

Growth in Use of Banking in India

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The Digital India initiative is a government-led initiative with the goal of transforming India into a digitally empowered society and learning economy. Digital banking in India has emerged as the preferred banking channel. However, challenges facing expansion of banks' digital footprint in India are formidable. India, with an unbanked population in the order of 190 million adults, has a staggering number of people without access to credit. The Computerized India initiative aims to emphasise self-government while also transforming India into a more active community. The Government of India has launched the Digital India initiative in order to change the entire environment of open organisations using information development and advanced economy. The goal is to transform India into a carefully drew in the public sight and data economy. Digital banking has revolutionised the way we bank in today's society. With Digital Banking, we can transact more quickly, effortlessly, and simply. The phrase "digital banking" refers to banking that is done fully online, without the need of paper documents like checks, pay-in slips, or Demand Drafts. Without needing to physically visit a bank office, digital banking allows users to access and perform all routine banking activities 24 hours a day, seven days a week. Digital banking can be done on a laptop, tablet, or smartphone.

Keywords: Digital Banking, Digital Economy, Society, Online

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Introduction

In India, digital banking started taking shape in the **late 1990s** with ICICI Bank being the first one to bring the service to their retail clients. Digital banking became mainstream only in 1999 as internet charges were reduced and there was increased awareness and trust with respect to the internet. Traditional banking methods have undergone a significant change to current banking methods. With the quick advancement of science and technology, a banking application known as UPI Unified Payment Interface banking has emerged in the contemporary scenario. Traditional banking has been mostly abolished thanks to the introduction of modern platforms such as UPI. Paperless transactions are also becoming more common as a result of online payment platforms.

The Unified Payment Interface services are providing a lot of advantage to clients due to the increasing demand and time factor. In comparison to all of the procedures in banks, the app installation and usage process is pretty straightforward. There are no transaction fees or charges, and the only requirements are a personal mobile phone with internet access, a bank account linked to the UPI app, and an MPIN. All it takes is one click and quick access. Customers can use the services provided by well-known UPI apps such as Google Pay, Phone Pe, Paytm, and Amazon Pay from the comfort of their own homes. Customers are more drawn to using UPI services because of the concept of discount coupons and scratch cards.

The Digital India initiative is a government-led initiative with the goal of transforming India into a digitally empowered society and learning economy. The programme includes tasks aimed at ensuring that government services are attentively available to citizens and that citizens have a front-row seat to the most up-to-date information and technical advancements of the organisation. 'India lives in its villages,' Gandhiji believed, and innovation would aid the villages' development and success. Advanced libraries, online publications, and e-books can be made freely available, which will aid in information exchange. In his speech in California, Prime Minister Modi correctly stated, "Innovation, in my opinion, is a means of enabling and a device for extending the gap between trust and opportunity. Social barriers are being reduced as a result of web-based social networking. It connects people based on their human traits, not their personalities."

In truth, innovation is a scaffold that connects the trust that India's towns would be taught and cognizant of the potential of the internet and access to data from around the world. 'Advanced India' is not just a goal, but also a necessity for this country, where the majority of the population still lacks access to the internet. The Computerized India initiative aims to emphasise self-government while also transforming India into a more active community. Its purpose is to ensure that taxpayer-funded institutions are technologically accessible to natives. Advanced India also refers to the country's ability to collaborate more easily. The Department of Electronics and Information Technology (deitY) anticipates that this programme will have a significant impact on the Correspondence and Information Technology Services. It will focus on providing quick web administrations to its natives and will gradually make administrations available for both the web and mobile platforms. It is believed that significantly more effort is required to ensure that e-Government in the country achieves comprehensive improvement that disseminates electronic organisations, gadgets, and job opportunities.

In addition, the country's electronic collection efforts should be boosted. The Government of India has launched the Digital India initiative in order to change the entire environment of open organisations using information development and advanced economy. The goal is to transform India into a carefully drew in the public sight and data economy.

Banking used to be a time-consuming task. You had to go to a bank branch, hand over a check to a bank employee, obtain a token, and wait for the cashier to call your number if you wanted cash, for example. You had to wait a long time during the first week of the month, when consumers were anxious for cash. All of that, thankfully, is no longer the case. As a result of digital banking, people's business practises have altered. To get cash, all you have to do today is walk to the local ATM, insert your card, and you'll have cash in under a minute! Furthermore, adopting digital allows you to have a paperless banking experience, removing the need for you to keep track of your transactions or financial history through physical documents.

