

Customer Satisfaction in Respect of Digital Banking Service: A Study with Reference to State Bank of India, Kavour Branch, Dakshina Kannada District, Karnataka State

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Abstract—Banking needs of consumers are treated in par with their basic need thanks to the advancement in information technology and spread of digitalisation in day-to-day transactions. At the same time, expectations of the consumers have begun changing much faster than the banking industry's ability to adapt. As they are more tech-savvy than ever, and their reference benchmarks are evolving with best-in-class apps installed on their mobile devices, they expect the same experience from their financial service providers too. Hence, customer service is the most important responsibility of the banking industry as it makes the customers feel valued. Efficient service will develop good public relations, reduce complaints and increase business.

In this connection, this study has been undertaken to understand the different digital banking alternatives used by the consumers for their transactions and to assess the level of customer satisfaction among the general public in respect of digital banking services provided by State Bank of India, Kavour Branch, Mangalore. The study covers people living in and around Kavour area of Mangaluru City and is related to the satisfaction level of consumers about the digital banking services provided by the bank. The study is limited to the time frame between September 2023 to May 2023. The study reveals that, on the whole the customers are satisfied with the services of SBI in respect of digital banking.

Index Terms—Digital Banking, customer satisfaction, satisfaction level, financial services

I. INTRODUCTION

Consumers need banks, just as much as they need food, clothing, and shelter. In the last decade, Consumer expectations have begun changing much

faster than the banking industry's ability to adapt. Consumers have more choices and are rightfully more demanding. Consumers have lots of choices when selecting financial products. They are more tech-savvy than ever, and their reference benchmarks are evolving. They have best-in-class apps installed on their mobile devices and expect the same experience from their financial service providers.

Customer service is the most important duty of the banking operations. Every customer expects high quality service, low fees, easy access to online banking services, competitive interest rates, variety of accounting facilities etc. Providing quality customer service is important in the banking industry because it makes customers feel valued. Efficient service will develop good public relations, reduce complaints and increase business.

In this connection, this study has been undertaken to assess the level of customer satisfaction among the general public in respect of digital banking services provided by State Bank of India, Kavour Branch, Mangalore. This study is exploratory and descriptive in nature, which is based on the primary data collected through structured questionnaires.

II. LITERATURE REVIEW

A number of research works have been done in the area of banking service. Review of a few such research papers is presented below:

- Machogu A. M. & Okiko L. (2015) research was done to understand the impact of e-banking complexities on customer satisfaction. Results shows that there are factors which leads to customer satisfaction particularly in e-

banking, which is one of the very important and fast-growing way of doing banking.

- Kaur N. & Kiran R. (2015) founded in their research which was on public, private and foreign shows that customer are more satisfied with the services quality of the foreign banks than the private and public banks.
- Kundu S. & Datta S. K. (2015) research found regarding e-service quality, customer satisfaction and trust they found that there is a significant relationship among e-service quality, trust and customer satisfaction. Internet banking service quality has huge impact on trust.
- Zeinalizadeh N. Shojaie A. A. & Shariatmadari M. (2015) opined that out of the nine customer satisfaction factors fees and loan, prompt service and appearance are the major factors which have more significant impact on customer satisfaction followed by interest rate and accessibility of bank and availability of service which have less impact on the satisfaction on the banking customers.
- Rahi S. (2015) research findings show customers are more loyal towards those banks who are facilitating internet banking services. Also, good brand image build relationship between banks and customer and enhance the customer loyalty toward bank.
- Pareek V. (2014) research opined with a remark that out of several factors few causal fundamental factors like product attributes, employee characteristics, customer convenience, bank tangibles, cost of transactions and customer communication contributes in customer satisfaction in Indian banks.
- A review of available literature indicates that there has been an increase in banking transactions among people. Most of the studies are about the attitude of people towards internet banking or their experience of online banking. Many studies are done to identify the satisfaction level of the bank customers too.

A. Need for the study:

The above literature review indicates that, most of the studies are conducted at the national or international level. No studies have focused on the consumers at the regional level especially Mangalore Taluk.

