

# A Comparative Analysis of Customer Satisfaction towards Traditional and Digital Banking

Manasa Devineni

Post Graduate Diploma in Management (2022 - 2024)

(Triple Specialisation - Finance, Marketing, Business Analytics)

Siva Sivani Institute of Management, Kompally, Secunderabad - 500100

Roll No: 31 – 081

**Abstract:** *This research study aims to explore and compare customer preferences and satisfaction with traditional and digital banking services. The study collected data through a survey questionnaire from 157 respondents. The findings indicate that while electronic banking is on the rise, a significant minority still uses traditional banking services. The study also highlights the importance of connectivity, accessibility, security, speed, and overall user experience in banking services. The research provides valuable insights for financial institutions to enhance their strategies and improve customer satisfaction in the evolving landscape of traditional and digital banking.*

**Keywords:** Financial institutions, transformative technology, customer satisfaction, traditional and digital banking, self - reported data, nuances of client choices.

## 1. Introduction

The research paper explores the evolving dynamics of customer satisfaction in the banking sector, specifically comparing traditional brick - and - mortar banking with the growing digital banking landscape. As customers become more tech - savvy, the study delves into the crucial factors influencing satisfaction in both traditional and digital banking, shedding light on their strengths and weaknesses. The research aims to answer key questions about drivers of satisfaction, variations between traditional and digital banking, the impact on loyalty, and the influence of demographic and socio - economic factors. The study employs an extensive literature review, empirical data analysis, and customer surveys to provide insights for banks, policymakers, and stakeholders to optimize strategies. In a rapidly transforming industry, understanding customer preferences is vital for shaping the future of financial services. The research also acknowledges the impact of the COVID - 19 pandemic, emphasizing the relevance of digital solutions in times of crisis. The paper adopts a comprehensive approach to analyze the multifaceted dimensions of customer satisfaction, considering convenience, accessibility, security, speed, and user experience. Challenges and opportunities for both banking models are discussed, along with the impact of regulatory considerations. The study recognizes the convergence of traditional and digital banking, emphasizing the importance of customer satisfaction as a guiding factor for the industry's future. The research aims to bridge the existing knowledge gap, offering insights that contribute to a fair and customer - centric financial landscape. It highlights the role of demographic factors, customer behavior, and preferences in shaping banking choices. The growth trends in traditional and digital banking are explored, revealing the steady expansion of traditional banking and the rapid growth of digital banking driven by technological advancements and cost efficiency. The research identifies a gap in the literature, emphasizing the need for a more comprehensive

comparative study on customer satisfaction in the broader context of traditional and digital banking.

## 2. Problem Statement

"Unravelling Customer Preferences and Satisfaction in Banking Services: A Comparative Exploration of Traditional and UPI - Based Approaches" - The research was conducted through a questionnaire with 157 respondents, which provided the basis for the analysis of customer satisfaction with traditional and digital banking services offered.

## 3. Objectives of the study

- To Assess customer satisfaction with traditional and digital banking services.
- To Identify the key factors affecting customer satisfaction with traditional and digital banking services.
- To compare customer satisfaction with traditional and digital banking services.
- To gain insight into how traditional and digital banks can improve their customer satisfaction.
- To identify key trends in customer satisfaction with traditional and digital banking services.
- To investigate differences in customer satisfaction between different types of customers, such as retail customers, corporate customers, and small and medium enterprises (SMEs).
- To investigate the effect of customer satisfaction on customer loyalty and advocacy.
- To make recommendations for traditional and digital banks on how to improve customer satisfaction.

## 4. Limitations of the Study

**Limited Sample Size:** The study's small sample size of 157 individuals may restrict the generalization of findings to a broader population.

**Sampling Technique:** Simple random sampling was used, introducing potential sampling errors and limitations in representing diverse demographics of traditional and digital banking customers.

**Self - Reported Data:** Reliance on self - reported data through surveys introduces potential biases like social desirability or recall bias, impacting response accuracy.

**Limited Scope:** The study's focus on customer satisfaction may overlook other critical aspects of banking functions, such as financial services or regulatory compliance.

**Timeline Ambiguity:** The study collected data over multiple periods, but no specific information was provided about the duration or potential time - related influences.

## 5. Research Methodology

This survey compares how satisfied customers are with traditional and digital banking services. The research methodology is made to give a thorough explanation of the study's constraints, sample selection, collecting data, analysis of data, and research objectives.

