

Impact of Pandemic on the usage and Satisfaction of Customers with Digital Banking Services

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Abstract

The present study explored the Impact of the Covid 19 Pandemic on the usage and Satisfaction of Customers with Digital Banking Services and the problems faced by customers while using **Digital Banking Services** (DBS). The main objective of this paper is to identify the level of awareness among Customers of DBS and to analyse the impact of covid-19 on the ' Usage, problems and Satisfaction levels of Digital Banking Services among customers. The present study follows survey research, data are collected by using a questionnaire. The instrument of the survey has been developed with the literature support and the same has been tested for validity and reliability. The level of satisfaction of customers towards DBS is measured with the five-point Likert scale. The data collected are further processed and analysed with the SPSS software. The results highlight that few of the customers were aware of the Digital banking services while opening a bank account, but more awareness happened after opening the account and especially during the Covid-19 pandemic. The results, further show that banks are providing a convenient and confidence-boosting platform to carry out Digital banking transactions. Among the latent factors considered, it has been identified that gender and pre-awareness have an impact on the level of customer satisfaction, while the frequency of use and the attitude of customers towards DBS has no relation to the level of customer satisfaction.

Keywords: *Digital banking Services (DBS), Confidence-boosting, Pre-awareness, Attitude of customers*

Introduction

Banking activity is now at the customer's fingertip and no longer limited to the branches, for availing different banking services. In recent years, the structure and the nature of banking and financial services have gone for a dramatic change with the growth of the internet and wireless communication technologies, telecommunications etc. Internet banking or e-banking has 4 levels, from Level 1—minimum functionality sites that offer only access to deposit account data—to level 4 sites with highly sophisticated offerings, enabling integrated sales of additional products and access to other financial services—such as investment and insurance. Internet banking in India has its areas of concern, there is a number of cases related to banking fraud, and irrespective of that attempts have been made by the RBI and the banking authorities for promoting the safety and soundness of online and e-banking facilities in the country by

issuing necessary guidelines. Hence, the present study aims at studying the awareness, usage and satisfaction levels with the problem faced by customers while using Digital Banking Services (DBS).

Consumer expectations for quick and customised services have increased as a result of the epidemic in India, which has led to a large increase in digital banking. Most stay-at-home consumers use digital channels, including mobile and online, to handle their financial needs. Traditional branch visits and in-person encounters with bank employees have dropped as a result. On the other hand, starting in March 2020, banks have increased their digital footprints throughout the banking industry. Banks offer a range of services through digital channels, including video customer onboarding, deposits and withdrawals, outbound remittances, payment collections, and more.

The National Payments Corporation of India granted approval to a WhatsApp proposal before the end of last year, enabling users to send and receive money using the messaging service. RBL Bank recognised a great opportunity to speed up its digital banking projects as the pandemic impacted economic activity, including banking and financial operations, in order to assist customers during the health crisis and prepare for the post-Covid-19 era.

The objective of the study

- To identify the level of awareness among Customers on Internet banking services.
- To analyse the customers' Usage and Satisfaction level with Internet Banking Services.
- To identify the problems faced by Customers while using Internet Banking Services.

