

## **CUSTOMER SATISFACTION TOWARDS DIGITAL BANKING SERVICES OFFERED BY PUBLIC SECTOR BANKS WITH SPECIAL REFERENCE TO THOOTHUKUDI DISTRICT**

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### **Abstract:**

Development and smooth functioning of economy in any country, "Banking Sector" is conscientious to play the foremost and significant role. Invention and improvisation on digital gadgets along with technological advancements enhanced the banking sectors to adapt the latest technology and develop their own web applications and eventually thrive to offer state-of-the-art services to their customer. This has enabled customers to highly depend upon digital banking services for each and every banking requirement and transaction. This study is aiming at conducting a comprehensive study on "digital banking services of public sector banks in Tuticorin district, Tamil Nadu". Main focus of the study is to explore the awareness level of digital banking services among customers, and identify the performance and satisfaction levels on digital banking services offered by public sector banks. The study also tries to identify the problem faced through digital banking. The study also provides suggestions to improve better customer satisfaction. Primary data for this study was collected through a structured questionnaire. Using convenience sampling method, final (**n=230**) fully completed responses were included for analysis. Chi Square Test and ANOVA Test were applied to explore the significance in relationship among the performance, satisfaction and perception with reference to digital banking services and with the demographic variables.

**Key Words:** *Digital Banking Services, Nationalized Banks, Customer Satisfaction*

### **1. INTRODUCTION**

Our Indian economy has several contexts in influencing cash transactions in every sector that includes automobile, agriculture, transport, chemical technology, FMCG, e-commerce, banking, etc. However, in this 5G era all the aforementioned sectors are equipped with contemporary modern technologies that establish the vocabulary "cashless" into their portfolio, which eventually enables commerce to commence swift, easy and efficient. Digital banking and electronic payments are very important mode of banking transactions that is being used by customers which is fast, secure, and handy mode to make any payment with the help of internet and relevant gadgets that excels in its own technological progression in the Indian economy.

In this scenario, it is highly impossible to imagine an economy without the digital transaction, especially in the banking sector, because most of the monetary transactions are being processed with the support of the banks at the backend. All these economic activities and monetary transaction are conducted hazard free and efficiently while it is being governed by the electronic and digital gadgets, that is world-wide recognized as “Digital Banking or Online Banking”. While the economy of any nation is curtailed without the banks, therefore it is impossible to envisage banks without Digital banking services.

**Digital Banking:** The banks initially introduced the following options for cashless payments such as NEFT (National Electronic Fund Transfer), RTGS (Real Time Gross Settlement), IMPS (Immediate Payments Service) and UPI (Unified payment interface). The later developments introduced “Electronic Banking” that is also recognized as virtual banking which is the base for online banking / internet banking. This digital banking is responsible for delivering several banking services and products through telecommunication and electronic gadgets that communicates with the help of internet. Therefore digital banking enables customers to access their accounts, perform various cash transactions if they have a computer or laptop, mobile phone that is connected with internet. The latest inventions of swiping machine, Google Pay, Phone Pay and Paytm are the digital payment application used by consumers for their electronic transactions as well.

**Importance of Digital banking:** Digital banking supports and assists the bank to reduce the work load in terms of reducing transaction cost, variable and fixed cost, condenses human errors and thus improvises precise interactions, reduces paperwork which in turn overall increase and earns loyalty for the bank. Digital banking also enables customers in to conveniently perform banking transactions at the convenience of their homes which ultimately reduces the bank visit and saves time, transport difficulty and energy. Digital bank also gives the chance of accessing their banks with any geographical limitations which is considered as added advantage. Digital banking also enables businesses to review their bank statements, and all the account related transactions easily and transparently for better productivity.

### **Digital banking in India**

Nowadays, banks provided huge variety of digital services to its customers, so that they can examine, execute and control their accounts from their perspective smoothly, easily at their own convenience from any geographical location. Additionally all of the Bank in India provide digital banking services that include Automated Teller Machine (ATM), Phone Banking, Debit and Credit cards, Electronic Fund Transfer (EFT), Electronic Clearing Services (ECS) and Internet Banking along with Mobile Banking.