In today's culture, digital banking has revolutionised the way we bank. We can transact more swiftly,

Easily, and simply using Digital Banking. The term "digital banking" refers to banking that is conducted fully online and does not need the use of paper documents such as cheques, pay-in slips, or Demand Drafts. It refers to all types of online banking transactions. Digital banking allows consumers to access and complete all ordinary banking operations 24 hours a day, seven days a week without having to physically visit a bank. Digital banking can be done on a laptop, tablet, or smartphone. There have been two digital revolutions in India: the first on November 8, 2016, when demonetisation was enforced, and the second on March 25, 2020, when the entire country was put on lockdown due to the Corona crisis.

Globally, digital banking users are expected to cross the 3.6 billion-mark by 2024. The statistic isn't completely surprising, and in fact only reiterates what banks and the world in general has known for a while now: The future is digital and banking is no exception to that.

Literature Review

(Gokilavani R, Durgarani R, April 2018), stated that the digital economy is the activity that results from billions of everyday online interactions between people, businesses, devices, information, and processes. Digital India is the consequence of several innovations and advancements. The Digital India mission has failed to make an impact on Indians' lives. Digital India will only start in 2018 when private companies begin to use broadband infrastructure to expand their products and services. This enormous digital economy opportunity has the potential to transform the lives of millions of Indians. (Kumar S.V.S, Kavya Ch., April 2020), stated that the digital banking system has entirely transformed the old banking system in the current circumstances. Digital banking services have largely overtaken the old banking system, with the majority of smartphone users opting to use digital platforms for banking services rather than visiting their banks for financial transactions.

(Reddy N. G, Nikitha B S, January 2019), stated That their paper aims to study the effects of the cashless economy before and after demonetization. Not only people, it also affected the nation's economy, where we came across that GDP raised by 2%. And not only economy, it also affected the stock markets, real

Estate, large-scale and small-scale industries and many other sectors. Demonetization has influenced and also brought in few rigorous changes also in the nation's economy and in transaction mode or method of people too. It has both affected the economy and also been the upper hand for the growth of cashless economy.

Check the progress of digitalisation, c) digitalisation and Demonetization impacts of Indian economy globally and d) cashless economy. (Arner D. W, Barberist J. N And Buckley R. P, 2016) stated that FinTech 3.5, a subset of FinTech, was sparked by the need for development and inefficiencies in the existing financial system, as well as the increasing adoption of FinTech in emerging markets, notably Asia. In both cases, the FinTech sector's growth has piqued the interest of regulators, who are currently evaluating the best ways to support market developments while ensuring that the sector's growth contributes to, rather than jeopardises, core mandates like systemic stability, consumer protection, and market competition.

(Dasho A, Meka E, Shrako G, Baholli I, 2016) stated that Digital banking is a matter of urgency, not academic debate, and digital transformation increasingly extends beyond banks. Digital banking is the application of new and evolving technology across a financial services organisation, together with changes in internal and external corporate and people ties, to deliver more effective and efficient client services and experiences. The implication is that banks must digitise, which is a difficult task because becoming a Digital Bank entails the development of new services based on 21st-century technology. Financial institutions must undertake a business transformation, investing in the gradual refurbishment of old systems in order to provide the digital services that the new generation need while retaining their reputation and avoiding regulatory risk. (Wewege L, Lee J, Thomsett M.C, 2020) stated that By focusing on payments, money transfers, small-medium-business loans, and microfinance, digital-only neo-banks stimulate technical innovation such as digital wallets and messaging peer-to-peer transactions. As the fintech industry grows, the creative breakthroughs that have given the basis for massive disruption in the current digital banking revolution have put in motion an unimagined trajectory of collaboration and consolidation.

Objective of the Research

- To determine the extent to which people are aware of digital banking.
- To learn how often consumers, utilise digital banking.

Research Methodology and Analysis

The study has taken primary data by taking online survey from through random sampling.

The data has been analysed using excel and interpretations has been drawn.

I have taken primary data by taking survey online regarding my topic, also my data is analytical so I have interpreted below:

Age
126 responses

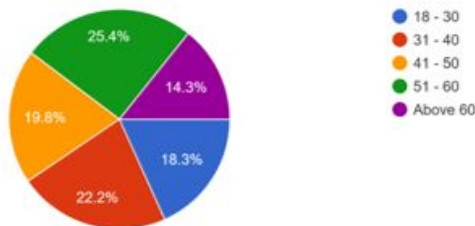


Figure 1. Age group segmentation

Out of 126 responses taken 18.3%, 22.2%, 19.8%, 25.4%, and 14.3% were in the age group of 18-30, 31-40, 41-50, 51-60 and above 60 respectively.

