

CUSTOMER PERCEPTION ON DIGITAL BANKING IN TIRUNELVELI: AN EMPIRICAL STUDY

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Abstract

This study examines the customer perception of digital banking services in Tirunelveli, highlighting the impact of technological advancements on the banking sector. With the advent of information and communication technology, banks have undergone significant transformations in their service delivery and internal operations. This research explores various aspects of digital banking, including customer awareness, service delivery, and satisfaction levels. The primary data was collected through direct interviews with 375 bank customers in Tirunelveli, using a structured interview schedule. Secondary data were obtained from bank brochures, websites, magazines, and journals. The study utilized a convenience sampling method to select participants. Statistical analysis, including chi-square tests, was employed to determine the significance of various factors such as age, marital status, education, occupation, income, and type of account on customer awareness and satisfaction. Key findings indicate that 78% of respondents are aware of digital banking services, with print media being the predominant source of information (51%). Age, marital status, education, occupation, income, and years of operation significantly influence customer awareness, while gender and type of account do not. Customer satisfaction with digital banking services is high, with 'user-friendly' features and 'safety and security' being the most appreciated attributes.

The study suggests that banks should adopt a customer-centric approach, regularly engage with customers to understand their needs, and promote financial literacy to enhance digital banking adoption. Providing self-service opportunities and gathering feedback for continuous improvement are also recommended. The findings emphasize the importance of balancing technological advancements with personalized customer service to meet evolving customer expectations effectively.

Keywords: Digital Banking, Customer Perception, Technological Advancements, Customer Satisfaction

Introduction:

Technology has been one of the most important factors for the development of mankind. Information and communication technology is the major advent in the field of technology which is used for access, process, storage and dissemination of information electronically. Information technology has basically been used under two different avenues in banking. One is communication and other is business process re-engineering. Information technology enables sophisticated product development, better market infrastructure, implementation of reliable techniques. Banking industry is fast growing with the use of technology in the form of plastic cards, on-line banking, Telephone banking, Mobile banking, NEFT, RTGS, Mobile banking, Internet banking, etc.

In the 1980s, usage of technology for the back office operations of the banks predominate the scene. It was in the form of accounting of transactions and collection of MIS. In the inter-bank payment systems, it was inform of clearing and settlement using the MICR technology. Two momentous decisions of the Reserve Bank in the 1990s changed the scenario for ever there are: The prescription of compulsory usage of technology in full measure by the sector banks as a pre condition of the license and the establishment of an exclusive research institute for banking technology institute for development and Research in Banking Technology.

Technology will bring fundamental shift in the functioning of banks. It would not only help them bring improvements in their internal functioning but also enable them to provide better customer service. Technology will break all boundaries and encourage cross border banking business. Banks would have to undertake extensive Business Process Re-Engineering and tackle issues like a) how best to deliver products and services to customers b) designing an appropriate organizational model to fully capture the benefits of technology and business process changes brought about. C) How to exploit technology for deriving economies of scale and how to create cost efficiencies, and d) how to create a Customer

Objective of the study

- ✓ To study the socio-economic profile of the respondents
- ✓ To assess the customer awareness regarding various digital banking services

- ✓ To understand and study the customer perception on the service delivery of the selected bank
- ✓ To know the level of satisfaction on various technology product
- ✓ To offer suggestion for better customer service

Methodology

This study is an empirical study. It is based on the primary and secondary data. The primary data relating to the Perception of the customer of the bank about the Various technological product offered by banks were collect from persons having their accounts in any bank in Tirunelveli by interviewing them directly by the researcher with the help of an interview schedule. The study population constitute of 375 bank customers. Secondary data were obtained from different brochures of banks, website of banks, magazines and journals. Convenience sampling method has been used and 375 Customers were selected for the study

Limitation of the study

- ✓ As the study based on primary data it has its owner. In few cases, literacy of the consumers proved stumbling block in stumbling selecting responses research is carried out on consumers, who are human beings? Human beings have a tendency to behave artificially when that knows that they are being observed. So the customers, or respondents start behave artificially when the know that their attitude, opinion, beliefs etc...are being studied.
- ✓ The study is restricted to the above cited area only the results drawn are not applicable universally
- ✓ Lack of time and manpower resulted in restricted the study to confined area

Analysis of the Data

The sample data is collected on the basis of the following variables; Age, Gender, Marital status, Education, Occupation, Income, Types of account maintained in bank. The influence of the above-mentioned variables determine the product awareness

Tools for analysis

In the present study, the statistical tools applied were, simple percentage and chi-Square

