"CUSTOMERS' PERCEPTION AND CONTENTMENT LEVEL WITH THE TECHNILOGICAL SERVICES PAVES A PATH TO DIGITAL TRANSFORMATION IN BANKING"

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ABSTRACT

In the contemporary landscape of banking, digital transformation has emerged as a pivotal strategy for enhancing operational efficiency and customer experience. This research delves into the crucial nexus between customers' perception, contentment level, and the adoption of technological services within the banking sector. Through a comprehensive review of existing literature, coupled with empirical analysis, this study investigates the factors influencing customers' attitudes towards technological services in banking. Utilizing a mixed-methods approach, including surveys and interviews, data is gathered from a diverse sample of banking customers. The findings reveal intricate insights into the determinants of customers' perceptions, including usability, reliability, security, and accessibility of technological services. Moreover, this research elucidates the impact of customer contentment on their willingness to embrace digital channels for banking transactions. The implications of these findings extend in providing valuable insights for banks aiming to navigate the landscape of digital transformation effectively. Ultimately, this study underscores the imperative for banking institutions to prioritize customer-centric strategies in their pursuit of technological innovation, thereby fostering sustainable growth and competitive advantage in an increasingly digitalized environment.

Keywords: Digital transformation in Banking, Customer perception, Technological services

INTRODUCTION:

As the customer expectations evolve and the increase in demand for a personalised experiences paves a pathway for digital transformation in banking. Over a recent year's digital transformation has led an important change for the banks and other financial sector to know about, interact, to understand, to serve and to satisfy their customers. An effectual digital transformation begins with understanding the customer preferences, choices, behaviour, their likes and dislikes as well as their unstated needs. In the era dominated by technological advancements, the banking sector is undergoing a profound change in meeting the evolving needs and expectations of their customers. Digital transformation has become a linchpin for financial institutions seeking in enhancing the efficiency, accessibility, and customer satisfaction. Due to rapid evolvement of technology, the emergence of mobile wallets, cashless transactions, and two-factor authentication methods like biometrics, passwords or facial recognition have simplified the payment process. As of today, most of the people have become digital and tech-savvy, so the banks should be aware of it and must provide each one with a personalized experience to meet their individual wants and needs starting from opening a bank account, sanctioning of loans till providing them customer support. Ultimately, the banks have to apply modern technologies to different forms of bank's operation in order to achieve efficiency, easy accessibility, reducing the operational cost, saving the time of customers and thus by rendering them a good quality banking service.

STATEMENT OF THE PROBLEM

Over the recent years financial sector has undergone a significant change in introducing various services and aimed at meeting the diverse needs of customers. In order to maintain development and competitiveness in market, financial institutions must have a thorough understanding about the customer's satisfaction level on financial products and services. In order to give user-friendly online and mobile banking services, banks need to speed up their efforts to transform themselves digitally.

The banking industry has a difficult time comprehending and maintaining client satisfaction in the amidst of financial environment that is evolving rapidly. The emergence of digital technologies, evolving consumer demands, and increased rivalry requires a comprehensive analysis of the variables that is impacting customer satisfaction level. By addressing the key issues, the study aims to provide a valuable insight that can guide banks in enhancing their quality services, to refine their strategies and ultimately elevating customer'scontentment level. Furthermore, careful investigation is needed on the effects of regulatory compliance, bank reputation, and the effectiveness of feedback mechanisms in resolving customer's problem.

OBJECTIVES OF THE STUDY

1. To find out the overall contentment level of the customers by the usage of digital banking services.
2. To identify key factors influencing customers' attitudes and behaviours towards digital banking solutions.
3. To provide actionable insights for banks to enhance their digital offerings and improve customer satisfaction levels

RESEARCH METHODOLOGY

Sampling design	Convenient sampling method
Period of study	December 2023- March 2024
Data used	Primary and Secondary data
Test for analysis	Percentage analysis, Chi-square test, Garett ranking method, Weighted average method

LIMITATIONS OF THE STUDY

1. One of the major constraints is the time limit, which restrict the collection of data.
2. There is a chance of response bias from the respondents.
3. The sample size is restricted to 150. Due to time constraint, the most essential information only has been taken for the study.
4. Research was based totally on quantitative approach and qualitative approach is being ignored.
5. Reliability and accuracy of the analysis depends on the respondent's openness and trueness towards each question in the questionnaire.

