

# Measurement of Satisfaction Level of Quality of Services Provided by Banks through Digital Banking in India (A Case Study of Bhojpur District in Bihar)

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**ABSTRACT:** Indian Banks are slowly and steadily moving towards the digital revolution. Digital banking is the digitalisation of banking services in order to reduce risk, improve efficiency and better serve customers. Digital banking not only facilitates the consumers but also benefited a lot to the businesses. After introduction of Digital Banking, there is no need to go to Banks since maximum services are provided on customer's finger clicks. There are many services provided by Banks through Digital Banking like- ease in accepting payments from customers/organisations, convenience in making payment, ease in managing expenditure for businesses, no need to go to Bank premises, no need to carry cash for business purposes, convenience in approval of loan and its repayment, benefits of cash back, rebate and discount etc. This study is aimed at measuring the level of satisfaction of customers towards quality of services provided by Banks. Data used in this study are Primary in nature which was collected through questionnaire from respondents. Questionnaire was prepared on the basis of different banking facilities provided by Banks through Digital Banking. All the respondents are categorised in three categories, i.e. Businessman, Government Employee and Private Employee. The purpose behind developing this category is to know the level of satisfaction of customers with banking services according to their category.

**Keywords:** Digital Banking, revolution, convenience, businessman, employee

## I. INTRODUCTION

Indian Banks are slowly and steadily moving towards the digital revolution. (Dara, 2017)Banks have changed their traditional approach and are trying to match up with latest advancement in the field of technology, which has evolved "Digital Revolution" in banking sector in India. Digital banking is the digitalisation

of banking services in order to reduce risk, improve efficiency and better serve customers. Internet banking arrived in India in the late 1990s. (Meher & Gupta, 2020)The era of digital banking also known as internet banking, e-banking or online banking has been first offered by ICICI in the year 1996, and only thereafter the other banks also used to provide this facility. Digital banking not only facilitates the consumers but also benefited a lot to the businesses. Since methods of banking have become more digitalized, banks are focusing on creating a more efficient service for us, producing more methods of advancements in a more user-friendly front-end service. With lower internet costs and increased awareness about electronic media, online banking established itself only in 1999. In order to compete with other commercial banks, they are introducing innovative features in their offering and are trying to make the overall customer experience much more simple and flexible. It allows customers to withdraw money, apply for loans, make payments online or on their smartphone and more. Digital banking also helps us to check our account history and transactions anywhere which ultimately satisfies customers like us since we are keeping a track of our daily transactions. There are many services provided by Banks through Digital Banking like- ease in accepting payments from customers/organisations, convenience in making payment, ease in managing expenditure for businesses, no need to go to Bank premises, no need to carry cash for business purposes, convenience in approval of loan and its repayment, benefits of cash back, rebate and discount etc. This study is an attempt to measure the level of satisfaction of customers with these services. For the purpose of this study, respondents are classified into three broad categories, i.e. Businessman, Government Employee and Private Employee. The response of all these respondents

was collected through a questionnaire and the then final conclusion was made.

## II. REVIEW OF LITERATURE

(Rathore, 2016)The author in their study titled “ADOPTION OF DIGITAL WALLET BY CONSUMERS” have tried to study the various factors that can affect a consumer’s decision to adopt digital wallet as a mode of online payment and to find out the various risks and challenges faced by users of digital wallet. He concluded that Digital wallets are quickly becoming mainstream mode of online payment and there’s no question 2016 will be a pivotal year as digital wallets gain more widespread acceptance. While, (Jauhari, Indapurkar, Maheswari, & Raj, 2018)in their study examined whether demonetization has influenced their digital behaviour in terms of using various digital financial instruments and concluded that after demonetization people have started using more of e-wallets and debit cards, yet certain traditional habits will undergo change over longer duration. The cash crunch has different effects on formal and informal sectors, business class and service class, age group of youth (21-22 years) has reacted to demonetization very strongly and has converted from dealing in cash transactions to digital transactions. However, (Kumar, 2017)in his study mentioned that as soon as the market become globalised and the growth of banking sector more and more the people moves from cash to cashless system. Today the cashless system has become the need of society because the online market basically depends on cashless transaction system. The author has concluded that future transaction system is cashless transaction system.