The title of this research is “Customer Attitude towards Digital Banking Services offered by Public Sector Banks with special reference to Tuticorin District”. Based on several literature reviews and

analyzing the previous thesis in this region, the investigator has set the research objectives. Therefore this research primarily focuses on exploring the performances, customer satisfactions and perception with reference to “Digital banking services” provided by Nationalized (public sector) Banks. For this purpose, a survey was conducted among respondents patronizing digital banking services at public sector banks in the district of Tuticorin region, Tamil Nadu.

## 2. REVIEW OF LITERATURE

**Prof. Ashok Chandra Kumar (2016)** performed comprehensive analysis on public sector banks in the New Delhi in terms of electronic banking services. It was proved that these digital Banking or electronic banking services is always moving forward towards adopting the digital payment system in India that the behavioral intention of customizing the innovations and procedure of digital payment systems. The relation between customer and the bank to make the digital banking systems work, provided the digital payment systems are qualified and backed up with proper web applications that are easy to use and hazard free cashless transactions. A total of 322 sample respondents were surveyed using a pre-tested questionnaire for this study and the results served in deriving new customer service privileges that even more enhanced the respondents to come into digital world.

**Shroff (2017)** in his book Modern Banking and Technology has taken the role and impact of digital technology in the banking sector dealt with the procedure of cash transactions through UPI offers customers more elasticity, effectiveness and convenience. This book is showing the guidelines to Indian government and private service providers like Paytm, freecharge and mobikwik to be gentle and polite in attracting customers in to the digital portal. The book also shines light on young people who are more captivated towards digital payment systems for daily transactions and the risks involved in such payments and receipts from the banks and vendors they are dealing with. The book also insisted that digital banking system is growing progressively more in rural areas compared to urban areas as more rural population is migrating to the cities. This will also substantially increase the cashless economy in digital sectors in the near future.

An empirical study by **Monika Kashyap (2012)** attempted to analyze the current scenario of internet banking in India and the implications on Indian banking industry, portrayed the approaches to cashless systems and modes recognized and approved in India. The level of engagement on cashless systems in India with the assistances of internet and digital gadgets in India and evaluated the happenings that associated with operations on cashless systems in the Indian economy. The government and corporate sector in India will have to categorize the vital role played by each sectors and the system is taking shape of an effective and well-ordered financial strategy that is offering information to every individual needs through the digital and electronic banking transactions. The study also proved that essentially enlightening the safety of digital banking will make it challenging for hackers and malicious intent victims. Finally such safety features will progress the attitudes and aim of people towards digital payment patronization.

**Chavan Jayshree (2014)** study revealed that electronic banking provides several rewards to customers and banks; it additionally bypasses banking risks in Nagpur, Maharashtra. The study explored awareness of sellers and buyers regarding diverse digital payment procedures. The evaluation of small and medium sized customers in the bazaar of Nagpur are implementing digital transactions transaction and analyzed the repayment, settlement and difficulties faced by the sellers while using digital operations. This research revealed that both the sellers and buyers of Nagpur are familiarized with cashless transactions that they are increasing in recent times and the relief involved in digital payment platforms. The main reason for the vendors of Nagpur for accepting digital cashless transaction is the complete ease involved in digital payment that makes their lives easy. It is recommended to expand digital portals for payment user in Nagpur, the government along with banks should also organize intense awareness program about the advantages and requirements of digital transaction.

### **3. OBJECTIVES OF THE STUDY**

- i) To discover the awareness level among customers on Digital banking services offered by Public sector banks.
- ii) To examine the factors influencing the performance of Digital banking services.
- iii) To identifying the problem faced in the digital banking services offered by Public sector banks.

### **4. RESEARCH METHODOLOGY**

This particular research implements primary and secondary data. The questionnaire is a close-ended type, disseminated to a sample of 250 customers who patronize digital banking at public banking sector. Duly filled up responses (n=230) was included for the analysis; the same information was scrutinized by statistical software. Secondary data sources were taken from literature and journals, books and magazines. Descriptive statistics is applied and implemented using Mean & SD (Standard Deviation), with inferential stats, including ANOVA.

### **5. HYPOTHESIS TESTING**

**(H01):** There exists significant impact between the Customer Awareness and Adoptability to Digital Banking Services.

**(H02):** There exists significant impact between the Demographic factors (age, education and profession) and Digital Banking Services.

