



A STUDY OF PERCEPTION OF SELF-EMPLOYED PERCEPTIONS TOWARDS DIGITAL BANKING INITIATIVES AT BELTHANGADY (D.K)

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ABSTRACT

Today our society is undergoing a series of change, every customer expects better & better services from the organizations. Banking is also one such industry today which is not exempted from this. Service industry has to still transform a lot in the amidst of changing trends. Taking care of esteemed customers, managing the competition, understanding the present client requirements requires lot of out of box thinking. Banking practices have been changed from traditional banking to core banking; services have been turned to be completely customized. The biggest challenge before the bankers is it has to take strong initiative taking into consideration the completely changing physical environment, depleting natural resources & on the other hand meeting the expectations of the customers. Today we are witnessing climatic change, increasing use of papers & also emission of carbon footprint. A time has come where bankers have to educate & encourage their customers to go paperless & use technological based products. This will foster convenience in transactions, save a lot of time & also reduce operational costs, moreover it will help in preserving our planet earth even for forthcoming generations. This study focuses on understanding the perception of self-employed professionals at Belthangady in Dakshina Kannada district.

Keywords

Exempted, Transform, Requirements, Esteemed, Customized & Professionals.

Introduction:

Presently sudden changes taking place in physical climatic conditions is not a good sign for the country as well as her people. This will increase heat in the atmosphere, spread epidemic diseases & will continuously have a negative impact on human health. A study conducted by a leading research firm in the world have clearly reported that the rapid cause for this abrupt climatic change is due to the destruction in our natural resources, tampering our natural ecosystems, increasing fast urbanization by cutting & clearing more than required trees (reducing greenery & increasing pollution), using more air coolers (AC) etc. The impact of this will be directly witnessed on human

beings & this will lead to reduced life span of human lives, becoming victims to strong deadly epidemic diseases & also the threat to our younger generations too. Government of India on the other side has directed the firms to take up corporate social responsibility. Coming to the part of the banks, they have a better role to play here. On one side their staffs must motivate their customers to take up paperless banking (Mobile, Internet, POS swiping & UPI payments).

Impact of covid-19 on regular business transactions of self-employed professionals:

In the initial stages when whole country was affected by pandemic covid-19, whole markets shaken as it was very difficult to accept the reality



and come out with newer methods of making payments & also business transactions. The share of enterprises accepting only traditional methods of making & accepting the payment drastically came down. This made the professionals to go with the modern methods of banking & also accept all major digital methods of payments so that both self-employed as well as customers were benefitted. Most of the documents were also turned paperless. On the other side, following the protocols of pandemic such as maintaining social distancing, washing hands frequently etc. promoted digital transactions only, because accepting physical currencies there was a fear that pandemic will spread faster. Government was also reporting that certain areas were hotspots for faster spread of covid-19.

The transactions undertaken through paperless banking & digital payments post covid-19 has the following advantages to the customers & also the self-employed professionals. These benefits were as follows:

- This will completely reduce transaction time & the costs associated with the same.
- Reduce consumption of paper resource (Paperless) & saves our trees.
- Reduce standing in a queue in a bank waiting for your turn to get the service.
- Reduced bank visits during business hours
- Anytime, anywhere banking.
- Better technological education (Use of Apps).
- Increased efficiency of transactions.
- Instant payments
- Proper maintenance of payment records
- No risks of carrying cash
- Immediate confirmation of payments received.

Here we find that this will also help in reducing customer travel time & also consumption of additional fuel. Customers can have easy access to their transactions on time freely without hassles of paperwork. Today banks are forced to carry out research from time to time to improve their

products & services, also to bring all their products in their sites. Digital banking products & services are very recent in the industry but have made vast remarkable strides in the recent years. Customers find more easy & convenient to carry out their transactions by sitting in a particular place itself. Younger generations who are very much tech savvy have a taste for digital banking products of the bank. Presently the following products & services are available in the banks for the convenience of their customers & these are as follows:

- 1) Green savings & current accounts.
- 2) Green Mortgages.
- 3) Green Loans.
- 4) Green credit cards.
- 5) Green Insurance
- 6) Green NRI accounts & deposits.
- 7) Green Demat accounts & other subsidiary products.

Digital banking services presently offered by the banks to its customers are as follows:

- 1) E –Statements
- 2) E- cheque books
- 3) Mobile banking
- 4) Phone banking.
- 5) Miss call facility
- 6) Dedicated Relationship Managers.
- 7) Call centers for enquiry
- 8) Toll free numbers.
- 9) Bill payment services.
- 10) Mobile & DTH (Cable) recharges
- 11) Fund transfers
- 12) RTGS (Real time gross settlements)
- 13) UPI payments

He above services are directly offered by the banks to their customers. Presently a study conducted has witnessed that the users of these services are found more in urban areas & in the rural areas most of the customers are not even



aware of these services. The common reasons for this is that

- 1) Customer's freedom of privacy in carrying out their financial transactions may be lost as they have to depend on some one.
- 2) Fear of technical problems & transactional failures.
- 3) Theft & loss of funds.
- 4) Lack of technological awareness.
- 5) Resistance to change as they are comfortable with old age banking.

