8. Analysis of Customer Adoptability, Satisfaction and Reusage Behavior Towards Digital Banking Services" – A Study On Nationalized Banks in Chennai

M. Saranya

Assistant Professor(Commerce),
Dr. M.G.R Educational and Research Institute,
Chennai, Tamil Nadu, India.

Introduction:

A bank is a financial institution that provides banking services and other financial services to their own customers. Generally, bank is an institution which provides all kind of banking services like accepting deposits from the customers and lending loans to them. Bank is a subdivision of the financial services industry in India. The Banking sector provides various facilities and opportunities to their customers. All the banks aim to protect the money and valuables and provide loans, credit facility, and payment services, like correcting accounts, money orders, and cashier's cheques. Digital Banking are considered as adoption of different existing and developing technologies by the banks with associated changes in internal operations and external relationships for giving excellent customer services and experiences completely and accurately.

The new innovative digital technologies and modern thinking processes have given birth to entire new businesses and friendly dimensions. As part of its force for DIGITAL TRANSFORMATION in India, Government also encourages technology adoption or technology up gradation through providing connectivity with high speed range to every corner of the country. Latest technology and service offerings in the new age Digital Payments methods by the Banks, like Unified Payments Infrastructure (UPI) including BHIM (Bharat Interface for Money) which is a Mobile App developed by National Payments Corporation of India (NPCI), Bharat Bill Payment System (BPSS), mobile money, e-wallets, payment aggregation etc. have created a drastic action by themselves.

Section 5 (b) of Banking Regulation Act[1] starts with various businesses in which a banking company can be engaged and also prohibits certain businesses which cannot be taken up by the banks. **Section 5(b) of Banking Regulation Act 1949**[2] defines as "accepting for the purpose of lending or investment of deposits of money from the public, repayable on demand or otherwise and withdrawal by cheque, draft, and order or otherwise".

Need for The Study:

In the current trends in banking sectors, customer adoption and satisfactions towards the digital banking play an important role in all the types of banking services provided by nationalized banks. This research work helps to analyze the overall customer satisfaction and re-usage behavior of digital banking services such as plastic money services, cash dispersive machines, mobile banking, internet banking, Imps, AEPS, e-passbook printing, cash deposit machines. An analysis is made to understand the usages of re-usage behavior of digital banking services provided by nationalized banks. Thus the research helps to find the customers adoptability, satisfactions, and re-usage behaviors of digital banking services.

Review of Literature

➤ **Dr. Nirmala Mohan and Dr. Florence John (2014)[3]** in their research "Customer Awareness and Satisfaction of Online Banking services: An Analytical Study on Nationalized banks in India" found the most of the respondents are aware and satisfied with electronic or e-banking activities of the banks. Further the researchers observed that there is no significance different among the respondents according to different age groups and education qualification regarding the use of internet bank.

➤ **Rouibah (2015)[4]** in his research, he showed that poor security, lack of trust, fear of failure, high charges and poor familiarity were the major constraints that affected e-payments. Besides, security features of internet, banking facilitates, and privacy and quality of services were also affecting adoption of e-payments.

➤ **Rathore (2016)[5]** in his research stated that digital payments method using e- wallet was highly convenient for consumers in purchasing products through online without physical movements across places.

➤ **Venkatesh. R and Sangeetha. D (2017)[6]** in their study "customer's perception towards NEFT and RTGS services- A Study on Indian Banking Industry" the main aim of this research is to identifying the factors influencing customer satisfaction on NEFT and RTGS facilities. In their research they found that most of the respondents are aware and satisfied with NEFT and RTGS services provided by the Banks. Further the researchers suggest that banks must create awareness on the usage of electronic fund transfer through social media and campaign at rural areas to increase the usage of NEFT and RTGS facilities.

Research Methodology:

Research is a structured study that utilizes acceptable scientific methodology to solve problems and create new knowledge that is generally applicable. Scientific methods consist of systematic observations, classification and interpretations of data. Scientific method lies in the degree of formality, rigorousness, verifiability and general validity of the later.

Objectives of The Research:

The Objectives refer to the questions to be answered through the research. They indicate what researcher is trying to get from the research. The broad objectives of this research are as follows:

- To identify and analyze the awareness of usage pattern of digital banking services of Nationalized Banks in Chennai.
- To analyze the customers' perception on adoptability of digital banking services of Nationalized Banks in Chennai.
- To assess the level of satisfaction on digital banking services of Nationalized Banks in Chennai.
- To evaluate the re-usage behavior towards digital banking services of Nationalized Banks in Chennai.
- To examine the relationships among Customer Adoptability, Satisfaction and Re-usage behavior towards digital banking services of Nationalized Banks in Chennai.

