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Influence of Digital Innovations in Banking Factors on Consumers of Banks

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ABSTRACT
Mobile Banking is in most nascent stage in India. After the introduction of plastic money in India, people accepted the change. Until now the trends we see are digitalisation especially after the demonetisation we see that there are changing peoples' attitudes. People wish that they could have known the digitalisation earlier in their lives after knowing the benefits of saving their time, money and energy. Online banking and also Mobile Banking have been a boon after the digitalisation and there are lot of scope that we see in the Mobile Banking space. Banks have realised that the effect of demonetisation will definitely help the Mobile Banking and true we see that the banks are running their businesses without customers visiting banks. The infrastructure investment now is being moved to the virtual space by banks. Acceptance is there and also that the Mobile Banking is secured and has been proving the banking transactions in the hands of the customers and consumer.

Keywords: Mobile Banking , Online Banking & Demonetisation

I.INTRODUCTION

Moving from traditional banking to a digital environment is only one aspect of digital transformation. It represents a significant shift in the way banks and other financial institutions learn about, communicate with, and serve their clients. Understanding digital consumer behaviour, preferences, choices, likes, dislikes, expressed and unstated demands, goals, and so on is the first step in a successful Digital Transformation. And as a result of this transition, companies undergo significant shifts, shifting from a product-centric to a customer-centric mindset. Understanding Financial Consumers in the

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Digital Era, a CGI research, gives some insight on today's digital consumer's wants. Consumers are lifting the bar on their expectations at a time when financial firms appear to be in lockstep with one another. And, They are willing to quit their present bank if their requirements are not satisfied, according to a CGI survey. The Omni-Channel method is the most effective way to understand and transition a business from conventional banking to digital banking. Omni-channel customer service is a multichannel approach to customer service in which all channels are tightly interwoven with the customer at the centre. Customers' channel use patterns are changing, thus banks and credit businesses must focus on providing a consistent customer experience across many contact points. Omni-channel banking is more than an idea; it's an opportunity to boost the bottom line by obtaining insights from consumers' channels, behaviour, and preferences. Customers nowadays are increasingly smart and tech-savvy, and each one need a bespoke banking experience to meet their personal demands. They expect businesses to be aware of their unspoken demands as well as their preferences. As a result, it should come as no surprise that these clients demand the same level of reaction and service from banks. Delivering an Omni-channel experience has become a vital to success in this competitive market environment, from researching new services to establishing an account, checking balances, completing transactions, loans, credits, wealth management, and customer support.

II.LITERATURE REVIEW

The insights from the industrial sector apply to the adoption and spread of digital imaging technology in the banking industry. S curves, in particular, may be used to describe the digital image adoption cycle in various sectors. (Matthew J. Liberatore and Donna Breem 1997) looks at the adoption trends and implementation challenges of digital imaging technologies in the banking and insurance industries. The findings show that an S-curve may be used to characterise image diffusion, and that business size is a strong predictor of adoption choice.

Banks and other financial organisations have long attempted to employ technology for internal usage and communication before moving on to exterior communication and transactions with their consumers. In this process, online banking should not be viewed as a one-off experiment with dubious application, divorced from its past. Following the advent of credit cards in the early 1970s, the next technical step was the invention of an automated machine known as an ATM that could fulfil many of the responsibilities of a human teller. Because a personal computer (PC) provides both visual verification and two-way communication that a telephone and television do not. Despite the large sums of money invested in PC banking, the experiment appeared to have met the same destiny as the telephone and cable networks. The rise of the Internet and the invention of the World Wide Web overcame the shortcomings of the closed systems described above. Internet banking, unlike PC banking, does not need the use of proprietary software or access to a secure network. Anyone with access to the Internet may participate and exchange data with other software programmes from anywhere in the world (SOFIA GIANNAKOUDI, 1999). While a variety of mobile financial services are already accessible, the majority of these

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services are still in the early stages of development and have yet to achieve critical mass. Full-fledged financial apps now need technologies like as GPRS and Java, which are not frequently utilised.

New means of providing banking to customers, such as ATMs and Internet Banking, have been created thanks to technological advancements. As a result, throughout the past three decades, banks have been at the forefront of technological adoption. E-banking was seen as a way for banks to replace some of their conventional branch activities. Banks that used e-banking products/services like ATMs and electronic cash transfers were able to differentiate themselves. The evolution of the e-banking industry can be traced back to the early 1970s, and this research paper uses the Revised Technology Adoption Life Cycle model to develop a framework for technology evolution in e-banking (Shreyan Singh, Sohrab Singh Chhatwal, Taha Mohammed Yahyabhoy, Yeo Chin Heng 2002). For two reasons, banks began to consider ebanking as a way to replace some of their conventional branch services.