Though a number of studies have been done with respect to customer satisfaction about banks in general, no studies are done in respect of State Bank of India, Kavour. At the same time, Hence, there is a research gap and this study is undertaken to fill this gap.

B. Scope of the Study:

The study covers people living in and around Kavour area of Mangaluru City and is related to the satisfaction level of consumers about the digital banking services provided by the bank. The study is limited to the time frame between September 2023 to May 2023.

C. Objectives of the study:

The following specific objectives have been set for the study:

- To understand the different digital banking alternatives used by the consumers for their transactions.
- To assess the satisfaction level of the consumers in respect of digital banking facilities offered by the State Bank of India, Kavour Branch.
- To suggest measures that can be taken by the bank to improve its quality of service in respect of digital banking.

D. Research Methodology:

1. Research Design:

This study is exploratory and descriptive in nature, which is based on the primary data collected through structured questionnaires.

2. Sample Size:

Sample was selected randomly from the population residing in and around Kavour area of Mangaluru City, Dakshina Kannada District. A total of 214 people were contacted for data collection, but 60 of the respondents do not transact with the State Bank of India, Kavour Branch. Therefore, only 154 questionnaires were processed for final analysis and data interpretation.

3. Tools used for analysis of the data:

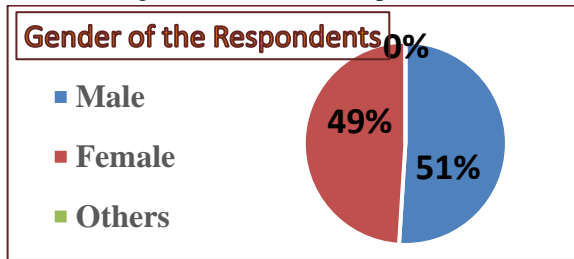
For the purpose of data analysis and to understand the perception of the respondents, statistical techniques like tabulation, simple charting and percentage analysis are used.

II. ANALYSIS AND INTERPRETATION OF THE DATA

A. Demographic details of the respondents:

2.1 Gender of the Respondents:

Fig. 1 Gender of the Respondents

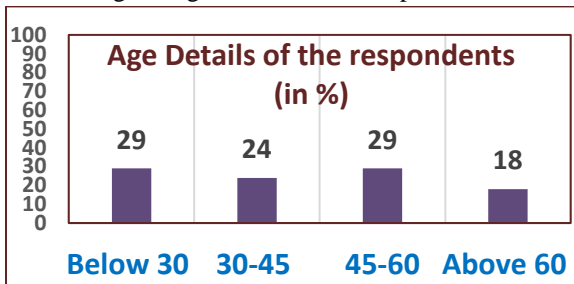


Source: Field Survey

As shown in Fig.1, 51% of the respondents were women and 49% were men. Hence, equal weightage is given to both men and women in selecting the sample.

2.2 Age Details:

Fig. 2: Age Details of the respondents

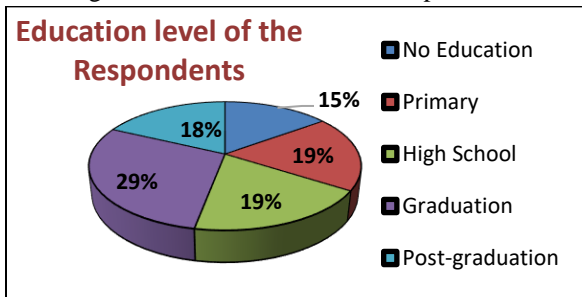


Source: Field Survey

An analysis of Fig. 2 indicates that, 29% of the customers are below 30 years, other 29% are in the age group of 45-60 years, 24% are in 30-45 years age group and 18% are above 60 years. So, equal weightage is given in selecting the sample for data collection.

2.3 Education level of the Respondents:

Fig. 3: Education level of the Respondents



Source: Field Survey

From Fig.3, it is clear that majority of the respondents are graduates (29%). However, the

sample includes other categories also. Opening bank account does not depend on the education level at all because 15% of the respondents do not have any education.