RESULTS AND DISCUSSION

Years of operating a bank account

Classification	No. of respondents	Percentage (%)
Less than 2 yrs.	46	30.7
2yrs-5yrs	56	37.3
Above 5 yrs.	48	32
Total	150	100

Source: Primary data

From the above table it is inferred that 30.7% of the respondents operate a bank account for less than 2years, 37.3% of the respondents operates a bank account for 2-5 years and 32% of the respondents operates a bank account for above 5 years.

Thus, it is inferred that majority (37.3%) of the respondents operate a bank account for 2- 5 years of period.

LIKERT SCALE METHOD

Satisfaction level regarding the security and privacy measures

Particulars	**Highly satisfied**	**Satisfied**	**Neutral**	**Dissatisfied**	**Highly dissatisfied**	**Total**
Safeguarding of information	305	264	63	2	1	635
Two-factor Authentication	215	316	72	6	1	610
Biometric and passwords	250	232	111	10	0	603
Restricting the unauthorized access	145	280	93	36	2	556
Fraud prevention measures	170	216	117	18	14	535
Third party security	105	280	102	38	6	531
Account alerts	185	256	93	26	5	565
Total						**4035**

Source: Primary data

Particulars	Average	Rank
Safeguarding of personal and financial information	4.23	I
Two-factor Authentication	4.06	II
Biometric and passwords	4.02	III
Restricting the unauthorized access	3.70	V
Fraud prevention measures	3.57	VI
Third party security	3.54	VII
Account alerts	3.76	IV

INFERENCE:

From the above table it reveals that the level of satisfaction is more when their personal and financial information are kept safe **(I)** , then the next rank is given to the Two factor Authentication **(II)** , then the **(III)** rank is given to Biometrics and passwords, then their satisfied with the account activity alerts which took place as **(IV)** rank, then the next level of satisfaction is given to Restricting the unauthorized access to the account which took place at **(V)** rank, the next rank is given to Fraud prevention measures taken by banks**(VI)** and the last rank is given to Third party security certifications **(VII)** .

Thus. from the above table it is inferred that majority (4.23%) of the respondents get more satisfied when their personal and financial information are kept safe.

GARETT RANKING METHOD:

Table showing the features that is found useful which is provided by the bank.

SI. NO	100 (Rjj-0.5/Nj)	Calculated value	Garrett value
1	100 (1-0.5)/9	5.55	81
2	100 (2-0.5)/9	16.66	70
3	100 (3-0.5)/9	27.78	63
4	100 (4-0.5)/9	38.88	57
5	100 (5-0.5)/9	50	50
6	100 (6-0.5)/9	61.11	45
7	100 (7-0.5)/9	72.22	39
8	100 (8-0.5)/9	83.33	31
9	100 (9-0.5)/9	94.44	20

Source: Primary data

Particulars	1	2	3	4	5	6	7	8	9
24 x 7 online fund transfers	110	12	3	4	2	4	1	1	13
Bill payments	3	88	22	5	5	4	7	12	4
Withdrawals	5	13	88	14	6	5	12	4	3
Balance enquiries	1	4	8	90	20	13	7	2	5

Credit cards	8	14	14	4	5	9	85	9	2
Debit cards	3	6	6	19	9	88	13	3	3
Online banking	3	2	3	11	97	17	10	2	5
Account alerts	3	10	3	0	2	7	8	106	11
Digital wallets	14	1	3	3	4	3	7	11	104

Particular	**Respondents**								
	1	2	3	4	5	6	7	8	9
24 x 7 onlinefund transfers	8910	840	189	228	100	180	39	31	260
Bill payments	243	6160	1386	285	250	180	273	372	80
Withdrawal	405	910	5544	798	300	225	468	124	60
Balance enquiries 81		280	504	5130	1000	585	273	62	100
Credit cards 64	8	980	882	228	250	405	3315	279	40
Debit cards 24	3	420	378	1083	450	3960	507	93	60

Online banking	243	140	189	627	4850	765	390	62	100
Account alerts	243	700	186	0	100	315	312	3286	220
Digital wallets	1143	70	189	171	200	135	273	341	2080

Total	**Score**	**Rank**
10777	71.84	**I**
9229	61.52	**II**
8834	58.89	**III**
8015	53.4	**IV**
7027	46.84	**VII**
7194	47.96	**VI**
7366	49.1	**V**
5363	35.74	**VIII**
4602	30.69	**IX**

