

A study on customer satisfaction for digital banking services of Indian banks

Dr. G.Raju

Assistant Professor & Head
Department of Corporate Secretaryship
St. Thomas College of Arts and Science
Koyambedu, Chennai 600 107

ABSTRACT

The study was conducted to evaluate and examine customer satisfaction with digital banking services. The purpose of this study is also to observe and analyse the purposes of using digital banking and the reasons for choosing digital banking services. Data were collected from both primary and secondary sources. For primary data collection, a questionnaire survey was conducted using google forms, and responses were collected from 250 users of digital banking services. The study includes digital banking service users from Chennai City. For the analysis of the data, the findings are presented using charts and the percentage method. This study aims to measure the satisfaction levels of users towards the digital banking services provided by banks. The findings of the study establish that there is a strong positive relationship between consumers and digital banking. However, in some cases, consumers are not satisfied with digital banking services.

Keywords: Internet banking, electronic banking, digital banking.

1. Introduction

Digital banking refers to the digitization of traditional banking activities through ATM machines, debit cards, credit cards, mobile banking, electronic banking, virtual cards, and other digital services. With the help of these instruments, consumers can make bill payments, withdraw money, transfer funds, and access their account details at any time without visiting a bank. They can also transfer money to any account from any location. The banking industry in India has expanded along with the development of the country, and the banking sector has made a significant contribution to the overall development of the nation.

Digital banking involves a high level of service through websites, online forms, instant transaction services, and other digital platforms. Banks in India are moving from conventional banking towards digital banking practices. The Indian Government has also taken several remarkable initiatives to promote and facilitate digital banking. At present, the Indian banking sector is increasingly moving towards digital banking services, and many banking activities are being carried out through digital platforms.

The need for computerization in the Indian banking service sector was recognized as early as the 1980s with the objective of improving customer service and providing banking facilities in a more convenient and comfortable manner. The digital revolution in banking has only just begun. Today, we are in the first phase, where most traditional banks offer their customers high-quality websites and mobile applications. An alternative approach is one in which digital banking becomes not merely an additional feature but a fully integrated mobile experience. In such an environment, customers can use their smartphones or tablets to perform a wide range of banking activities, from opening a new account and making payments to resolving credit card billing issues, without ever having to visit a physical branch.

The introduction of digital banking has revolutionized the banking sector and transformed the entire process of traditional banking and fund transfers. It has made banking more convenient for customers by enabling them to check their account details, pay bills online, and transfer money from one account to another quickly and efficiently. As a result, digital banking has helped customers manage their financial activities in a more systematic and convenient manner.

1.1.Objective of the study

- To study the level of customer satisfaction with digital banking.
- To determine the level of customer awareness of digital banking.
- To educate the population about the importance of digital banking.
- To study how the adaptability of digital banking influences customer satisfaction.

1.2.Research methodology

In this research, the methodology section indicates how to conduct the research. This includes data collected from people, sample of study and methods cover in primary research. So we mention below the detail information about it.

- 🚦 **Primary data:** The data is collected by the survey method. The survey has been done through questionnaire by Google form.
- 🚦 **Secondary data:** The sources of secondary data are articles, research paper and online sites, websites etc.
- 🚦 **Sample size:** The sample size for this research is 250 people.
- 🚦 **Sampling method:** The method is simple random sampling by considering the responses from Chennai city only.
- 🚦 **Statistical tools used for analysis:** Graphical method and percentage method have

been used for analyzing data.

2. Review of Literature

Anthony Rahul Golden S. (2017)¹ the article entitled “an overview of digitalization in Indian banking sector”. In this article an attempt has been made to study the overview of digitalization in Indian banking sector. The study state that the digitalization is imp tool in banking sector in the age of growth and services as of the upcoming digital era.

Kusuma and Kanagaraju (2024)² mentioned that personal touches and attractive designs are important to them. Even with the achievements, major gaps in critical research still exist. Many studies found in modern literature do not examine issues in India specifically and they very often fail to address post-service or emotional support problems or simply give general advice. Both different demographics and a variety of research methods are not looked at much, reducing opportunities to fully learn about what people go through. In addition, technologies that are rapidly advancing such as AI chatbots and block chain, have not been thoroughly examined to see how they affect people’s satisfaction. Since these gaps exist, the study aims to give a full and research-backed overview of customer satisfaction with digital banking in India

Chu & Zhan, (2024)³ the study of digital banking, advanced digital technologies are being merged with regular banking models to support speedy, simple and real-time customer experiences. Mobile banking, internet services, using ATMs, digital wallets and UPI transactions are part of this concept which aims to benefit users by allowing them to manage their own money without always visiting branches

Table No: 1

3. Data Analysis

Variable	Constructs	Frequency of Respondents
Gender	Male	182
	Female	68

Inference: The above chart shows that, out of a total of 250 responses, 27.2% (68 respondents) are female, while 72.8% (182 respondents) are male.

