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Digital Transformation in Indian Banking Services and Its Impact on Customer Satisfaction

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Abstract

The information of banking industry in India is more evident that there are lot of changes that have occurred in financial markets, financial instruments and various banking products. Almost all banking services are delivering through electronic platforms. At present IT is a very powerful and financial institution which are the backbone of our Indian economy. Indian banking industry is which in midst of the revolution. Digital transformation is far beyond from moving traditional to modern banking services. It is critical change in how banks and other financial institutions learn about the interaction and also satisfies customers. The two main aspects concentrated in the paper firstly management process of digitalization of services and products in banking sector in India specifically examining information security systems, banks providing advanced services. Secondly, the impacting factor on their banking services for customer satisfaction is been discussed. The purpose of the study is to understand the information about banking services, the effects of e-banking and its impact on customer satisfaction.

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1. Introduction

Digitalization means conversion of the data into the digital form by adopting various information technology. Transformation to digital leads in reducing the errors finally it leads to more trustworthy. Nowadays many banks are moving to modernization era by adopting new imitative s for which competition is being increased day by day.

Today banks can be assessed 24 hours which is more beneficial for all types of users .Managing a large amount of transactions is much more easier. It is most popular and popular, powerful tool called as digital banking. Banks are involved with better process focusing on adding to the existing offer the new offers which lead to increase in accessibility.

Following facilities were provided by various banks in India

1. Automatic Teller Machine (ATM)
2. Electronic fund transfers
3. Real –time gross settlement

4. Telebanking
5. Electronic Compensation service
6. Point of sale terminal

2. Literature Review

- A. To Vadlamani Ravi given in 2007 defines the term “banking technology” which refers to the use of sophisticates information and various communication technologies together with computer science to enable the baking sector to offer better services to its customers in a secure, reliability and affordable manner and sustain in competitive advantage over the other banks.
- B. Bhattacharya in the year 2015 has given analysis contrast among online and digital banking for the most part. These were two words options, be hat as it may be web based banking can be characterized more barely which is based on baking principally accentuates on money transfer, charge pay and fundamental online administration of various accounts.

- C. Different equivalent words for web based banking incorporates virtual banking and e- banking. Alongside these lines, web based banking incorporates digitizing each program and the actions attempted by financial establishments and their customers.

2.1 Objectives of the Study

1. To overview digitalization in Indian banking systems.
2. To study and understand the customer satisfaction towards e-banking system followed in India.

2.2 Research Methodology

A. Data Collection

The quality of the research always depends on the way and method of collecting the data by adopting suitable research design.

B. Primary and Secondary data

The data which is collected both primary and secondary data. Primary data is collected about 50 customers with the help of a structured questionnaire of Indian banking users.

C. Research design

Descriptive research has been conducted for the study of impact of customer satisfaction towards digitalization

D. Sample Unit

The sample unit for this study are Customers of various Indian Banks.

E. Sample Size

The sample size selected for this study is 50 respondents.

2.3 Data Analysis and Interpretation

This research helps us to find out the usage of e-banking in India. The way of performing banking services whereas the issue of security as well as the various reasons for using e-banking also finding the customer satisfaction.

Here data were collected from the various customer using questionnaire method. About 50 members details been collected and data is been analysed using graphical method. The following section presents the research findings and interprets the results of each question individually.

Table 1: Demographic features of the respondents

Gender	Frequency=50	Percentage
Male	37	74%
Female	13	26%
Age of Respondents		
18-30	24	48%
31-40	10	20%
41-50	14	28%
60+	2	4%
Monthly Income		
100000-350000	8	16%
350000-550000	23	46%
550000 and above	19	38%

Table 2: Education level

Level of Education	Frequency	%
High School	5	10%
Undergraduate	20	40%
Master's Degree	19	38%
Others	6	12%
Total	50	100

