

Young Customer's Attitude Towards Digital Banking With Special Reference to Public and Private Sector Banks in Uttrakhand

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Abstract. Customers are the ones that are driving digitalization in every sphere of business, including banking. It has been in the form of Digital banking, which is now replacing the traditional banking. The banking sector in India has seen a number of changes. It becomes even more important to ascertain the customers' perception of the overall service quality and their satisfaction with the current online banking services. It is also a fact that digitizing banking helps customer to more information in less time. Customer satisfaction is an important factor to help banks to sustain competitive advantages. Most of the leading Indian banks have started providing digital banking services. Therefore, the purpose of this research is to search and examine the factors, which influence customer satisfaction towards digital banking. This study mainly focuses on investigating the major factors that influence online customers' satisfaction with the overall service quality of their banks. This paper is descriptive in nature, and data has been collected through various primary and secondary sources. The major findings of the study is that majority of the customers are satisfied with the Digital Banking

Keywords: Digital Banking, Customer Satisfaction, Banking Sector

1 Introduction

In the current scenario, Indian customers are moving towards digital banking, slowly but steadily. Digital banking system touches the lives of millions of people and it is growing at a fast pace. Digital banking refers to the automated delivery of banking products and services directly to customers through electronic communication channels, most notably the Internet. Digital Transformation is far beyond just moving from traditional banking to a digital world. The Indian banking and financial sector has also welcomed this change. It is a vital change in how banks and other financial institutions learn about, interact with and satisfy customers. This transformation leads to the major changes in the banking sector, from product-centric to customer-centric view today, more and more Indian banks are trying to differentiate themselves in a fiercely competitive industry. Presently digital banking plays a very important role in banking customer

life. It provides number of facilities to the people, banking service has become a need of the society. Now days banking provide services more than customer's expectation.

The digital banking services offer services according to the customer needs and requirements. Each and every day, new technologies are providing various customer touch points. Here the services are being provided online that were originally provided in the branches. High level of satisfaction is demanded by the customer as customer expectation in digital banking is very high and competition is also high with little differentiation in type of services offered.

2. Review of Literature

A variety of studies have been conducted with regards to the customers satisfaction towards digital banking various scholars, academicians and analyses have come up with their expertise to assess the satisfaction of the customers.

- The study conducted by Rakesh H M & Ramya T J (2014) is one of the studies that examine the factors that influence internet banking adoption. Using PLS, a model is successfully proved and it is found that internet banking is influenced by its perceived reliability, Perceived ease of use and Perceived usefulness.
- Dr. M. Abdul Hakkeem and Y. Moydheen Sha (2015) in their paper found that particular age group used digital banking services. The satisfaction of the customer majorly influenced the convenience, awareness, and responsiveness. In the present technology society, most of the banking customer prefer and switch to e-banking facilities. So the banker may improve their services, loyalty to customers and their retention by increasing awareness of other age groups and concentrating on the factors contributing customer satisfaction.
- The study conducted by Hani A. Al Haliq & Ahmad A. Al Muhirat (2016) examined the extent of consumer loyalty with electronic saving money. It inspected different parts of electronic administrations gave by banks in Saudi Arabia to reveal more insight into these administrations and client desires. The outcomes demonstrate that Saudi banks have prevailing with regards to accomplishing noteworthy consumer loyalty by enhancing their electronic administrations, encouraging electronic exchanges, enhancing handling execution and improving the particulars of electronic administrations.

3. Objectives of the Study

- i. To investigate the factors that influences the level of satisfaction of Young Customers of public and private sector banks in Uttrakhand.
- ii. To measure the satisfaction level of Young Customers towards Digital Banking services in Uttrakhand.
- iii. To state the present situation of the Digital Banking Services in public and private banks.

4. Research Methodology

4.1 Data Sources

This research paper is an attempt of descriptive research based on Primary data and secondary data. Primary data was collected through well designed questionnaires and Secondary data was collected from various website, journals, magazines which focused on various aspects of customer satisfaction towards digital banking.

4.2 Universe of the Study

For the purpose of the study, the universe consists of all the Banking customers of PNB, AXIS & HDFC Bank at District Pauri Garhwal (Uttrakhand).

4.3 Sample Size

A total of 120 questionnaires were collected. Majority of the respondents were male, Resident of Kotdwara area banking customers were the highest contributors out of the total respondents.

4.4 Statistical Tools

Non probability Convenience Sampling method was used.