### Objective of the study

1. To find out whether the facility of digital banking is beneficial or not for customers using it.
2. To find out the category of respondents who are most benefitted from the Digital Banking Services.

### Research Methodology

The present study is based on the exploratory research and examines the satisfaction level of quality of services provided by banks through Digital Banking in India. This study is based mainly on primary data. Primary data is collected through questionnaire that has been framed in both English and Hindi language. The questionnaire involves questions relating to the different benefits of banking facilities provided by

banks through Digital Banking. The data were collected from the respondents of Bhojpur District of Bihar. These questionnaires were sent to the respondents through social media for collection of data and responses were taken on a likert scale of 1 to 7. Social media network were used for collection of data because physical collection of data is not possible in the period of lock down in India. An attempt has been made to collect data from 600 respondents using convenience sampling method, by sending questionnaire to them through social media. Out of these 600 targeted respondents, 475 respondents have given complete and full information. The collected responses has been categorised in three broad categories, i.e. Businessman, Government Employee and Private Employee and then further analysis was made. The period of data collection for the present study is ranged from March, 2020 to July, 2020.

### Significance of Study

Digital Banking is very popular in Metro Cities as well as small towns. In small towns, it was found in recent times that people are shifting from Traditional Banking to online Banking. The reason for people’s shifting from Traditional to Online Banking was various facilities provided by Banks to customers on their finger clicks. This study is an attempt to measure the level of satisfaction of customers from those services. If any problem would be found in those services then appropriate suggestion would also be provided through this study. This study would be helpful for the bankers, scholars, policy-makers, government, businessmen and companies to suggest and take appropriate steps.

### Limitations of the Study

1. The data used in the study is primary in nature.
2. This study is limited only to the Bhojpur District of Bihar therefore results of this study may or may not apply on other Districts.
3. This analysis is for a particular period of time and these results may or may not change for an analysis made at any future date.

## III. RESULTS, ANALYSIS AND DISCUSSION

### Table 1 Accepting payments from customers / organisations/ Employers

Before Introduction of Digital Banking, the method of accepting payments from customers (in case of Businessman), organisations/employers (in case of Private or Government employee) were limited, i.e. mostly cash and cheque. These methods of receiving payments were easy but little

bit risky from security point of view. Introduction of Digital Banking gave us opportunity to accept payments directly in our account, which is more

convenient and beneficial from security point of view also.

Category	Scale of 1 to 7							Total
	1	2	3	4	5	6	7	
<b>Businessman</b>	24	5	13	21	26	76	31	196
<b>Government Employee</b>	0	2	3	5	30	48	12	100
<b>Private Employee</b>	10	7	22	24	27	58	31	179
<b>Total</b>	<b>34</b>	<b>14</b>	<b>38</b>	<b>50</b>	<b>83</b>	<b>182</b>	<b>74</b>	<b>475</b>

Source : Authors' Computation through SPSS 25

The above table exhibits that out of 196 respondents from businessman category, 154 respondents have rated among 4 or more on the scale of 7, which shows they are totally satisfied with the above benefit provided by banks through Digital Banking. On the other hand, 95 respondents out of 100 from Government employee category and 140 respondents out of 179 from Private employee category have rated 4 or more on the scale of 7, which gives a clear picture of their assent towards satisfaction from the benefit.

**Table 2 Convenience in making payments through Digital Banking**

Same is the case of making payments as was in the case of receiving payments. Both the transactions have become more convenient, least time taking and safer than other payment options.

Category	Scale of 1 to 7							Total
	1	2	3	4	5	6	7	
<b>Businessman</b>	12	8	14	21	27	59	55	196
<b>Government Employee</b>	1	2	6	4	39	36	12	100
<b>Private Employee</b>	11	4	14	19	25	65	41	179
<b>Total</b>	<b>24</b>	<b>14</b>	<b>34</b>	<b>44</b>	<b>91</b>	<b>160</b>	<b>108</b>	<b>475</b>

Source : Authors' Computation through SPSS 25

To measure the level of satisfaction of the respondents towards payment option of Digital Banking, author asked the respondents about convenience in using Digital Banking. This question was answered by the respondents in the form of rating on the scale of 7. Out of 196 respondents from businessman category, 162 have rated in the favour of Digital Banking by rating 4 or more on the scale of 7. However, there are 34 respondents also, who are not agree with the statement. On the other hand, 91 out of 100 respondents from Government employee category and 150 respondents from Private employee category have rated 4 or more on the scale of 7. There are 9 respondents in Government employee

category and 29 respondents in Private employee category, who have rated 3 or less on the scale of 7.