Sample:

The sample size of the present study has been 150. The simple random sampling technique is used for the present study. Printed questionnaires were given to each and every respondent and they were asked to fill their responses in the respective columns. Questionnaire included several questions related to adoptability, level of satisfaction, safety and security, convenient, accessibility and the respondents were asked to choose the appropriate answer. Completed questionnaire was collected and their response has been considered for the present study.

Questionnaire:

Questionnaire is considered as the heart of a survey operation. Hence, it has been carefully constructed. The questionnaires were also mailed to respondents who were expected to read and understand the questions and write down the reply in the space meant for the purpose of the questionnaire itself.

Questionnaire for the present study was well structured. Questionnaire comprised of open-ended, close-ended, multiple choice questions. In order to scale the responses in research, five points likert scale has been used in the questionnaire. The five points were Strongly Agree, Agree, Neutral, Disagree and Strongly Disagree. Questions were simple and clear which enabled the respondents to make a quicker response.

Statistical Tools:

The role of statistics in research is to function as a tool in designing research, analyzing the data and drawing conclusions their form. Statistical tools help in defining the variables and in proving or disproving the hypothesis. The following statistical tools were used for analysis of data

- Descriptive Analysis
- Inferential Analysis
- Independent T-Test for Two Samples
- Analysis of Variance (Anova) Test
- Pearson's Product Moment Correlation
- Multiple Regression

Research Hypothesis:

The following hypotheses are formulated and tested to achieve the objectives.

- There is no significant difference among the demographic variables of customers with respect to Perception on Adoption of Digital Banking Services of Nationalised Banks.
- There is no significant difference among the demographic variables of customers with respect to Satisfaction on Digital Banking Services of Nationalised Banks.
- There is no significant difference among the demographic variables of customers with respect to Re-usage behavior towards Digital Banking Services of Nationalised Banks.
- There are no significant relationships among Customer Adoptability, Satisfaction and Re-usage behavior towards Digital Banking Services of Nationalised Banks.
- Customer Adoptability has no significant influence on Satisfaction on Digital Banking Services of Nationalised Banks.

Data Analysis and Interpretation:

The data, after collection, has to be processed and analyzed in accordance with the outline laid down for the purpose at the time of developing the research plan. Technically, speaking, processing implies editing, coding, classification and tabulation of collected data so that they are amenable to analysis.

Table 4.1: Demographic Profile of the Respondents

(Sample Size =150)

Variables	Options	Frequencies	(%)
Gender	Male	82	54.67
	Female	68	45.33
Age in years	19 – 40Years	Open ended Question (Scale Variable)	56.00
	41 – 62Years		44.00
Marital Status	Married	90	60.00
	Unmarried	60	40.00
Qualification	School / Diploma	42	28.00
	UG / PG	82	54.67
	Professional / Ph.D.	26	17.33
Monthly Family Income (INR)	Upto Rs. 25,000	40	26.67
	Rs. 25,001 – Rs. 50,000	65	43.33

Variables	Options	Frequencies	(%)
	Rs. 50,001 – Rs. 75,000	27	18.00
	Above Rs.75,000	18	12.00
Occupation (Type of customers)	Salaried	68	45.33
	Business/Professional	23	15.33
	Student	20	13.34
	Home maker/Retired	39	26.00

Source: Primary Data

Table 4.2: Analysis of Awareness on Digital Banking Services

(Sample Size =150)

Variables	Frequencies	(%)
Plastic Money - Card based Payments used at POS (Debit / ATM / Prepaid / Credit Cards, etc.)	150	100
Cash Dispensing Machines (CDM)	115	76.67
E-Wallets or Mobile Wallets or Mobile Banking	48	32.00
Internet Banking (NEFT, RTGS, SWIFT, etc.)	140	93.33
Unified Payments Interface (UPI) offered by NPCIL	45	30.00
Immediate Payment Service (IMPS)	78	52.00
Aadhaar Card Enabled Payment System (AEPS)	36	24.00
Unstructured Supplementary Service Data (USSD)	30	20.00
Pass book printing/E-Statements of transaction	146	84.00
Cheque Deposit Machine	112	74.67

Source: Primary Data

Table 4.3: Level of Satisfaction on Digital Banking Services of Nationalized Banks