5. Data Analysis

As mentioned above, the study is based on a sample of 120 Digital Banking Customers in

Demographic Characteristics of Sample Customers (N=120)

S. No.	Demographics	PNB (37)	Axis Bank (84)	HDFC (29)	Total
1.	Gender : Male Female:	32(26.67) 19(15.83)	23(19.17) 10(8.33)	24(20.00) 12(10.00)	79(65.84) 41(34.16)
2.	Age Group : Less than 20 20 – 25	04(03.33) 23(19.17)	00(00.00) 19(15.83)	06(05.00) 13(10.83)	10(08.33) 55(45.83)

	25 – 30	17(14.17)	12(10.00)	09(07.50)	38(31.67)
	More than 30	07(05.83)	02(01.67)	08(06.67)	17(14.17)
3.	Income Group :				
	Less than Rs. 5000	06(05.00)	05(04.17)	02(01.67)	13(10.83)
	Rs. 5,000 – Rs. 10,000	02(01.67)	11(09.17)	03(02.50)	16(13.33)
	Rs. 15,000 – Rs. 50,000	19(15.83)	13(10.83)	17(14.17)	49(40.84)
	More than Rs. 50,000	24(20.00)	04(03.33)	14(11.67)	42(35.00)
4.	Education :-				
	High School	01(00.83)	00(00.00)	03(02.00)	04(03.33)
	Intermediate	03(02.50)	04(03.33)	03(04.00)	10(08.33)
	Graduate	17(14.17)	15(12.50)	12(10.00)	44(36.67)
	Post Graduate	30(25.00)	14(11.67)	18(15.00)	62(51.67)

Source: Field Survey

It is revealed from the Demographics that (65.84%) of the respondents is male and (34.16%) are female. Most of the banking customer belongs to the Income group Rs. 15,000 – Rs. 50,000 (40.84%). Most of the banking customers are Postgraduate (51.67%). Most of the banking customer belongs to the age 20-25(45.83%).

TABLE 1- Showing the Relationship between age of customers and Awareness Level

AGE GROUP	YES	NO	TOTAL
Less than 20	08	02	10
20 – 25	47	08	55
25 – 30	29	09	38
More than 30	12	05	17
TOTAL	96	24	120

Source: Primary Data

From the above table it is clear that 96 (80%) respondents are aware about Digital Banking. Only 24(20%) respondents are not aware about Digital Banking.

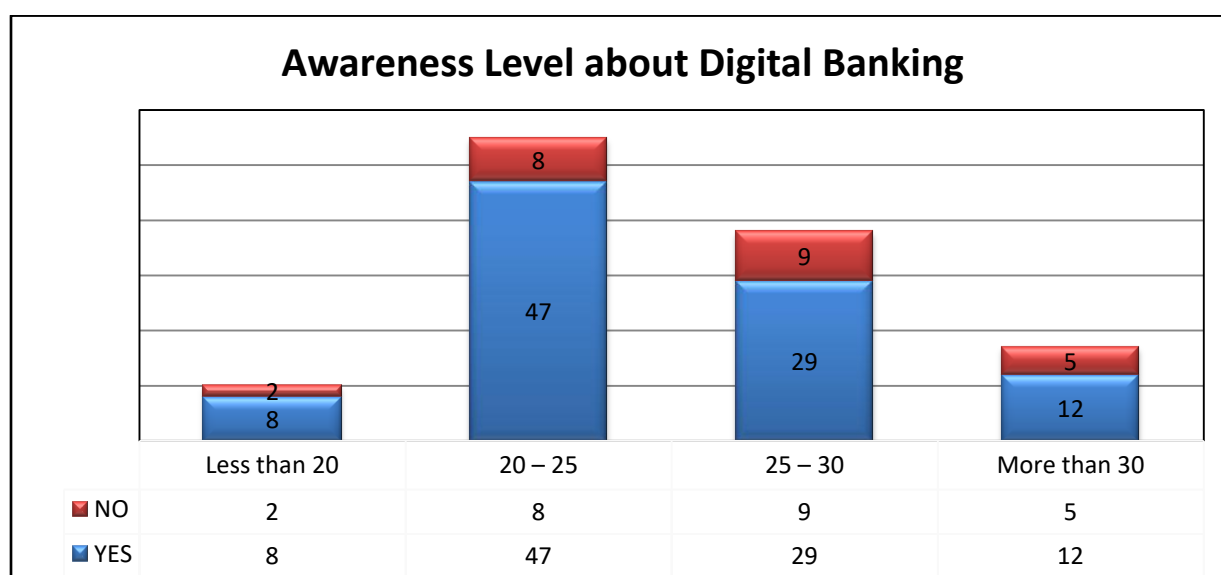


TABLE 2: Showing No. of Respondents who are using the Digital Banking Services Frequently

AGE GROUP	YES	NO	TOTAL
Less than 20	07	03	10
20 – 25	41	14	55
25 – 30	27	11	38
More than 30	14	03	17
TOTAL	89	31	120

Source: Primary Data

Out of 120 respondents who are aware about Digital Banking Services only 89(74.17%) are using the Digital Banking Services. One reason for not using the Digital Banking services by the other respondents is that people are less educated in these areas. So they hesitate in using computer and internet.

