



Impact of Digitalization on Banking System

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Abstract

In this growing era, services, products and lifestyles of the customers are changing day by day so, why not banking system? For this change in growing era, banks must have to change and this paper is based on the changing in technology or innovation of new ideas regarding customer satisfaction. Generally, customers do not have plenty of time to visit banks for their transactions and hence, they prefer these things to get digitalized. So, various banks like axis bank, SBI, BOI and HDFC have prepared the software to satisfy their customers.

For SBI they have launched yono SBI app which provide them every services and products in that software. So, to attract customers and to provide them security and safe or easier transactions, it is done by banks with a reference id and it is specific. And from this research paper we are going to analyze the satisfaction of customers towards digital banking system and to analyze that either it is convenient or not and to know about various difficulties and problems faced by them during their use of the software or apps in their mobile phones.

Here, we come to know about the outcomes of the customers to analyze and to make it more desirable. So, it is to attract more and more customers for longer term benefits of the organization. It is beneficial or advantageous for both organization and customers. As there is less entry in bank they feel it more managed, relaxed and for customers it is convenient as it is available at every time and are easier to use also they are reliable. The research paper also analyzes the disadvantage of the software and to reduce them or avoid them. The paper we are going to conclude the future impact of the digitalization of the banking system. This is a kind of innovation in services provided by banks and why they are necessary for this dynamic globe

Keywords: - Digitalization, Bank, market, customers, satisfaction, system.

INTRODUCTION

Customer satisfaction is first and foremost criteria for any organization and to fulfill it each and every organization tries to convince their customers either by their innovations or inventions in products or services or by the gestures or expressions of their staff members.

Now, if we talk about banking sectors they have also done their initiations to satisfy their customers. From this we are going to study the "impact of digitalization" to the level of satisfaction i.e. their loyalty and preferences to the organization.

From this rapid growing technical world, it is quite compulsory for an organization to be digitalized. So, it is essential for them in this scenario. Here, we are talking

about the apps i.e. "yono SBI" which is launched by SBI branch to their customers. This app is convenient to use and contain most of the services i.e. net banking facility, credit card, debit card, NEFT facility etc. To use this app in our mobile phone, you just have to be the part of the bank i.e. as a customer and you can easily download this from play store and it is more convenient and safe to use. From this inventions and improvement in technical factor, a bank could raise the standard of living of the customers, to provide them safe and easier transactions and even can be available to them at every time.

From this app, they can provide extra facilities and is beneficial for both customers and the organizations. Now various online services which are provided by the banks in digitalization are debit card, credit card, smart card, electronic fund transfer facility and net banking etc.

Debit card are directly connected with the savings accounts of the customers and are easily applied for the shopping purposes, connected with the bank transactions. Credit card is not connected with the saving account and it is provided to the customers with specific terms and conditions. It is provided with certain facilities and besides this certain vouchers; gifts were also provided by the customers with their better satisfaction increment towards banks.

Electronic Fund transfer facilities are also available on the digitalization of services through this one can transfer their funds easily from one bank to another. They are more secured and less time consuming cards are now secured with magnetic strips which are specific and easily recognizable.

This kind of ideas could be beneficial for generation of new future scopes and are beneficial for the better management process and are useful for the convenience to the bank manager to handle the situation that would arise. For this new starting in the market, we found it more appreciable success in this new rapidly growing era. It could be beneficial for both the users and the service providers i.e. Banks and Customers.

Benefits of impact of digitalization

Benefits to consumers: - From this research, we used the method to conclude the benefits, firstly to the customers these are as:

- Convenient: They told us that, it is convenient to them to use this app in their mobile phones are very much relaxed to them.

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- Easy to use: Customers replied that, it was easy for them to use this method. Initially they found it difficult, but as time goes on and from their regular practice, they become habitual to it.
- Saving time: Customers told us that it is time saving process; they could do their other activities properly, instead of wasting or giving time to banks transactions.
- Availability at every time: Banks products like debit card, credit card facilities are available to them at every possible time.
- Secured: Customers feel that using E -banking facilities are secured with the user I'd and passwords and are unique for everyone.
- Raising living standard: This research found that the Digitalization in banking sectors raises the standards of the customers and hence to improve their lifestyles and provide them a link to cope up with the changing globe day by day.
- Ubiquitous: The word ubiquitous means present everywhere and due to this technical change in banking services customers are free to use it at their comfort zone just they need to have the internet facility with them.