B. Details of banking transactions:

2.4. No. of years of relationship with the bank:

Table 2.1: No. of years of relationship with the bank

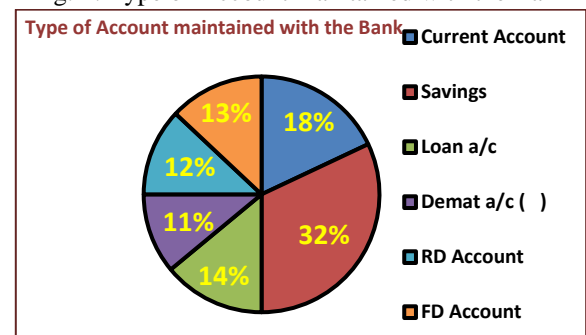
| No. of Years | No. of Respondents | Percentage |
|--------------------|--------------------|------------|
| Less than 1 year | 21 | 14 |
| 1-3 years | 26 | 17 |
| 3-5 Years | 37 | 24 |
| 5-10 Years | 37 | 24 |
| More than 10 Years | 33 | 21 |
| Total | 154 | 100 |

Source: Field Survey

An analysis of Table 2.1 indicates that, majority of the consumers (24%) have banking relationship with the SBI Bank, Kavour Branch from 3-5 years or 5-10 years. At the same time, there are long standing customers who have been transacting with SBI for more than 10 years. Very few are having contact for less than 1 year.

2.5. Type of Account maintained with the Bank:

Fig. 4: Type of Account maintained with the Bank



Source: Field Survey

From Fig.4, it is clear that majority of the respondents (32%) have opened Savings Bank account whereas 11% of the respondents have demat account with the bank, which is a clear indication that most of them are unaware of this type of account.

C. Information relating to digital banking:

2.6. Information about usage of Digital Banking Facility:

Table 2.2: Information about usage of Digital Banking Facility

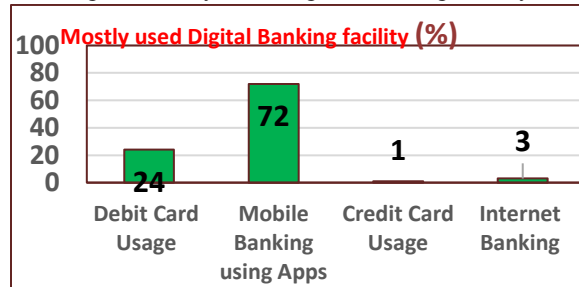
| Using Digital Banking | No. of Respondents | Percentage |
|-----------------------|--------------------|------------|
| Yes | 154 | 100 |
| No | 00 | 00 |
| Total | 154 | 100 |

Source: Field Survey

A glance over Table 2.2 shows that all the respondents use one or the other mode of digital banking service provided by the State Bank of India irrespective of their education level.

2.7. Mostly used Digital Banking facility:

Fig. 5: Mostly used Digital Banking facility

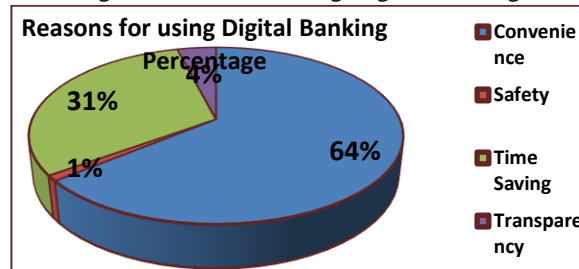


Source: Field Survey

As shown in Fig.5, majority (72%) of them use mobile banking app i.e. Yono for their digital banking requirements. The internet bankers and credit card users are very less which may be due to different factors. However, others use Debit Card moderately.

2.8. Reasons for using Digital Banking:

Fig. 6: Reasons for using Digital Banking



Source: Field Survey

An analysis of the reasons for use of digital banking as shown in Fig.6 indicates that 64% of the respondents feel convenient to carry on banking transactions whereas 31% consider it as time saving. However, only 4% say that digital banking is safe.

