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CUSTOMER EXPERIENCE AND ENGAGEMENT IN DIGITAL BANKING

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CUSTOMER EXPERIENCE AND ENGAGEMENT IN DIGITAL BANKING

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1.1 INTRODUCTION

Digital channels are fast becoming a prominent source of customer acquisition as customers move away from branches to more convenient methods of banking. Digital banking is starting to revolutionize customer's behavior, expectations and needs. Why? It makes the customer's life easier which is exactly what they are looking for: being able to execute banking transactions with just one touch or one click instead of waiting in line at a bank and losing time. Banks are cautiously approaching these new challenges. While digitization is making internal processes more efficient, it is only slightly enhancing the customer offering with value-added services such as wallet solutions, personal finance management tools. That customers can still find it hard to resolve some banking issues regardless of the channel they are using which ultimately creates an opportunity for the banking sector to develop a transparent, trusted and user-friendly digital banking solution. Nowadays, some tools will help banks push more towards an effective customer engagement. The digital age is dramatically changing the way banks engage with their customers, going beyond the concept of physical branches, urging the development of tech solutions to meet with the demands of today's everyday life.

Consumers' needs for quick, efficient service that they can trust and believe are redefining the way banks are handling their interactions and communication with the customer. Banks have been utilising artificial intelligence. Banking is considered by most as the business of money. However, talk to a banking veteran and he or she will categorically instruct you that banking is a business of customers. This realisation is what ensured that customer centricity is an

important value adopted by banks; and it has stood us in good stead. It then follows, that if we are in the business of customer, then our business is shaped by evolving changes in customer behaviour. Digital banking means more than just going paperless. Leading players are offering a new and improved customer experience and delivering faster and more efficient services. One of the biggest challenges will be culture and people. Transforming from the traditional bankers' club into a customer-focused, innovative, and fast player is seen as a major issue.

1.2 Statement of Problem

Today, people have round the clock access to bank due to online banking , Such liability in banking transactions can go wrong due to variety of reason, many of them because of no fault of customer. The hacking of debit cards and bank accounts is not uncommon, liability of e-wallet transactions , inadequate laws on digital payments are vague. Less number of eligible people who could operate the platform, less awareness among the people , image of hacked and fear of theft , new entrant always face irrelevant critic from existing processes, unable to post expected returns as fairly new in the market, data reliability entered by the customer.

Scope of the study

This research aims to cover the various services rendered by e- banking in sivakasi town and to know particularly the customer's engagement towards the e-banking.

Need for the study

Now the country is surviving all the things through the technology. so the digital world is engaging the people's towards the technology . Both the educated and uneducated those who resides in Towns and Village are expected to have the knowledge about digital world, but the people in village area they much not have awareness about net banking. To evaluate the sivakasi town peoples are more engaged the new banking system and to analysis their experience in the usage of service sector, this research has been done.

1.3 Review of literature

National Journal of Bank Marketing 4 (The use of technology such as digital banking(DB)in service innovation to meet client needs is best understood through its relationship to the service users and how they perceive the service (Baba, 2012). A theory in marketing studies is a logically self-consistent model that explains how related phenomena behave in DB (Lee and Greenley, 2008).

Explore how some intrinsic and extrinsic factors shape customers' service perceptions and firms' profitability (Grönroos, 1982); for example, Service Profit Chain (SPC) model (Heskett et al., 2008) and NPS (Reichheld, 2003) indicate that improving customer service attributes can improve profitability. Davis et al. (1989) postulate that perceived ease of use and usefulness factors influence customers' behaviour in using new technology perceived usefulness, trust, and self-efficiency are predictors of customers' use of e-banking (Alalwan et al., 2016), but generally in DB experience contexts, different factors may be applicable, which need to be explored.

Telephone, internet and mobile have become major DB service channels, making them important for banks' survival, through the advantages of convenience, and anytime, anywhere service access (Sundarraj and Wu, 2005; Daniel, 1999; Mols, 2001). Some researchers argue that e-banking services facilitate good customer services, which retain customers (Martins et al., 2014). These three digital devices offer different interfaces and choices to customers, with telephone banking being the earliest. There have been fragmented studies in DB, with authors studying individual channels or focusing attention on only few variables among those explored in this paper.

Amin (2016) and Raza et al. (2015) study internet banking service quality and its relationship to customer loyalty, while Jun and Palacios (2016) study mobile banking service quality. Although this type of study offers advantages in certain contexts, a comprehensive study is required to understand customers' general view of DB experience and financial performance.