Table -1 Awareness about the Services

Awareness	No of Customer	Percentage (%)
Yes	294	78
No	81	22
Total	375	100

Source: compiled from primary data

Table – 2 Source of Awareness

Sources	No of Account holders	Percentage (%)
Print media	195	51
Audio visual media	105	28
Others	75	21
Total	375	100

Source: compiled from primary data

Table – 3 Consolidated Table showing the result of chi – square test

Factors	Calculated chi – square value	Table value	DF	Results (5%) Level
Age	17.487	9.488	4	Significant
Gender	1.043	5.991	2	Not significant
Marital Status	9.439	5.592	2	Significant
Education Qualification	13.164	12.592	6	Significant
Occupation	15.592	15.507	8	Significant
Annual Income	12.906	12.592	6	Significant
Type of Account	6.723	9.488	4	Not Significant
Year of operation	17.486	9.488	4	Significant

Source: compiled from primary data

Table – 4 Customer Perception on the digital Banking Services

Attributes	Frequency	Percent
Anywhere any time	60	16
Low charges	42	11
Quick processing	53	14

User friendly	77	21
Simple formalities	49	13
Safety Security	69	18
Promptness and knowledge of staff	25	7
Total	375	100.00

Source: compiled from primary data

Table – 5 Level of satisfaction on Technology by the bank – chi – Square Test

Factors	Calculated chi square value	Table value	DF	Results
Technology product	32.667	28.869	18	Significant

Source: compiled from primary data

Awareness About the services offered by the bank – chi – Square Test

For this purpose, personal factors comprising Age, Marital status, level of education, Occupation, Income level, Type of account and years of operation were grouped under one head to find its influence over the level of awareness of the customers about the various services offered by the banks. For testing the level of significance at 5% level the null hypothesis were framed. He results are given in the table

Out of eight independent variable considered for the study, for the study six factors viz, Age, Marital status, Educational Qualification, Occupational, Annual Income, and year of operation of the customer of bank have a significant relationship with the level of awareness with the various services offered by the banks. Two independent variables like gender and Type of account in bank of the sample respondents have no significant relationship with the level of awareness and satisfaction

Findings

A study on “Consumer Awareness about the Technology Product and Services in banking” . 375 Respondents were interviewed for this purpose. After a deep study and analysis the researchers found out the following findings

- With regard to the Age of the respondents the majority of 126 respondents were in the age group of 31 to 40 years
- In the present study out of 375 banking customers 222 customers are rural
- Out of 125 customers the majority of customers are married
- The major customer Educational level is graduation
- Among the 375 respondents the maximum Respondents are Private employees (42%)
- The majority of respondents earning above 20,000 rupees per month
- In this study out of 375 respondents only 34% were visiting the banks only for deposits and withdrawals. Remaining customer are visits the banks are availing loan, Taking Demand Draft, Operating locker, and other purpose like Credit card, Overdraft, and cash credit etc
- With regard to the awareness about the various services offered by the banks, a Majority of 78% were aware of the various service offered by the their banks
- A majority of 51% of the respondents came to know about the services from Print Media and 28% came to known from Audio Visual media.
- 55% of the respondents stated to be aware of digital banking service offered by their banks. This reveals that the services are generally known to customer.
- In this regard out of 125 customers are aware of digitalBanking services provided by the bank

Suggestions

- ✓ The researcher makes the following suggestion and conclusion after making the in depth of the study
- ✓ Customer centric approach is the need of the hour Bank should take necessary steps to conduct customer met regularly. It will also help the banker to understand the customer’s needs. The same platform can also be used by the banks to educate their customers about new schemes, facilitates and technologies
- ✓ The banks have taken necessary efforts to grate awareness about digital banking services
- ✓ Banker to create awareness and motivate the customer to use the internet to carry out banking operations
- ✓ Provide customers with self self service opportunities
- ✓ Promote financial literacy
- ✓ Gather feedback for continuous improvement

Conclusion

Change is the only constant thing in life and the present change in the globalized economy and changes in life styles of customers can be very easily enchased by the banks by providing good quality services at the right time and at the right place. The bankers should be sensitive to customer’s perceptions. The expectations of the customer should be

understood and powerful strategies are to be implemented by the banks. The value of services provided should be measured in terms of quantity and quality. To be successful a bank needs to be not just high-Tech but high touch as well. It is concluded that the study has good immensely helpful to the banker to withdraw few drawbacks of the technology product implementation, at the same time the customer may also learn more about the technology products in banking.

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