From the above the table of nine variable it reveals that respondents have given first priority to the service 24x 7 online fund transfers which is **(rank I),** the second priority is given to Bill payments which is **(rank II),** the third priority is given to Withdrawal service which is **(rank III),** the fourth priority is given to the service Balance enquiries which took place **(IV rank),** the next level of satisfaction is given to the use of online banking which took place **(V rank),** then next level of priority is given to debit cards**(VI rank)** , the seventh rank is given to credit cards**(VII rank),** the eight rank is given to account alert feature**(VIII rank)** and the last priority is given to use of Digital wallets **(IX rank).**

Thus form the above table it inferred that majority (71.84%) of the respondents has given 1st rank to the service 24x 7 online fund transfers.

CHI-SQUARE TEST:

Distribution of Respondents on the basis of Gender towards the use of online platform

Use of online platform / Gender	**Daily**	**weekly**	**Monthly**	**rarely**	**never**	**Total**
Male	28	27	20	6	3	**84**
Female	23	27	12	4	2	**68**

Source: Primary data

O	**E**	**O-E**	**(O-E)2**	**(O-E)2/E**
28	28.18	0.18	0.0324	0.0011
23	22.8	0.2	0.04	0.017
27	29.84	2.84	8.065	0.2702

27	24.15	2.85	8.122	0.336
20	17.6	2.4	5.76	0.327
12	14.3	2.3	5.29	0.369
6	5.52	0.48	0.230	0.041
4	4.97	0.47	0.220	0.049
3	2.76	0.24	0.057	0.020
2	2.23	0.23	0.052	0.023
TOTAL				**1.439**

2 = 1.439

Degrees of freedom= (r-1) (c-1)

= (5-1) (2-1)

= 4 x 1

= 4

Table value: 9.488

Calculated value= 1.439

Thus, result is independent as the table value is greater than calculated value.

Hence there is no significant difference. Thus, null hypothesis is accepted.

FINDINGS:

- Majority (46%) of the respondents have account in a private sector bank.
- Majority (37.3%) of the respondents operate a bank account for 2- 5 years of period.
- Majority (92%) of the respondents use savings account.
- Majority (70.7%) of the respondents has availed investment services.
- Majority (82.7%) of the respondents have opted for mobile banking.
- Majority (88%) of the respondents have opted for Online banking

- Majority of the respondents get more satisfied when their personal and financial information are kept safe.
- Majority of the respondents has given 1st rank to the service 24x 7 online fund transfers.

SUGGESTIONS:

- Ensure transparent communication with customers regarding changes, updates, and service disruptions related to digital banking platforms. Proactively notify customers of scheduled maintenance windows, new features, and security updates through multiple channels, such as email, SMS, and in-app notifications.
- Enhance User Experience by providing them a user-friendly interface for banking applications and online platforms. Conduct usability tests and gather feedback from customers to identify pain points and areas for improvement.
- Implement robust security measures to protect customer data and transactions. Utilize multi-factor authentication, encryption, and biometric authentication methods to enhance security while maintaining user convenience. Communicate the importance of security measures to customers to instil trust and confidence in digital banking services.
- Provide round-the-clock customer support through various channels such as chatbots, live chat, email, and phone. Ensure quick response times and effective resolution of queries to enhance customer satisfaction.

CONCLUSION:

The study illuminates the pivotal role of customers' perception and contentment with technological services in paving the path to digital transformation in banking. Through meticulous analysis, it becomes evident that customer satisfaction and acceptance of technology are essential drivers for the successful adoption and implementation of digital banking solutions. Moreover, fostering a culture of innovation and investing in cutting-edge technologies are imperative for banks to remain competitive and future-ready in the rapidly evolving digital landscape.

The findings of this study emphasize the necessity of aligning technological advancements with customer preferences and needs to ensure genuine customer- centricity throughout the digital transformation journey. By prioritizing customer satisfaction and leveraging insights gleaned from data analytics and market research, banks can develop tailored digital solutions that resonate with their target audience. This customer-centric approach not only enhances the adoption and utilization of digital banking services but also fosters stronger customer relationships and loyalty.

Ultimately, by embracing digital transformation guided by customer perception and contentment, banks can position themselves for sustained growth and success in the digital age, while simultaneously driving innovation and enhancing overall customer experience in the financial services landscape.

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