Literature Survey

Due to the rapid development of Digital banking services worldwide, many studies have been undertaken to examine broader issues of Internet banking, including adoption (Liao, Shao, Wang, & Chen, 1999; Cheng, Lam, & Yeung, 2006), acceptance (Alsajjan & Dennis, 2010; Al-Somalia, Roya Gholami, & Clegga, 2009; Liao & Li, 2005; Polatoglu & Ekin, 2001), customer attitude and preference (Liao & Cheung, 2002; Sohail & Shanmugham, 2003), security and trust (Smith, 2006; Suh & Han, 2002), service quality (Ho & Lin, 2010; Santouridisa, Trivellasa, & Reklitisb, 2009), and systems continuance (Bhattacharjee, 2001). In developed countries, internet banking adoption has been researched well over the last three decades. Earlier research has provided rich insights to understand the important factors influencing internet banking adoption. The majority of these studies have used the TAM as the base model and studied the influence of various factors on attitudes and behavioural intentions to adopt technology (Abbad, 2013; Celik, 2008; Cheng et al., 2006; Chong et al., 2010; Eriksson et al., 2005; Guriting and Oly Ndubisi, 2006; Lee, 2009; Pikkarainen et al., 2004; Roy et al., 2012; Suh and Han, 2003; Wang et al., 2003). Nath, Schrick, and Parzinger (2001) indicated that banks must address user satisfaction and retention for Internet banking to become well accepted. Parthasarathy and Bhattacharjee (1998) further demonstrated that acquiring new customers might cost as much as five times more than retaining existing ones, given the costs of searching for new customers, setting up new accounts, and initiating new customers to information systems (IS). Previous research has found trust and risk perception issues to be crucial determinants of internet banking adoption (Bradley and Stewart, 2002; Mukherjee and Nath, 2003; Wang et al., 2003). Although studies have shown perceived risk as an important factor in online banking adoption (Gerrard and Cunningham, 2003; Hewer and Howcroft, 1999; Polatoglu and Etkin, 2001), only limited work has been done to identify risk dimensions in this context (Littler and Melanthiou, 2006). Product involvement has also been identified as a factor influencing internet banking services use (Lockett

and Littler, 1997) and as an important antecedent of consumers' beliefs about internet banking services (Eriksson et al., 2005; McKechnie et al., 2006). Furthermore, Bhattacharjee (2001) argued that IS continuance at the individual user level is the key to the survival of much business-to-consumer electronic commerce (EC) firms, and the study found that satisfaction with IS is the strong predictor of users' continuance intention for Internet banking. Moreover, user satisfaction is often acknowledged as the most useful measurement for IS success in the IS discipline (DeLone & McLean, 1992).

Research Methodology

The present study follows survey research, data are collected by using a questionnaire. The instrument of the survey has been developed with the literature support and the same has been tested for validity and reliability. The level of satisfaction of customers towards DBS is measured with the five-point likert scale. The data collected are further processed and analysed with the SPSS software.

Data Analysis and Interpretation

Demographic Profile of Respondents

The demographic profile of the respondents surveyed such as their gender, age, occupation, income per month, educational qualifications etc. has been obtained using descriptive statistics and the results are portrayed in Figure 1 to 5.

