

A Study On The Awareness And Problems Of Customers Towards Digital Banking Services

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ABSTRACT

In India, banks are essential to the country's economic growth. They mobilise public savings and provide a range of services. The banking industry saw new banking techniques after the economic changes in 1991. The Saraf Committee, which was established by the Reserve Bank of India in 1994 and proposed the deployment of the Electronic Fund Transfer System (EFT). Digital banking refers to financial transactions made online. Customers may conduct financial transactions more easily thanks to digital banking services. It offers financial services round-the-clock. The government wants to digitise every transaction with the establishment of financial inclusion in the year 2005. The goal of the government is to digitise every transaction. Only when clients are aware of the service and its mode of operation can they use digital banking services. Therefore, it is important to understand how much people are aware of online banking services and the issues they encounter. A total of 235 respondents from urban and rural areas were chosen for the study using a simple random sample procedure. The study is restricted to the State Bank of India in Karnataka. According to the report, ATM cards are the digital banking service that clients are most familiar with, and complicated transaction processes are the main issue they encounter. There is a suggestion that SBI should increase public knowledge about all the digital banking services.

Keywords: State Bank of India, Awareness, Problems, Digital Banking

Introduction

In India, one of the key service sectors is banking. From the nation's social and economic perspectives, its service is exceptional. In India, there are now 12 public sector banks (after a merger) and 22 private sector banks. Banks provide a wide range of services, including receiving deposits, extending loans, disbursing checks, exchanging foreign currencies, consulting, providing bank guarantees, disbursing cash, and providing online and mobile banking services. The quality of information technology employed today determines the performance of any service sector, and the banking sector is no exception. Digital banking involves the use of ATMs (Automated Teller Machines), mobile devices, and the internet to conduct routine financial transactions without physically visiting a bank. The bank's services are available around-the-clock. Digital banking includes a range of financial services, including online account transactions, credit and debit card payments, statement production, income tax filing, virtual service demonstrations, and cash transfers. State Bank of India (SBI) is a global financial institution. It is a corporation that is wholly controlled by the government, and it is based in Mumbai, Maharashtra. On the 2017 Fortune Global 500 list of the largest firms in the world, the company is rated 217th. With a 23% market share in assets and a quarter of the market for loans and deposits, it is the biggest bank in India. Customers can choose from a selection of digital banking options provided by State Bank of India.

Statement of the problem:

Nehmzow (1997) asserts that traditional banking practises have increased in cost for both banks and clients. Regular client demands for bill payment, withdrawals, loan applications, check clearing, and money transfers presented conventional banks with enormous workloads; as a result, it was obvious that information technology equipments were needed to automate back office chores (Keyes, 1999). Customers can access both

transactional and non-transactional services through digital banking. Even while digital banking saves banks money and makes it easier for users to conduct financial transactions, many customers, particularly those who live in rural regions, are still ignorant of its benefits. The goal of the study is to determine how much usage and knowledge of digital banking services there are among the consumers of State Bank of India and the issues clients have with using online banking services.

Scope of the study:

The State Bank of India in krnataka is the exclusive focus of the current study. It is determined how well clients are aware of digital banking services, how much they use them, and what issues they encounter when utilising them through analysis.

Objectives:

- To investigate how well-informed people are about various online banking options.
- To evaluate the degree of use of online banking services
- To evaluate the severity of the difficulties users have using digital banking services.

Methodology:

The current study uses the survey approach and is empirical in nature. An interview schedule was used to assist gather the main data. Although the study is empirical in nature, secondary data have been used to support it. Secondary information was gathered to familiarise oneself with the phenomenon from related books, journals, periodicals, and websites.

It was agreed to use five bank clients from each location as the sample size. In the Karnataka, State Bank of India has 108 branches. There were a total of 235 responders for SBI (rural branches $25 \times 5 = 125$ and urban branches $22 \times 5 = 110$).

Limitations:

- Though There Are Other Public Sector and Private Sector Bank In karnataka, The Study Covers The digital Banking Services Provided By State Bank Of India Only.
- As The Banks Are Bound Legally Not To Reveal The Customer Details, The Researcher Undertook The Survey On Non-Probability Sampling Technique.

Sources of Awareness about the Bank:

The respondents are made aware of digital banking services through a variety of channels, including friends and family, newspaper and radio promotions, television and internet commercials, and workplace organizations. Table 1 lists the sample respondents' sources of information and how they were distributed among them.

Table1 Source of Awareness

Sl. No.	Source	No of Respondents SBI
1.	Advertisement (Newspaper/Radio/Television/Internet)	59
2.	Friends and Relatives	103
3.	Place of work	73
	Total	235

Source: Primary data

It is revealed from Table1 that out of the 235 respondents of SBI, 59 (25.10%) know about digital banking services through advertisements, 103 (43.82%) have come to know about the bank through friends and relatives and 73(31.06%)have got the information from the place o

Table2 Level of Awareness of the Respondents Towards digital Banking

Sl. No	Service	HA	A	NA	Total
1.	ATM cum Debit Cards	132	80	14	235
2.	Credit Cards	35	54	146	235
3.	Internet banking	82	105	48	235
4.	Mobile banking	91	98	46	235

Source: Primary Data

HA– Highly Aware A- Aware NA –Not Aware

About the ATM cum debit cards, out of the 235 respondents, 132 (56.17%) are highly aware of the services, 80 (37.45%) are aware of the services and 14 (5.95%) are not aware of the services. Out of the 235 respondents, 35 (%) are highly aware of the services, 54 (%) are aware of the services and 146 (%) are not aware of the services.