**Table 3 Managing expenditure for purchase of assets and stationary for business**

There expenditures which required to be paid by the businessman for running their business like- purchase of assets, stationary, payment of rent, electricity etc. Private and Government employees also need to spend for purchase of jewellery, other assets and day to day expenses. Before the trend of Digital or online Banking, these expenses are paid only by cash and cheque, but introduction of this Banking system made these purchase very convenient for us.

Category	Scale of 1 to 7							Total
	1	2	3	4	5	6	7	
<b>Businessman</b>	28	7	14	22	40	59	26	196
<b>Government Employee</b>	0	2	4	36	12	43	3	100
<b>Private Employee</b>	14	5	14	25	22	80	19	179
<b>Total</b>	<b>42</b>	<b>14</b>	<b>32</b>	<b>83</b>	<b>74</b>	<b>182</b>	<b>48</b>	<b>475</b>

Source : Authors' Computation through SPSS 25

On the question of level of satisfaction with these facilities, the respondents have given their answer by rating on the scale of 1 to 7. The above table shows that 147 out of 196, i.e. 75% respondents from businessman category have rated 4 or more on the scale of 7. On the other hand, 94% respondents (94 out of 100) from Government employee category and 82% respondents (146 out of 179) of Private employee category have rated 4 or more on the scale of 7 and give their assent towards satisfaction with Digital Banking facility.

**Table 4 No need to go to Bank Premises**

After the introduction of Digital Banking, businessmen are benefitted in many ways. Before its introduction, businessmen have to go to Bank premises for every single work related to their business, like for withdrawal of payments made by the customers, for depositing cash received from customers, for transferring amount from one Account to another Account, for updating their passbooks etc. For these every single work they have to stand in a long queue in banks and same was the condition of Government and Private employees. But now, they can perform all these works from their home on single click of mobiles or laptops.

Category	Scale of 1 to 7							Total
	1	2	3	4	5	6	7	
<b>Businessman</b>	13	5	5	20	20	58	75	196
<b>Government Employee</b>	1	23	4	6	14	34	18	100
<b>Private Employee</b>	2	5	5	10	16	68	73	179
<b>Total</b>	<b>16</b>	<b>33</b>	<b>14</b>	<b>36</b>	<b>50</b>	<b>160</b>	<b>166</b>	<b>475</b>

Source : Authors' Computation through SPSS 25

The above table shows the responses of the respondents towards above mentioned benefit of Digital Banking. According to above table, 88% respondents (173 out of 196) from businessman category, 72% respondents (72 out of 100) from Government employee category and 93% respondents (167 out of 179) from Private employee category have rated 4 or more on the scale of 7. However, there are very little respondents in all three category also who have rated 3 or less.

**Table 5 No need to carry cash while Travelling for Business or Holiday purpose**

Till the introduction of various benefits of Digital Banking, businessmen have to carry cash with them while travelling for their business purpose. Same was the condition with Government and Private employee also, they also have to carry cash while travelling on Holidays. Carrying of huge amount of cash is very risky for both businessmen and employees or general public at all from security point of view. Due to Digital Banking facilities, now we can travel safely.

Category	Scale of 1 to 7							Total
	1	2	3	4	5	6	7	
<b>Businessman</b>	16	2	12	15	27	56	68	196
<b>Government Employee</b>	1	3	4	6	11	43	32	100
<b>Private Employee</b>	3	9	8	9	20	74	56	179
<b>Total</b>	<b>20</b>	<b>14</b>	<b>24</b>	<b>30</b>	<b>58</b>	<b>173</b>	<b>156</b>	<b>475</b>

Source : Authors' Computation through SPSS 25

The above table shows that all the three category of person mentioned above, i.e. businessmen, Government employee and Private employee are satisfied with this facility of Digital Banking. 166 out of 196 respondents (85%) from businessmen category have rated 4 or more on the scale of 7. While 92 respondents (92%) from Government employee category and 159 out of 179 respondents (89%) from Private employee category have rated 4 or more on the scale of 7.

