

An Analysis of Digital Banking Services at Federal Bank

Dr. P. Karthika

Assistant Professor & Head, PG Department of Commerce,

S.A.College of Arts & Science, Chennai

Email: karthikaponnuraj@gmail.com Orcid id: 0009-0005-1800-7563

Abstract

Digitalization within the banking sector has progressed from basic customer services to a comprehensive digital framework aimed at generating revenue and enhancing customer experience. The advent of new technologies and platforms, including social media and smartphones, has significantly altered customer behavior. The notion of a fully digital cash economy is no longer merely a futuristic concept, although the complete obsolescence of physical cash remains improbable in the near future. This paper aims to investigate the awareness and utilization of digital services in banks, with a particular focus on Federal Bank. Additionally, this study examines the availability and accessibility of digital services. Finally, the paper evaluates the level of customer satisfaction with digital services at Federal Bank. Our findings indicate that the public holds a favorable view of the digitalization of banks.

***Keywords:** Digitalization, e-banking, Customer Satisfaction, Fed Book, Fed Mobile.*

I. Introduction

The digital transformation of banking institutions has evolved from basic customer service enhancements to a comprehensive digital model aimed at revenue generation and improving customer experience (Schatt, 2014). In contemporary times, customer perceptions have shifted due to the integration of technology and platforms, including social media and smartphones. Banks require a well-defined digital strategy to accelerate their growth and develop an effective customer service model (Skinner, 2014). Digital payments have gained support from major technology companies entering the platform, with the Unified Payment Interface (UPI) gaining popularity through both existing and new applications such as BHIM (Bharat Interface for

Money). According to the Reserve Bank of India (RBI), digital payments in August 2018 were 82% higher than in October 2016 (Vaidya, 2018). Furthermore, the Bank of India's annual report released in 2019 indicates that all payment and settlement systems, including NEFT, IMPS, UPI, and card payments, experienced a 44.6% increase in volume and an 11.9% increase in value (Wewege, 2019).

II. Objectives of the study

1. To examine the awareness and usage of digital service of FederalBank.
2. To examine the availability and accessibility of digitalservices.
3. To study the level of satisfaction of digital service among the customers of Federal Bank.

III. Methodology of study

Both primary and secondary data were utilized to acquire factual information. Primary data was collected through questionnaires distributed via Google Forms, while secondary data was sourced from various journals, articles, magazines, and websites. A sample of respondents was selected for the study using the convenience sampling technique. The collected data was analyzed using simple statistical tools such as percentages and frequencies, and the results were presented in tables and figures.

IV. Review of Literature

(M, 2009) This study mainly focuses on the factors influencing the adoption of internet banking. This study exposes and integrates the various advantages of online banking to form a positive factor named perceived benefit. Also, this study shows the integration of the technology acceptance model (TAM) and theory of planned behavior (TPB) model with recognized risk and benefit. The findings of this study indicated that the intention to use online banking is adversely affected security risk and positively affected recognized benefits, attitudes, and perceived usefulness.

(T, K, & H, 2004) Online banking services have been rapid in many parts of the world, and the number of e-banking contracts is increasing. This investigates online banking acceptance

in the light of the traditional technology acceptance model (TAM) which is attached to the online environment. In this study, the researcher developed a model indicating online banking acceptance among the private banking customers in Finland. The findings of this study indicate that recognized usefulness and information on online banking on the website were the important things affecting online banking acceptance.

(S, J, & G, 2003) This study extends an area of information system research into the marketing of financial service context by looking into the elements of trust and risk in e-banking. The researcher proposed a conceptual model of trust in e-banking with two main antecedents that influence customer trust in recognized security and privacy. The researcher also defines trust as a function of the risk involved in the e-banking transactions. The finding of this study suggests that the outcome of the trust is proposed to be reduced with perceived risk and leading to positive intentions towards the adoption of e-banking.

(A, 2002) This study addresses the limitations such as conflicting conceptualizations of the trust construct, inadequate attention, and causes and effects of electronic commerce. This paper also reveals the theoretical conceptualization and empirical validating of a scale to measure individual trust in online firms. This proposed scale gets into three key dimensions of trust namely trustee's ability, kindness, and integrity. The researcher in this study expected that the scale presented in this study will assist future empirical research on trust in online entities.