**Research Design:** A descriptive research design is going to be applied to this research. The questionnaire method is intended to collect primary data as part of the research design. The survey questionnaire will be used to collect information from both traditional and digital banking customers. The questionnaire was designed to extract data on customer satisfaction with banking services provided by banks (Traditional and Digital Banking).

### Sampling Technique:

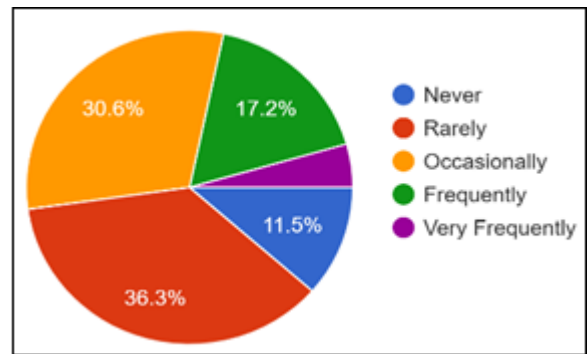
- Data Type: Primary Data
- Measurable Variables Considered: Convenience, Accessibility, Security, Speed, and Overall banking experience.
- Data collection method: Self - Reported Data (Survey Method – Questionnaire).
- Sample Size: 157.
- Survey Population Sample Type: Random Sampling.

The survey's sample will be chosen using a Simple random sampling technique. Customers of traditional and digital banking who use these services will be the study's population. The sample size will be determined using the sample size determination formula. The sample size was 157 individuals, where different categories of people, like Student, Employed, Self-Employed, Retired etc., with different age groups and genders, were involved.

## 6. Analysis and Findings

The Interpretation and analysis of the data gathered through the survey questionnaire are shown below:

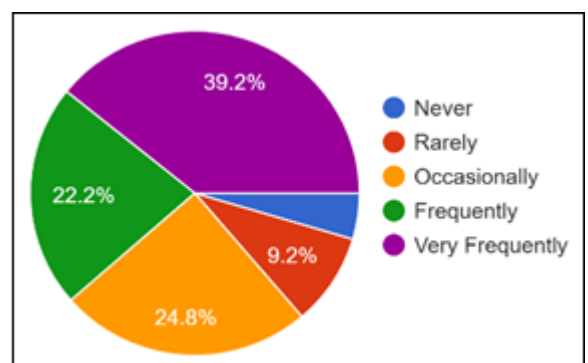
### 1) How frequently do you use traditional banking services (e. g., visiting a physical bank branch) ?



**Figure 1:** Frequent usage of Traditional Banking Services

The above diagram reveals the proportion of individuals who, for example, drop in at a bank division at least occasionally. The outcomes demonstrate that 36.3% frequently utilize customary banking amenities, 17.2% regularly, 11.5% sometimes, and 30.6% never or occasionally employ them. This signifies that most individuals still use customary banking amenities, at least occasionally, although electronic banking is on the rise. Nevertheless, it should also be pointed out that a noteworthy minority, 30.6%, never or seldom use customary banking amenities. There are explanations for this. Some individuals prefer to use electronic banking due to its convenience and accessibility. Others may have undergone adverse occurrences with customary banking amenities in the past. And others simply don't require or desire customary banking amenities. In general, the pie diagram illustrates that customary banking amenities remain important to many. However, it is also evident that as electronic banking expands, the significance of customary banking amenities may persist, waning in the future.

### 2) How frequently do you use UPI - based banking services (e. g., mobile apps, online platforms) ?



**Figure 2:** Frequent usage of UPI Based Services Banking

The above diagram illustrates the count of consumers of UPI - linked financial services, e. g., Mobile phone apps, internet platforms, sometimes. The findings demonstrate that 22.2% of the participants frequently utilize UPI - linked financial services, 24.8% frequently, 9.2% occasionally, and 39.2% never or rarely employed. This implies that most of individuals still infrequently employ UPI - linked financial services. However, it should also be noted that a significant minority, 46.2%, frequently or frequently utilize UPI - linked financial services. Some individuals Favor employing traditional financial services, such as visiting a physical

bank outlet, because they perceive it to be more secure. Others might lack access to a smartphone or the internet, both of which are necessary to utilize UPI - linked financial services. Overall, the pie diagram indicates that UPI - linked financial services have not yet been broadly adopted in India.

