

# Financial Transactions in the Banking Industry- Various Digital Initiatives at Axis Bank



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**Abstract:** Banking in India is transforming itself towards digital way of doing it. Electronic banking has spread its roots with invent of computers and ATMs back in 1970's. Banks are using these electronic ways to offer a vast range of its products and services. These developments in the banking sphere has led the creation of new business models for banks and non-banking financial corporations like internet service providers and other firms operating in technological area. This paper focuses on the digital transformation of AXIS bank with respect to various characteristics of their digital banking products and services, as compared to its competitor and the growth and awareness of the customers of AXIS bank in relation to its digital products. The data is collected through a questionnaire for this purpose and analysed through using various statistical tools.

**Key Words:** Banking, Digitization, Initiatives, Financial Transactions

## I. INTRODUCTION

Our lives are being revolutionized with the devise of technology. Universe is entering into NETAGE. NET is nothing but inter-connection of computer networks communicating with each other and the world at large. The interconnection of banking and information technology is at a high level to cut down the cost on the one hand and facilitate offering of customized products on the other. Information technology has impacted not only the every aspect of human life but businesses also in a big way. Every banking institution today, be it public or private, are rapidly transforming themselves from brick & motor to digital platforms to make their services more user friendly and in turn changing their identity from traditional banking to relationship banking. This way of banking is known as "Digital Banking". The introduction of technology in the traditional way of doing banking has been implemented in the following forms:-

- a) COMPLETE CENTRALIZED SOLUTION
- b) CLUSTER APPROACH
- c) HIGH TECH BNK WITHIN BANK SHIFT

**Online/ Digital Banking:** Online banking, also called as E-banking is a way of doing banking wherein customers of the bank need not to visit the bank physically and can conduct any financial transactions electronically through website.

Under online banking any kind of financial transactions, information on various products and services of banks, accessing of account etc. can be done through internet by the customers of the banks, individuals or businesses.

These services are available online through various means as listed below:

- a) Automated Teller Machines
- b) Internet Banking
- c) Mobile Banking
- d) Phone Banking
- e) Sms Banking etc.

Axis Bank is amongst the largest banks of India placed at number 3<sup>rd</sup>. it offers a vast basket of financial services not only to customer segment but also covers large and mid-corporates along with MSMS, agriculture and retail businesses.

## II. OBJECTIVES OF THE STUDY

- To understand and compare the digital banking Services offered by Axis Bank with other Peer Banks.
- To analyze the customer satisfaction level on adapting the various digital alternatives.
- To study the various risk factors involved in digital banking transactions.

## III. RESEARCH METHODOLOGY

The Methodology used here is Qualitative Research and research type is descriptive.

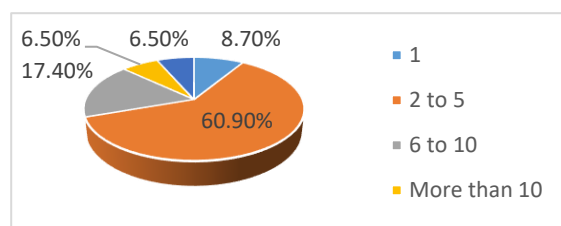
Data Collection Methods – data is collected though both primary and secondary sources.

Sampling Size - A sample size of 100 candidates is taken on the basis of convenient sampling.

Data Analysis – Data is analysed through tables, charts and graphs.

## IV. DATA ANALYSIS & INTERPRETATION

1. On an average, how many online banking transactions you would do in a week?



**Inference -** Among the respondents, 60.9% were doing 2 -5 times transactions in a week, 17.40% were doing 6-10 times transactions in a week, 6.50% were doing more than 10 times transactions in a week, 8.70% were doing exactly one transaction in a week and 6.50% were non-users.