Benefits to banks: - In this research, we also asked few questions to the bank employees related to the digitalization and they told us that:

- Improvement in customer satisfaction: customers are more satisfied with the products and services of the bank and are very much loyal as compared to previous time.
- Customer's perception: it is beneficial to improve their perceptions related to the banks and their facilities and technical innovations.
- Reducing burden: Due to digitalization, they too feel relaxed as compared to the crowd of the previous data and are satisfied with the data maintenance.
- Increases Standard of the Banks: it is quite important for them to raise the standards of the banks and to improve the quality or creation of new innovative ideas in banking system.
- Creating Good Will: Bank employees shared their experiences that it is also helpful in creation of Good will in the eyes of customers and society.
- More Reach to Customers: Bank feels that due to the impact of Digitalization in their services they are able to reach or attract more and more Customers.
- Building Trust: Due to the past worst experiences of the banks they feel to lose the trust of the customers towards banking sectors but, due to digitalization it is found that the trust is again formed in Customers and is maintained too.
- Motivating Customers: Bank feel it easier to motivate their customers easily towards the product sand services which they have formed.

Literature Review

Anthony Rahul Golden S (2017) article titled "Overview of Digitalization in Indian Banking sector". This article attempts to study the overview of digitization in Indian banking area. Banks are not only a part of our life but also play an important role in our daily life. Thus always banks try to adopt the latest technologies to enhance the customer experience. The study found that, due to adoption due to this digitalization, India's banking sectors are facing some notable changes as well as bottlenecks. The study also found that as we are in the digital age, it is not possible to avoid development and services in digital banking.

G. Shanesh and Avijit Choudhary in their article study the role of technological changes and progress as automated teller machines, internet banking, telebanking, mobile invalid sources like banking, internet banking, etc. Specified they arrive at the conclusion customers contribute through various channels so much for facing competitive challenges.

K. Hema Divya and K. Suma Vally (2018) "A Study on Digital Payments in India with perspective of consumer adoption" in this paper focuses on the level of adoption analysis digital payment system by customers. The deployment of technology for digital payments has improved the performance of the banking sector and able to achieve motive cash less country.

China and India have the highest percentage customers who use non-financial services traditional firms. Governments of both countries continue Make digital initiatives a priority. Therefore, Individuals will become more relevant.

According to Daniel (1999) in this paper "hypothesized that e-banking was the new distribution channel by retail banks in developing banks countries". The aim of the study was to analyze the current trend of e-services of major retail banking organization in the UK. Through this study they found the services to be friendlier to customer's maximum choice and convenience should be given.

Affordable, small but powerful computer and other hand held gadgets and higher internet bandwidth gradually facilitates easy access banking products and simple banking transactions (Banking and Finance Post, 2017). Rise of call center and phone banking services were added for the convenience of customers. Major changes in banking practices were facilitated directing banking transactions through various by helping electronic channels and customers access their bank accounts directly.

Dannenber and Kellner (1998) have focused on the author through study opportunities for effective use of the Internet in relation to banks, they have focused more on the application of today's technology to the success of banks in a competitive market where the service of banks has been evaluated on the basis of the websites and services provided at a lower cost. At the end of the research he found that banks can move forward by entering into strategic market with the internet so that the viability of banks can be high.

Subbaro (2007) focuses on the trends that transform the traditional banking system into a technology banking system and has given a conclusion that more updates should be made to stay in technology modern Era.

In 2017, Dr. KA Rajanna conducted a study understand rural customers' perception about online banking. Development in online banking started with ATM, direct bill payment, EFT etc. which make banking faster and more convenient for customers.

He concluded in their study shows that rural customers faced problems using online banking due to lack of awareness and fear theft of his personal details. The author suggested that first online banking should be started in rural area banks mentally prepare rural customers for online banking providing them with proper guidance and training

Mishra (2011) emphasis that Customers are advised not to share personal information like PIN numbers, passwords etc with anyone, including employees of the bank; change ATM PIN and online login and transaction passwords on a regular basis; ensure that the logged in session is properly signed out.

The researcher also provided useful tips to ensure safety of IB transactions. IB users are advised not to reply to any mail, phone call or letter, asking for the IB information like login id or password, and not to click on any link provided in any mail, claiming to be the link for the bank's website are the important tips, among others.

In 2018, Drs. KA Rajanna did a study cashless perception and customer awareness transaction. Cashless economy is an economy where financial transactions are done without physical currencies. Only 5% of transactions are done electronically which is relatively low.

