



Customer satisfaction towards digital banking services in Darbhanga District

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Abstract

The study investigates the different aspects of customer satisfaction when it comes to digital banking which is changing fast because of technology and new consumer trends. Examining ease of use, transaction speed, safety of data, the look and feel of the site, customer assistance and personalization, the research checks how helpful digital banking is for customers. A specific questionnaire was given to a group of users to obtain direct information and research on digital service quality and how users behave was consulted. Most customers prefer how fast and convenient digital banking is; but there are continuing issues with clear info about security and the speed of support. Younger and more skilled users express greater satisfaction according to social media satisfaction research. The influence therefore advises banks to prioritize investing in technology and customer-oriented approaches to support inclusivity, confidence and loyalty. It helps build the body of knowledge in finance by bringing together digital advancements and the needs of users. Digital banking offers numerous advantages that improve customer satisfaction by providing higher quality services while also giving banks competitive. This study explores how consumers view convenience and their readiness to adopt it in comparison to other competitors. Digital Banking services are assessed and quantified.

Keywords: Customer satisfaction, digital banking, digital wallets, online banking, unified payment interface

Introduction

The banking system has undergone a paradigm shift as a result of information technology innovation. The term "digital banking" describes the complete digitalization of the banking system. Customers are becoming increasingly knowledgeable in terms of their lifestyle choices in the shifting economic climate. Customers of financial institutions, whether they are individuals or businesses, can access accounts, conduct transactions, or get information on financial products and services through internet banking systems. Digital services are becoming a part of customers' daily life, from necessities to desires and passions. Customers, whether they are individuals or businesses, can access their accounts through a system called "digital banking" to get information and services. For the first time in India, ICICI Bank was the first bank to offer its customers Internet Banking services. The study will help the bank's customers to gain a better understanding of their satisfaction with the digital banking services of private banks. The banking industry is facing a dilemma as customers expect the bank to respond and provide service immediately. Customer Satisfaction is becoming more challenging for Banks after Digitalization enters in trend. The purpose of the survey is to assess how Customers are satisfied with the Digital Banking Services being provided by the Private Banks. The study will provide fresh perspectives on the sophisticated digital banking services that the bank offers. The study's goals are to evaluate the justification for using digital banking, the factors that lead clients to choose Digital Banking Services by private banks, and the challenges faced by online banking consumers. The report would be helpful for the banks as they evaluate client satisfaction with digital banking. Additionally, they will improve the quality of their offerings. The goal of the current study is to determine how customers are satisfied with the digital banking services being offered by the Indian private banks. The research will pinpoint the factors that influence customer happiness. Moreover, to determine the

causes for their continued use of and preference for online banking.

Review of Literature

Digital banking has spawned extensive empirical studies, from all around the globe, pertaining to its different aspects like adoption, service quality, trust and security, customer attitude and preference and continuance intentions. With respect to Digital Banking and its Adoption, Jena (2023) endeavoured to study the behavior of the elderly in Central India and concluded that users' intention was influenced by performance expectations, perceived risks, effort required, trust, self-efficacy, and anxiety.

Kyambade et. al., (2023) found internet banking adoption as a complicated and multifaceted process and refers to it as the collaborative evaluation of clients' behavioural, utilitarian, social, psychological and personal characteristics. Akhter et. al., (2022) advocated that customers' propensity to adopt online banking services is statistically and significantly affected by usefulness, perceived ease of use, concerns about social influence, security and their openness to innovation.

Agyei et. al., (2021) highlighted the role of performance expectation, word of mouth, perceived enjoyment, trust and users' internet experience. Viet & Huynh (2021) are of the view that users' propensity to opt online banking services in Vietnam is considerably influenced by domain-specific and innate innovativeness, perceived usefulness and risk, attitude and internet experience.

Fawzy and Esawai (2017) revealed computer efficacy, quality of the website, and perceived risks to have been the determinantal factors for client acceptance of electronic bank services.

Sharma et al. (2015) similarly noted in Oman that trust, ease of use, service quality, usefulness, and demographics were all determinantal factors.

With respect to Customer Satisfaction vis-a-vis Online Banking Services, Bashir et al. (2023) revealed service

quality and user experience to have strong implications for levels of satisfaction in Bangladesh.

Tran et al., (2023) validated positive correlation of e-banking services quality with the e-satisfaction level of customers as well as of satisfaction with e-loyalty with regards to e-banking services. From Mwiya et al. (2022), factors such as security, privacy, efficiency, responsiveness, reliable websites, and service fulfilment played critical roles in shaping satisfaction levels.