**Table 6 Convenience in Approval of loan and payment of its instalments**

Approval of short term loan or overdraft or cash credit for business purpose or any other purpose becomes more easily available due to Digital Banking. Digital Banking facility provide us short term loan in case of urgency within minutes. However, repayment of such loans or instalments of other Car loan, Home loan etc. is also convenient with the help of Digital Banking.

Category	Scale of 1 to 7							Total
	1	2	3	4	5	6	7	
<b>Businessman</b>	18	8	5	18	36	55	56	196
<b>Government Employee</b>	1	2	2	6	9	23	57	100
<b>Private Employee</b>	9	4	11	14	27	44	70	179
<b>Total</b>	<b>28</b>	<b>14</b>	<b>18</b>	<b>38</b>	<b>72</b>	<b>122</b>	<b>183</b>	<b>475</b>

Source : Authors' Computation through SPSS 25

According to the above table, 84% respondents from businessman category, 95% respondents from Government employee category and 87% respondents from Private employee category have rated 4 or more on the scale of 7 which shows their level of satisfaction with this benefit of Digital Banking. However, 16%, 5% and 13% respondents from businessmen, Government employee and Private employee category respectively have rated 3 or less on the scale of 7 which shows these people are not satisfied with this facility.

**Table7 Benefits of Cash back, Discount and Rebate in using Digital Banking**

While making payments through Digital Banking using different payment Applications, we get many benefits in the form of Cash backs, discounts and rebates. Such benefits are not available if we make cash payments. However, some banks give more discounts in comparison with other Banks depending upon their policies. All these facilities are available only due to Digital Banking System.



Category	Scale of 1 to 7							Total
	1	2	3	4	5	6	7	
Businessman	18	19	30	24	33	45	27	196
Government Employee	2	28	14	13	8	29	6	100
Private Employee	14	26	20	25	29	48	17	179
<b>Total</b>	<b>34</b>	<b>73</b>	<b>64</b>	<b>62</b>	<b>70</b>	<b>122</b>	<b>50</b>	<b>475</b>

Source : Authors' Computation through SPSS 25

The above table shows that 304 out of 475 (64%) respondents from all three categories have rated 4 or more on the scale of 7. However, 171 out of 475 (36%) respondents from all three categories have rated 3 or less on the scale of 7 which shows maximum respondents are satisfied with the above mentioned benefit of Digital Banking.

#### IV. CONCLUSION

Table of conclusion on Percentage basis

Table No.	Category					
	Businessman		Government Employee		Private Employee	
	1 to 3	4 to 7	1 to 3	4 to 7	1 to 3	4 to 7
1	21%	79%	5%	95%	22%	78%
2	17%	83%	9%	91%	16%	84%
3	25%	75%	6%	94%	18%	82%
4	12%	88%	28%	72%	7%	93%
5	15%	85%	8%	92%	11%	89%
6	16%	84%	5%	95%	13%	87%
7	34%	66%	44%	56%	34%	66%
<b>Average of %</b>	<b>20%</b>	<b>80%</b>	<b>15%</b>	<b>85%</b>	<b>17%</b>	<b>83%</b>

The above table is a summary of all the benefits mentioned above and satisfaction level of all the category of people. Table No 1 to 6 represents all the benefits of Digital Banking mentioned above. Since the response from the respondents were collected on a likert scale of 1 to 7, respondents who have rated between 1 to 3, reflects they are not satisfied totally with the Digital Banking, however, those who have rated between 4 to 7, reflects they are satisfied with Digital Banking services. Table No. 1 (Accepting payments from customers / organisations/ Employers) reflects that Government Employees (95%) have benefitted more than Businessmen (79%) and Private Employees (78%) from benefit mentioned in Table No. 1. In the same way from table 2 to 6, Government Employees are benefitted more than Business man and Private Employees, except in the case of table 4 (No need to go to Bank Premises) where Private Employees have benefitted most. At last, average of all the

responses of the respondents was calculated to show the level of satisfaction of respondents on percentage basis and for making the final conclusion. In businessman category, 80% of respondents are satisfied with the Digital Banking services, however, 20% respondents are not satisfied much with the benefits. On the other hand, 85% respondents from Government Employee category and 83% respondents from Private Employee category are satisfied with the Digital Banking however, 15% and 17% respondents from both the categories respectively are not satisfied.

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