

DIGITAL BANKING IN INDIA

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Abstract

The Digitalization in India as changes the method of transaction at a people of country. The demand of banking is anytime; anywhere banking this helps innovative digital transformation is just moving the traditional banking to a digital world. It enhancing numerous steps in banking system with a view to promotes digitalization in various ways like faceless, paperless, and cashless. The internet and IT entirely changes the functioning of the financial institutions. The public shifting towards digital banking for Speed, accurate information, easy payment, and KYC system .It shows that educating the economy without any fear in the financial aspects. This paper studies digital banking progress in India.

Keywords – Digitalization, banking, internet, financial institutions, IT.

Introduction

In 2016, the Government launched its Unified Payment Interface (UPI) system, a digital banking system that allows people to easily transfer money to and from a bank account or to others via a Smartphone. This UPI system has started a revolution and gave birth to Mobile Banking in India. While this kind of digital money transferring was available to bank account holders before 2016 as well but it wasn't accessible to everyone as that was not based on mobile systems. Now, with UPI, anyone in the country can open a bank account, save money and make transactions using a mobile phone. Now the Government has also made linking of 12-digit Aadhaar number with your bank account mandatory. This proves that the person accessing the bank account is the person who owns it. This also works well for "know-your-client" formalities. The digital banking ensures that once you have an Aadhaar number and mobile number, you can easily open a bank account without visiting the bank branch with help of Mobile Banking. This works well for our country as many of our citizens cannot write or read or have a bank branch at the place they are living. India has around 300 million smart phone users. The wave of Digital Banking in India has made most of the banks in India to leverage technology by bringing an entire bank squeezed to fit into your smart phone and encourage customers for Mobile Banking.

If you have AADHAAR Card, you can now easily open a bank account online while sitting at home. Once your account is opened, using Mobile Banking, you can deposit, withdraw and transfer money with lightning speed. Breaking away from conventional banking norms which involves onerous form-filling, physical document submission and cumbersome processes, digital banking in India is a completely paperless, signature-less and branchless banking experience. The banks leverages biometrics enabled ID 12 digit Aadhaar card and UPI (United Payment Interface) technology to ensure that there is no paperwork involved for opening the account. Anyone with a PAN Card, Aadhaar Card and a smart phone can open this savings account. Once your account is opened you can use Mobile Banking for all your banking needs and there is no need to visit any bank branch.

Today in India, we find ourselves in a digital world where the vegetable vendor accepts wallet payment without any fuss, a student can buy stationery using a debit card or a merchant uses QR code based scan and pay utility. The wave of digital banking in India helps you remain paperless and do all you wanted

to do with your bank account using the new age mobile banking. The objective of mobile banking is not only to make banking accessible to all citizens of the country but also meant to bring the millions who are still unbanked into the financial system.

Literture Review

E-banking is an innovation when new information technologies merge into traditional banking services. Operating costs minimization and revenue maximization are the major drivers that boost e-banking services (Sannes, 2001; Reibstein, 2002). E-banking service is basically a self-service by customers, so for banks, it requires less resources and lower transaction and production costs (Southard and Siau, 2004; Witman and Poust, 2008). A study about the e-banking over 1999–2006 shows that the application of e-banking can improve banks’ performance in terms of the growth in assets, reduction in operating expenses and portfolio enhancement (Dandapani et al., 2008).

Objectives

1. To know the consumer satisfaction towards Digital banking
2. To know the Modes of E-Banking
3. To understand the process of Digital Payments in Banking

Research Methodology

The data needed for the study is collected from the various banking customers, through Primary method Questionnaire (Google Form) and Secondary method from Websites. Analysis and Interpretation has been done using the Statistical Tools and Data Presented through Tables, Graphs. The study is based on Survey Method. The aim of the study is to analyze the Digital Banking in Modernity.

Scope of the Study

This study is based on customer preference towards digital banking in modernity. This study is based on customers of various banks but not limited to single bank.

Digital Banking Products

If an individual has access to a stable internet connection and an internet-enabled smart device, digital banking has a lot to offer.

