

Digital Perception on Changes Experienced in Modern Banking Services Perceptual Study in Salem City

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Abstracts: The adoption of new technology to provide digital banking to enhance ease of use, transaction speed and an improved overall experience is essential for banking institutions to remain competitive both locally, and internationally. The digitalization of banking has revolutionized banking operations and practices. In India specifically, banking services have changed dramatically since the economic liberalization of 1991, but particularly over the last decade with rapid adoption of technology with the aim of improved operational and administrative efficiency. This study aims to evaluate the perception amongst customers and bankers in the Southern Indian city of Salem, on the changes experienced in banking services vis-a-vis adoption of technology and the issues faced in this regard its relationship to customer (and Banker) demographics.

Keywords: Digitalization, Banking, Customers, Information Technology, etc.

1. INTRODUCTION

Technology improvement has twisted banking practice as paper less, signature less and branchless. More focus is paid in meeting out micro level customer expectations. Very frequently innovation and simplified banking practices are introduced by the regulatory authorities to enlighten their tech savvy clients. In short, digitalization has brought in more comfort for the customers, at same time bankers job of book-keeping, addressing their customers' demands, redressal of grievance ratification of error and getting feed-backs are made easy and more transparent.

1.1. Significance Of the Study

Adoption to hybrid banking supports in long-term sustainability of banking practices by the way of accepting new technology, its related advancement, adoption to the international banking practices and fulfilling the needs of new age customers. Hybrid of services in form of digitalization and automation has supported banks to stand strong amidst cut-throat competition and in retain the existing customer base. These days offering uninterrupted banking services to the end consumers have been focused as primary criterion, rather than focusing on banks as systems.

1.2. Statement Of the Problem

Adoption of IT (Information and Technology) concepts in offering the banking services in India since the adoption of liberalization ideologies in 1991, have changed the face of banks and its role in India. Banks of 21st century is more customers centric. Speeds, efficiency, flawless services and small volume of large client base with branchless automatic banking have become the characteristics of banks in India. Offering of branchless and digitalized banking services to different segment of the clients have supported all categories of banks (Public and Private Banks) to enhance their productivity, establish their efficiencies in term of operation, management and in profit earning.

1.3. Objectives Of the Study

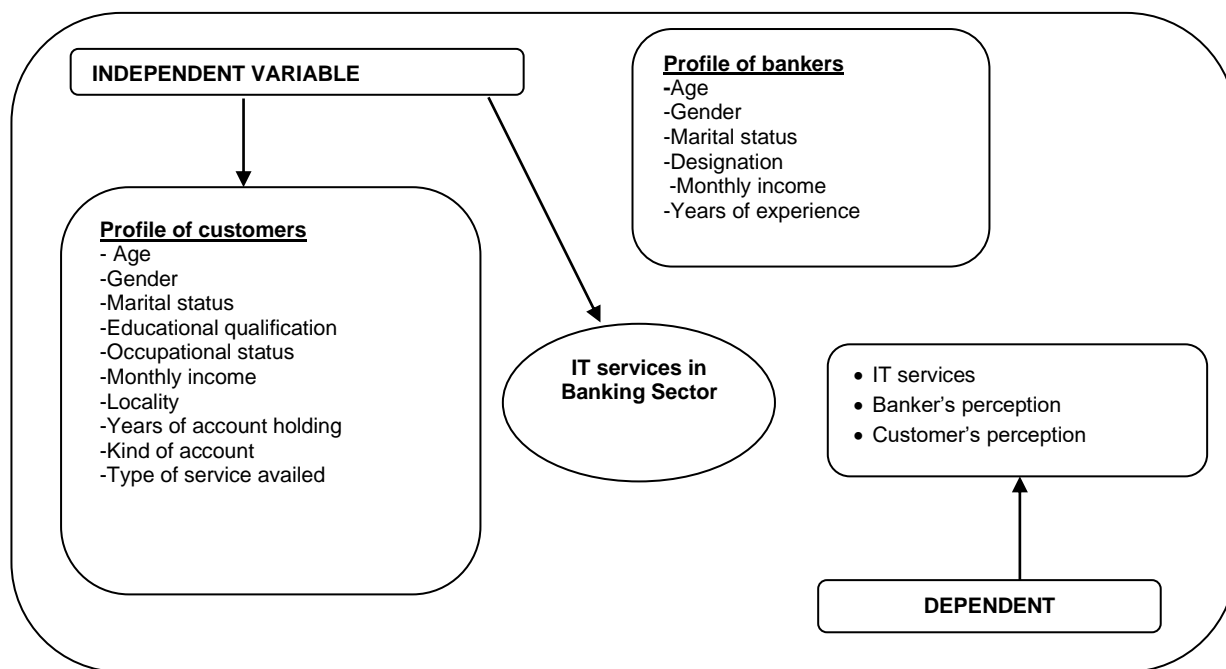
- To closely examine the bank consumers’ perception on changes experienced in modern banking services.
- To reveal the nature of satisfaction realised by the customers towards modern banking services.
- To identify the nature of issues faced by the new age banking customers, while they interface and transact the modern banking services and offer valuable suggestions to overcome the prevailing short coming.