Table No:2

Variable of Collection

Variable	Constructs	Frequency of respondents
	10-20	62
	20-30	122

Age	30-40	49
	40-50	14
	Above 50	3

Inference: The above chart indicates that the largest proportion of respondents belongs to the 20–30 age group, accounting for 48.8% of the total respondents. In contrast, very few respondents are from the age group above 50, representing only 1.2% of the total sample.

Table No: 3

Variable Constructs Frequency of Respondents

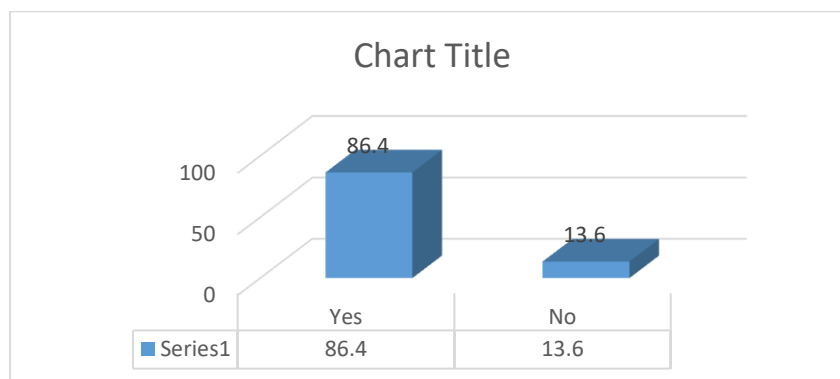
Variable	Constructs	Frequency of respondents
Occupation	Student	106
	Employee	50
	Business	55
	Household	39

Inference:

From the above chart, we find that the majority of customers who use digital banking services are students and business professionals, accounting for 42.2% and 22%, respectively.

Data Analysis

Chart No : 1

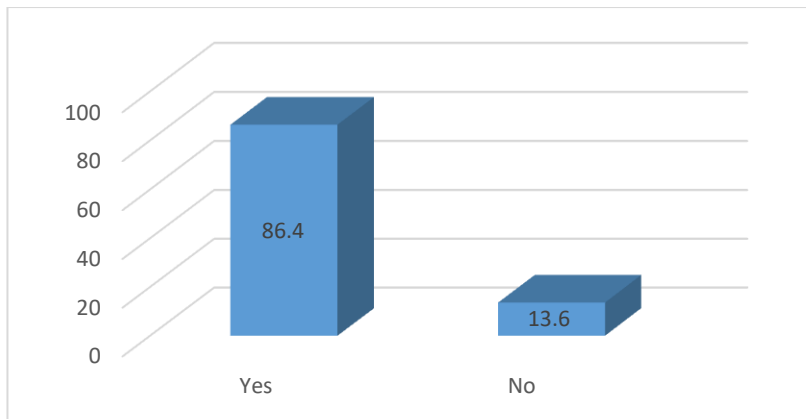


1: Do you think digital banking service is necessary in present scenario?

Interpretation

The analysis shows that a significant majority of respondents (97.6%) believe that digital banking services are necessary in the present scenario.

Chart No: 2.

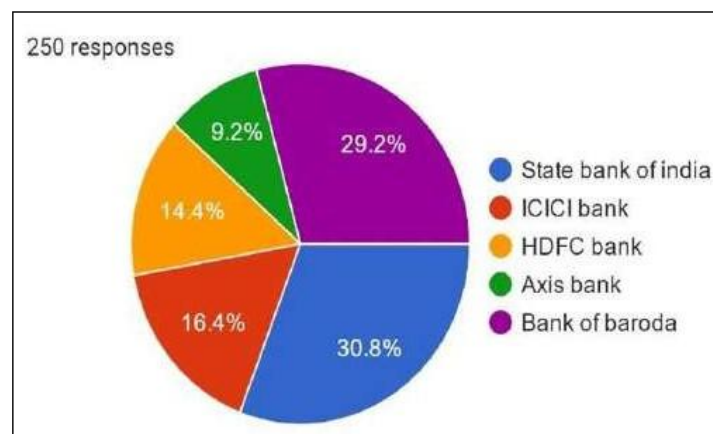


2: Are availing digital banking service?

