

DIGITAL BANKING – A REVOLUTION

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Abstract

Digital banking is now showing enormous potential after internet banking's breakthrough (Brown et al., 2003; Kwateng et al., 2019). Digital banking is not only seen as a normal development of net banking but is also believed to be a superior digital choice when compared to other traditional banking channels like ATMs, physical branches, and internet banking. Banks using electronic channels encourage higher customer satisfaction and aid in growing their clientele and efficiency (Karjaluo et al., 2010). The banks in India are attempting to lower their operational costs and expand their consumer base by utilizing this most recent technology (Peterson, 2011; Foroughi et al., 2019). The key features of digital banking that draw clients in the most are its ease of use and availability 24 hours a day.

Keywords: Digital Banking, Banking, Seamless Banking, Adoption.

Introduction

However, the majority of clients still opt to bank traditionally; therefore there is still a long way to go for digital banking (Ashta, 2010; Wang et al., 2003). Despite all the advantages listed above, there are certain barriers to the adoption of digital banking (Karjaluo et al., 2002; Merhi et al., 2019; Jamshidi et al., 2018; Black et al., 2002; Gan et al., 2006; Thaker et al., 2019; Lee et al., 2005).

Even potential customers are not utilizing electronic services, and reports on the utilization of digital banking indicate that very little funding has been allocated to its development thus far (Luarn and Lin, 2005). Customers are concerned about security and privacy issues, and they also perceive digital banking as unsafe because they worry that their financial information may be compromised. As a result of this fear, customers find this form of banking to be less appealing (Howcroft et al., 2002). According to a 2007 Gartner research, just 1 to 5% of the target users have adopted digital banking. Therefore, determining the reasons why consumers are not utilizing this is of utmost importance.

Uses of Digital Banking

To Bank	To customers
Service provided is twenty-four seven	Transaction security is provided
Helps in expanding the consumer base	Speed factor is found in every transaction
Provide services with full swiftness	Ease of access
Increase the efficiency of banking process	Ease of use and trust

Review of literature

Many researchers have examined the applications of digital banking and discovered that these services are the newest and most sophisticated innovations in the banking industry. These services were made possible by the most recent developments in the telecommunications industry (Barnes and Scornavacca, 2004; Barnes and Corbitt, 2003). Customers and the bank are the only two parties who can communicate with one another using a digital device or Personal Digital Assistant (PDA).

According to (Karjaluoto et al., 2002; Rugimbana, 1995), digital banking has given clients the opportunity to conduct their banking almost whenever and wherever they choose, which has created a significant business opportunity. Numerous researchers (Dasgupta, 2002; and Vyas, 2009) have discovered that a number of nonadopters of online banking who were not using the internet for their banking needs were the main target group for the banks. Some of these researchers also attempted to prove that digital banking has a brilliant future in India in their studies.

According to (Mas, 2008 and Lyman et al., 2008), there appear to be an excessive number of digital devices with disparate capabilities. As a result, giving a solution in the form of digital banking on any type of device presents a significant issue for banks. As many of these devices support J2ME but few also support WAP browser or SMS, this presents a significant obstacle and hinders adoption.

As mentioned by (Aslam, 2009; Alonso-Dos-Santos et al., 2020), there is a need to provide and ensure economic stability, a suitable level of safeguard connected to consumer transactions, and an assurance of safety and security of transactions must be applied to digital payments. Additionally, it is crucial for a financial agency regulator to adhere to the Know-Your-Customer (KYC) philosophy.

According to (Sharma and Singh, 2009), security concerns and privacy issues are the main obstacles facing Indians who use digital banking services. Particular problems include frauds, the misuse of account information, and user-unfriendly applications that make it difficult to remember passwords and require frequent updates.

According to (Banzal, 2010), this problem is a further major concern for the hotel and travel businesses, vendors, banks, aggregators, and other service providers of digital services.

According to (Bamoriya and Singh, 2011), there are a number of difficulties with digital banking, including difficulties operating digital handsets, downloading applications, and security, safety, and privacy concerns. The banks are expanding their business by using consistent techniques to connect with clients at all phases of the buying cycle.

In addition to online banking, ATMs, and other technology-enabled services, banks also provide their clients with digital banking (Bamoriya and Singh, 2011; Asongu, 2018; Goyal et al., 2012; Devadevan, 2013; Foroughi et al., 2019; Saini, 2014). Several banks in India are starting to provide their clients digital banking services, including State Bank of India, ICICI, Axis Bank, HDFC, Punjab National Bank, Union Bank of India, etc.

Characteristics of Digital Banking

- **Anytime access:** The users can purchase the goods anytime, and this feature helps it in using it without a wait and is striking due to its anytime feature.
- **Localization:** Users are being offered goods and services as per their current location with the help of technologies like GPS (Global Positioning Services) and it permits companies to do their business more comfortably because users do not need to go far off places to buy things.
- **Instant Connectivity:** This allows convenience to the users and the GPRS (General Packet Radio Service) helps the digital users to remain online in remote areas.

- **Pro-Active Functionality:** SMS and other ‘Opt-in advertising’ can be done which can act as push marketing strategies and it also brings opportunities for the companies involved in digital commerce, where users are informed about new products and services through messages.

Customer-experienced risks and obstacles are also present in digital banking; these include issues with transaction safety and security, the usability of mobile devices, and network availability issues across a variety of digital networks. (Porteous, 2006; Jamshidi et al., 2018) described the difficulties that banks face, including the adoption of these services, network issues, the threat of substitute products—financial products from other banks—problems with this service's reliability and consistency, the combination of additional systems and their transmission levels, and various dictatorial difficulties.

As a result, a situation is established in which any advancement in technology and ease of use of electronic services would not indicate a path toward adoption by its users or the use of third-generation technologies. The acceptance and usage of digital banking are influenced by the consumers' opinion of its usability and convenience of use, according to (Karjaluoto et al., 2010). Its framework covers the periphery of potential aspects, such as business, technology, law, equity, and social and cultural concerns.

Online transactions carry some risks, such as concerns about privacy and product or service security, as well as the potential for money loss, occasion loss, functional loss, and time loss. Therefore, after taking into account the full spectrum of variables, it is necessary to develop predictions about the actual behavior of users, their attitudes, and their intents. (2011) Kadui et al.

Sociological questions might take into account a number of dimensions. The first dimension is user acceptance, the second is user attitude, and the third is risk awareness.

Conclusion

Technology has gradually been incorporated into service companies to enhance the standardization of core service offerings, save costs, and enhance the quality and delivery of customer service. The organizations involved in service businesses, industries, and other center hubs are attempting to use the services of experts in the electronic communication area to create applications to use this technology to facilitate the dealings so they will be able to connect with their customers and become liberated from time and location restrictions.

This is how they are able to market and sell their goods and services. Offering financial and banking services is one of the most popular things to perform online or through a digital phone, making it one of the trendiest electronic mediums. Digital technologies are being quickly embraced for internet access, communication, and digital commercial activities. Therefore, throughout the past few years, the consumer product that has been most quickly accepted has been digital gadgets (Al-Dmour et al., 2020).

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