I have taken 18-30 in one measure and other in difference of 10 only because after 18 we consider person as adult and they are not minor.

Gender
126 responses

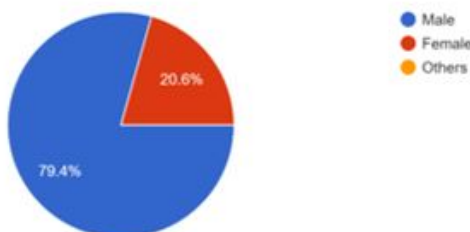


Figure 2. Gender segmentation

Out of 126 responses the respondent we 79.4% of male and 20.6% of female.

Occupation
126 responses

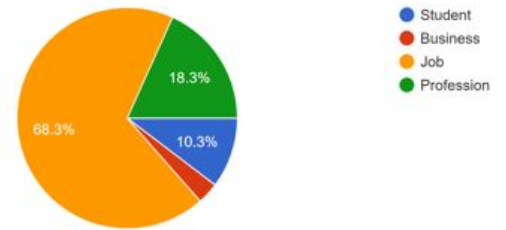


Figure 3. Occupation Categorization

Out of 126 respondents 10.3% were students, 3.2% were from business background, 18.3% were professionals and 68.3% of whole respondents were doing job as their occupation.

126 responses

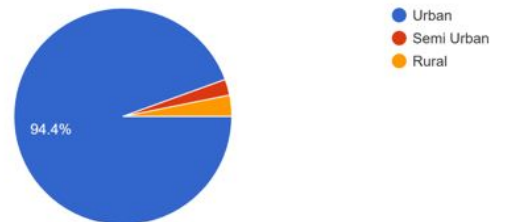


Figure 4. Region of participants living

Out of 126 respondents 94.4% people were living in Urban area, 2.4% were living in Semi urban area and 3.2% were living in rural area.

126 responses

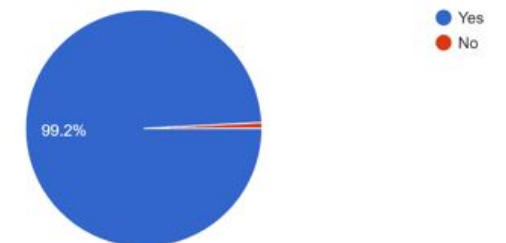


Figure 5. Digital Banking awareness

Out of 126 respondents 99.2% people said that the know about the digital banking services provided by various platforms, and 0.8% people said that they don't know about the same.

126 responses

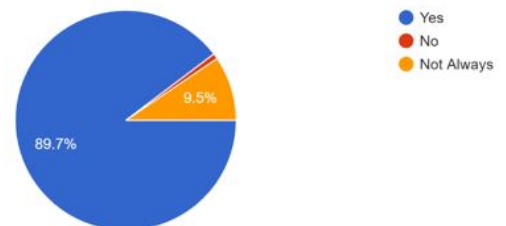


Figure 6. Preference in Cashless Transaction

Out of 126 respondents 89.7% people said that they prefer cashless transaction over cash transaction, 9.5% people said that they don't prefer cashless transaction over cash transaction always and 0.8% people said that they don't prefer for the same.

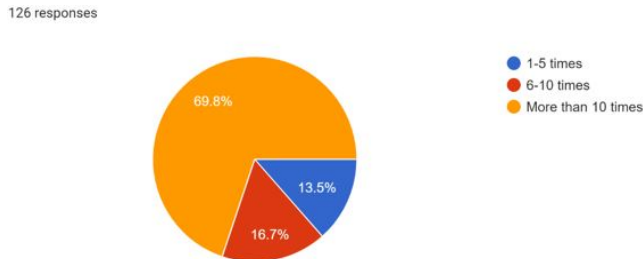


Figure 7. Regularity in the use of digital Banking

Out of 126 respondents 13.5% people said that they use 1-5 times digital banking platform in a month, 16.7% people said that they use 6-10 times digital banking platforms in a month and 69.8% people said they use more than 10 times digital banking platform in a month.