Interpretation

The analysis shows that the majority people with 86.4% are availing digital banking services.

Chart No: 3

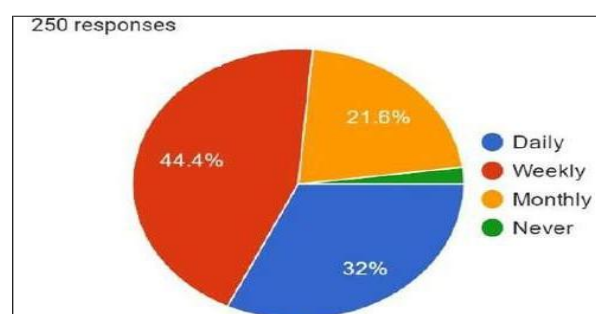


3: Which bank's digital banking services do you use?

Interpretation

The above chart shows that the majority of respondents use State Bank of India (SBI) and Bank of Baroda, accounting for 30.8% and 29.2% of users, respectively. The remaining respondents use ICICI Bank, HDFC Bank, and Axis Bank, with 16.4%, 14.4%, and 9.2% of users, respectively.

Chart No: 4

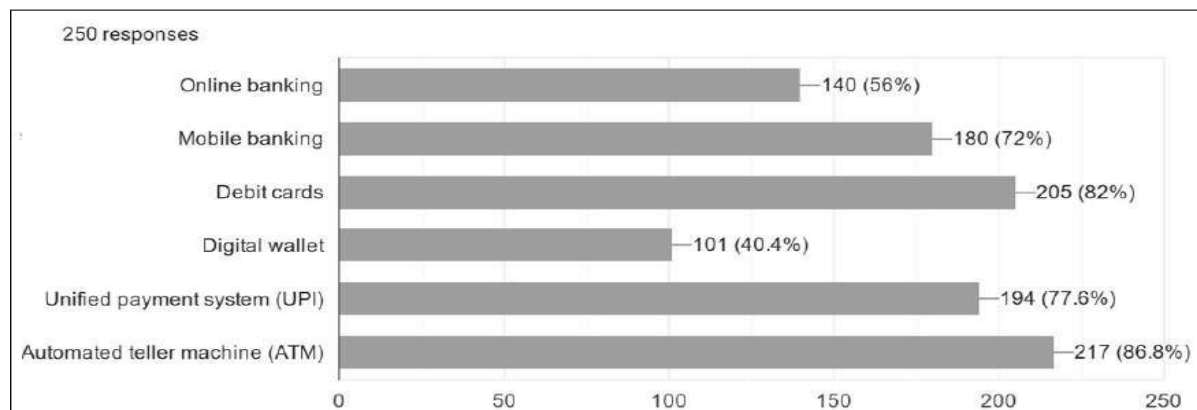


4: How frequently do you use digital, banking services?

Interpretation

The above chart shows that the majority of people use digital banking services on a weekly basis (44.4%), followed by those who use them daily (32%). Meanwhile, 21.6% of users access digital banking services monthly, while the remaining 2% never use digital banking services.

Chart No: 5



5: Which of the following digital banking services you are aware of?

Interpretation

Above graph shows that majority people are aware of ATM and Debit cards with 86.8% and 82% respectively.

