

Perception of Customers On Impact of Digitalisation of SBI Banking System

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Abstract

Digitization is the change of information into a computerized design with selection of Technology. Selection of digitalization is vital for the financial area. Innovation Adoption of digitalization is vital for the financial area. Innovation Adoption of digitalization is vital for the financial area. By accepting digitalization, banks can give upgraded client administrations. This gives accommodation to clients and helps in saving time. Digitalization diminishes human blunder and along these lines assembles client loyalty. Today, individuals have nonstop admittance to banks because of internet banking. Overseeing a lot of money has additionally gotten simpler. Digitalization has additionally profited clients by working with credit only exchanges. The paper appraises the perception of customers on the digitisation of SBI in Gadwal District, Telangana.

Keywords: Digitisation, Banking System, Impact, Perception, Customers

1. Introduction

Digital transformation is no longer an option for banks but it is a dire necessity. Nevertheless, not all banks have successfully navigated this transition. Many face challenges in terms of technological adoption, cultural resistance, regulatory compliance, and return on investment. There is a simmering pressure for evaluating the tangible and intangible impacts of digital transformation on banking operations, workforce capabilities, customer satisfaction, and overall competitiveness. Digitalization is the process of changing information into a digital format and involves the adoption and use of digital technologies to transform business processes, activities and models. Managers should protect these technologies by placing them in new organizations working with future customers (**Gans, 2016**). The key trends include changing customer expectations, evolvement of new competitors, changing regulatory policies and changing business models (**Reserve Bank of India, 2021**). Analog information such as text, images and sounds is converted into digital formats which can be processed and stored electronically. Utilizing digital technologies such as computers, smart phones, software applications and networks to automate tasks, improve efficiency and enable new capabilities.

Applying digital technologies innovates business models, streamline operations, enhance customer experiences, and create new revenue stream. They facilitate instant communication and connectivity through digital channels such as email, messaging apps, social media, and video conferencing. Managing and analyzing large volumes of data (big data) to derive insights, make

informed decisions, and personalize services. Automating repetitive tasks and processes through digital tools and technologies to increase productivity and reduce costs. Influencing how individuals interact, communicate, work, learn, and consume information in a digital-first world. Digitalisation is not just about adopting technology but also about leveraging it strategically to drive innovation, competitiveness, and growth across various sectors of society and the economy. It is a fundamental aspect of the broader digital transformation sweeping across industries globally. Collaborating with FinTech companies and applying agile approaches will help Indian banks expedite their digital transformation activities, allowing them to differentiate themselves in a competitive market (Sankar, 2022). Some areas including the speed of transformation, organizational culture and work environment and middle management perspective are considerably under-developed (Nadkarni and Prugl, 2021). Strategic partnerships with FinTech firms, tech vendors and partners are crucial for enhancing digital capabilities and customer experiences (Sinha et al., 2020).

OBJECTIVE

1. To analyse how computerisation has influenced customers in using internet banking services for their daily financial operations

RESEARCH METHODOLOGY

By harnessing random sampling the data has been collected from 500 customers including students, self-employed, business and professional personnel in Gadwal Town of Telangana State.

RESULTS AND DISCUSSION

Demographic Characteristics

Demographic characteristics are the measurable statistical data of a population, used to define, analyze, and segment groups based on attributes like age, gender, income, education, occupation, marital status, and race/ethnicity. These factors are critical for understanding population composition, market segmentation, and for social, economic, or public health planning. The demographic characteristics of the respondents have been discussed below.

Age

The first demographic characteristic is age. It is ascribed certain roles, behaviours, motivations, interests, and concerns to people of certain ages. The distribution of people across different life stages often used to predict future trends and consumer behaviour. Age and gender are the two main ways we categorize people: a teen-aged boy, an elderly lady, a middle-aged man; a young mother. The age of the respondents is presented in the Table 1.

Table 1
Age of the Respondents

Sl. No.	Age (Years)	No. of Respondents	Percentage
1	Below 25	190	38
2	25 to 35	120	24
3	35 to 45	105	21
4	45 Above	85	17
Total		500	

The table portrays that 190 respondents (38 %) are in less than 25 years, 120 respondents (24 %) to the age category of 25 -35 years, 105 respondents (21 %) are in the age category of 35 - 45 years and 85 respondents (17 %) have above 45 years of age. By and large, out of 500 respondents, majority of respondents (38 %) are below 25 years.

Gender

Gender is a core demographic characteristic referring to the social, cultural, and psychological, rather than purely biological, distinctions between individuals. It shapes roles, behaviours, and opportunities. The gender of the respondents is furnished in the Table 2.

Table 2
Gender of the Respondents

Sl. No.	Gender	No. of Respondents	Percentage
1	Male	357	71
2	Female	143	29
Total		500	100

The table explicitly shows that 357 respondents (71 %) are males while 143 respondents (29 %) are females. Above all, majority of the respondents (71 %) are males.

Occupation

Occupational demographic characteristics categorize populations by job type, employment status, and industry to analyze socioeconomic status and behaviour. These factors, influenced by age and education, are crucial for marketing, research, and policy. The occupation of the respondents is presented in the Table 3

Table 3
Occupation of the Respondents

Sl. No	Employment	Frequency	Percentage
1	Students	160	32
2	Self-employed	120	24
3	Professionals	110	22
4	Business	80	16
5	Others	30	6
Total		500	100

The table portrays that 32 percent of the respondents were students, 24 percent were self-employed, 22 percent of the respondents are professionals and have business or professionals, 16 percent belong to business and 6 per cent are others. Out of 500 respondents, majority of 32% of the respondents were students and 24% were self-employed.

