



CUSTOMERS' PERCEPTION TOWARDS DIGITAL BANKING IN THE PRESENT SCENARIO IN CHIDAMBARAM TOWN

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Abstract

The world becomes digitalized one to make convenient and easier all the movements in almost all the sector. Likewise, Banking sector plays a very important role in this business transactions by providing digitalized services to the customers more than their expectation. Banking sector has rehabilitated extremely to the modern era. Modern banking ensures the paperless and digitalized services to the customers at their convenience 24/7 throughout the year even during the holidays in the present scenario. Digital Banking provides a lot of benefit which adds value to improve the customers' satisfaction in terms of better quality of service. Banks provide safety and security to its customers but sometimes online banking issues are faced by the customers. Hence, to realize the Customers' Perception towards Digital Banking in the Present Scenario in Chidambaram, this study highlights on the challenges in Digital Banking, various mode of digital payments used and satisfaction of customers towards Digital Banking for the interests of both Banker and Customer.

Keywords: *Banking sector, Digital Banking Services, E-Banking, Customers' Satisfaction.*

Introduction

Customer perception is the opinions, feelings, and beliefs customers have about your brand. It plays an important role in building customer loyalty and retention as well as brand reputation and awareness. Digitization can be defined as, "the use of digital technologies in order to create new business models and provide new revenue and value-producing opportunities". It is the process of moving into digital business and integrating digital technologies into everyday life. (Gartner, 2016) Digitization is an opportunity for companies and organizations to improve their business activities. Digital banking provides the computerized banking services. It enables the customer to access the products and services of banking through e- banking and online banking platforms. In the recent decades the world has become more digitalized. People like to use the technology for making almost all their payments through various modes of digital banking services. Digital Banking helps the customers not to carry cash everywhere, which gives safety, security, and satisfaction but there are also some challenges in digital banking like, lack of digital literacy, cash dependency, interest, knowledge, security risks, difficult for the first time users, cyber crime and awareness.

Need and Importance

Customer Perception plays a vital role in banking sector to build individual perception towards banking business, creating the new customers and maintain the relationship with existing customers. Hence it is important for the banking sector like other sectors to move from the traditional banking to Digital Banking which makes easier than traditional banking.

Review of Literature

According to Hitendra Lachhwani, his study aims to find customer preference towards digital banking by customers in Ahmedabad. In today's era it is necessary to find the relation between the use of digital banking and its usage by consumers. On another hand banks are putting continuously effort on developing products based on consumer needs which are friendly and convenient to use.

According to Dr. A. Ansar, all E-Banking covers both computer and telephone banking. These two types of banking involve the usage of passwords. It came into existence due to Innovation in Technology and competition among the existing banking organizations, who displays their banking products and services for easy accessibility to the customers which can be delivered through the internet. The rapid development of E-banking services carries risks as well as benefits. Hence, it is the responsibility of the bankers to recognize, manage and to address banking institutions in cautious and sensible way according to the fundamental characteristics and challenges of E-Banking services.

The expected reduction in operating expenses has not been achieved yet by the banks as they are still struggling to move customers towards digital banking channels. The situation is much critical for emerging countries such as India where only 16% of the rural population use the Internet for making digital payments (Pandey 2018). The success of the 'Digital India' campaign is apparent from the fact that more than a billion Indian citizens have a digital identity with 560 million Internet connections (Kumar 2019). The purpose of digitisation is to bring disconnected rural remote regions into the formal financial sector through electronic banking channels which in turn will contribute to economic development. Digital banking mediums help to connect the underserved masses with mainstream banking system by offering various innovative banking services. The modern mobile banking apps also enable customers to use non-financial services. However, due to the lack of awareness and knowledge, these services have not been fully utilised by customers (Shaikh et al. 2020).