2.9. Problems faced during the usage of digital banking facility:

Table 2.3: Problems faced during the usage of digital banking facility

| Sl. No. | Problems | No. of Respondents | % |
|---------|---|--------------------|-----|
| 1 | Network issues | 82 | 53 |
| 2 | Risk in sharing OTP/ PIN | 34 | 22 |
| 3 | Failure of transactions | 18 | 12 |
| 4 | Absence of face-to-face interaction with bank officials | 11 | 07 |
| 5 | Delay in resolving complaints relating to digital banking | 09 | 06 |
| Total | | 154 | 100 |

Source: Field Survey

A glance at Table 2.3, reveals that, 53% of the respondents face network issues for digital banking and 22% feel that there is risk in sharing OTP or PIN. Very few have experienced a delay on the part of the bank in resolving the complaints relating to digital banking.

2.10. Complaints lodged with bank in case of problems in digital banking services

Table 2.4: Complaints lodged with bank in case of problems

| Whether complaint lodged | No. of Respondents | Percentage |
|--------------------------|--------------------|------------|
| Yes | 92 | 60 |
| No | 62 | 40 |
| Total | 154 | 100 |

Source: Field Survey

As revealed in Table 2.4, 60% of the respondents have lodged complaints with the bank for resolving the problems relating to digital banking whereas 40% have not approached the bank in case of problems.

2.11 Satisfaction in respect of resolving issues by the bank relating to Digital Banking:

Table 2.5: Satisfaction in respect of resolving issues

| Whether satisfied | No. of Respondents | Percentage |
|-------------------|--------------------|------------|
| Yes | 136 | 88 |
| No | 18 | 12 |
| Total | 154 | 100 |

Source: Field Survey

Table 2.5 shows that 88% of the respondents are happy and satisfied with the bank in respect of resolving issues relating to Digital Banking services.

Very few (12%) expressed their dissatisfaction about the bank’s approach in resolving their problems.

2.12 Level of satisfaction towards the digital banking services:

Table 2.6: Level of satisfaction towards the digital banking services

| Parameter | Highly satisfied | Satisfied | Neutral | Dissatisfied | Highly dissatisfied | Total |
|-------------------------------|------------------|-----------|----------|--------------|---------------------|------------|
| Debit Card Usage | 11 (30%) | 19 (51%) | 07 (19%) | 00 (0%) | 00 (0%) | 37 (100%) |
| Mobile Banking using Apps | 19 (17%) | 88 (79%) | 02 (2%) | 02 (2%) | 00 (0%) | 111 (100%) |
| Credit Card Usage | 00 (0%) | 02(100%) | 00 (0%) | 00 (0%) | 00 (0%) | 02 (100%) |
| Internet Banking | 01 (2%) | 03 (75%) | 00 (0%) | 00 (0%) | 00 (0%) | 04 (100%) |
| Overall Level of satisfaction | 31 (20%) | 112 (73%) | 09 (6%) | 02 (1%) | 00 (0%) | 154 (100%) |

Source: Field Survey

A glance over Table 2.6 shows the following satisfaction level:

- Majority of the Debit Card users are just satisfied with the services.
- In case of Mobile Banking App also, majority are just satisfied.
- Credit card users are also just satisfied with the services.
- Majority of Internet bank users are just satisfied with the services.

On the whole, the respondents are not highly satisfied but just satisfied with the services. No respondent is dissatisfied with the services.

2.13. Awareness about safety Precautions to be taken:

Fig. 7: Awareness about safety Precautions to be taken

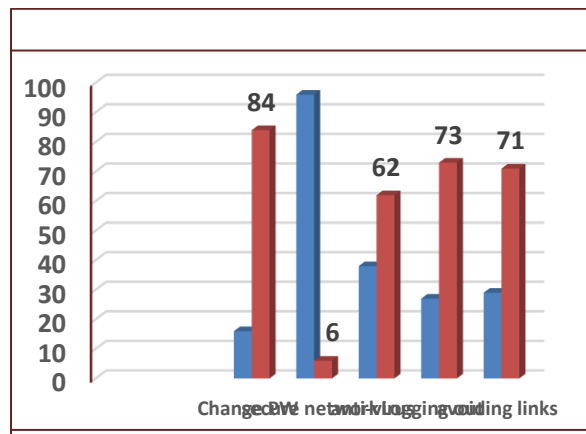


Fig.7 reveals that majority of the respondents are aware that they should change the password frequently while using the digital banking services and carry out transactions over secure private network. But majority are ignorant about using Anti-virus software, avoiding unnecessary links and logging out after the transaction.