As regards internet banking, out of the 235 respondents, 82 (34.89%) are highly aware of the service, 105 (44.68%) are aware of the service and 48 (20.43%) are not aware of the service. Out of the 235 respondents, 91 (38.72%) are highly aware of the mobile banking service, 98 (41.70%) are aware of the service and 46 (19.58%) are not aware of the service.

Awareness Among the Respondents of SBI – Applying Paired t-Test

If the subject and the number of samples are the same for these variables, the paired t-test is typically used to compare the mean of the same variable when assessed at two separate periods. The paired samples t-test has been used in an effort to learn:

There is no discernible difference in respondents' knowledge of digital banking services between those who reside in rural and urban regions, are male or female, are literate or illiterate, are young or old, have high or low levels of education, or have low or high levels of income, according to SBI.

Table3 Result of Paired t-Test– Level of Awareness

Variable		Pair	N	Mean	SD	t-value	d.f	Sig. Value	Sig.
Awareness about digital banking services	Area	Rural	125	2.3040	0.46183	11.952	233	.001	*
		Urban	110	2.3545	0.56805				
	Gender	Male	139	2.2950	.50294	3.040	233	.086	**
		Female	36	2.3750	.52815				
	Married Status	Married	108	2.3704	.57344	16.957	233	.000	*
		Unmarried	127	2.2913	.45618				
	Age	Youngsters	139	8.6043	4.6197	12.136	233	0.001	*
		Elders	96	10.322	5.6391				
	Education	Less educated	13	10.461	3.0445	4.928	233	0.027	*
		High educated	222	9.238	5.2123				
	Income	Low income	130	9.0615	5.5806	1.648	233	0.200	**

Significance at 5% level

From Table, it is clear that there is a significant difference in the respondents' levels of awareness with respect to area, marital status, age, and education, as indicated by the Levene's test for equal variance, as the p value is 0.05. Regarding the respondents' level of awareness, there are no discernible differences in terms of gender or income.

Level of Utilization of digital Banking Services

When the term "awareness" refers to the general knowledge or comprehension of banking services and products, the term "availing of services" refers to the customer's use of such services. Customers may be aware of a variety of goods and services offered by a bank, but they may not always use all of them. Customers can use the services consistently, irregularly, sometimes, or never.

Table4 Level of Utilisation of digital banking services

Sl. No.	Service	Always	Sometime s	Occasionall y	Not at all	Total
1.	ATM cum Debit Cards	113	63	38	21	235
2.	Credit Cards	28	3	25	179	235
3.	Internet banking	68	38	42	87	235
4.	Mobile banking	78	33	41	83	235

In the case of credit cards/debit cards, out of the 235 respondents, 113 (48.09%) use it always, 63 (26.81%) sometimes, 38 (16.17%) occasionally and 21 (8.94%) do not use it.

As regards the Internet banking service, out of the 235 respondents, 68 (28.94%) utilise it always, 38 (16.17%) sometimes and 42 (17.78%) occasionally and 87 (37.02%) do not utilise the service. Out of the 235 respondents, 78 (33.19%) utilise the mobile banking always, 33 (14.04%) sometimes, 41 (17.45%) occasionally and 83 (35.32%) do not utilise the service.

Problems faced with digital banking services:

Bank consumers now deal with a number of issues. The modern Indian client now demands much more from banks than just saving tools. More informed, demanding, analytical, and conscious of their rights are the characteristics of today's consumers. Customers encounter a variety of issues while using digital banking services, including complicated procedures, out-dated data, and service delays.

Table 5 Problems Faced with the Bank by the Respondents of SBI

Sl. No.	Variable	SA	A	NA	DA	SDA	Intensity Value	Mean	Rank
1.	Complex procedures for online transactions	60	74	59	18	24	833	3.54	1
2.	No proper customer care service	45	60	74	25	31	768	3.27	3
3	Un updated information on bank website	40	51	76	39	29	739	3.14	8
4	Delay in Service (Connectivity problems)	29	75	78	25	28	757	3.22	7
5	Security issues (Hacking)	41	64	66	39	25	762	3.24	4
6	Inefficient grievance redress mechanism	30	73	85	18	29	762	3.24	4
7	Remembering user name and password	41	50	71	45	28	732	3.11	9
8	Insufficient cash in ATMs	57	47	71	26	34	772	3.29	2
9	Debit / Credit card related problems	45	60	72	20	38	759	3.23	6

Source : Primary Data

It is observed from Table 5 that out of the 235 respondents, 134 (57.02%) agree that there is 'Complex procedure for online transaction', 59 (25.11%) are neutral and 42 (17.87%) disagree about the problem. The intensity value is 833 and it ranks first.

Suggestions:

Customers of the bank should be knowledgeable about the goods and services in order to use them. Customers who are less aware tend to use items and services less frequently. One should be fully informed about the bank's services and products before becoming a customer. The banks should use a variety of marketing techniques to raise client awareness. The most economically efficient marketing tactic is word-of-mouth promotion. Friends and family have a significant role in influencing consumers of both banks to create accounts with them. This demonstrates that consumers are more likely to heed the advice of their friends and family members than advertisements.

According to the survey, there were differences in the respondents' levels of awareness based on their location, gender, marital status, employment, educational background, yearly income, and other factors. Although "consciousness" is a subjective concept that might change depending on the situation, it is the responsibility of the banks to impart awareness to their clients consistently.

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According to a survey, 95% of consumers who file complaints are satisfied enough to come back and do more business. The majority of SBI's clients are illiterate due to the company's extensive branch network, which extends to the furthest reaches of the nation. It ought to make an effort to streamline its processes in accordance with client demand. In addition, banks should let clients to voice their difficulties doing business with them rather than avoiding such situations.

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