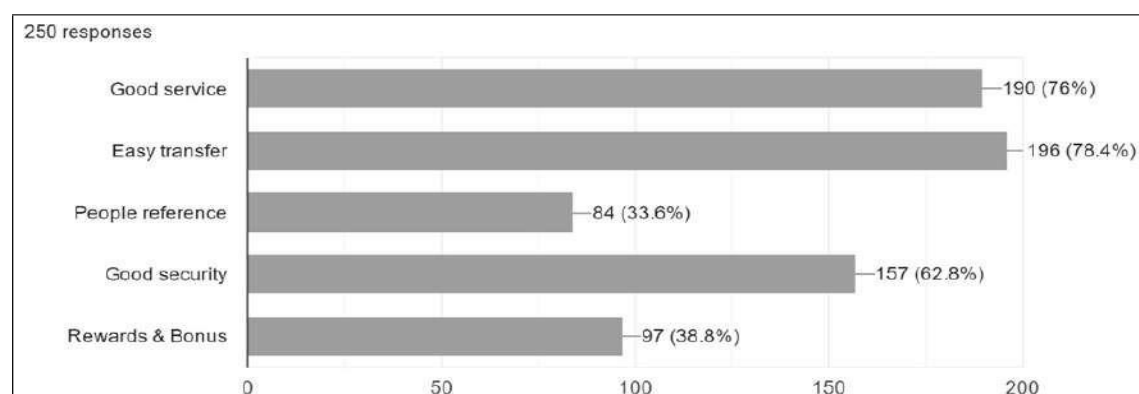


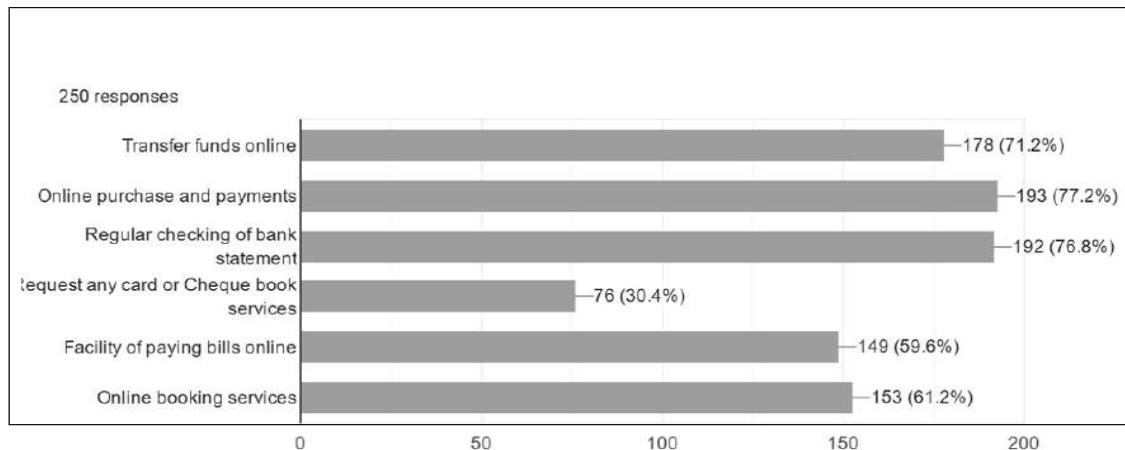
Chart No: 6

6: What do you prefer while choosing digital banking services?

Interpretation

Above graph shows that majority people prefers Good service and Easy transfer with 76% and 78.4% respectively while choosing digital banking services.

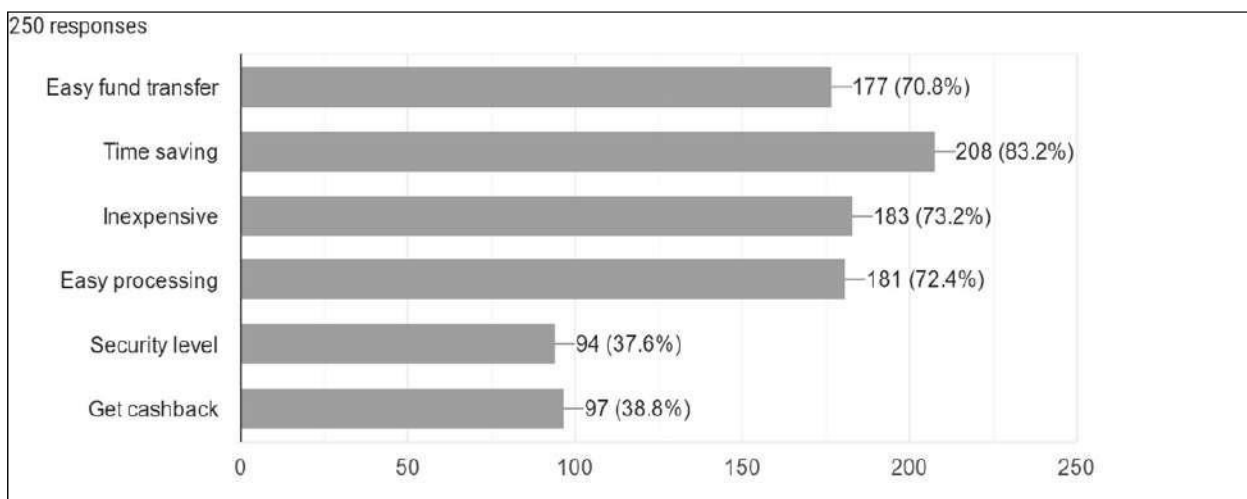
Chart No: 7



7: Which type of digital banking services you want to use?