Annual Income

Annual income is a critical demographic variable used for socioeconomic profiling, market segmentation, and assessing financial well-being. It is the total amount of money earned by an individual or household, typically calculated before taxes on a yearly basis.

Table 4
Annual Income of the Respondents

Sl. No	Annual Income (Rs.)	Frequency	Percentage
1	< 100000	56	11
2	100000 - 500000	147	29
3	500000 - 1000000	157	32
4	1000000 - 1500000	94	19
5	>1500000	46	9
Total		500	100

The table shows that 11 per cent of the respondents' have an annual income of less than Rs 1,00,000, 29 per cent of the respondents' have annual income between Rs 1,00,000 and Rs 5,00,000, 32 per cent of the respondents have between Rs.50,00,000 and Rs.10,00,000, 19 per cent of the respondents have an annual income of Rs.10,00,000 - Rs.15,00,000 and 9 per cent have above Rs 15,00,000. By and large, majority of the respondents (32 %) have an annual income of Rs.50, 00,000 and Rs.10, 00,000.

CUSTOMERS' PERCEPTION ON IMPACT OF DIGITISATION

Duration

The customers are using the digital services for quite a long time. The information on how long the customers are availing the digital services has been presented in the Table 5.

Table 5
Duration of using Digitisation services

Sl. No	Duration	Frequency	Percentage
1	< 1 Year	156	32
2	1- 2 Years	171	34
3	2- 3 years	107	21
4	3 – 5 years	45	9
5	➤ 5 Years	21	4
Total		500	100

It is obviously observed from the table that 156 respondents (32 %) are availing the digitisation services for 1 year, 171 respondents (34 %) are availing the digitisation services for 1 to 2 years, 107 respondents (21 %) are availing the digitisation services for 2 to 3 years, 45 respondents (9 %) are availing the digitisation services for 3 to 5 years and 21 respondents (4 %) are availing the digitisation services for more than 5 year. It is concluded that majority of the respondents (34 %) are availing the digitisation services for 1 to 2 years.

Preference

Preference of the customers on a particular banking digital service depends on several factors. The information, on what reasons the respondents preferred SBI services, has been elicited and the details are dovetailed in the Table 6.

Table 6
Preference of Customers for SBI

Sl. No	Customers Preference	Frequency	Percentage
1	Have a traditional bank account with the same bank	140	28
2	Brand Name of the SBI	190	38
3	Excellence Services offered by the SBI	170	34
Total		500	100

The table presents that 140 respondents (28 %) choose SBI internet bank since they have a traditional bank a/c with the same bank, 190 respondents (38 %) choose this particular bank due to the brand name of the bank and 170 respondents (34 %) choose since they have been offered excellent services by the bank. Above all, it is concluded that majority of the respondents (38 %) choose SBI bank due to the brand name of the bank.

Type of Transaction

The information on the type of transactions made by the respondents has been elicited and the details are furnished in the Table 7.

Table 7
Type of E-banking

Sl. No.	Customers Preference	Frequency	Percentage
1	Tele-banking	60	12
2	Electronic Banking	75	15
3	Mobile Banking	365	73
Total		500	100

The table shows that 60 respondents (12%) tele-banking, 75 respondents (15%) use Electronic Banking and 365 respondents (73%) use Mobile Banking. By and large, it is concluded that majority of the respondents (73%) use Mobile Banking.

Frequency of using e-banking services

Customers utilise e-banking services for various operations. The information on how the customers are using the e-banking services has been elicited and the details are furnished in the Table 8.

Table 8
Frequency of using e-banking services

Sl. No.	Frequency of using e-banking services	Frequency	Percentage
1	Payment of Bills	115	23
2	Check Balance	50	10
3	Transfer of Funds	245	49
4	Print Statements	25	5
5	Others	65	13
Total		500	100

The table presents that 115 respondents (23 %) use digital banking for payment of bills, 50 respondents (10%) use digital banking for checking balance, 245 respondents (49%) use digital banking for transfer of funds, 25 respondents (5%) use digital banking for printing statements and 65 percent uses digital banking for other purposes. Above all, it is perorated that nearly 50 per cent of the respondents use digital banking for transfer for funds.

CONCLUSION

The era of digitalization refers to the period in history marked by the widespread adoption and use of digital technologies across various aspects of society, economy, and culture There is a need for development of a customized digital transformation strategy for Indian banks to address the unique challenges and opportunities of the Indian banking industry and align with the objectives of Digital India and financial inclusion. Successful digital transformation can enhance customer experience, operational efficiency and create new business models that benefit the Indian economy.

Out of 500 respondents, majority of respondents (38 %) are below 25 years. majority of the respondents (71 %) are males and 32% of the respondents are students and 24% are self-employed. Majority of the respondents (32 %) have an annual income of Rs.50, 00,000 and Rs.10, 00,000 and majority of the respondents (34 %) are availing the digitisation services for 1 to 2 years. majority of the respondents (38 %) choose this SBI bank due to the brand name of the bank. that majority of the respondents (73%) use Mobile Banking. nearly 50 per cent of the respondents use digital banking for transfer for funds. Indian banks can take several recommendations to overcome challenges in implementing digital transformation initiatives, including developing a clear strategy, building a digital culture, addressing cyber security and data privacy concerns, partnering with FinTechs and collaborating with regulators and policymakers. To remain competitive, Indian banks need to embrace digital transformation strategies that are customer-centric, innovative, agile and data-driven, investing in digital infrastructure, talent development, change management and creating a customer-centric culture.

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