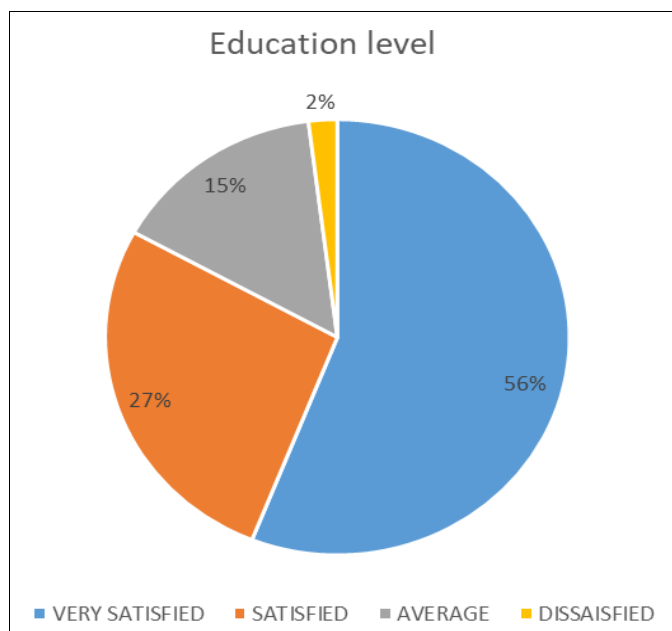


Fig 1: Level of satisfaction of e-banking services

Regarding the level of satisfaction of e-banking services about 56% are very much satisfied, 27% of clients placed their satisfaction level was satisfied, about 15% of them were placed their satisfaction at average level and only 2% of customers have marked as dissatisfied based on their experience. The challenge banks have been facing was to work on further advancement of their services in order to increase the number of satisfied customers, very satisfied customers can easily become loyal customers to the bank for its services.

Table 3: How long digital banking services has been used

S. No.	How long digital banking services has been used	%
1	<year	15
2	1 year to 4years	38
3	4-6 years	35
4	>6years	12

From the Table No 3, it is understood that majority of the users are 38% using banking services for 1 year to 4 years. About 35% customers are been in using this service from past 4-6 years. Here it is clearly mentioned in the table that majority of customers are using the banking services from 1-6 years.

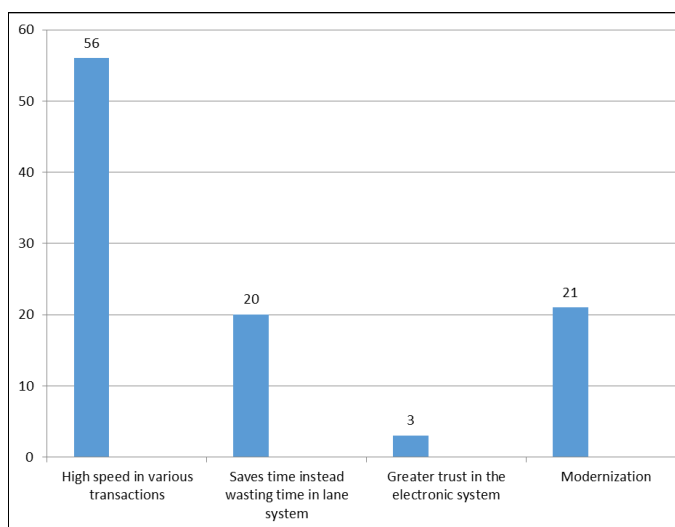
Table 4: Frequency of use of digital banking services

S. No.	Frequency of use of digital banking services	%
1	Once in every month	20
2	Twice	25
3	3 times	35
4	>5 times	20

From the data displayed in the above table No: 4 it is found that the frequency of usage of digital platform is 3 times and more in a month. 20% have used once in every month. About 25% of users are using twice in a month. Thus digital facility is used by all customers.

Table 5: Reason for using e-banking services

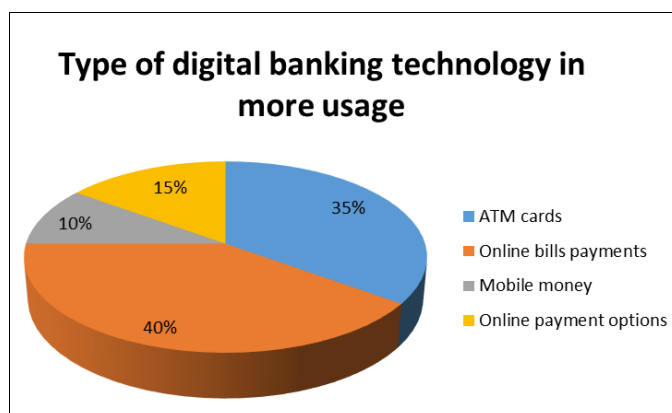
S. No.	Reason for using e-banking services	%
1	High speed in various transactions	56
2	Saves time instead wasting time in lane system	20
3	Greater trust in the electronic system	3
4	Modernization	21