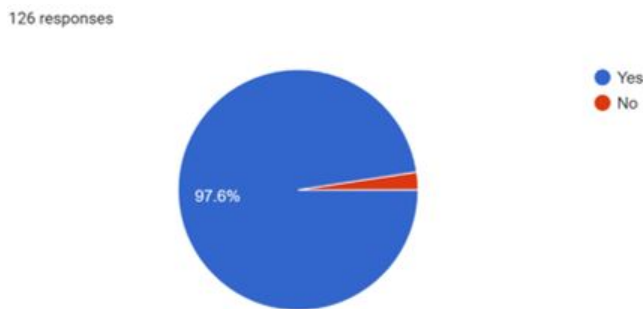


Figure 8. Future of the Digital Banking system

Out of 126 respondents 97.6% people thinks that digital banking would be future of banking system and only 2.4% people thinks that digital banking will not be future.

Question 7: Do you think digital banking has reduced corruption in banking? Kindly specify in percentage.

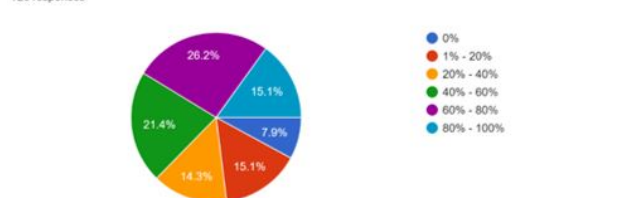


Figure 9. Is digital Banking reducing the corruption?

Out of 126 respondents 15.1% people thinks that corruption has been reduced due to digital banking by 1%-20%, 14.3% people say 20%-40%, 21.4% says 40%-60%, 26.2% says 60%-80%, 15.1% says 80%-100%, and 7.9% says 0%.

Question 9: Is your life hassle free by using digital banking?

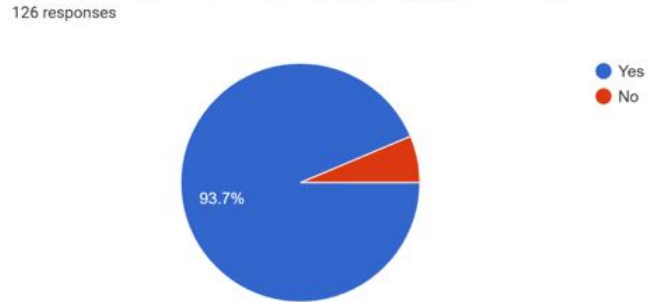


Figure 10. Life is hassle free in using digital banking

Out of 126 respondents 93.7% people says their life is hassle free by using digital banking only 6.3% people said that their life is not easier by using digital banking.

Question 8: How much safe digital banking is?

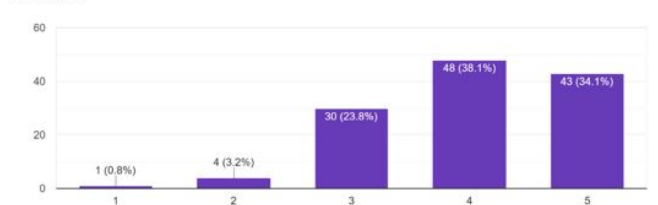


Figure 11. Digital banking trust in terms of safety

Out of 126 respondents 72.2% people showed positive attitude towards safety of digital banking 4% showed negative attitude and 23.8% were neutral.

Question 10: What is your preferred communication with your bank?

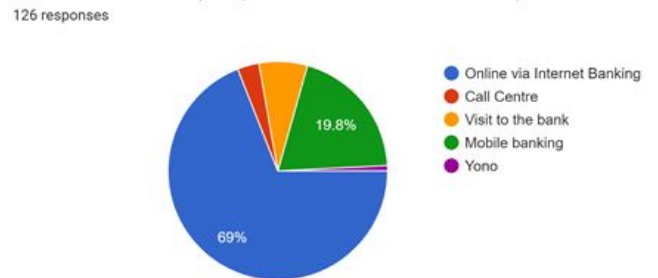


Figure 12. Type of Banking Preference

Out of 126 respondents 69% said they prefer net banking for communication with bank, 19.8% prefer mobile banking, 3.2% prefer call centre, 7.1% prefer visiting bank, 0.8% prefer YONO.

Question 11: For what type of work you use digital banking?

