

FACTORS INFLUENCING THE CUSTOMER EXPERIENCE IN DIGITAL BANKING AND FINANCIAL PERFORMANCE

Author : Sunantha.P

Corresponding Author : Dr.M.Chandran , HOD B.com (A&F)

**Vels Institute of Science, Technology and Advanced Studies,
Chennai**

Abstract

Banking sector plays a crucial role in financial system of economy. It represents the center of economic activity by accessing , meeting and maintaining the requirement of funds. Information technology was introduced in late 80's in indian banking sector which further paved way for digitalisation in banking sector. This has given benefit to both bank and customers. The study aims in the finding out the factors that are influencing the experience of customers through digitisation and the performance of bank in chennai. The factors such as service , functional quality , perceived value , trust , service speed, satisfaction and loyalty are taken into considerations.

Keywords : Digital Banking , Financial Performance , Trust , Loyalty , Satisfaction.

INTRODUCTION

(Gaurav Sharma 2017) sees digital banking through dual aspect bank to customer and vice-versa. The banks rely more on the transformations on digital efficiency through technology, cost savings , competitiveness and its survival. On the other end , customers have more choices to switch between their preferred services easily that avoids physical visit to branches and its cost and time effective. (Villaseca , David 2019) foresees the transformation of digital banking to intelligence banking through application of artificial intelligence and cloud technology which boost sales digitally , optimises the cost and empowers agility.

A study states that customer satisfaction is one of the important concerns in banking industry to the heavy competition. The banks are striving hard for giving quality of service to new as well as existing customers (Aboramapah Amoah-Mensah , 2010). The degree of customer satisfaction of bank lies on the competitive power and survival of bank by therefore for paying attention towards their customers to satisfy them (Titko and Lace (2010)., Kattack and Rehman (2010)

Don bergal , 2016 says that digital banking means moving to online transactions that was previously made on a traditional basis. In simple words , digitalisation of traditional banking system were customers are available inside the bank physically.

In 2016 , Y gen has succeeded in shifting the banking preferences digitally by moving all services online and in 2009 , US hits 54 million users in online banking.

Stotica et al, 2015 and majit kaur 2018 says there is a intensive growth in online banking services due to the cost reduction and enhancement in profits which drives to customers convenience in banking transactions through rapid speed and ease .

Digitalization in banking sector enhances customer experience rapidly by ease transaction of customers towards banking business by effective use of technology says yadav 2017.

OBJECTIVES OF THE STUDY

Primary objectives

- To understand the concept of digital banking .
- To analyze the factors influencing the customers experience towards digital banking.
- To know the level of satisfaction of customers on using digital banking.

HYPOTHESIS TESTING

H₀ : Factors and level of satisfaction influence the customer experience towards Digital Banking

H₁ : Factors and level of satisfaction doesnt influence the customers experience towards Digital Banking.

SAMPLE OF THE STUDY

Samples were selected from sampling unit. The method used is convenient sampling technique. Total sample size is 75.

METHODOLOGY OF THE STUDY

Questionnaire

A structured questionnaire which consist of only close ended questions, was used as a tool for collecting data. The questionnaire consist of questions based on digital banking uses and level of satisfaction

Primary data – Data obtained from the questionnaires which were given to respondents in person from the primary source.

Secondary data – Data obtained from books , internet ,journals.

LIMITATION OF THE STUDY

1. The research was carried out in short period , where in researcher could not widen the study.
2. This research was carried out only in and around city of Chennai. So the findings will not be universally relevant.
3. Total number of respondents are 75due to time constraints.

ANALYSIS AND INTERPRETATIONS

TABLE : 01 GENDER

Gender	Number of respondents	Percentage
MALE	43	57
FEMALE	32	43
TOTAL	75	100

Source : Primary data

Interpretation : The table reveals that majority of the respondents are male 57% and 43% of female respondents.

TABLE : 02 AGE

Age groups	Number of Respondents	Percentage
Upto 20	10	13
21-30	25	33
31-40	13	17
41-50	13	17
Above 50	14	20
TOTAL	75	100

Source : primary data

Interpretation : the table represents that majority of user of digital banking falls under the age group between 21-30 with 33% , 20% above 50 , 17% under 31-40 and 41-50 and 13% below 20.

TABLE : 03 OCCUPATION

Particulars	Number of respondents	Percentage
Private employee	32	43
Govt. employee	24	32
Self employed	19	25
TOTAL	75	100

Source : Primary data

Interpretation : the above table represents that majority of digital banking users are 43% private employees , 32% govt.employees and 25% self employed.

TABLE : 04 INCOME

Particulars	Number of respondents	Percentage
Less than 20000	15	20
20000-40000	24	32
40000-60000	16	21
Above 60000	20	27
TOTAL	75	100

Source : Primary data

Interpretation : The table shows the income groups with 32% respondents earn 20000-40000 and 27% of respondents were earning above 40000. 21% and 20% of respondents were categorised in the income level between 40000-60000 and below 20000.