3) On a scale of 1 to 5, please rate the convenience of using traditional banking services

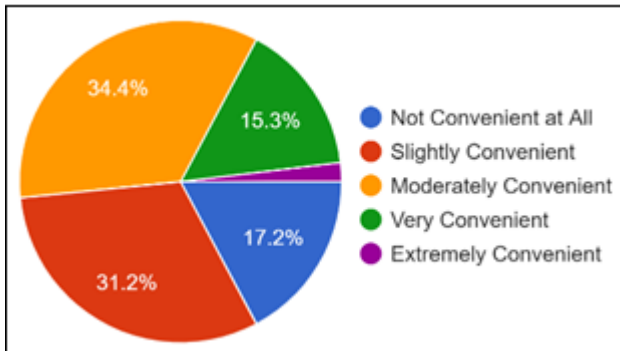


Figure 3: Convenience of using Traditional Banking Services

The above diagram displays the proportion of individuals who claim it's simple to utilize customary banking amenities on a scale of 1 to 5. The findings demonstrate that 31.2% of the participants rank the simplicity of utilizing customary banking amenities as extremely straightforward, 34.4% mention easy, 15.3% as acceptable some time, 17.2% mention not at all straightforward, and 1.9% mention extremely straightforward. This implies that most individuals discover customary banking activities at the very least moderately satisfactory. Nonetheless, it should also be observed that a noteworthy minority, 17.2%, consider customary banking amenities highly inconvenient. Overall, the Pie diagram indicates that customary banking amenities are accessible to many people. However, it is also evident that there are individuals who find customary banking operations inconvenient. Banks are endeavouring to enhance the accessibility of their amenities for all customers.

4) On a scale of 1 to 5, please rate the convenience of using UPI - based banking services

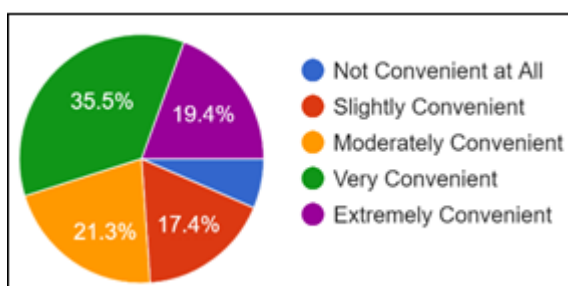


Figure 4: Convenience of using UPI Based Banking Services

The visual image above shows the results of a survey that questioned the intensity of the use of UPI - related financial solutions, with scores ranging from a scale of 1 to 5. Grade one means "just hard," while a rating of five means

"surprisingly easy." Another 19.4 % felt it was "partially smooth" while 21.3% said it was "very smooth". " In contrast, 17.4% felt it was "exceptionally smooth" and 6.4% said it was "clean great" In this study, majority (54.9%) did not consider UPI based banking services as customer friendly However, there were few respondents (43.2%) considered the ease of using this service is described as "quite convenient". Moreover, UPI - based banking systems can be cheaper than transaction methods such as cash or credit cards and playing cards Finally, technical issues such as slow transactions or outages of exporters may arise in the entirely UPI - based financial system.

5) How easy is it for you to access traditional banking services when needed?

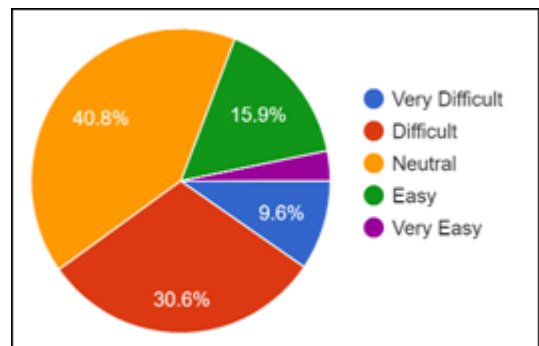


Figure 5: Easy Accessibility of Traditional Banking Services

The figure provided above shows the results of a survey that examined the level of individuals seeking assistance in basic financial services Based on the aggregated responses, 40.8% indicated that banking activity is used in custom is very difficult, while 15.9% said it requires a lot and 9.6% said. reported a neutral experience, While 30.6% said it was easy and only 3.1% thought it very easy. This study shows that most of the participants (56.7%) faced various difficulties when trying to access conventional banking services even though only 3.1% found them easily accessible. Overall, the study suggests that conventional banks have a lot of room for growth. The findings clearly highlight the potential for improvement in traditional banking activities.