Interpretation: Above graph shows that majority people wants to Transfer funds online, online purchase and payments and regular checking of bank statement with 71.2%, 77.2% and 76.8% respectively.

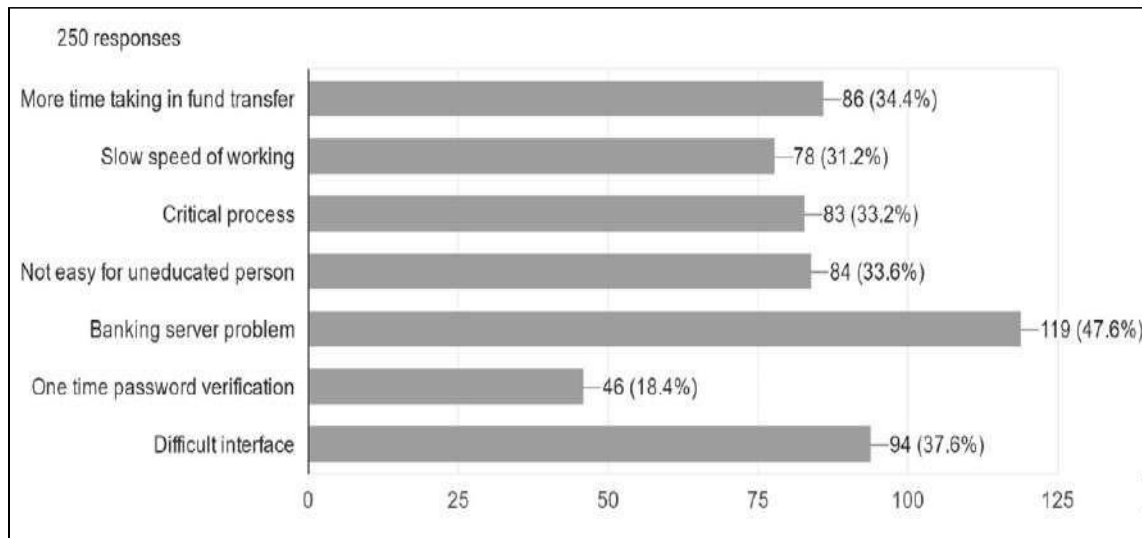
Chart No: 8



8. Which of the following benefits accrue to you while using digital banking services?

Interpretation: Above graph shows that majority people are benefits accrue easy fund transfer, time saving, Inexpensive and Easy processing with 70.8%, 83.2%, 73.2% and 72.4% respectively while using digital banking services.

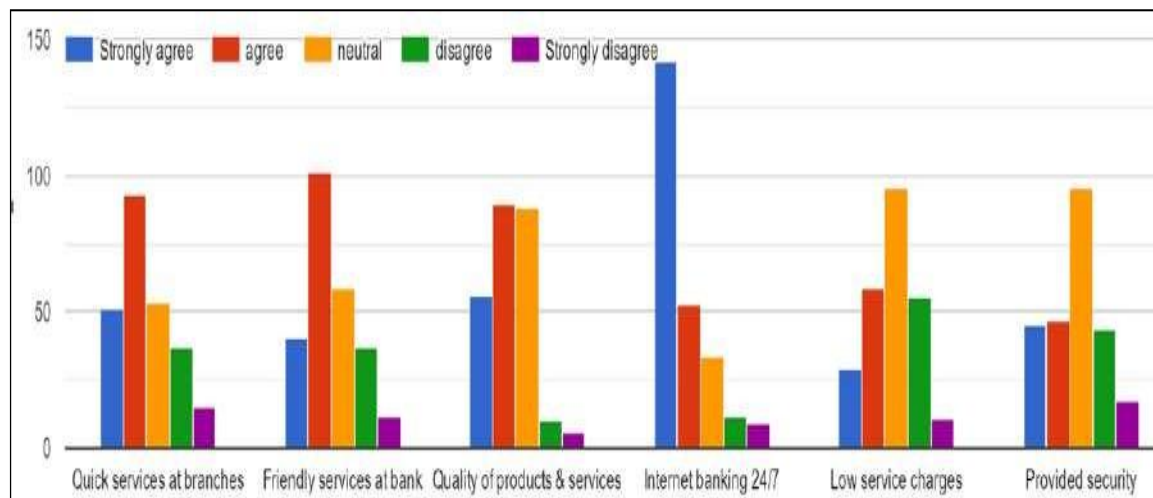
Chart No: 9



9: Which type of problem are you facing while using digital banking services?