2.14. Awareness about Banking Ombudsman Scheme of RBI for filing complaints relating to digital banking:

Table 2.7: Awareness about Banking Ombudsman Scheme of RBI

| Aware of the scheme | No. of Respondents | Percentage |
|---------------------|--------------------|------------|
| Yes | 02 | 01 |
| No | 152 | 99 |
| Total | 154 | 100 |

Source: Field Survey

As revealed in Table 2.7 and Fig.11, only 1% of the respondents are aware about the Ombudsman Scheme of RBI for online resolving of complaints relating to Digital Banking whereas 99% are not aware of the same.

III. MAJOR FINDINGS OF THE STUDY AND SUGGESTIONS

3.1. Findings of the Study:

The study on “Customer Satisfaction in Respect of Digital Banking Service: A Study with Reference to State Bank of India, Kavour Branch” has contributed to some important findings which are presented below:

- Irrespective of the education level, public depend on banks for their financial transactions.
- SBI, Kavour Branch has attracted a number of customers who have been transacting with it for more than 5 to 10 years.
- Majority people open Savings Bank account with the bank which is an easy account to manage.
- All the customers prefer digital banking rather than physical banking due to convenience and time saving factor involved in it.
- Customers prefer the Banking App to other digital banking facilities. The second most digital service used is Debit Card.
- Most of the consumers face network issues while using digital banking services. Some have apprehensions regarding the risk involved in sharing the OTP or using the PIN while doing the transactions.
- Many customers approach the bank if they have any issues in digital banking and also, they are happy with the services of the bank in this regard.
- On the whole the customers are satisfied with the services of SBI in respect of digital banking. No customers are dissatisfied.
- Majority of the respondents are aware that they should change the password frequently while using the digital banking services and carry out transactions over secure private network. But majority are ignorant about using Anti-virus software, avoiding unnecessary links and logging out after the transaction
- Moreover, none of the consumers are aware of the Ombudsman Scheme of RBI for resolving the complaints relating to digital banking issues. However, the customers are interested to know more about this scheme.

3.2 Limitations of the Study:

- The study is confined to the consumers of Kavour area only and the sample size used for the research study is less. So, the findings and conclusions may not be universally applicable.
- Findings and conclusions are drawn on the basis of the responses of the respondents which might have been affected by their personal biases.

3.3. Directions for Future Research:

A comprehensive study could be undertaken to assess the various issues faced and frauds experienced by the consumers during digital banking and legal actions sought by them in such cases. Respondents could be filtered based on the above criteria and only such respondents who have gone through the entire legal process could be included in the sample.

IV. CONCLUSION & SUGGESTIONS

In today's dynamic and competitive world, the need of the hour is empowering the general public through education about their rights and responsibilities while transacting using digital means. The consumers should be trained to be careful in order to protect themselves from any fraud that may occur while carrying out financial transactions. Moreover, both Central and State governments have taken several initiatives to create awareness among the public in this regard and implemented different laws to protect the consumers' interest.

At this juncture, it is the responsibility of the consumers to be aware and following suggestions may be kept in mind while doing digital banking:

- Change the passwords frequently and keep them confidential.
- Do not record the password or PIN in any open place.
- Avoid pressing the unknown links.
- Register for SMS alert to get updated information about the financial transactions.
- Install anti-virus software or firewall to protect frequent virus attacks.
- Log off completely after the online banking transactions.
- Always keep a screenshot of the transaction.
- Do not use public cyber for digital banking.
- Do not ask strangers for help while using digital apps or ATMs.

In conclusion, there is a new baseline for the customer experience in banking, as they expect more channels, and faster and personalized responses without long wait times. Hence, improving customer service in banking is crucial. In the banking industry, where technology continues to evolve the way, we handle personal and business finances, quality customer care includes keeping pace with both live and digital options for handling simple to complex transactions.

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