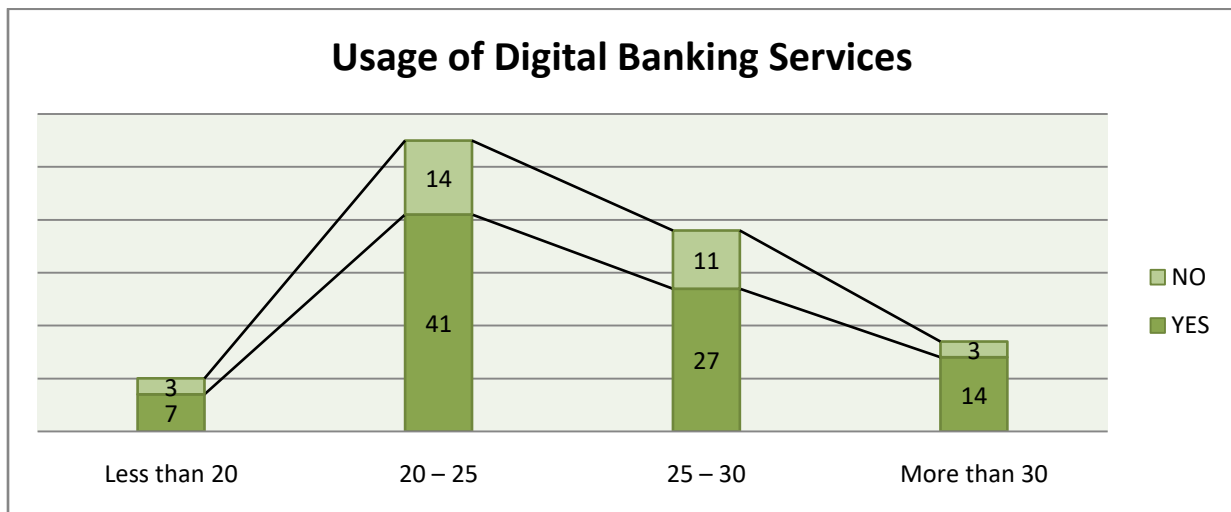


TABLE 3: Showing the frequently used Digital Banking Services by the respondents

Most often used services	Less than 20	20 – 25	25 – 30	More than 30	TOTAL
ATM	09	55	36	15	115
Bill payment	03	22	15	07	47
Fund transfer	07	41	29	11	88
Online shopping	10	29	18	04	61
Credit cards	01	12	08	03	24
Bank statement	04	49	27	14	94

Source: Primary Data

From the above table it is clear that most of the respondents are frequently using ATM, fund transfer & getting the bank statement through Digital Banking services.



Table No 4: Distribution of customer's according to their Attitude regarding Digital Banking Services

S. No.	Attributes	SDA	DA	NAND	A	SA
1	Easy to use Digital Banking Services	7 (5.83)	28 (23.33)	16 (13.33)	67 (55.83)	02 (1.68)
2	Digital Banking Services Provides Safety and Security	12 (10)	22 (18.33)	15 (12.5)	57 (47.5)	14 (11.67)
3	Digital Banking Services is Time Saving & Cost effective	09 (07.5)	16 (13.33)	05 (04.17)	75 (62.5)	15 (12.5)
4	Digital Banking Services Provides up-to-date & Accurate Information	03 (2.5)	14 (11.67)	22 (18.33)	36 (30)	45 (37.5)
5	24Hours Availability of Digital Banking Services	06 (05)	18 (15)	09 (7.5)	41 (34.16)	46 (38.33)
6	Delivery of service on time	03 (2.5)	09 (7.5)	16 (13.33)	37 (30.83)	55 (45.84)
7	Cost of delivery reasonable	02 (1.67)	07 (5.83)	10 (8.33)	82 (68.33)	19 (15.84)
8	Complain solving procedure is satisfactory	04 (3.33)	20 (16.67)	11 (9.17)	56 (46.67)	29 (24.16)

6. Findings

- i. 96(80%) people are aware about Digital Banking Services.
- ii. 89(74.17%) people are using the Digital Banking services frequently. Others are using in a very infrequent manner.
- iii. 69(57.50%) respondents are satisfied with the statement it is Easy to use Digital Banking Services.
- iv. 90(75%) respondents said that the Digital Banking is time saving process.
- v. 71(59.17%) respondents said Digital Banking services Provides safety and security.
- vi. 81(67.50%) respondents said Digital Banking services provide up-to-date information.
- vii. 87(72.50%) respondents said that a Digital Banking service is 24 hours available.

Frequently used Digital Banking services are ATM, Fund Transfer & getting the bank statements. This study show that Consumers are using various services provided by their respective banks and the highest used services are the ATM & Bank statement across various age groups.

7. Conclusions

Customer's age, education, and income levels influence the customer satisfaction. The usage of up to date information and technologies for customer communication enhance the customer satisfaction. Still people of these areas are not using all the Digital Banking Services frequently because they less knowledge about computer and internet; so they feel hesitation in using Digital Banking services. In this competition era all the banks should have to concentrate on the customer's satisfaction to retain the existing customers and have to offer new scheme day by day to attract the new customers

8. References

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