TABLE : 05 FACTORS INFLUENCING DIGITAL BANKING

Variables	Number of respondents	percentage
Quality of service	09	12
Brand Trust	07	10
Payment made easy	13	17
Time saving	14	19
Easy usage	16	21
Safe and secure	16	21
TOTAL	75	100

Source : primary data

Interpretation : The majority of the respondents feels that using digital banking is easy and its safe and secure 21% , 19% feels that its time saving , 17% feels payment is made easy , 12% feels quality of service and 10% with brand trust.

TABLE : 06 LEVEL OF SATISFACTION

Level of satisfaction	Number of respondents	Percentage
Highly satisfied	29	39
satisfied	18	24
Neutrally satisfied	11	15
Un satisfied	9	12
Highly unsatisfied	8	10
TOTAL	75	100

Source : primary data

Interpretation : The level of satisfaction of majority of respondents were 39% highly satisfied , 24% were satisfied, 15% were neutrally satisfied , 12% and 10% were unsatisfied and highly unsatisfied.

Coefficient

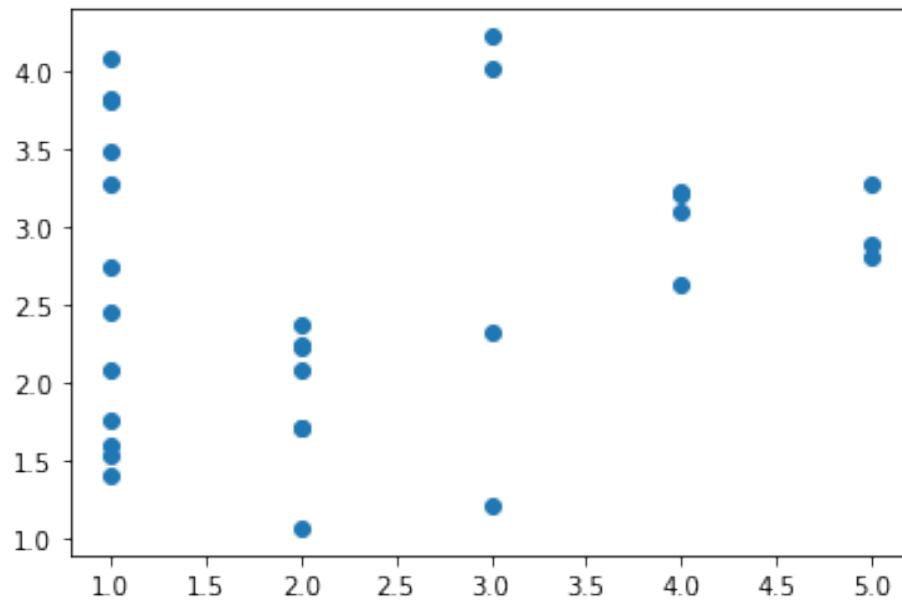
Gender -0.405863

Age 0.653418

Income -0.148807

Occupation 0.232205

Factors -0.121124



- **MAE** is the easiest to understand, because it's the average error.
- **MSE** is more popular than MAE, because MSE "punishes" larger errors, which tends to be useful in the real world.
- **RMSE** is even more popular than MSE, because RMSE is interpretable in the "y" units.

MAE: 1.2335629131738388

MSE: 2.26217588980285

RMSE: 1.504053153915396

Conclusion : Reject Null hypothesis

SUGGESTIONS AND CONCLUSION

SUGGESTION OF THE STUDY

- The online banking service quality can be improvised.
- Each and every bank has to create a separate payment portal for users to get benefitted.
- Security measures can be legalised to avoid cyber attacks.
- The banks can implement cost effective services in future.

CONCLUSION OF THE STUDY

Digital banking is purely based on online transactions , so the cost can be reduced. As it involves much technology , the process can be improvised and developed. DB plays an important role in modern banking services due to its speed , coverage , reliability and coverage and so on. If the issues are sorted out, DB will be very helpful for the customers.

References :

Sharma, Gaurav. "What is Digital Banking?". *VentureSkies*. Retrieved 1 May 2017

Villaseca, David. "From 'Digital Banking' to 'Intelligent Banking' transformation". *blogs.oracle.com*. Retrieved 2019-05-27.

Banking Exchange staff (2019), Online Banking Experience the Key to Consumer Satisfaction, Claims New Survey.

The Impact of Internet Banking on Bank Performance: Empirical Evidence from Indian Banks

Sidhu, Manjit Kaur. *Journal of Commerce and Accounting Research; New Delhi Vol. 7, Iss. 2, (2018): 1-8*

QUESTIONNAIRE

1. Gender :
 - Male
 - Female
2. Age :
 - 20 years
 - 21-30
 - 31-40
 - 41-50
 - Above 50 years
3. Occupation :
 - Private employee
 - Government employee
 - Housewife
4. Income :
 - Less than 20000
 - 20000-40000
 - 40000-60000
 - Above 60000
5. Are you aware of digital banking ?
 - Yes
 - No
6. Which factors created more impact towards digital banking ?
 - Quality of service
 - Brand trust
 - Payment made easy
 - Time saving
 - Easy usage
 - Safe and secure
7. Are you satisfied with the usage of digital banking?
 - Yes
 - No

8. If yes, how you will rate your preference on digital banking?

- Highly satisfied
- Satisfied
- Neutrally satisfied
- Unsatisfied
- Highly unsatisfied