**Fig 2:** Reason for using e-banking services

From the data displayed in the above table asking for the reason for using e-banking services. About 56% of customers have chosen due to high speed in various transactions, 20% of customers have opted by saying it saves time whereas only 3% of users says because of greater trust in electronic system. 21% of them thought due to modernization.

Table 6: Type of digital banking technology in more usage

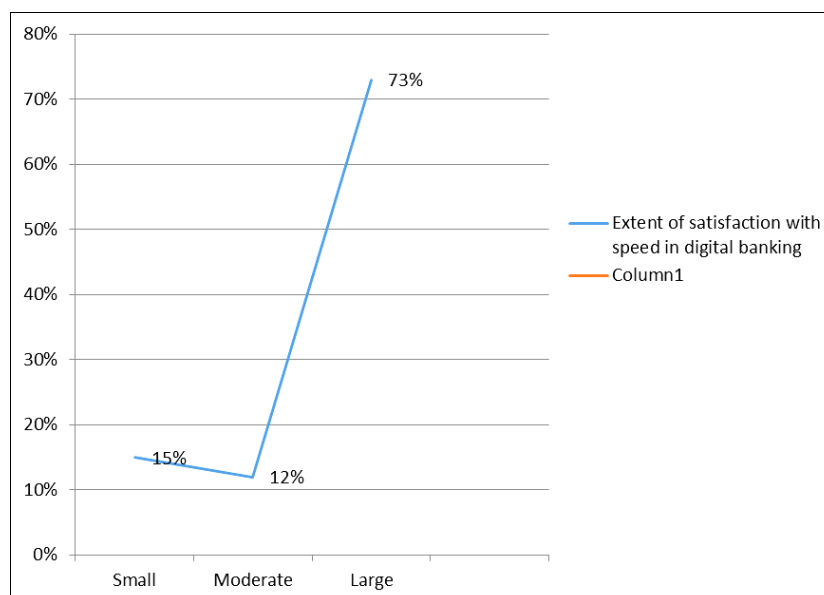
S. No.	Type of digital banking technology in more usage	%
1	ATM cards	35%
2	Online bills payments	40%
3	Mobile money	10%
4	Online payment options	15%

**Fig 3:** Type of digital banking technology in more usage

Regarding the question in the table 6 indicates that ATM s were used for about 35% of users and about 40% were involved with online bill payments. Majority of people used online payment options for paying their bills.

Table 7: Extent of satisfaction with speed in digital banking

S. No.	Extent of satisfaction with speed in digital banking	%
1	Small	15%
2	Moderate	12%
3	Large	73%

**Fig 4:** Extent of satisfaction with speed in digital banking

From the above table the level of satisfaction of the speed in digital banking question about 73% of customers are very much satisfied whereas 15% were satisfied to small extent but moderate is 12% which is been opted by the banking customers.

Table 8: Reliability of one transaction

S. No.	Reliability of one transaction	%
1	Non reliable	7%
2	Reliable	15%
3	Very much reliable	78%

The results obtained in the above table 8 shows the reliability of one transaction where 7% have no confidence in the transactions whereas about 15% are reliable and lastly 78% of the users are more reliable on the transactions.

Conclusion

Banking system in India in recent years has undergone major changes in its digitalisation concept. Where people are more into modernization than following traditional method of banking system. Presently banking sector is advancing in its services. Customers are more dependent on e-banking. Which makes work life easy. Banks should also ensure the customers by adapting and passing information on how to use digital banking. As the usage of e-banking is more even the security must be constantly increased which helps in guaranteeing the integrity of online transactions which will increase the consumer confidence. Security systems must be stronger and more clear to all its users. This can help all Indian banks to improve credibility and reputation of banks.

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