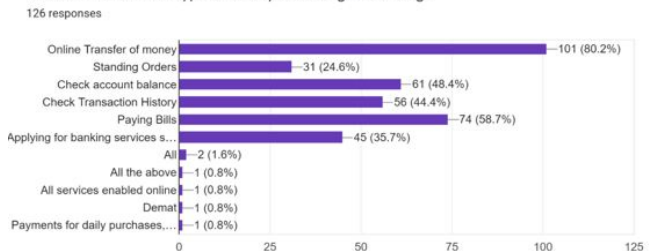


Figure 13. Main Purpose of Digital Banking

Above graph already shows that from 126 respondents, 80.2% people uses digital banking to transfer their money, 24.6% says for standing order, 48.4% for checking balance of their account, 44.4% says for transaction history, 58.7% says for paying bills, 35.7% says for applying various services provided by banks, 1.6% says for all and 0.8% people says for demat.

Question 12: Do you face problem in using digital banking services?
126 responses

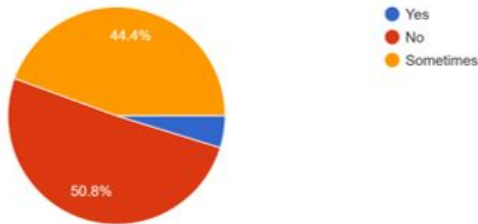


Figure 13. Main Purpose of Digital Banking

Out of 126 respondents 4.8% people says they face problem in using digital banking, 50.8% people say they don't face problem in using digital banking and 44.4% people say they face problem sometimes.

Question 13: If you face problem in using digital banking services, what type of problem you face?
83 responses



Figure 14. Type of issue face in Digital Banking

Out of 83 responses maximum response was found that they face problem in using digital banking due to low network issue, or server issues.

Question 14: Digital banking makes banking cheaper?
126 responses

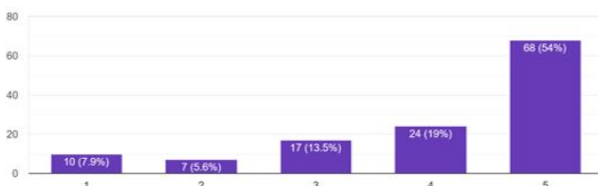


Figure 15. Digital Banking makes cheaper?

Out of 126 responses 73% people thinks that banking is cheaper due to digital banking and 13.5% people think that banking is not cheaper by using digital banking and rest show neutral behaviour.

Question 15: Digital banking gives account access 24/7?
126 responses

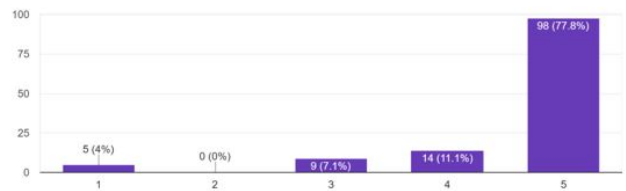


Figure 15. Digital Banking account gives access 24/7?

Out of 126 respondents 88.9% people thinks that digital banking gives account access 24/7, 4% shows negative attitude towards the same and 7.1% were neutral.

Question 16: Digital banking saves time of customers?
126 responses

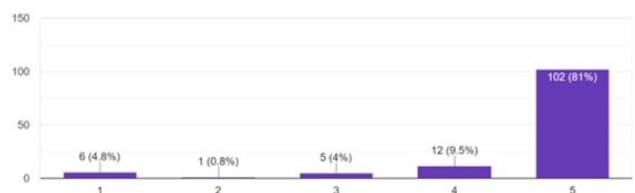


Figure 15. Digital Banking saves time?

Out of 126 respondents 90.5% people said that digital banking saves time of customers, 5.6% people showed negative attitude and 4% were neutral.

Conclusion

After analysing all the data and responses, we found that out of 126 responses taken by use 89.7% people prefer to use digital banking services over cash transaction. We found that after demonetisation and covid wave people started using digital banking services for their day-to-day transaction and for all their banking needs and they found it convenient. People uses various platforms to pay to merchant or for opening fixed deposits accounts or other ti invest in other forms of investing tools and transferring money. Also, many people now use digital banking services for their trading and investment purposes. Only 4.8% of respondent says that they face problem while using digital banking services and most of them said that they face problem due to server issues. 15.1% respondents thinks that corruption has been reduced due to digital banking by 1%-20%, 14.3% respondents say 20%-40%, 21.4% says 40%-60%, 26.2% says 60%-80%, 15.1% says 80%-100%, and 7.9% says 0%. We also asked them about their trust on digital banking as 72.2% people show their positive response.

So, we found that there is a huge growth in use of digital banking services in India after demonetisation and corona crises as that was the phase when people were started using various platforms for their banking services online.

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