Interpretation: Above graph shows that majority people are facing problem in Banking server problem, difficult interface and more time taking in fund transfer with 47.6%, 37.6% and 34.4% respectively.

Chart No:10



10: Please rate how important the following elements are in achieving satisfaction

Interpretation

The above research shows that, among all the factors considered, the majority of users agree that they are satisfied with the quick services provided at the branches, the friendly services offered by the bank, and the quality of its products and services.

Findings

- Out of 250 respondents, 182 are male and 68 are female. This indicates that males have greater knowledge about banking transactions and the services provided by

banks. Among females, mainly working women and school and college students have knowledge about these services.

- Most of the respondents who age under between 20-30 are using digital banking services.
- Most of the respondents are students and businessmen.
- Among the 250 respondents, 161 are both students and businessmen. This indicates that digital banking services are highly beneficial and widely used among these groups.
- It is interesting to note that 150 respondents have accounts with SBI and Bank of Baroda (BOB), while 100 respondents have accounts with ICICI Bank, HDFC Bank, and Axis Bank.
- Among the 250 respondents, 191 use digital banking services on a daily or weekly basis. This indicates a high level of adoption and regular usage of digital banking services among the respondents.
- Most of the respondents are familiar with digital banking services such as mobile banking, debit cards, the Unified Payments Interface (UPI), and Automated Teller Machines (ATMs).
- Most users prefer good service, easy fund transfer, and strong security when choosing digital banking services.
- Users reported receiving excellent services through online fund transfers, online purchases and payments, regular checking of bank statements, and online booking services. However, other digital banking services did not perform at the same level.
- Most users benefit from digital banking services in terms of time savings, lower costs, and easy processing.
- Most respondents identified slow system performance, complicated processes, and banking server problems as the major reasons for the inaccessibility or limited use of online banking among people in their area.
- Most users are satisfied with the 24/7 availability of Internet banking services.

4. Limitations of the Study

- The study has been conducted primarily to understand customer satisfaction with digital banking services.
- The scope of the study is limited to Indian banks; therefore, the findings may not be directly applicable to banks operating in other countries.

- Some respondents were unwilling to provide complete information during the survey, which may have limited the comprehensiveness of the data collected.
- The information provided by respondents may be subject to bias, as some participants may not have been sufficiently interested or willing to provide accurate and honest responses.

5. Conclusion

This study attempted to identify the key quality attributes of internet banking services by analysing internet banking customers and their comments regarding their banking experiences. The findings of the study indicate that, despite the many advantages of online banking, people still consider it mainly as an alternative means of checking and analysing their bank records. Although almost every bank today provides online banking facilities, most of the people use them only once a month. One of the major reasons for this limited usage is that interpersonal interaction with customers is seldom possible in internet banking.

Identifying and measuring customers' expectations regarding internet banking services provides a framework for understanding the relevant dimensions of service quality. Therefore, the implementation of quality initiatives should begin with identifying customers' needs and preferences and understanding the related dimensions of service quality. There is still considerable scope for the banking system to introduce reforms and educate customers about using the internet for managing their bank accounts.

According to the survey findings, one of the major problems is that customers still have concerns about the possibility of their accounts being hacked, which discourages them from using internet banking. Banks are making every effort to provide customers with the best possible security options. However, several factors continue to discourage customers from opening and using internet banking accounts.

References:

1. Anthony Rahul Golden S. An Overview of Digitalization in Indian Banking Sector, Indo - Iranian Journal of Scientific Research (IIJSR). 2017; 1(1):209-212.
2. Kusuma, S., & Kanagaraju, P. (2024). Customer satisfaction in digital banking: Evidence from private sector banks in India. *Journal of Banking Studies*, 14(3), 98–113
3. Chu, T., & Zhan, L. (2024). User experience in digital banking: Evaluating performance and satisfaction. *Asian Journal of Digital Economy*, 12(3), 145–158.