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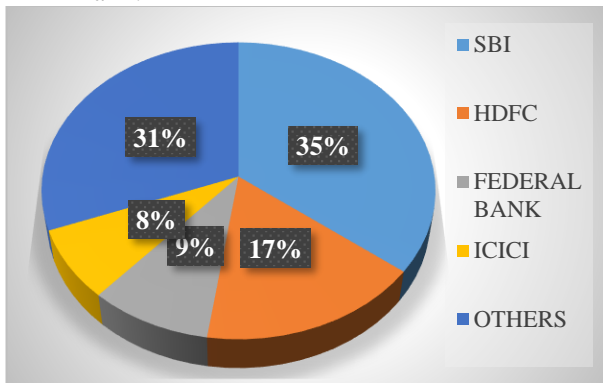
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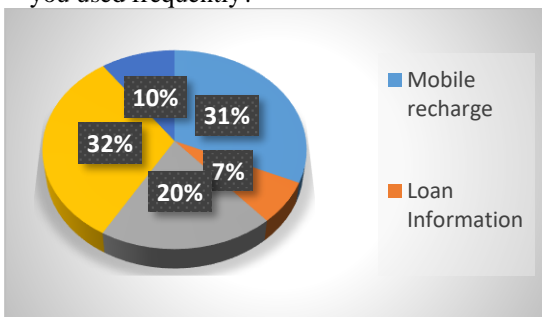
Therefore, Most of the respondents were approximately doing 2-5 times transactions per week.

2. Do you have any banking relationship with other Bank?



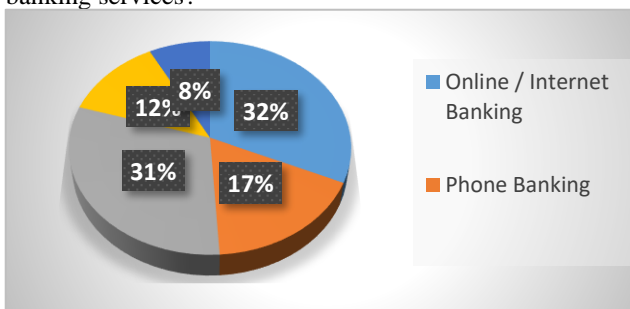
Inference - Among the respondents, 35% of the people were having SBI bank account, 17% has HDFC, 9 % has Federal bank, 8% has ICICI and remaining 31% had accounts with other banks. So, Majority of the people were having bank account with SBI and Other Banks.

3. Which of the following digital banking services have you used frequently?



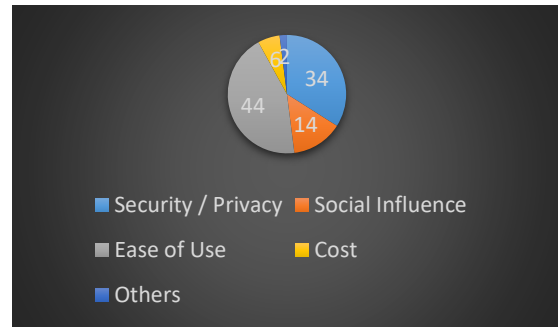
Inference - Among the users , 10% of the users were using digital banking for redemption of reward points , 31% for mobile recharge, 7% for getting details of loan , 20 % for getting Bank Statement and 32% for transfer of funds.

4. Which of the following channels have you used to avail banking services?



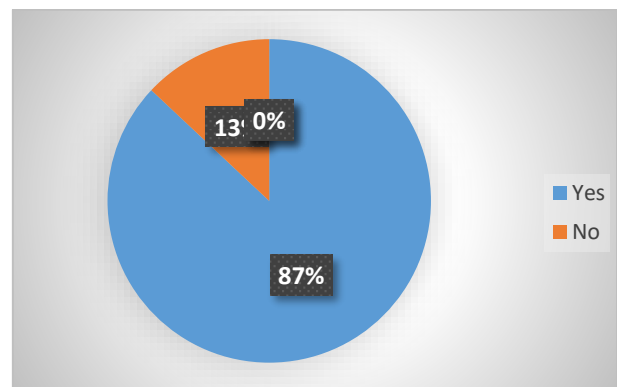
Inference – Among the users, 32 % adopted Online Banking, 31% were using Mobile Banking, 17% were using phone banking, 12% were using Branch Banking and the remaining 8% adopted Customer Service Representation

5. Which factor do you think is the most important in the adoption of mobile banking?



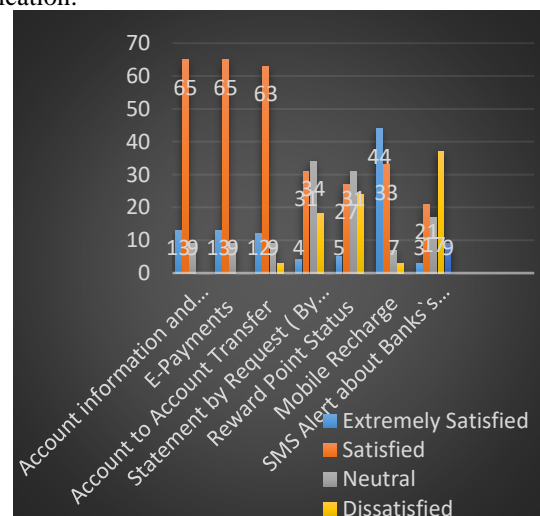
Inference – Among the users, 44 % of the respondents adopted mobile banking because of its ease of use, 34% preferred for its security and privacy, 14% on social influence, 6% on cost and remaining 2% on other factors.