6) How easy is it for you to access UPI - based banking services when needed?

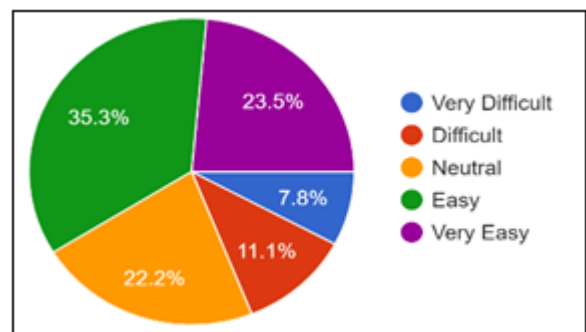


Figure 6: Easy Accessibility of UPI Based Banking Services

The above diagram depicts the findings of a survey inquiring individuals to rate the simplicity of reaching UPI - dependent banking amenities when required. Of those replies, 35.3% of individuals stated that it is exceedingly

simple to access UPI - dependent banking amenities, 22.2% stated that it is simple, 11.1% stated that it is neutral, 7.8% stated that it is arduous, and 23.5% stated that it is exceedingly arduous. This indicates that the majority of individuals surveyed (57.5%) discovered it simple or exceedingly simple to access UPI - dependent banking amenities when required. However, a notable minority of individuals surveyed (31.3%) discovered it arduous or exceedingly arduous to access UPI - dependent banking amenities. Overall, the Pie diagram implies that UPI - dependent banking amenities are comparatively simple to access for most individuals. However, there is still scope for improvement in rendering UPI - dependent banking amenities even more accessible, particularly for those who are struggling to utilize them presently.

7) How confident are you in the security measures of traditional banking services?

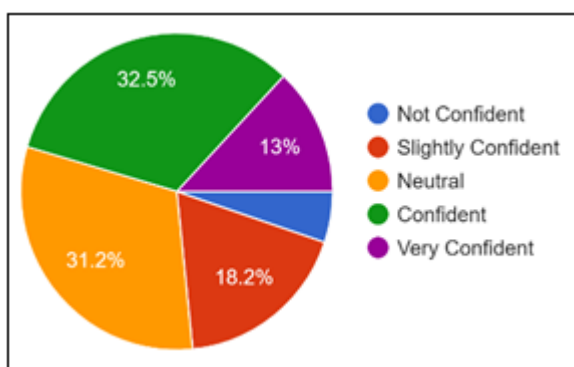


Figure 7: Security Measures of Traditional Banking Services

The above pie chart displays the outcomes of a survey inquiring individuals how certain they are in the safety precautions of conventional banking amenities. Of those replies, 32.5% of individuals stated they are highly certain, 18.2% stated they are certain, 31.2% stated they are impartial, 13% stated they are slightly certain, and 5.2% stated they are not certain. This indicates that the bulk of individuals surveyed (50.7%) are certain or highly certain in the safety precautions of conventional banking amenities. Nevertheless, a significant minority of individuals surveyed (18.2%) are not certain or slightly certain in the safety precautions of conventional banking amenities. In general, the pie chart proposes that most individuals have faith in the safety precautions of conventional banking services. However, there is still an opportunity for enhancement in establishing trust in the safety precautions of conventional banking amenities, particularly for those who are not certain or slightly certain in them currently.

8) How confident are you in the security measures of UPI - based banking services?

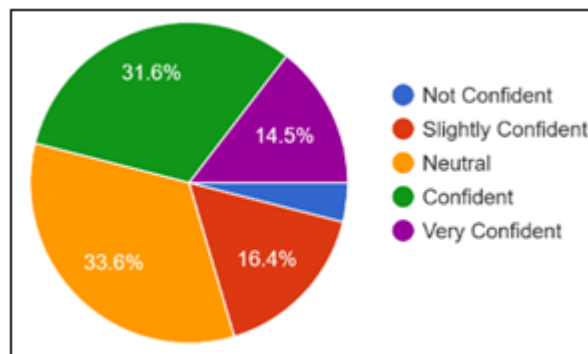


Figure 8: Security Measures of UPI Based Banking Services

The visual representation above presents the outcomes of a survey conducted to inquire about individuals' faith in the protective measures of UPI - oriented financial services. Out of the collected feedback, 31.6% displayed utmost certainty, 14.5% indicated confidence, 33.6% expressed neutrality, 16.4% conveyed slight hesitation, and 3.9% lacked confidence. This data reveals that a considerable portion of respondents (46.1%) possess confidence or feel extremely secure regarding the safety of UPI - based banking services. However, a noteworthy minority (19.3%) expressed skepticism or doubts concerning these security precautions. In general, the pie chart illustrates that the majority of individuals harbor trust in the protective measures of UPI - oriented banking services. Nevertheless, there remains a scope for enhancing trust in these safety measures, particularly for individuals who currently dwell in uncertainty or hold relatively strong beliefs about them.