A. Because of the high overheads involved with branches, they were highly expensive to set up and maintain.

B. Banks that used e-banking products/services like ATMs and electronic cash transfers were able to differentiate themselves.

Banks' capacity to differentiate themselves on the basis of pricing is restricted since they operate in a very competitive business. New means of providing banking to customers, such as ATMs and Internet Banking, have been created thanks to technological advancements. As a result, throughout the past three decades, banks have been at the forefront of technological adoption. It is critical for banks to synchronise their strategy in response to shifting client demands and technological advancements. The goal of our study is to address a vacuum in the present e-banking literature. The Revised Technology Adoption Life Cycle model is used in this study to create a framework for e-banking technology progression. The section that follows examines the available literature on dynamic innovation models and technical advancements in banking. In Section 3, we propose that a modified version of the model may be used to develop strategies for success at various stages of a discontinuous technology's evolution. The concept is validated in Section 4 by applying it to two discontinuous innovations: ATMs and Internet Banking. In this part, we make predictions on the next paradigm change.

This is consistent from a practical standpoint since the services become more handy for the user if the supplier appropriately supports them. Convenience has been identified as one of the elements that leads to the adoption of mobile payments in previous research (Pousttchi, 2003). Fourth, the perceived ease of use of mobile payment services had an influence on the intention to utilise them. The majority of microbusiness owners who responded to the poll strongly agree that mobile phone payment accessibility is simple.

In order to become a mainstream payment option, mobile payments must become faster, simpler, and more convenient to use, with low transaction costs, widespread availability, and standardised technology. On the payment solution provisioning side, we anticipate that, as the mobile payments framework demonstrates, multiple solutions will be developed for different services, based on the

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amount of the payment (micro or macro) and location (remote or local, manned or unmanned). One conceivable tendency is for operators to operate independently and build solutions such as separate accounts, their own clearinghouse, or their own credit institution without the involvement of banks. This tendency is most likely to occur in the case of m-commerce micropayments, and it is feasible if various participants are unable to work together. It's feasible that banks may build payment solutions without the involvement of operators. Virpi, Niina Mallat, and Matti Rossi Tuunainen, Kristiina In May of 2004.

III.RESULTS & DISCUSSION

Analysis & Interpretation:

The total number of respondents was 499, and the Simple Random Sampling Technique was employed, as well as the IBM SPSS Tool.

Primary data, also known as unreleased data, is data that is acquired for the first time. It is usually gathered from responders. The following categories were used to acquire primary data for this study:

- Data and fact sheets from a database of banking periodicals and publications.
- Through the inputs of responders to a questionnaire
- The information gathered was mostly tabulated, and a master table was created.
- Cronbach's alpha was used to assess sample dependability.
- The most fundamental technique for analysis is percentage analysis.
- Regression analysis is a statistical method for determining the connections between variables.

Table 1: Frequency Table for the question "Please mention the bank sector where your primary account is"

Cooperative Bank	**23**	**4%**
Foreign Bank	**20**	**4%**
Private Sector Bank	**192**	**39%**
Public Sector Bank	**255**	**52%**
Total	**490**	

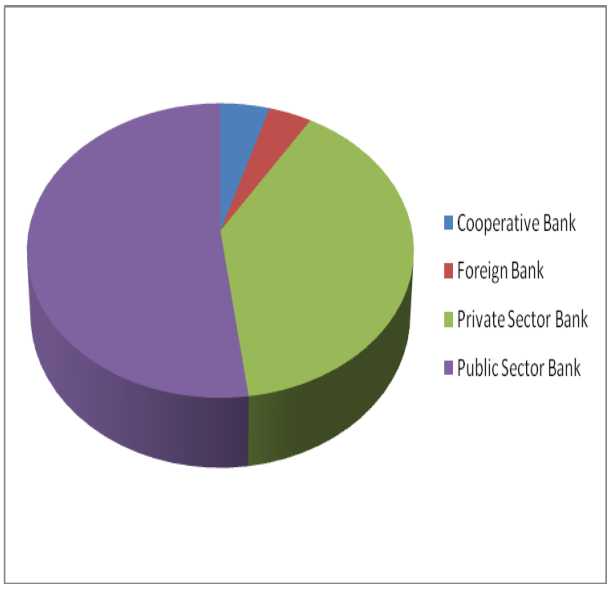

Figure 1: Pie-Chart for "Please mention the bank sector where your primary account is"

"Please identify the bank sector where your primary account is" is the research question. - 39 percent of respondents said their major bank account is with a private sector bank, 52 percent said their primary bank account is with a public sector bank, and 4% said their primary bank account is with a foreign or cooperative bank.

