction" have broke down that simplicity of exchange , anchored profile and comfort in taking care of use set forth the advantages of wallet cash and furthermore inferred that business parts like managing an account , retail, cordiality and so forth., are profiting and versatile installment instruments including contactless and remote installment in the clients - business and customers to customers regions.

Kevin Ogonji Muluka et.al (2016), purposed to examine the influence of digital banking on customer satisfaction case of National Bank of Kenya Bungoma County. The study mentions that there is necessity by banks come up with an application that can be used to enhance digital banking, facilitation of ICT skills so that technology can be embraced. On affordability of digital channels, the study completes that digital banking channels are affordable. Affordability while transacting using digital banking is important however there are other considerations to be put in place apart from affordability. The negative minimal correlation implied that that affordability did not influence on customer's satisfaction.

Rathod, H (2016) examined " Adoption of Digital Wallet by Consumer " and the study emphasizes around recognizing factors that influence customer choice to receive digital wallet as a method of online payment. The researcher has taken 9 factors that influence choice of m-wallet to be pricing, convenience, ease of use, Brand loyalty, Security, Privacy, utility of innovation, usefulness of digital wallet and discount offer. The research likewise distinguished different components identified with risk and difficulties looked by buyers in utilizing digital wallet. The researcher found that the most vital factor that influence shopper to utilize m-wallet was convenience in purchasing item online followed by Brand loyalty and security & safety of money at the season of exchange observed to challenge issue for users.

5. Objectives

- To find the customer adoption towards digital banking in Coimbatore city
- To find out the purpose for using digital banking by the customers
- To Analyze the various factors influencing over usage of digital banking
- To understand the overall performance of digital banking with the customers.

6. Methodology

The current study is descriptive in nature and it has made an attempt to understand customer adoption and satisfaction towards Digital Banking Services. In order to attain the objective of the study, the following methodology has been made use of: A sample of 100 urban people of Coimbatore city has been taken for the study. The respondents are selected by using convenient sampling technique. For the purpose of the study both primary and secondary data were used. The data required for the study were collected by using of interview schedule. The secondary data for the study was compiled from websites, journals, magazines, census reports and books. For analysis purpose percentage, Z Test, one way Anova, and ranking method were used.

7. Results and Discussion

7.1. Demographical Profiles of the Respondents

The collected data has been analyzed by using SPSS version 21. The survey asked the respondents about their demographics such as age, gender, annual income, profession, occupation along with Source of information for digital banking services, Period of using digital banking services and time spending over digital banking every time.

Table-1
Demographic Profile of the Respondents

Gender	Male - 64% and Female - 36%
Age	18 - 25 Years - 52%; 26 -40 Years - 41% and 41 - 60 Years -7%
Annual Income	Below Rs.5 Lakh – 55%; Rs.5 Lakhs – Rs.10 Lakhs – 34% and Above Rs.10 Lakh – 11%
Profession	Business – 20% and Employed – 80%
Digital Banking Services – Sources of Information	Internet – 1%; Magazine/Television – 4%; Social Media – 25%; Friends/Relatives – 55% and Others – 15%
Period of usage	More than 1 Year ago – 21%; 3 Months ago – 38%; 6 Months ago – 30% & Last 1 month – 11%
Time spending over Digital Banking	Less than 10 Minutes – 54%; 10 – 20 Minutes – 27% and 20 – 30 Minutes – 19%

Source: Primary data

Over 52% of the sample is under the age of 18 - 25 years, and only 7% of the sample is over the age of 60 years. Majority of them i.e., 64% are Male and 36% are Female. 55% of the respondent's annual income was below Rs.5 Lakhs per annum. Out of 100 respondents – 80% of them were employed and 20% of them were doing business. Majority of the respondents i.e., 55 % Friends and relatives give information about Digital banking services. 38 % of respondents using digital banking services over 3 months ago followed by 30% respondents for

more than 6 months. 54% of respondents spending less than 10 minutes on digital banking services every time.

7.2. Z –Test: Gender on Construct:

Null Hypothesis: Male and female have on an average same level of influencing factor and satisfaction level on Digital Banking.

Alternative Hypothesis: Male and female do not have on an average same level of influencing factor and satisfaction level on Digital Banking.

Table-2
Z –Test: Gender on Construct

Constructs	Gender	Mean	Z	Sig.	Remarks
Factors influencing on usage of Digital Banking	Male	31.2	0.534	0.594	Not Significant
	Female	31.66			
Satisfaction of Digital Banking	Male	3.79	0.814	0.418	Not Significant
	Female	3.94			

Source: Primary data

From the above table it is understood that for the constructs Influencing factor and satisfaction level on Digital Banking, the calculated significance values are greater than 0.05, the null hypothesis is accepted. It is concluded that the opinion between male and female do not differ significantly.

7.3. Z –Test: Profession on Construct

Null Hypothesis: Respondents belonging to different profession have on an average same level of influencing factor and satisfaction level on Digital Banking.

Alternative Hypothesis: Respondents belonging to different profession do not have on an average same level of influencing factor and satisfaction level on Digital Banking.

Table-3
Z –Test: Profession on Construct

Constructs	Profession	Mean	Z	Sig.	Remarks
Factors influencing on usage of Digital Banking	Business	31.2	0.534	0.594	Not Significant
	Employed	31.66			
Satisfaction of Digital Banking	Business	3.79	0.814	0.418	Not Significant
	Employed	3.94			

Source: Primary data

From the above table it is understood that for the constructs Influencing factor and satisfaction level on Digital Banking, the calculated significance values are greater than 0.05, the null hypothesis is accepted. It is concluded that the opinion between male and female do not differ significantly.