9) Have you ever encountered any security - related issues while using UPI - based banking services?

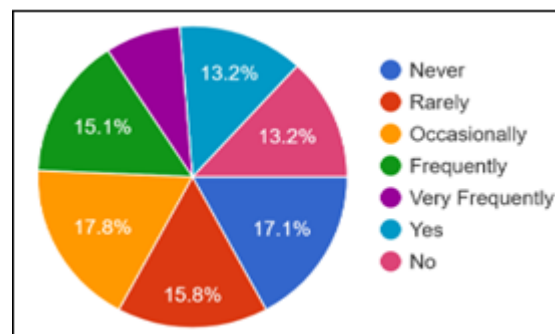


Figure 9: Security Related Measures faced while using UPI Based Banking Services

The figure above shows the results of a survey that sought to measure the level of security in UPI transactions. Of the total responses received, 13.2% of the participants said that they never faced any security issues while using UPI - based banking services while 15.1% admitted that they face security issues on rare occasions only. Another 13.2% admitted that they sometimes faced such problems, while 17.8% said they faced them frequently. In addition, 17.1% of the respondents confirmed that they frequently face security - related problems. These findings indicate that most of the respondents (58.5%) never or rarely encountered security issues in UPI - based banking services but at least a large proportion of the participants (30.9%) have occasionally



experienced safety issues. In summary, the statistics strongly suggest that UPI transactions tend to be secure.

that there is a lot of room for improvement in the transaction speed of UPI - based banking services.

10) How would you rate the transaction speed of traditional banking services?

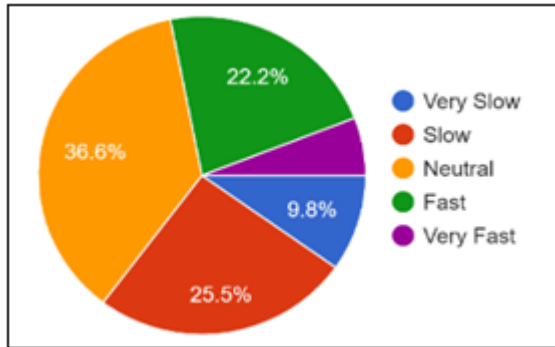


Figure 10: Transaction Speed of Traditional Banking Services

The above diagram displays how individuals assess the velocity with which a transaction is handled by a conventional bank. The findings reveal that most individuals (36.6%) perceive the pace of transactions in traditional banking services as "sluggish". Another 22.2% rate the tempo of the transaction as "extremely sluggish". This suggests that over half (58.8%) are dissatisfied with the velocity of traditional banking services. 25.5% of the participants rate the transaction velocity as "neutral" indicating that they are not particularly content or do not appreciate the velocity of the transaction. Only 9.8% rate connection velocities as "quick" or "very quick". This implies that very few individuals are concerned about how rapidly traditional banking services trade.

11) How would you rate the transaction speed of UPI - based banking services?

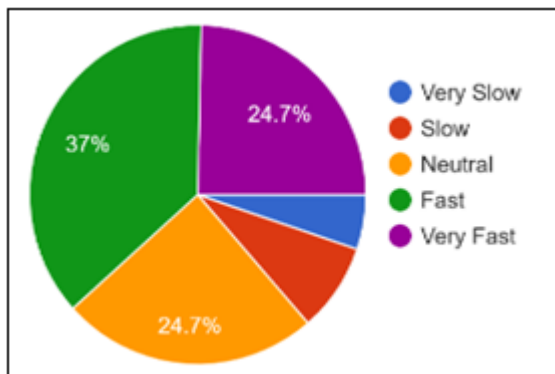


Figure 11: Transaction Speed of UPI Based Banking Services

The graphic above depicts the results of a poll designed to anticipate the speed with which UPI - based banking services handle transactions. The outcomes are as follows: 37% are quite sluggish. The rating is 24.7%. 24.7% are ambivalent. Quickness: 12.3%. Extremely fast: 1.3%. Overall, the data show that the majority of respondents (61.7%) are unsatisfied with the speed with which transactions in UPI - based banking services are completed. 37% believe the speed to be "significantly sluggish," while 24.7% regard it to be "slow." This shows

12) Overall, how satisfied are you with your experience using traditional banking services?