Digital Product services

Digital banking services	Utility
1. Obtain bank statements	View and download your bank statements for any specified period.
2. Transfer of Funds	With alternatives such as NEFT, RTGS, and IMPS available, the need to issue cheques and DDs has been eradicated.
3. Mobile banking	Mobile banking is digital banking through an application optimized for smartphones and tablets.
4. Cash withdrawals	ATMs facilitate cash withdrawals at any point in time. Moreover, ATMs are widely present in every locality.
5. Bill payments	Auto-debit feature for bill payments lets a user setup monthly debits in favor of regular utility payment.
6. Finance	Invest, raise loans, open fixed deposit accounts – all through digital banking. De-mat accounts can be linked to your bank accounts to provide a seamless flow of funds so you can invest promptly.
7. Manage cheques	Intervene in the cheque clearing process using digital banking to stop the cheque if the need arises.
8. Monitor transaction records	Banks send transaction alerts to the linked mobile number or email addresses. Transactions are updated almost as soon as executed. Digital banking also lets you monitor account balances or outstanding at the click of a button.

Analysis and Interpretation

TABLE 1 – Customer satisfaction towards Digital Banking

Option	No.of Respondents	percentage
Highly satisfied	23	46
Satisfied	21	42
Dissatisfied	05	10
Highly dissatisfied	01	02
Total	50	100

Likert's Scale - Customer satisfaction towards Digital Banking

S.NO	OPNINION	RESPONDENTS	PERCENTAGE	LIKERT'S POINT	LIKERT'S SCALE
		A	B	C	(A*C)
01	Highly Dissatisfied	01	02	01	01
02	Dissatisfied	05	10	02	10
03	Neutral	00	00	03	00
04	Satisfied	21	42	04	84
05	Highly Satisfied	23	46	05	115
	Total	50	100		210

According to Liker's Score customer satisfaction level towards Digital banking is 210. It shows that highly satisfied of using Digital banking platforms.

Table 2 – Modes of Transactions in Digital Banking Services

Option	No.of Respondents	percentage
Mobile Banking	27	54
Transfer funds	13	26
Mange Cheques	03	06
Offline	07	14
Total	50	100

Likert's Scale - Modes of Transactions in Digital Banking Services

S.NO	OPNINION	RESPONDENTS	PERCENTAGE	LIKERT'S POINT	LIKERT'S SCALE
		A	B	C	(A*C)
01	Mange Cheques	03	06	01	03
02	Offline	07	14	02	14
03	Neutral	00	00	03	00
04	Transfer funds	13	26	04	52
05	Mobile Banking	27	54	05	135
	Total	50	100		204

The study clearly interpret more Respondents are believed in the Mobile banking as compared to other modes of services in Digital banking according to Likert's way of score more than others.

Table 3 –Challenges of Customer towards Digital Banking

Option	No.of Respondents	percentage
Security Threat	14	28
Network Issues	18	36
Limits in Transactions	10	20
Technology Updating	08	16
Total	50	100

Likert's Scale - Challenges of Customer towards Digital Banking

S.NO	OPINION	RESPONDENTS	PERCENTAGE	LIKERT'S POINT	LIKERT'S SCALE
		A	B	C	(A*C)
01	Technology Updating	08	16	01	08
02	Limits in Transactions	10	20	02	20
03	Neutral	00	00	03	00
04	Security Threat	14	28	04	56
05	Network Issues	18	36	05	90
	Total	50	100		174

Respondents Opinion regarding Challenges of Customer towards Digital Banking as per the study knows that there is more security threats in Digital mode of transactions. The Likert's model of score is 174.

Findings

- Majority of customers are highly satisfied towards using in Digital Banking
- More respondents are preferred in Mobile banking mode for their transactions
- Network issues and security threat is challenged to customers In Digital banking
- Customer not faced any damages/fraudulent in digital banking.

Conclusion

From the finding we can conclude that digital banking is essential in daily life for transacting easy payment one to others. The reason behind customer preferring Mobile Banking as a convenient mode is due to multiple reasons such as Mobile is a handy device where they can access 24/7/365 days. Banking sector should also focus on Security threats and provide personalized offerings to the customers to make them much more comfortable and confident in using digital banking in modernity.

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