### **6. ANALYSIS AND INTERPRETATION**

This study was analyzed using primary data that was collected through structured questionnaire and all the research objectives were achieved by probing questions related to the customers who are patronizing digital banking services of public sector banks. Therefore the following objectives of the study have been achieved from the questions and the responses received from the respondents, analysis of the same is narrated below:

**Table No. 1**  
**Level of Awareness of various Digital Banking services (%)**

<i>Source: Primary Data</i>	<b>Very Low</b>	<b>Low</b>	<b>Average</b>	<b>High</b>	<b>Very High</b>	<b>Total</b>
	<b>%</b>	<b>%</b>	<b>%</b>	<b>%</b>	<b>%</b>	<b>%</b>
Online Purchase	5	12	15	20	48	100
Online Shopping	3	11	17	15	54	100
Credit card Payments	3	15	11	23	48	100
Online Investments	5	13	17	31	34	100
Online Ticket Booking	4	15	20	25	36	100
Online Tax Payment	4	15	21	17	43	100
Loan Accounts Statement	3	16	19	30	32	100
Pass book Printing	5	20	21	19	35	100
CDM – Cash Deposit	1	21	25	20	33	100
Checking transaction history	3	11	26	25	35	100
IMPS/NEFT/RTGS	5	18	14	23	40	100
Google Pay, Phone Pay and Paytm	2	11	15	22	50	100
Online Deposits	5	10	16	29	40	100
Online Statement	2	12	17	20	49	100
Mini Statement	6	9	21	20	44	100
Funds Transfer	5	10	15	15	55	100

**Interpretation of objective i:** Majority of respondents in this search are well aware of several digital -banking services apart from services such tax payment, online investment, IMPS/NET/RTGS transactions, online deposits, etc. Through interactive graphical videos, pamphlets and presentations for such awareness among customers can be facilitated on how the customers can benefit while the traditional method of old transactions are still slow and imprecise.

**Table No. 2**  
**Factors Influencing Digital Banking services (%)**

<i>Source: Primary Data</i>	<b>Not At All Influential</b>	<b>Slightly Influential</b>	<b>Somewhat Influential</b>	<b>Very Influential</b>	<b>Extremely Influential</b>
	<b>%</b>	<b>%</b>	<b>%</b>	<b>%</b>	<b>%</b>
Status of Pride	10	12	21	24	33
Easy	5	5	21	15	54
Convenient	5	10	14	16	55
24 Hours available	3	8	17	20	52

Reduced Paper	2	5	21	22	50
Efficient	4	5	14	13	64
Reliable	3	8	15	14	60
Secured Transaction	2	5	12	14	67
Technically Sound	5	5	16	15	59
No Cost	2	8	13	11	66

**Interpretation of objective ii):** Customers perform minimum fifteen to twenty transactions on an average per month, which is 240 transactions in a year, which very well proves that customers do not visit banks physically at this frequency and therefore the time is saved, which is the first and primary motivating factor to stick to digital banking services. Other motivating factors influencing customers for using digital banking services are no cost, convenient and easy, reliable, 24 hours available, and secured transactions, also the technically sound in performing transactions.

**Table No. 3**

**Problem faced through digital banking services offered by Public sector banks (%)**

ATM not Working	60.86%
Extra Fees	53.91%
Forget PIN number	13.91%
Insufficiency of 100Rs.	45.21%
Frequent technical difficulties	6.08%
Low connectivity	39.13%
Online Security problems	52.17%
Unauthorized Personal information	58.26%
Very Far ATMs	45.21%
Insufficient ATM Machines	40.12%
No Bank Assistance	79.13%
Wrong entries in the account	55.65%
Software Not Working	64.34%
Poor knowledge of digital services	37.39%
Cards do not work sometimes	53.91%
<i>Source : Primacy Data</i>	

**Interpretation of objective iii):** Aforementioned are the major problems encountered by the bank customers while adapting to digital banking services. Therefore it is the sole responsibility of their respective banks to identify proper resolution to all these problems that are faced by customers.