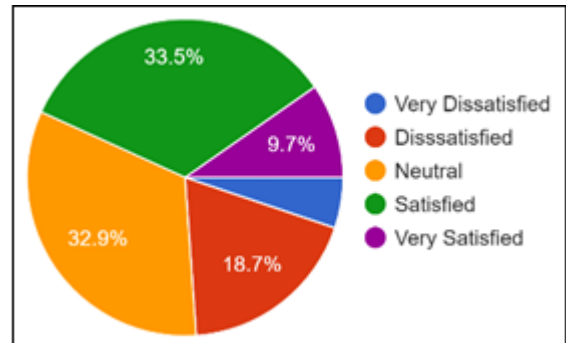


Figure 12: Experience using Traditional Banking Services

The above pie chart illustrates the comprehensive findings from a survey on the contentment levels of customers regarding conventional banking amenities. The outcomes can be summarized as follows: • Unhappy (5.2%). • Unhappy 18.7%. • 32.9% express neutrality. • 33.5% exhibit satisfaction. • 9.7% of the participants are extremely content. In general, the majority of participants (61.3%) favor traditional banking services. Nevertheless, a substantial portion of respondents (38.7%) express discontentment with traditional banking services.

13) Overall, how satisfied are you with your experience using UPI - based banking services?

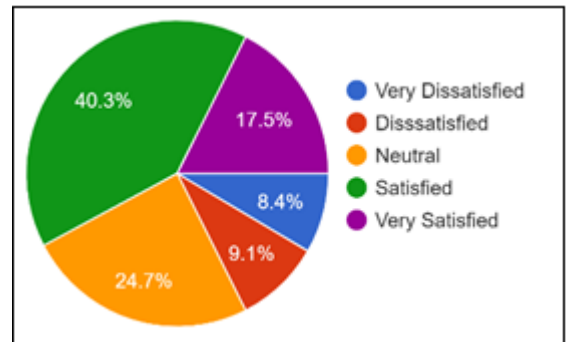


Figure 13: Experience using UPI Based Banking Services

The data visualization depicts the outcomes regarding the computation of user satisfaction in relation to banking services operating through UPI. The outcomes can be summarized as follows: • Highly satisfactory: 12.3% • Improved: 37% • Moderate: 40.3% • The typical measure is 7.1%. • Unfavorable: 3.2%. Generally, the findings indicate that a substantial portion of participants (59.3%) express contentment with the user experience of UPI - based banking services. Nevertheless, a noteworthy percentage (47.6%) remains dissatisfied with the user experience.

14) How likely are you to recommend traditional banking services to others?

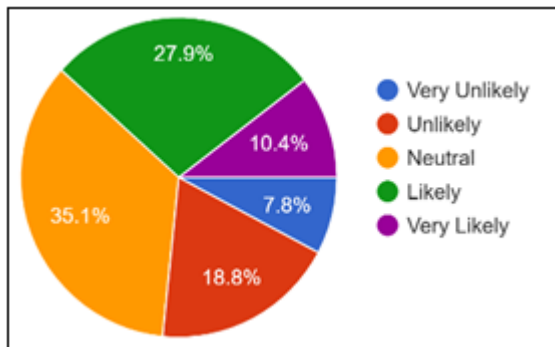


Figure 14: Likely Recommendation of Traditional Banking Services

The results in the pie chart show how likely they are to recommend traditional banking services to others. Overall, the results show that the majority (58.3%) are unable to recommend traditional banking services to others. This indicates a high degree of dissatisfaction with traditional banking services. There are several reasons why respondents are unlikely to endorse traditional banking services has been shared with others. One reason is that traditional banks can earn capital and interest. Another reason is that traditional banks can have a reputation for being slow and inefficient. Furthermore, some respondents prefer to use digital banking services, finding them convenient and easy to use.

15) How likely are you to recommend UPI - based banking services to others?