(Z & M, 2002) In this study, consumer attitudes towards the usefulness of and willingness to use internet e-retail banking were identified and measured. The survey of this study was conducted in Singapore because the geography and well-developed infrastructure implied similar and small physical and telecommunication costs. The data collected showed that the expectation of accuracy, security, network speed, user involvement was the most important quality attribute underlying the recognized usefulness. The finding of the study draw attention to demand-side changes in explaining the recent slow down in internet e-retail banking and may also be useful for development planning and marketing.

V. Data Analysis and Interpretation

Awareness and usage of digital service of Federal Bank

Table 1: - Awareness of Digital Service of Federal Bank

Digital Service	Yes (number of respondents)	Yes %	No(number of respondents)	No %
ATM	50	100	0	0
CDM	32	64	18	36
Mobile Banking	42	84	8	16
Internet Banking	45	90	5	10
Fed Mobile	35	70	15	30
Fed Book	30	60	20	40

Source: Primarydata, N=50

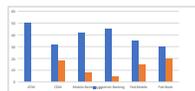


Figure1: Awareness of Digital Service of Federal Bank Wise Distribution

From the above table(1) and figure (1) it is clear that 100% of the respondents are aware of ATM, 64% of the respondents are aware of CDM and 36% of the respondents are unaware of CDM,84% of the respondents are aware of mobile banking and 16% of the respondents are unaware about mobile banking,90% of the respondents are aware of Internet Banking and 10% of the respondents are unaware about Internet Banking,70% of the respondents are aware of Fed Mobile and 30% of the respondents are unaware about Fed Mobile,60% of the respondents are aware of Fed Book and 40% of the respondents are unaware about FedBook.

Table 2: Usage of Digital Service of Federal Bank Wise Distribution

Digital service	Always	Sometimes	Rarely	Not used
ATM	30 (60%)	20 (40%)	0	0
CDM	25 (50%)	15 (30%)	5 (10%)	5 (10%)
Mobile banking	25 (50%)	10 (20%)	7 (14%)	8 (16%)
Internet banking	24 (48%)	9 (18%)	11 (22%)	6 (12%)
Fed Mobile	2 (4%)	11 (22%)	10 (20%)	27 (54%)
Fed Book	3 (6%)	13 (26%)	5 (10%)	24 (48%)

Source: Primary Data, N =50

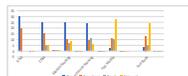


Figure2: Usage of Digital Service of Federal Bank

From the above table (2) and figure (2), it is clear that most of the respondents often use the digital service provided by the Federal Bank like ATM, CDM, internet Banking Mobile Banking. But most of the respondent doesn't use digital services like Fed Mobile and FedBook.

Availability and Accessibility of Digital Service

Table 3: Availability and Accessibility of Digital Service

Digital Service	Often	Sometimes	Rarely	No
ATM	0	0	5 (10%)	45 (90%)
CDM	2 (4%)	3 (6%)	5 (10%)	40 (80%)
Mobile Banking	3 (6%)	2 (4%)	7 (14%)	38 (76%)

Internet Banking	1 (2%)	4 (8%)	3 (6%)	42 (84%)
Fed Mobile	12 (24%)	10 (20%)	7 (14%)	21 (42%)
Fed Book	15 (30%)	17 (34%)	9 (18%)	9 (18%)