Pooya et al., (2020) noted technological preparedness to have strong implications for customer satisfaction through enhanced quality of self-service. Hadid et al. (2020) identified responsiveness, tangibility, reliability and assurance as effective determinants of client satisfaction. Amin et al. (2018) as well as Amin (2016) [4] revealed digital banking to have enhanced service quality and revealed strong relationships between customer loyalty and satisfaction.

One of the biggest innovations in the banking sector throughout its lengthy history is online banking. Notwithstanding the numerous advantages that consumers derive from online banking, there exist several significant apprehensions and obstacles for marketers operating inside the online banking domain.

Online banking marketers will face several obstacles to overcome in order to succeed in this industry, including traditional banking practices, security concerns, technological difficulties, transaction difficulties, and limited marketing expenditures. Nonetheless, there is still a huge demand in this sector. Therefore, as they work to overcome their marketing obstacles, it is likely that online banks will only become more sophisticated and prosperous. Online banking does have certain advantages, but there are a lot of unique problems and difficulties in the industry as well. These are very important for banks that provide online banking as well as for their clients, who rely on the banks to run smoothly. In order to effectively handle these issues, online banking marketers must be aware of them. (Revathi, P. 2019)

Objectives of the Study

- To identify the customer's satisfaction towards Digital banking services.
- To identify the purpose for using Digital Banking.
- To provide suggestions for betterment of Digital Banking services.

Digital Banking Trends in Darbhanga

- Digital banking has experienced significant expansion in Darbhanga, especially in recent years. Factors such as the widespread availability of cost-effective smartphones, enhanced internet access, and government initiatives such as the Digital India campaign have contributed to heightened awareness and adoption among the local population. Urban centers are at the forefront of this trend, while semi-urban and rural areas are gradually following suit as banks and financial institutions implement outreach programs. Customers opted for digital banking solutions to mitigate health risks associated with in-person banking.
- Mobile banking applications have emerged as the favoured option for numerous customers in Darbhanga,

providing both convenience and accessibility. Prominent banks, including SBI, ICICI, HDFC, and Indian Bank, have improved their mobile platforms to serve a varied clientele. Commonly utilized services include money transfers, payment of bills, account balance inquiries, and funding monitoring. The younger demographic, in particular, values the user-friendly interfaces and round-the-clock availability of these applications.

- The Unified Payments Interface (UPI) has revolutionized the field of digital transactions. in Darbhanga. Dominant platforms such as Google Pay, Phone Pe, and Paytm provide fast and secure payment solutions. The ease of use of UPI, along with its compatibility across various banks, has established it as the preferred choice for both peer-to-peer and merchant transactions. Furthermore, even small vendors and customers in rural areas have embraced UPI, leading to a decrease in dependence on cash transactions.
- Digital wallets are becoming more prevalent for minor transactions, including mobile top-ups, utility bill settlements, and online shopping. Although urban regions have widely accepted platforms such as Paytm and Amazon Pay, users in rural areas are slowly beginning to utilize these wallets for utility payments and cashless transactions. The presence of cashback incentives and discounts has also contributed to the increased adoption of digital wallets among younger consumers.
- Rural and semi-urban areas in Darbhanga are beginning to see a rise in digital banking adoption. Government programs advancing financial inclusion initiatives, like the Pradhan (PMJDY), have encouraged the use of basic digital services. Banks are actively organizing literacy programs to educate rural populations about mobile banking, UPI, and other digital tools. However, challenges like inconsistent internet connectivity and limited digital literacy still persist.
- Security attributes like biometric verification, dual-factor verification, and fraud alerts have boosted customer confidence in digital banking platforms. Banks in Darbhanga are also prioritizing customer education on cyber security, which has contributed to increased trust in online transactions.

Importance of Understanding Customer Satisfaction in Digital Banking

Customer satisfaction refers to how customers view, interpret, and form opinions about a product, service, or organization based on their experiences, interactions, and the information they receive. In the context of digital banking, understanding customer perceptions is critical for several reasons:

1. Enhancing Customer Satisfaction

- **Digital banking is customer-centric:** Customer satisfaction is a key metric for the success of any banking service. Understanding how customers perceive digital banking features, such as ease of use,

accessibility, and security, allows banks to fine-tune their services to meet customer expectations.

2. Identifying Barriers to Adoption

- **Overcoming scepticism:** Despite the rapid adoption of digital banking, some customers may be reluctant due to concerns about privacy, security, or technological barriers. Understanding these concerns allows banks to address them effectively through education and improved safeguards.
- **Bridging the digital divide:** In regions like Tiruchirappalli District, variations in technological literacy or internet access can influence adoption. Studying perceptions can help identify and mitigate these barriers.