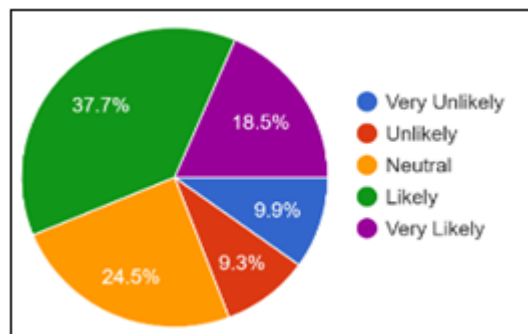


Figure 15: Likely Recommendation of UPI Based Banking Services

The pie chart findings illustrate how likely they are to promote UPI - based banking services to others. In general, the majority of respondents (62.2%) would suggest UPI - based banking services to others. This is a good indicator because it shows that consumers are interested in UPI - based banking services in general. However, it is worth noting that a sizable proportion (28.4%) would not suggest UPI - based banking services to others. This suggests that there is still room for the development of UPI - based banking services.

16) Based on your experiences, which aspect of traditional banking services do you find most appealing when compared to UPI - based banking services?

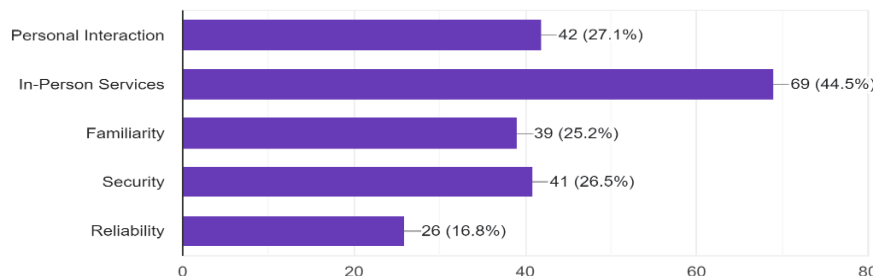


Figure 16: Most Appealing Features of Traditional Banking Services vs UPI - Based Banking Services

The above pie chart shows the results on the most attractive segment of traditional banking services as compared to UPI - based banking services. Overall, the results show that the most attractive features of the traditional banking service are personal contact and personal service. This means that many

people value the ability to be face - to - face with bankers and access real - world banking services.

17) Based on your experiences, which aspect of UPI - based banking services do you find most appealing when compared to traditional banking services?

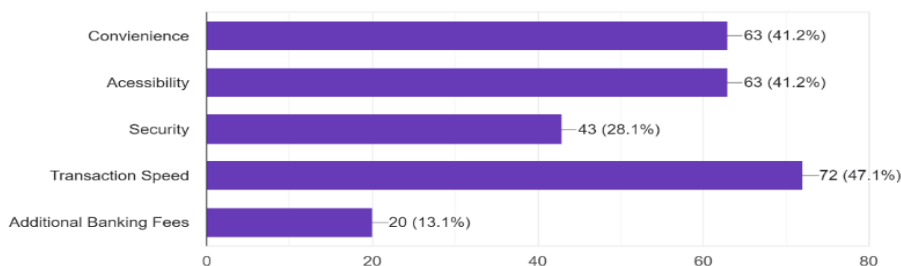


Figure 17: Most Appealing Features of UPI - Based Banking Services vs Traditional Banking Services

The pie chart above depicts the results of the most intriguing part of UPI - based financial services when compared to traditional banking services. Overall, the findings indicate that the most appealing aspects of UPI - based banking services are speed, accessibility, and ease of use. This suggests that individuals value the fact that UPI - based banking services are convenient, easy to use, and allow for quick transactions.

## 7. Conclusion and Recommendation

- 1) Persist to advertise and instruct consumers about UPI - oriented banking services.
- 2) Offer rewards and enhance protection to motivate customers to embrace UPI - oriented banking services.
- 3) Engineer and execute groundbreaking modern UPI - oriented products and services.
- 4) allocate funding for research and development to enhance the protection and efficiency of UPI - oriented banking services.
- 5) Manage and execute public awareness campaigns on UPI - oriented financial security best practices.
- 6) Cooperate with banks and other financial establishments to enlighten customers about optimum security practices.
- 7) Urge banks and other financial institutions to embrace and implement security measures to safeguard consumer data and thwart fraud.
- 8) Expedite the establishment of bank accounts and extend support for smartphones and the internet. Enable the accessibility of UPI - oriented banking services to all.

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