Few troubles are management related, insisted on Extra Fees, No 100Rs Notes in ATM, Very Far ATMs and, No Bank assistance, Poor knowledge of digital services. While other certain issues are related to technical assistances such as Low connectivity, Unauthorized Personal information, Software not working, Card not working sometimes, Frequent technical difficulties.

## 7. HYPOTHESIS TESTING

**(H01):** There exists significant impact between the Customer Awareness and Adoptability to Digital Banking Services.

**Table 4: ANOVA - Impact between the Customer Awareness and Adoptability to Digital Banking Services**

<i>(Source: Primary Data)</i>		<b>Sum of Squares</b>	<b>Df</b>	<b>Mean Square</b>	<b>F</b>	<b>Sig</b>
Digital Banking Factors	Between Genders	0.093	2	0.041	0.210	0.817
	Within Genders	87.823	228	0.231		
	<b>Total</b>	<b>87.916</b>	<b>230</b>			

*(Source: Primary Data)*

The above table explains that there exists no significant impact among the mean responses of respondents Digital Banking Services and the individual factors between the genders. Therefore H01 is rejected  $F(2, 278) = 0.210$ ,  $p > 0.05$ , and Null hypothesis is accepted

The p-value (0.817) calculated seems greater than significance level (0.05). This indicates the acceptance of the null hypothesis which proves that there exists no significance impact in the mean responses to which digital banking factors impacts the individual factors.

**(H02):** There exists significant impact between the Demographic factors (age, education and profession) and Digital Banking Services.

**Table 7: ANOVA of the Demographic factors and Digital Banking Services**

<i>(Source: Primary Data)</i>		<b>Sum of Squares</b>	<b>Df</b>	<b>Mean Square</b>	<b>F</b>	<b>Sig</b>
Individual Variables	Demographic Factors	11.032	2	5.513	160.43	0.000
	Digital Banking Services	13.029	228	0.032		
	<b>Total</b>	<b>24.061</b>	<b>278</b>			

*(Source: Primary Data)*

The above table explains that there exists significant impact in the mean responses from the Demographic Factors in terms of the individual variables  $F(2, 228) = 160.43, p > 0.05$ , such as age, education and profession.

The p-value (0.000) which is calculated seems less than the significance level (0.05). This insists on accepting the hypothesis H02 which is supported, proves the presence of significant impact between the Individual factors: demographic factors and Digital Banking Services.

## 8. FINDINGS

It is very much imperative to address the troubleshooting circumstances understood from the descriptive statistics. Customers of the public sector banks while adopting to digital banking services, are facing quite a lot of problems at medium level with respect to network issues and remote ATM machine facilities are at high level.

Based on the ANOVA, it has been evident that there exists no significant impact among the mean responses of respondents Digital Banking Services and the individual factors between the genders. Therefore H01 is rejected  $F(2, 278) = 0.210, p > 0.05$ , and Null hypothesis is accepted. While H02 is accepted and proved that there is no significant impact in the mean responses from the Demographic Factors in terms of the individual variables  $F(2, 228) = 160.43, p > 0.05$ , such as age, education and profession. In addition, it is understood that swiping machine, Google Pay, Phone Pay and Paytm are the digital payment application used by consumers for their electronic transactions.

## 9. Conclusion

This study concluded that the opportunity of the Digital Banking Services is still going to envisage at a larger level. Young generation is more fascinated towards digital payment system for daily routine. The young age group respondents have already adopted to the digital banking system services which is increasing progressively more in the district of Tuticorin compared to nearby rural regions. With proper digital banking awareness, and proper response team to troubleshoot the issues on e-payment, currency note availability, more number of ATM machines in rural areas will attract more customers to public sector banks.

The security related issue such as personal information, speed internet, and No Extra Fees on ATM transactions to be sorted out and fixed with immediate effect. While many e-commerce startups are offering several offers to attract digital payment services and boost electronic payment users and subsequently this is expected to increase the users of digital banking services. The above study also concludes that the magnitude of digital banking services is expanding in the upward era of modernization. This will consequently effect a enormous growth in the cashless economy and in the digital sectors. Electronic digital payment system services are also providing a domain to the low-level income and middle level income groups. Innovation and improvisation of the public sector banks could act as the key elements for the success of growth in the Digital Banking Services.



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