Self-employed professionals are busy in their regular business schedules on normal working days carrying out their normal business & business transactions. Once they are completely tied up at their place of operations, they have very less time to keep moving to the banks, carry out their normal transactions, and honor their financial commitments. When banks have taken paperless transaction initiatives it has been widely appreciated by the self-employed professionals. Most of them have even encouraged their fellow mates as well as their customers to use the same. In other words this has also lead to the advent of cashless transactions which will set them free from holding & carrying physical cash & giving room for unexpected risks. Banks can also reduce their printing costs. Most of the self-employed professionals at the study area (Belthangady) have installed POS (Point of Sale) machines & also downloaded mobile banking apps of their respective banks. This will benefit their business too by encouraging customers to go for additional purchases.

Objectives of the study:

- 1) To study digital banking & its benefits Post Covid-19
- 2) To understand the awareness level of self-employed professionals on digital banking initiatives of their banks.
- 3) To study the perception & satisfaction of respondents towards digital banking post covid-19.
- 4) To give findings based on analysis carried out in the study.

Methodology

Covid-19 has bought lot of changes in making payments & carrying out business transactions. Whole country was left out with only option of accepting digital payments. It was difficult for self employed to proceed with the earlier traditional payments. Therefore, they couldn't resist the rapid change that had taken place in finance industry & were forced to implement the same at the earliest. This study, conducted in a small geographical area tries to find solution about what self-employed professionals perceive about digital banking practices.

Data for this study is taken from both primary & secondary sources. Primary data is collected from questionnaire given to the respondents & also by oral interview. Secondary data is taken from Banking journals, Annual reports of the banks, Books, newspapers & related websites. The collected data is then tabulated & analyzed using Non parametric test.

Size of the sample for this study is restricted to 50 respondents at belthangady town of DK district which is considered as the study area. Method of sampling used in this study is convenient sampling. Respondents chosen are self-employed professionals running their own business. Specifically the targeted audience is 10 kirana store owners, 8 footwear dealers, 6 vegetable & fruit vendors, 12 hardware shop owners in the town, 4 bakeries & 10 mobile & electronic shop owners.

Scope of the study:

As the numbers of customers are increasing day to day & are swiftly getting aware about digital banking initiatives & technology based products also, its concern for saving future resources it is very much useful to them in one or the other ways or in one or the other situations. Still it is very necessary to disseminate knowledge for all major customers especially those who are staying in the rural remote areas where technology is still beyond their reach but are experiencing negative impact of climatic change. One of the major hurdle that need to be crossed here as early as possible is power cuts, signal & network problems etc. This is the prime



reason why rural population still are comfortable with traditional banking systems & are very much reluctant to accept the changes in modern banking trends. Banks should still put lot of efforts to educate them & if possible, help them to undertake technology-based transactions, also post covid-19 it became inevitable for all self-employed running different businesses to acclimatize with the changes faster. It is possible to carry out higher research by taking salaried class or a common man to understand about usage of digital banking services post covid-19. This can be done by taking larger samples & wider study area.

Limitations of the study:

- 1) Only fifty respondents are taken for this study, as the number of entrepreneurs is lesser.
- 2) Smaller geographical area is selected due to the paucity of time.
- 3) Data is collected from the self-employed in their deep busy schedule & a few of them after their business hours as everything has to match perfectly.
- 4) Only public sector banks are more in the study area & hence they are taken, private sector banks are not taken in this study.
- 5) Since self-employed entrepreneurs were reluctant to respond to the financial matters, questions pertaining to their business turn overs are not asked.

Data analysis

Data is analyzed from the responses given by the respondents. These responses are obtained through data collections from the questionnaires given to respondents

Table 1: Age of the respondents

Age	Number of respondents	Percentage (%)
21 – 30	22	44
31 – 40	16	32
Above 41	12	24
Total	50	100

Source: Primary Data

Table 2: Gender of the respondents

Gender	Number of respondents	Percentage (%)
Male	44	88
Female	06	12
Total	50	100

Source: Primary Data

Table 3: Nature of business of respondents

Nature of business	Number of respondents	Percentage (%)
Dealer	12	24
Distributor	14	28
Trader	24	48
Total	50	100

Source: Primary Data

Table 4: Present Bank of respondents

Bank	Number of respondents	Percentage (%)
Union Bank of India	16	32
SBI	08	16
Canara	24	48
Bank of Baroda	02	04
Total	50	100