Source: Primary Data, N=50

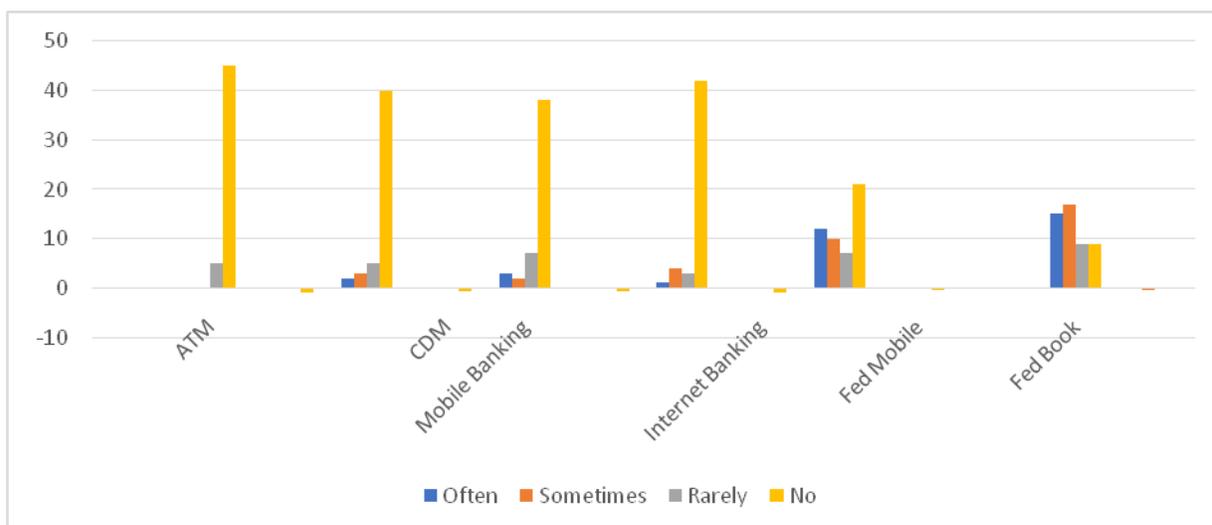


Figure3: Availability and Accessibility of Digital Service

From the above table (3) and figure (3), it is clear that most of the respondents say that there is no problem in accessing Federal Bank digital transactions through ATM, Mobile Banking, and Internet Banking. But often there is a problem in accessing transactions through Fed Mobile and FedBook.

Satisfaction on Digitalization of Bank

Table 4: - Satisfaction on Digitalization of Bank

Digital service	Very Satisfied	Satisfied	Good	Unsatisfied
ATM	27 (54%)	20 (40%)	3 (6%)	0
CDM	16 (32%)	22 (44%)	9 (18%)	3 (6%)
Mobile Banking	25 (50%)	18 (36%)	7 (14%)	0
Internet Banking	24 (48%)	15 (30%)	11 (22%)	0
Fed Mobile	15 (30%)	25 (50%)	6 (12%)	4 (8%)
Fed Book	21 (42%)	23 (46%)	1 (2%)	5 (10%)

Source: Primary Data, N=50

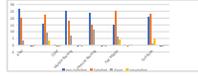


Figure 4: Satisfaction on Digitalization of Bank

From the above table (4) and figure (4), it is clear that most of the respondents are satisfied by the digital service provided by the Federal Bank.

VI. Findings

- The majority of the respondents were aware of Federal Bank's digital service.
- Most of the respondents are using federal bank digital services like ATM, CDM, Internet Banking, and Mobile Banking. But respondents rarely use digital services like Fed Book and Fed Mobile.
- The major part of the respondents had a positive opinion of the digital service of the Federal Bank about their availability and accessibility except for Fed Book and Fed Mobile.
- The majority of the respondents were satisfied with digitalization.

VII. Suggestions

The broader concept of digitalization encompasses the use of electronic means to conduct banking activities. Banks should endeavor to attract more customers to digital banking. Enhancements in the user-friendliness of Fed Book and Fed Mobile are necessary. Updating

the current digital infrastructure is essential to attract the influx of future customers. Additionally, staying abreast of current digital trends is crucial for maintaining a competitive edge. The adoption of transformative technologies such as Artificial Intelligence (AI) could be beneficial.

VIII. Conclusion

The digital transformation at Federal Bank has not only enhanced operational efficiency but also improved customer satisfaction by offering seamless, reliable, and timely services. By leveraging advanced digital platforms, the bank has streamlined transactions, reduced processing times, and minimized errors, which collectively contribute to a superior banking experience. Furthermore, Federal Bank's commitment to continuously upgrading its digital infrastructure ensures adaptability to evolving customer needs and market trends. This proactive approach positions the bank to maintain its competitive edge and foster long-term customer loyalty. Embracing emerging technologies such as Artificial Intelligence and data analytics could further personalize services and optimize decision-making, reinforcing Federal Bank's reputation as a forward-thinking, customer-centric institution.

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