The author found that socioeconomic status there are major factors for cashless transactions. Literacy rate, business, family income is directly related to this. He suggested that the government should give alternative incentives rural banking model for cashless economy. The conclusion this research has made that people also want cashless economy to fight social problems like corruption, terrorism etc. but government to make sure about internet security to fight against online fraud.

Dr. Arunangshu Giri and Ipsita Paria (2018) in this paper "Digitization on Indian rural banking system and rural economy". The present paper focuses on review and summarizes various studies that were done by different researchers in different places India on the impact of digitalization on India's rural banking system the study found that, digital banking there is immense potential to change the scenario of financial inclusion. The study also found that, features such as low cost, ease of use of digital banking can accelerate the integration of unbanked mainstream economy.

Objectives

- To study about convince of the customers towards digitalization.
- To analyze it is easy or secured to use.
- To get the outcome about the traditional method or the digitalization method.
- To know about the satisfactory level of bank employees and customers.

Research Methodology

In this research paper data, was obtained for this study from a simple random sample of bank customers. Sample represent the whole population but the research paper only managed to find 100 customers. Selection of a population is depending on the researcher. However, sampling is representing the whole population but the researcher only managed to find 100 people to become a respondent. The study adopted the convenience type of research approach for analyzing the customer wants and needs. Convenience sampling includes surveys and fact findings enquiries of different kinds.

The main goal of this research is to describe the customer satisfaction level of the impact of digitalization in banking system. In this data collection process the researcher obtained data using primary method. Now, structure questionnaire was designed to collect the primary data collect from the customers. Besides, primary data Secondary data was collected from newspaper, websites, internet, journals and textbooks etc and from previous research and tried to make it comfort for collection of the data. The data obtained was genuine and real.

Questionnaire

This Questionnaire was distributed among the visiting customers to the banks and those who are using digital banking system either from their home or from work their work places.

1. Are you agreed to the digitalization of the products and services?

Response	No. of Respondents
Yes	87
No	13
Total	100

2. Is this product or app used by you, is secured or safe.

Response	No. of Respondents
Secured	92
Unsecured	8
Total	100

3. Is this method convenient to you or not.

Response	No. of Respondents
Yes	60
No	40
Total	100

4. Which method of service providing is more beneficial.

Response	No. of Respondents
Traditional	57
Digitalization	32
Both	11
Total	100

5. Is this digitalization method is time consuming or time saving method.

Response	No. of Respondents
Time Consuming	13
Time saving	87
Total	100

6. This digitalization process provided by banks is easy or difficult.

Response	No. of Respondents
Easy	47
Difficult	53
Total	100

Findings of the study

From this we have reached to the various findings, these are as:

- Customers are satisfied with the technical impact of the digitalization in banking system; they have improved their loyalty towards bank.
- Customers are motivated towards their buying behavior in banking system.
- Customers have created better perceptions towards banking services and products and it is beneficial for brand imagining and positioning in the minds of the customers.
- Banks were able to create their good will and growth maximization in market. They can improve their trust and loyalty in the mind of customers.
- Customers feel it safe and secured to use this format in services and products.
- Customers are more convenient and are helpful in consuming or their better time management. They don't need to visit bank for their smaller transactions. They can easily perform the task at their comfort zone

- Customer feel it easy to use this techniques. Initially they feel it difficult to start but finally they become habitual of this technique
- Customers are feeling that, it is helpful for their sustainable relations and it is beneficial for raising their standard of living.
- Customers also feel it convenient to get this kind of innovative facilities to the customers.
- Customer's feels that the impact of Digitalization is very safe and time reducing process, in this queuing theory is useful for reducing the waiting time for the customers.

Conclusion

From this paper and survey done in bank with customers and employees, we come to know about the impact of software or app given by the bank to their customers. So, as to maintain better relation between them to get them advanced and technical, in this rapidly growing scenario and this impact was having its more advantages as compared to its ill- effects.

This is the real need and demand of the time to manage the data and for the security purpose or to raise the standard of living of the organization and customers. This digitalization improves the relation and Management, besides it is also helpful in conveying the message to the customers, which they want to transfer, related to their bank details.

It is very much safe and secure to use and is easy to perform. This technique is generally based on the time management of the customers and providing them the facilities and services at every possible time. Hence it is increase the level of their satisfaction towards the bank and it would be also beneficial for the growth and development of the banking sectors.

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