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Table 2: Frequency Table for the question "Do you use Internet banking frequently?"

Yes	**300**	**60%**
No	**199**	**40%**
Total	**499**	

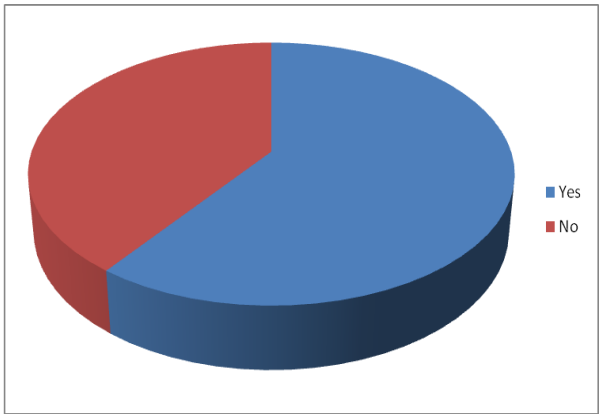

Figure 2: Pie-Chart for "Do you use Internet banking frequently?"

For the Research question "Do you use Internet banking frequently?"– 60% of the respondents responded saying they use Internet banking frequently, 40% of the responded saying they don't use Internet banking frequently.

Table 3: Frequency Table for the question "Do you use Mobile banking regularly?"

Yes	**263**	**53%**
No	**236**	**47%**
Total	**499**	

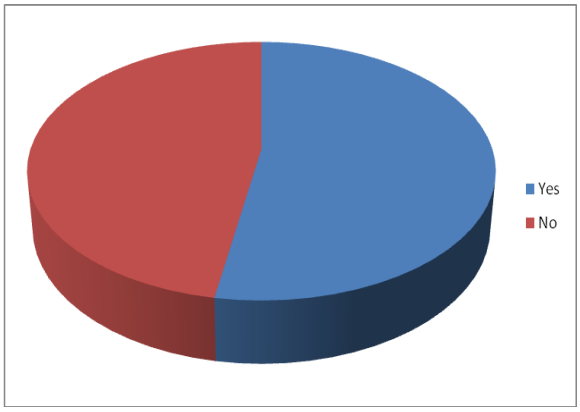

Figure 3: Pie-Chart for "Do you use Mobile banking regularly?"

"Do you use Internet banking frequently?" was the research question. - 53% of respondents said they use mobile banking regularly, while 47% said they don't use mobile banking frequently.

Statement: The Impact of Digital Innovations in Banking on Bank Customers

H01. Digital banking innovations would have little impact on bank customers.

Ha1. Digital banking innovations would have an impact on bank customers.

ANOVA[a]						
Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	6.401	2	3.200	14.018	.000[b]
	Residual	113.239	496	.228		
	Total	119.639	498			

a. Dependent Variable: Do you use Internet banking frequently

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b. Predictors: (Constant), The Internet charges increases with the usage of Mobile Banking services, What features you like the most in the mobile banking?

Model Summary						
Model	R	R Square	Adjusted R Square	Std. Error of the Estimate	Change Statistics	
					R Square Change	F Change
1	.231[a]	.053	.050	.478	.053	14.018

Descriptive Statistics			
	Mean	Std. Deviation	N
Do you use Internet banking frequently	1.40	.490	499
What features you like the most in the mobile banking?	2.88	.953	499
The Internet charges increases with the usage of Mobile Banking services	2.83	1.202	499

Considering the normal distribution, it can be shown that just a few dependent and independent variables were analysed at 95 percent confidence levels. The null hypothesis is rejected and the alternative hypothesis is accepted because the R coefficient is 0.231 and the F value is 14.

IV.CONCLUSION

Traditional financial institutions can still dominate by collaborating, employing, crowdsourcing, and developing innovative solutions that focus on the client experience, even while new entrants change the face of banking. The term "disruption of the banking business" has been bandied about a lot. This is because industry watchers continue to raise the following questions:

- How will innovations (such as marketplace lending or blockchain) affect traditional banking operations?
- Will incumbent banking institutions continue to dominate, or will fintech start-ups disintermediate banking firms?
- Will traditional financial institutions and fintech firms compete or collaborate in the future?

Limitation of the Research:

1. The respondents were found to have a limited understanding of mobile banking services.
2. They were uninformed about the negative consequences of mobile banking.
3. When asked what the difference between online banking and mobile banking was, the

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respondents were hesitant to fill out the form, which led to the probing inquiry.

4. It's possible that the respondent's replies or reactions were skewed.

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