7.4. ONEWAY ANOVA - Age on Construct

Null Hypothesis: Respondents belonging to different age group have on an average same level of influencing factor and satisfaction level on Digital Banking.

Alternative Hypothesis: Respondents belonging to different age group do not have same level of influencing factor and satisfaction level on Digital Banking.

Table-4
ONEWAY ANOVA - Age on Construct

Constructs	Age	Mean	F	Sig.	Remarks
Factors influencing on usage of Digital Banking	18-25	31.17	0.503	0.606	Not Significant
	26-40	31.36			
	41-60	32.85			
Satisfaction of Digital Banking	18-25	3.75	0.874	0.775	Not Significant
	26-40	3.25			
	41-60	3.78			

Source: Primary data

From the above table it is understood that different age group have on an average same level of influencing factor and satisfaction level on Digital Banking, the calculated significance values is greater than 0.05, the null hypothesis is accepted. It is concluded that the opinion between different age group respondents do not differ significantly.

Null Hypothesis: Respondents belonging to different income group have on an average same level of influencing factor and satisfaction level on Digital Banking

Alternative Hypothesis: Respondents belonging to different income group do not have same level of influencing factor and satisfaction level on Digital Banking

7.5. ONEWAY ANOVA - Annual Income on Construct

Table-5
ONEWAY ANOVA - Annual Income on Construct

Constructs	Income	Mean	F	Sig.	Remarks
Factors influencing on usage of Digital Banking	Below Rs 5 Lakh	31.86	0.805	0.456	Not Significant
	5 lakh to 10 Lakh	30.7			
	Above 10 Lakh	31.09			
Satisfaction of Digital Banking	Below Rs 5 Lakh	3.71	0.314	0.925	Not Significant
	5 lakh to 10 Lakh	3.22			
	Above 10 Lakh	306			

Source: Primary data

From the above table it is understood that different income group have on an average same level of influencing factor and satisfaction level on Digital Banking, the calculated significance values is greater than 0.05, the null hypothesis is accepted. It is concluded that the opinion between different age group respondents do not differ significantly.

7.6. Preference on Digital Banking Services

Table 6 shows the Digital Banking Services have availed by the respondents.

Table-6
Preference on Digital Banking Services

Digital Banking	1	2	3	4	5	6	Total	Rank
Score(X)	77	63	54	46	37	23		
Withdrawals, and Transfers(f1)	22	15	18	6	17	22	5022	4
Xf(1)	1694	945	972	276	629	506		
Checking/Saving Account Management(f2)	15	19	12	24	17	13	5032	2
Xf(2)	1155	1197	648	1104	629	299		
Applying for Financial Products(f3)	15	14	23	18	16	14	5021	5
Xf(3)	1155	882	1242	828	592	322		
Loan Management(f4)	25	14	12	17	12	20	5141	1
Xf(4)	1925	882	648	782	444	460		
Bill Pay/Mobile or Dish Recharge/	10	16	18	19	20	17	4755	6

Purchase payments (f5)								
Xf(5)	770	1008	972	874	740	391		
Account Services(6)	13	22	17	16	18	14	5029	3
Xf(6)	1001	1386	918	736	666	322		

It is exhibited from above table that the foremost reason for availed a digital banking for personal purposes by the respondents was to select it as a Loan management with the highest score of 5141, thus given first rank. The Second rank was given to checking and saving account management with the score of 5032. Account services with score of 5029 has given third rank. The fourth rank was given to withdrawals and transfers with the score of 5022. Applying for financial product with the score of 5021 has been given fifth rank and Bill Pay/Mobile or Dish Recharge/Purchase payments with the score of 4755 was ranked the least by the respondents.

8. Conclusion

This study finds out that, the respondents are highly influenced by Convenience, Efficiency (Speedy process), Less Lugging (Easy to carry), Enhanced Security, less norms and Formalities, Discounts, Bonuses and Rewards, Brand Loyalty and Utility of New Technology factors and majority of the respondents were highly satisfied over digital banking services. Loan management has been ranked first for using digital banking services, followed by checking/savings account management. Apart from these technologies, there are many other technologies which Indian banks could harness in future. Banks can use google glass technology to locate the nearest

bank branch/ ATM, check account balances and use video conferencing for technical support. Augmented Reality (AR) app is integration of digital information with the user's environment in the real world. In India, AR mobile app has been launched by a bank which lists all dining destinations, property lists, and shopping Centre's, bank ATMs, branches etc with real life pictures along with distance and directions. Installing Bluetooth beacons at bank branches could allow banks to integrate physical and mobile channels to provide effective communication.

Although the adoption of digital technology by Indian banks is very less, it is expected to increase going forward with many Indian companies engaging in beacon technology and growing smart phone users. Indian banks are yet to experience extensive adoption of many technologies, however, significant investments and developing dedicated teams to test these technologies is a positive sign. Adopting to technology and transitioning to Digital Banking, which will help reap the benefits of basic efficiency improvements and cost avoidance. A variety of technological tools have entered the Indian market and Banks have been seen making large-scale technology investments in them. Implementing advanced technology that is scalable the digital bank to serve tomorrow's customer.

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