DB enables banks to develop services for customers, cut costs associated with sending statements by post and face-to-face transactions with customers in branches. Nowadays, customers expect to have similar levels of interactions in DB and social media

Journal of Bank Marketing, Importantly, Maklan and Klaus (2011) recommend that researchers should explore which dimensions of customer experience are important for organisational performance. This will enable bank marketing to maximise financial performance,

through customer experience, loyalty and satisfaction, and share of wallet. Their study was conducted in contact services and may not fulfil the needs of DB. However, it reinforces the need to explore significant relationships among customer characteristics and the various explanatory and dependent variables used in this study, since these clarify customer experiences that will support successful digital bank marketing

Most research in customer experience explores consumer perceptions (Holbrook, 2000) and customer experience management (CEM) (Schmitt, 2004). Berry et al. (2002) suggest that the first step in CEM should be defining all the clues that a firm communicates to customers, to determine whether the company is meeting them. Findings in this paper could provide clues on interface design, functionality, usability and quality of service, from customers' experience of DB, areas that have previously received limited attention

customer satisfaction and loyalty (Grönroos, 1984), as in this study. Although DB is ubiquitous among all mainstream banks, there is still a need to understand the impact of DB on bank financial performance, especially for different customer segments (Keisidou et al., 2013; Patsiotis et al., 2012; Garg et al., 2014 investigate customer experience in their model and found convenience to be the most important factor, followed by customer interaction, employees, speed, services cape, core service, online functional elements, presence of other customers, value addition, service process and online factors are moderately significant.

These findings relate to a prior study (Eisa and Alhemoud, 2009), that focused on measuring customer satisfaction e- banks. Garg et al., (2014) consider both online and offline activities (e.g. Servicescape), which relate to the physical environment of services, while DB experience should involve direct customer interaction through the online interface. This study considers factors which are related to online activities only.

1.4 Objectives

The research aim to probe in to the following objectives:

To study their customer level of engagement in the e-banking

To analysis the experience of the customer usage and satisfaction about e-banking

To identify customer management in the digital world

To measure theprogress and involves customer's in implementing and refining improvements.

1.5 Methodology

The researcher has used both primary and secondary data. The primary data is collected from the respondents through questionnaire's schedules prepared by the researcher exclusively for this study. The study design is based on qualitative and quantitative research method has been prepared and administered for data collection. Percentage analysis has been used to measure the degree of awareness and deliberate attempt was made to give a fair representation to various attributes of the customer's viz. age group, occupation and income of the customers. The secondary data has been collected from websites, standard text books and from various published articles and journals.

1.6 Sampling design

The convenience sampling technique has been adopted and 150 respondents have been taken as sample from Sivakasi Town(Little Japan) for the present study, due consideration has been given to draw respondents from illiterate(interview has been taken), professionals, business persons, Teenage and others.

1.7 Area of the study

The area covered for the study is Sivakasi Town. About 150 questionnaires were distributed in sivakasi area using this sampling .

1.8 Limitation of the study

- The study has been restricted to Sivakasi Town owing to time .
- The customers interested in answering the Questionnaire .
- Due to time constraints the sample size is restricted to 150.
- This study concentrates on digital bank customers which limits its generalizability to other cities and towns. However, the fact that the findings are potentially robust for digital banking management. Replicating the study in e-banking among the customer's will further enhance this robustness.

1.9 Future generation

The managerial implications of the results hinge on the above customer experience factors. Bank managers will know the factors that make a customer accept one bank's DB over another, which should be considered when implementing DB. Improving these factors can help capture and retain customers; making them accept DB and stay loyal, leading to financial

performance improvement. Perceived values (e.g. cost saving, better deals, online interaction, enjoyment and time saving) play a crucial role. To improve customer experience, banks should offer value added services, improve service quality, functional quality and security. Bank employees should constantly engage with customers through feedback to be attuned to their requirements. More customers access services through internet banking than other channels, and mobile banking demand is on the increase. This emerging trend indicates that managers should invest in and focus more on mobile banking services. Therefore, as more mobile banking technologies emerge, banks will have to balance customer needs with design and security issues, and ensure that different customers' needs are fulfilled to improve loyalty and customer retention is possible.