Variables	N	Mean	Sd
Speed of transaction	150	4.27	.613
Reasonable cost of transaction	150	4.24	.795
Number of digital channels	150	4.45	.556
Flexibility	150	4.03	1.045

Variables	N	Mean	Sd
Trust in transaction	150	4.25	.623
Quality of Service	150	4.24	.795
Innovativeness	150	3.84	.831
Digital technology used	150	4.19	.714
Convenient in use	150	4.23	.613
Accessibility of services	150	3.97	.773
Level Of Satisfaction On Digital Banking Services Of Nationalized Banks	**150**	**41.71**	**5.564**

Source: Primary Data

Table 4.4: Reusage Behavior towards Digital Banking Services

Variables	N	Mean	Sd
I use this digital banking service each time I need to make any financial transaction.	150	4.19	.776
I would like to recommend others to use digital banking services.	150	4.27	.813
I actively encourage others to use digital banking services.	150	4.14	.995
I prefer these digital banking services over traditional banking services for payments and receipts.	150	4.28	.856
I will not switch over to traditional banking services even they are providing at lesser/no cost.	150	4.16	.880
Reusage Behavior Towards Digital Banking Services	**150**	**21.04**	**4.365**

Source: Primary Data

Findings:

- The majority of the respondents considered for the present study are male respondents compare to female respondents.
- The majority of the respondents considered for the present study belong to the age group between 19 to 62 years. A maximum 56 percent of the respondents are in the age group of 19 to 40 years and minimum 44 percent of the respondents are in the age of group of 41 to 62 years.
- It has been found that out of the total sample, majority of the respondent's monthly income group between Rs.25001 to Rs.50000 and most of respondents are salaried people.

- Majority, all respondents have an awareness on plastic money-card based payments used at POS (Debit/ATM/Prepaid /Credit Card, etc) and a minimum number of awareness on USSD.
- Majority of the respondents are satisfied while using digital banking services of nationalised banks.
- There is no significant difference between married and unmarried respondents with respect to the re-usage behaviour towards digital banking services.

Suggestions:

- Customer satisfaction is to be considered important by the nationalised banks and they should try to initiate in their various banking services.
- Today's customers are aware of the growing Digital Banking services and so they expect accessibility of these services from all the places. Hence, digital banking services must be made available to customers from different channels to enhance customer preference and customer satisfaction.
- Among all the Digital Banking services ATM, CDM and Internet Banking services are most familiar among the customers. It is suggested that the bankers should take efforts to inculcate knowledge and awareness about other digital banking services to the customers.
- With the increase in the reusage - behaviour of digital banking services, banks should also equip themselves with highly secured mechanism in order to win customer confidence.

Conclusion:

Banking industry is plays an important role in the economic development of a country and it became a globalised service sector in the current scenario. In banking industry, technological development has brought a significant change in banking services. In the current situation, Indian nationalised banks are providing plenty of digital banking services for their customers. ATM, Debit card, Credit card, CDM, Internet Banking, Mobile Banking, Mobile Wallets, SWIFT, NEFT and RTGS are the foremost digital banking services. According to this study almost all nationalised banks are offering digital banking services for their customers. Hence, there is significant difference between the age, income, occupation and others factors of digital banking services. In case of customer satisfaction customers are highly satisfied with the digital banking services. In case of re-usage behaviour customers are satisfied and happy with the digital banking services. Thus, in customer adoptability, satisfaction and re-usage behaviour study reveals that the customers are satisfied and happy with the digital banking services.

Reference:

1. Sukhvinder Mishra, Banking Law & Practices, S. Chand & Company Ltd, 2012. pg.no – 87[1].
2. Sukhvinder Mishra, Banking Law & Practices, S. Chand & Company Ltd, 2012, pg.no – 87[2].

3. Mohan, Nirmala, John, Florence (2014), "Customers Awareness and Satisfaction of Online Banking Services: An Analytical Study of Nationalized Banks in India", Global Journal for Research Analysis, Vol.1 (10).[3].

4. Rouibah, K., (2015), "Digital payment systems use and satisfaction in an Arabic", Issue in Information Systems, 16(2); pp.149-160[4].

5. Rathore, H.S., (2016), "Adoption of Digital Wallet by Consumers", BVIMSR'S Journal of Management Research, 8; pp.69-71[5].

6. R. Venkatesh and D. Sangeetha, "Customer Perception towards NEFT and RTGS Services- A study on Indian Banking Industry", International Engineering and Technology, Vol 2, Issue 2, Page No 91-103, 2017[6].