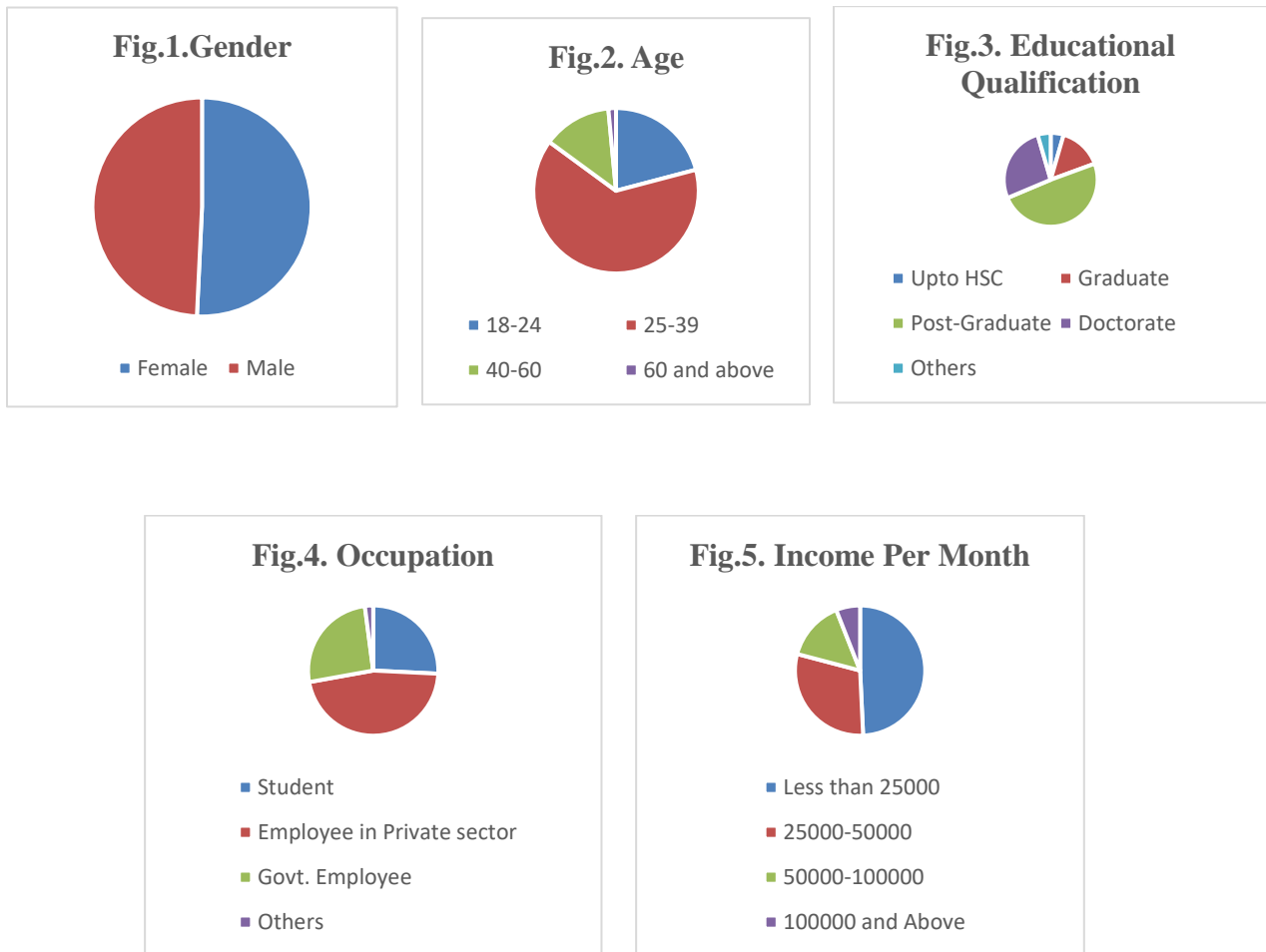


Figure 1 depicts that there is an equal proportion of respondents belonging to both male and female categories, 50.7% of respondents are females and 49.3 are males. **Figure 2** it is clearly indicated that the majority of the respondents belong to the age group of 23-39 years which is approximately about 64% of the total population of the study. Very few respondents belong to the age group of 60 and above. **Figure 3** suggests that most of the respondents, more than 40% have the qualification of post-graduate and almost one-third of the respondents are having a doctorate. Almost half of the respondents are engaged in the private sector, around one-fourth of the respondents are working in the government sector and one-fourth of them are students as shown in **figure 4**. The monthly income of respondents is shown in **figure 5**, and shows that 50% of the population are having a monthly income of less than Rs. 25000. One-third of the population has a monthly family income of Rs. 25000-50000. Very few respondents are having a monthly income of Rs. 100000 and above.

Level of awareness and usage among customers on internet banking

The level of awareness (both pre and post-awareness) and the usage of internet banking among customers have been studied by the author and the result has been depicted in **Table 1**. The results highlight that few of the customers were aware of the e-banking services while opening a bank account, but more awareness happened after opening the account. The table also depicts that, out of the four internet banking services offered by banks say; National Electronic Fund Transfer (NEFT), Immediate Payment Service (IMPS), Real Time Gross Settlement (RTGS) and Electronic Clearing System (ECS) services, RTGS and ECS have greater awareness with mean 2.33 and 2.03, followed by NEFT(1.88) and IMPS(1.87). The table also shows that, the descriptive analysis of all the statements related to the usage and satisfaction of customers on internet banking. The customers mostly use ATM services and online fund transfer services of the bank two to three times or once in a week.

Table No.1

Level of Awareness	Mean
Awareness while opening your bank account	1.16
Awareness after Opening account	2.15
Awareness on NEFT	1.88
Awareness on RTGS	2.03
Awareness on ECS	2.33
Awareness on IMPS	1.87
Frequency of usage	2.87

Attitude and satisfaction with Internet Banking services

Attitude (measured in terms of convenience and confidence), the satisfaction of customers, motives of usage, and problem faced while availing internet banking services is studied and the result has been depicted in **Table 2** in terms of the mean value. It shows that the present internet banking platform offers a good amount of convenience (2.79) with a fair amount of confidence (2.43). The table also shows that most of the customers are highly satisfied with the use of internet banking services. The main reason for using internet banking by customers in this study is that, (1) simplicity in use and (2) 24*7 availability. The problems faced by customers on internet banking are the limited services available, and dependence on the internet services, some customers also feel security issues while doing online transactions.