Source: Primary Data

Table 5: Banking experience of respondents

Banking experience (in years)	Number of respondents	Percentage (%)
Less than 3	16	32
3 – 5	20	40
Above 5	14	28
Total	50	100

Source: Primary Data



Table 6: Awareness of respondents on digital banking

Awareness level	Number of respondents	Percentage (%)
Highly aware	30	60
Aware	20	40
Total	50	100

Source: Primary Data

Table 7: Respondents purpose of digital banking post covid-19

Purpose	Number of respondents	Percentage (%)
Convenience	20	40
Environmental concern	12	24
Time and cost saving	18	36
Total	50	100

Source: Primary Data

Table 8: Type of digital banking transactions carried by respondents post covid-19

Type	Number of respondents	Percentage (%)
Mobile, internet banking &UPI	35	70
POS machine	15	30
Total	50	100

Source: Primary Data.

Table 9: Perception rating of digital banking by respondents post covid-19

Perception rating	Number of respondents	Percentage (%)
Excellent	10	20
Good	14	28
Average	18	36
Satisfactory	08	16
Total	50	100

Source: Primary Data

Table 10: Satisfaction level of respondents on digital banking

Satisfaction level	Number of respondents	Percentage (%)
Highly satisfied	14	28
Satisfied	24	48
Not satisfied	12	24
Total	50	100

Source: Primary Data

Chi square test

Chi square test is used in this study to test the association of two attributes. It is given by

$$\text{Chi square} = \sum (O - E)^2 / E$$

Where 'O' is the observed frequencies and 'E' is the expected frequency and degree of freedom is $(r - 1)(c - 1)$. If chi square calculated is greater than chi square tabulated, null hypothesis is rejected and if chi square calculated is lesser than chi square tabulated then null hypothesis is accepted.

1) H0: Awareness level and its purpose of usage is independent of each other

Awareness level	Purpose of using digital banking			Total
	Convenience	Environmental concern	Time saving	
Highly aware	14	07	09	30
Aware	06	05	09	20
Total	20	12	18	50

Chi square calculated is 0.8963 and the table value of Chi square at degrees of freedom $(r - 1)(c - 1)$ '2' is 5.991. Hence table value of Chi square is higher than calculated value. Null hypothesis is accepted.

2) H0: Usage of digital banking services and satisfaction level of respondents are independent of each another



Digital banking services	Satisfaction level			Total
	Highly satisfied	Satisfied	Not satisfied	
Mobile and E-Banking & UPI Payments	09	19	07	35
POS machine	05	05	05	15
Total	14	24	12	50

Chi square calculated is 1.954 and the table value of Chi square at degrees of freedom $(2 - 1) (3 - 1) = 2$ is 5.991. Hence table value of Chi square is higher than calculated value. Null hypothesis is accepted.

Major findings

- 1) Most of the respondents are males in gender.
- 2) Respondents with banking experience of 3 – 5 years are higher in number.
- 3) 60% of the respondents are highly aware about digital banking transaction.
- 4) 40% of the respondents use digital banking for their convenient transactions.
- 5) 70% of the respondents use mobile banking and E-banking and the rest 30% transact through POS machine.
- 6) 36% of the respondents perceive digital banking as average.
- 7) 48% of the respondents are satisfied with digital banking services.
- 8) Purpose of taking up digital banking and the respondents awareness level on the same are independent of one another (Chi square test).
- 9) Usage of digital banking services and the satisfaction level of respondents are independent of one another. (Chi square).

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The following suggestions are given by the respondents which are worth considering:

- 1) Educating rural women folk and senior citizens on how to use digital banking.
- 2) Awareness campaign has to be made from time to time to educate and encourage customers to opt for digital banking.
- 3) Time to time incentives and rebates should be provided for any transactions carried out through digital banking. This will not only motivate them but also influence other customers to go for the same.

Conclusion

Digital banking initiatives are taken to save our resources as well as our forth coming generations. This will not only help the customers in carrying out their transactions with speed, efficiency and convenience but also help the bankers in increasing their customer size and volume of their business. Digital banking will be the future of our Indian banking, as preferably our younger generations wants the same. They prefer to carryout banking transactions without visiting bank branches. Post Covid -19, it has become inevitable for any entrepreneur to accept the change because financial transactions were carried out through digital means like usage of cards (POS) & UPI payments where QR scanners were used which captures relevant financial data through which it was possible to make payments. Now it's the time to accept the reality that is moving digital & providing options for digital payments. This can get major portion of customers for retail vendors. Earlier this was restricted only to urban locations only, but now these options are open even in the rural & semi urban areas too. Since connectivity issues are slowly going to be addressed, in the future days digital banking (Digital banking through digital payments) will surely find a prominent place especially when business transactions are carried out.



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