2. REVIEW OF LITERATURE

Gaur and Waheed (2017) studied the factors influencing the usage of interactive technologies in banking services. The study informed that in banking, selling the core product was most important motivation for using interactive technologies. The study also stated that in India, modern marketing techniques adopted by nationalised banks and private banks include Internet banking as a major tool. The study concluded that service sector businesses emphasise the use of interactive technologies to build and maintain relations with the customers in long run.

Singh and Malhotra (2018) analysed the role of information technology and internet banking in Indian banking sector. The study observed that all the commercial banks and number of foreign banks are providing almost identical services to the customers. The study indicated that the demat accounts, carrying out of standing instructions and foreign transactions are not up to expectation. The study suggested the banks internet banking has a lot of security risks which need to be addressed. There are some non-internet banks with non-transactional websites. The study concluded that they feel that the electronic fund transfer has been very effective and number of users is rapidly increasing.

Manoharan (2018) highlighted the e-payment system in India and its performance impact on Indian banking sector. The study informed that e- banking has made it possible to find alternate banking practices as the e-payment system in India into three parts, i.e., large value payment system, retail payment system, and retail electronic system. The author concluded that competition in banking industry had forced the banks to rethink the way they operate their business.



Chi-square distribution on profile of the customers and IT services rendered

Sl.no	Variables	Chi-square value	Standardized statistics
1	Age – Service rendered	0.246	0.741
2	Gender – Service rendered	0.336	0.430
3	Marital status– Service rendered	0.072	1.779
4	Educational qualification– Service rendered	0.782	0.310
5	Occupation – Service rendered	0.050	1.923
6	Monthly income – Service rendered	0.388	0.915
7	Locality – Service rendered	0.236	1.235
8	Years of account holding – Service rendered	0.017	2.178
9	Types of service availed – Service rendered	0.651	0.482
10	Kind of account – Service rendered	0.483	0.781

Source: Computed Data**Distribution on service rendered and perception of respondents (Correlation)**

Sl.no	Service rendered	Perception of banker	Perception of customer
1	ATM Banking	0.379	0.027
2	Telephone Banking	0.707	0.017
3	Credit card	0.937	0.031
4	Debit card	0.703	0.051
5	Mobile banking	0.188	0.063
6	PC Banking	0.340	0.015
7	Electronic Fund Transfer(EFT)	0.260	0.838
8	Internet banking	0.031	0.283

Source: Computed data**NB: significance @ 5% level of significance****Distribution on variables**

Variables	QWL	WE	WS
QWL	1.000	0.582	0.520
PLE		1.000	0.511
PLS			1.000

3. FINDINGS OF THE STUDY

Profile of banker and service rendered (Chi-square): The chi-square value @ 5% level of significance showed significant relationship thus the Ho is rejected and Ha is accepted which means there is significant relationship between demographic profile of respondents (bankers) and service rendered.

Profile of customer and service rendered (Chi-square): The chi-square value @ 5% level of significance showed significant relationship thus the Ho is rejected and Ha is accepted which means there is significant relationship between demographic profile of respondents (customers) and service rendered.

SUGGESTION and RECOMMENDATIONS

- The bank should concentrate on creating awareness to the business holders and other people.
- The involvement of female customers should be improved by the bank.
- The transactions relating to senior citizens like pension and retirement benefits should be provided through e banking.
- The bank should minimize the traditional way of methods to maximize the internet banking services.
- The activities should be undertaken by the bank to attract the new customers towards internet banking.

CONCLUSION

To conclude today we find that information and communication technology has become the heart of banking sector, while banking industry is the heart of every robust economy. If it collapses so will the economy. ICT has created a new infrastructure for the world economy to become truly global and also provided the users of new technology a competitive advantage over their rivals. Electronic banking system has become the main technology driven revolution in conducting financial transactions.

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