The research needs to be replicated in banks and extended to other countries, for example developing countries in Africa. Africa is one of the up and coming continents where mobile payments and DB are beneficial due to the large population living in remote areas. Further research is needed to understand whether there are other factors that affect bank's customer experience and financial performance in those contexts. Extending the research to specific banks and bank employees' perceptions will triangulate the results with those from customers' perceptions. Covering all these additional lines of research will help to develop more robust digital bank marketing theory in future. In India is also one of the upcoming developing country where mobile payment and DB are pros due to the large population living in remote area. It's give a great impact on economy development.

1.10 challenge in netbanking

Whilst there is so much more to be said about the challenges and opportunities for banking in the digital era, especially in India, here are some important opportunities that we should seize:

- We have the largest penetration of mobile infrastructure than ever before.
- We have a government and regulator that have been promoting the development of a strong digital economy.
- The start-up machinery of India, especially the FinTech boom, has given a chance to all banks and NBFC to connect with agile and brilliant start-ups and take these solutions to their customers.

The first steps on the digital banking journey have been primarily focused on culture changing from tradition to modern world and adding to the existing offering using new technology-enabled services to increase the convenience and value for customers. The most prominent examples are mobile apps, e-wallet solutions, and personal finance management (PFM) in this tools can enhancing their services in the digital era. Install new decision-making authorities that allow for faster innovation. Banks worldwide are on the move.

1.11 awareness of e-banking in sivakasi town

The rapid development of E-banking services carries risks as well as benefits. Technology is expected to be the main facilitator of change in the financial sector. Implementation of technology solutions involves huge capital outlay. Besides the heavy investment costs, technology applications also have a high degree of obsolescence. Electronic banking is one of the truly widespread avatars of E-commerce over the world. Banking is a combination of two, Electronic technology and Banking. Electronic Banking is a process by which a customer performs banking Transactions electronically without visiting their banks. E-Banking denotes the provision of banking and related service through Extensive use of information technology without direct recourse to the bank by the customer. The most of the bank customers are aware about all the banking services in Virudhunagar District of Tamil Nadu. The banks further have to take necessary steps to educate the customers regarding the new technology and other services offered by the banks.

1.12. FINDINGS, CONCLUSIONS AND SUGGESTIONS

It is observed from the results and discussion that majority of the E-banking users. The aim of the study was to strengthen understanding of customer experience and engagement in the online environment.

1. The results shows a gender distribution of (70%) males and (30%) females , which enable the results accommodate male and female opinions.
2. About (89%) of the respondents fall in to the 25-65 age group of active in earners.
3. About (96%) of the respondents have college and other professions, university level education which makes them literate enough to use digital banking effectively.
4. The results also indicate that (89%) of participants are customer's engaged in the e-banking .

5. It is found that majority (31%) of the respondents are having the customer loyalty experience for a period of 1-6 year.
6. (65%) for more than 7years and(4%) for less than a year.
7. (82%) of the respondents mostly used services in Mobile banking is account enquiry, e-wallet, e-payment , money transaction etc....
8. (45%) of the respondent of customer's comfort to visting the bank.
9. (55%) of the respondents of customer's engaged with the digital world .
10. The result found that majority (53%) of the respondents have felt that security of online transactions are highly secured.
11. Majority (73%) of the respondents have that mobile banking charges are low and quick way to access the transaction details.
12. It is found that majority (62.35%) of the respondents are highly satisfied in the e-banking facilities.

1.12.1. Suggestion

This research examines online environments and online customer experience in a very general way discussing all dimensions of the experience that were defined in the framework.

In future, also certain one dimension could be investigated to enhance understanding about online interactions between consumers and bankers. For example, studies focusing solely on the social dimension of online customer experience in different online environments would give interesting results of consumer behaviour.

This perspective would offer interesting insights, especially if combined with aforementioned more inclusive notion of online environment, even referring to it as online ecosystems.

Furthermore for future research is to study how the customer experience differs in online environments when the consumers under observation belong to different demographic groups.

Therefore, as more mobile banking technologies emerge, banks will have to balance customer needs with design and security issues, and ensure that different customers' needs are fulfilled to improve loyalty.

Covering all these additional lines of research will help to develop more robust digital bank marketing theory in future.

1.13. Conclusion

The research begins with presenting answer to the research questions. Majority of the respondents have felt the on e- transactions are convenient and highly secured, safety provisions are high. The respondents are highly satisfied in the digital world. To conclude, the limitation of this study are evaluated and lastly suggestion for future are also presented .

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