3. Improving Service Delivery

- **Targeted solutions:** By analysing feedback and perception data, banks can introduce targeted improvements, such as faster transaction times, better customer support, and personalized offerings.
- **Real-time problem resolution:** Understanding customer pain points enables banks to address issues proactively, improving overall service delivery.

4. Strengthening Customer Trust and Loyalty

- **Building trust in technology:** Trust is a cornerstone of banking, and customer perception heavily influences trust in digital platforms. Transparency, robust security, and consistent service quality build confidence in digital banking systems.
- **Enhancing loyalty:** Satisfied customers are more inclined to remain faithful to a financial institution and recommend its services to others. Understanding perceptions can help strengthen these relationships.

5. Adapting to Changing Customer Needs

- **Dynamic expectations:** Customer needs and preferences evolve with technological advancements. For instance, the rise of mobile banking and AI-driven chat bots reflects a shift in customer expectations. Banks must stay informed about these changes to remain competitive.
- **Personalization:** Gaining insights into customer perceptions allows banks to offer tailored solutions that meet specific customer needs, improving the overall experience.

6. Driving Competitive Advantage

- **Differentiation in a competitive market:** With multiple banks offering digital services, understanding customer perceptions helps a bank stand out by offering unique, customer-centric features.
- **Attracting new customers:** Positive customer perceptions can attract potential users who value modern, efficient, and customer-friendly services.

7. Supporting Strategic Decision-Making

- **Data-driven strategies:** Insights into customer perceptions provide valuable data for making strategic

decisions about product development, marketing, and service delivery.

- **Resource allocation:** Banks can prioritize investments in areas that matter most to customers, such as enhancing mobile app features or expanding customer education programs.

Suggestion

- Digital banking services must generate and induce the customer attention to online banking services by the better marketing and advertisement strategies. Customers should be informed about its convenience features, advantages and benefits of using digital banking services.
- The procedure for initial set-up difficulties should be streamlined by providing necessary assistance.
- Bankers should provide the customer reassurance and information regarding trust of digital banking activities, which will certainly improve the application of security and privacy of the digital banking services.
- To enhance the digital banking services, the bankers should help the customers by developing the secured practices in digital banking and management of risk should be made aptly.
- A boost in the degree of expediency to customer that will increase the level of customer satisfaction.
- Concentrate on the enlightening the suitable network information and digital infrastructure.
- Customer support system should be enhanced for digital banking services and improve the dimensions of management strategies
- Offering of reward points, incentives to users will motivate them to use digital banking services.
- The knowledge of digital banking service uses should be provided to the customers, especially to gadgets illiterate customers through workshops and seminars which will certainly enhance the digital banking value and volume.
- Government must concentrate on developing the internet facility, information and communication technology. to promote digital banking facilities in India

This study is focused only on the users (customers) perception towards digital banking services. The future research can be performed with businessmen, bankers, corporates perception. The perception of non-users can be performed to identify the reason for not adopting digital banking services. A comparative study on the users and nonusers of digital banking services can be carried out and identify the prime reason for adoption and non-adoption of digital banking services.

Summing up

This study attempted to identify key quality attributes of digital banking services by analysing digital banking customers and their comments on banking experience. The finding of this study shows that despite of many advantages of digital banking. People still consider it as an alternative for analysing their bank records. Although every bank today provides the facility of digital banking, but most people use it only once a month. The reason is that in case of digital banking interpersonal interaction with customers is seldom possible. The Banks have to upgrade and constantly think of

New Innovative Customized Packages and Services to remain competitive. Proper training should be given to customer by the bank employees to open an account will be beneficial secondly the website should user friendly, so that the Customers can easily access to their accounts, this will retain the customer to use Digital Banking Services. Mobile technology refers to the advancements in wireless communication that enable connectivity and access to information on the go revolutionizing the banking industry. The rise of mobile banking is significantly transforming the finance sector, introducing innovative solutions for transactions and payment processing while providing essential guidelines for banks. Digital banking operations are increasingly benefiting customers, and we can expect that in the near future, all banking activities will be linked to secure electronic methods. However, it is crucial to take measures to address potential issues.

Digital banking is an essential part of our modern world, and it's crucial that everyone understands how to make the most of these services. To truly support the Digital India initiative and enhance customer welfare, digital banking must be available to all individuals, regardless of their education level, job, or where they live. The effectiveness of Internet banking relies not just on the technology itself, but significantly on the mindset, dedication, and engagement of everyone involved in its operation. Ultimately, it also hinges on how well customers can take advantage of the benefits provided by Internet banking services. The Reserve Bank of India (RBI) has issued various guidelines to commercial banks to help them navigate these challenges. Today, a growing number of customers are enjoying the convenience of digital banking services.

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