Statement of the problem

Technology and innovation in banking sector has frequently been changed for various purposes. Digital banking provides various facilities to the customer like, ATM, NEFT, RTGS, Fund transfer, Demat Account, Mobile Banking, UPI, Phone Banking, Gpay, Paytm, Viewing account balances, recent transactions, Downloading bank statements, Ordering the cheque books, account statements, application for M-banking, E-banking etc., Fund transfer between the customers linked accounts through online and mobile banking. Risks are perceptions of the damages that customers may incur when using a digital service. This creates the risk of losing personal information or transactions as a barrier to electronic services. (N GUYEN, 2020: 304), when adopting new electronic banking technologies. Researchers emphasized that technological innovation in the banking sector leads to financial and non-financial risks. It can be expressed that may affect bank customers' unwillingness to adopt new electronic banking techniques for financial transactions due to monetary loss or their own financial information (Jerene & Sharma, 2019). Though the Banking Industry provides such a numerous facilities at their fingertip, there are some lag and risk relating to the Level of awareness, risk in online banking, Debit/Credit Cards issue, Cyber Crime, Customers' Trust on safety and security towards digital banking. There were several studies had been conducted by the researchers, in various aspects of Banking areas except the customers' perception towards Digital Banking in the present era and study area. Therefore, the researcher have decided to bridge this gap and taken up a study on "Customers' Perception on Digital Banking in the Present Scenario".

Objectives of the study

The main objectives of the present study are;

1. To study the Customers' perception towards Digital Banking in the present scenario and
2. To analyze the Customers' Satisfaction Level towards various modes of Digital Banking.



Research Methodology

The data required for the present study is collected from the various banking customers, through a well structured Questionnaire. After obtaining the data from the sample customers for the present study through Tables and Graphs. Results and discussion have done by using the Statistical Tools. The present study is involved on the basis of Survey Method. The intention of this study is to analyze the Customers Perception towards Digital Banking in the Present Scenario. There were distributed 100 Questionnaires to the customers of various banks in Chidambaram. The respondents were chosen from different institutions including educational institutions especially students. The statistical tools used for the present study was Percentage analysis.

Data Collection

The relevant data have collected from the sample respondents for the present study which includes both primary and secondary data. The Primary data and were collected from the sample respondents from the study area with the help of a well structured questionnaire after pilot study. The secondary data were collected from various sources like, books, records, journals, research articles, dissertation and the related websites. The period of the study for this study was from October to December 2023.

Primary Data

The present study was mainly based on primary sources. The data have been collected through a well structured questionnaire. The questionnaire includes the personal questions like Name, Age, Gender, Qualifications, Occupation, Marital status, Income and other questions to execute the objectives of the study.

Secondary Data

The secondary data which is already collected by the previous researcher in the same field. The secondary data have been collected from different sources like, books, journals, related websites, published and unpublished thesis for the present study.

Sampling

The sample respondents were chosen from different institutions in Chidambaram Town. There were 100 respondents selected for the study. Out of which 60% of them were female and rest of them were male. The sample respondents have randomly selected from different Occupations. The questionnaire have been issued them and the data were obtained at their convenience.

Limitations of the study

The present study has been done within the study area (Chidambaram Town) during the study period. The sample respondents (100 samples) have also been chosen from different categories including college students. All the sample respondents were educated. Therefore, the results obtain from the respondents for the present study may not be applicable to any other areas and members.

Results and discussion

Most (61%) of the sample respondents (customers) were women and the remaining were men. According to the age group online buyers are more with the age group of 19-30 years. Youngsters particularly, college students have a greater knowledge on digital banking than elders. Majority (71%) of the customers are highly satisfied with digital banking services rendered by the different banks in Chidambaram Town. Majority of the young customers have trust on digital banking and they enjoy the services of banking Sector 24/7/365. Majority (68%) of the sample customers' monthly income lied

between Rs. 25001- 30000. 52% of the sample respondents were students. They have more knowledge on digital banking than others. They help their parents and others who approach them to make the payments towards various transactions through online mode. They were very much interested to use the digital banking services. 60% of the sample respondents were highly satisfied with digital banking services. 28% of the respondents were dissatisfied regarding digital banking services which reveals that their ignorance, fear, risk and unwillingness to use of digital banking services due to online theft. 7% of the sample respondents have experience with debit and card issues. Hence it is understood that there is a need to enhance the safety and security to improve the trust worthiness. The challenges in digital banking like, lack of digital literacy, cash dependency, interest, knowledge, security risks, difficult for the first time users, cyber crime, etc., should be eradicated. Banking industry should educate the senior customers about the technology and strengthen the security measures for all.

Conclusion

Technology became familiar to more customers in banking activities which influence their life style and improve their business and personal transactions. The Government of India and Reserve Bank of India are encouraging the innovative digital banking solutions. Digital Banking is one of the best platform in present scenario. Most of the customers are more comfortable with digital banking services rendered. Each and every customer can avail the digital banking services for all their business and personal transactions at ease. Digital banking should make the customers aware of technology and ensure the safety on the products and services offered.

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