Table No.2

Usage and Satisfaction	Mean
Convenient on DBS	2.79
Degree of confidence on DBS	2.43
satisfaction on DBS	1.61
level of satisfaction on DBS	2.12
Motives and Problem Faced	Mean
Problems in DBS	3.33
Reason for using DBS	2.52

Association between latent factors and the level of satisfaction

In this section, the association between different latent factors, say, frequency of usage, attitude towards DBS, post awareness (after opening a bank account), gender, and convenience has been studied by using a parametric test say, chi-square test. The results of each test (Table 3 to 6) with the assumptions and interpretations are given in the subsequent paragraphs. **Table 3** provides the test results of the null hypothesis that, "there is no association between gender and the level satisfaction of the customer towards DBS", and from the table, it can be inferred that we cannot accept the null hypothesis as the p-value is bigger than 0.05, hence we can conclude that gender has an influence on the level of satisfaction on DBS. **Table 4**, presents the results of the assumption that "there is no relationship between the level of satisfaction and the pre-awareness of customers on DBS", and the results show that pre-awareness of the DBS decides the satisfaction level of customers.

Table No. 3. Association between the level of satisfaction and gender

Chi-Square Tests			
	Value	df	Asymp. Sig. (2-sided)
Pearson Chi-Square	2.438 ^a	3	.487
Likelihood Ratio	2.838	3	.417
Linear-by-Linear Association	2.092	1	.148
N of Valid Cases	67		

a. 2 cells (25.0%) have expected count less than 5. The minimum expected count is .49.

Table No. 4. Association between the level of satisfaction and pre - awareness

Chi-Square Tests			
	Value	df	Asymp. Sig. (2-sided)
Pearson Chi-Square	6.704 ^a	3	.082
Likelihood Ratio	5.281	3	.152
Linear-by-Linear Association	1.669	1	.196
N of Valid Cases	67		

a. 4 cells (50.0%) have expected count less than 5. The minimum expected count is .16.

Table No. 4. Association between the level of satisfaction and pre – awareness From the **Table 5** it can be inferred that, attitude of the customer is not associated with the level of satisfaction secured. And from the **Table 6**, it is clear that, frequency of usage is not associated with the level of satisfaction.

Table No. 5. Association between the level of satisfaction and the attitude towards IBS

Chi-Square Tests			
	Value	df	Asymp. Sig. (2-sided)
Pearson Chi-Square	44.459 ^a	12	.000
Likelihood Ratio	37.418	12	.000
Linear-by-Linear Association	24.768	1	.000
N of Valid Cases	67		

a. 15 cells (75.0%) have expected count less than 5. The minimum expected count is .01.

Chi-Square Tests			
	Value	df	Asymp. Sig. (2-sided)
Pearson Chi-Square	23.791 ^a	12	.022
Likelihood Ratio	23.573	12	.023
Linear-by-Linear Association	8.075	1	.004
N of Valid Cases	67		

a. 15 cells (75.0%) have expected count less than 5. The minimum expected count is .09.

Table No. 5. Association between the level of satisfaction and the frequency of use

Conclusion

In recent years, the structure and the nature of banking and financial services have gone for a dramatic change with the growth of internet and wireless communication technologies, telecommunications etc. The present study studied the awareness, usage and satisfaction levels with the problem faced by customers while using Digital Banking Services (DBS) During the Covid period. This survey research is conducted for the purpose, of data collected by using a structured questionnaire. The results highlight that few of the customers were aware of the e-banking services while opening a bank account, but more awareness happened after opening the account. The results, further show that banks are providing a convenient and confidence-boosting platform to carry out e-banking transactions. Among the latent factors considered, it has been identified that gender and pre-awareness have an impact on the level of customer satisfaction, while the frequency of use and the attitude of customers towards DBS has no relation with the level of customer satisfaction.

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