6. Are you a user of Axis mobile Application?



Inference -Most of the users are using the Axis Mobile Application and only 13% are non-users.

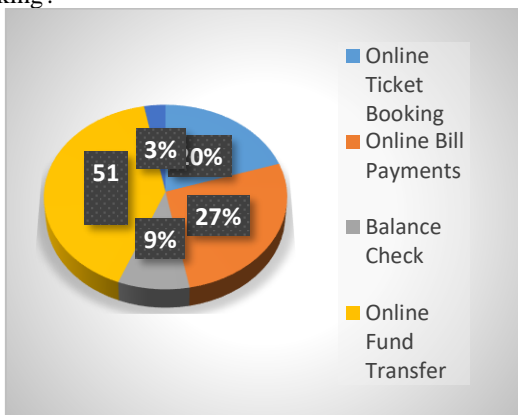
7. Satisfaction level of various Features of Axis Mobile Application.



**Inference**

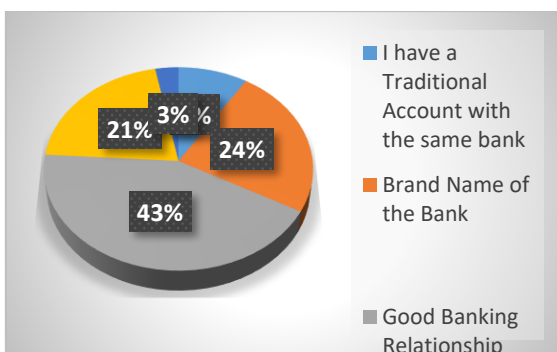
- Among the users, 78% of the respondents were satisfied with account information and balance enquiry provided in the mobile application and 9% had neutral opinion.
- From the survey, 78% of the users were satisfied with e-payment facility and 9% had neutral opinion.
- From the study, 75% of the respondents were satisfied with the account to account transfer, 9% had neutral opinion and 3% was dissatisfied.
- Among the users, 35% were satisfied with statement by request facility, 18% were dissatisfied and 34% had neutral opinion
- Among the users, 32% was satisfied with the reward point status facility, 24% were dissatisfied and 31% had neutral opinion.
- Among the respondents, 77% was satisfied with mobile recharge facility 7% had neutral opinion and 3% were dissatisfied.
- Among the users, 24% were satisfied with SMS alert facility, 17% had neutral opinion and 46% were dissatisfied with this feature of Axis Mobile Application.

8. What is the major purpose for which you use the online banking?



**Inference** - 51% of the respondents were using online banking for Online Fund Transfer, 27% for Online Bill Payments, 20% for Online Ticket Booking, 9% for Balance Check and the remaining 3 % for other purpose.

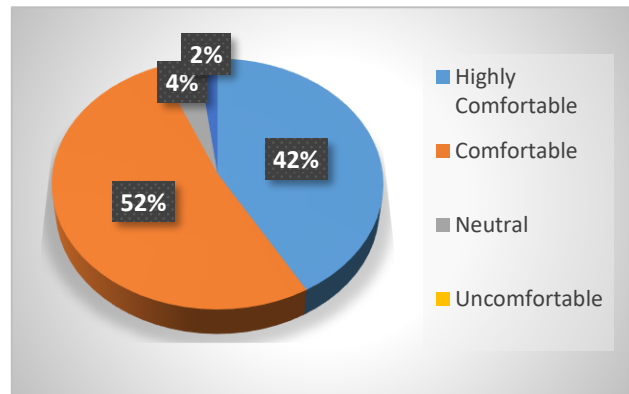
9. Please state the most important reason for you to choose this particular bank as your internet bank?



**Inference** - 43% of the respondents chosen Axis bank because of good banking relationship, 21% were satisfied

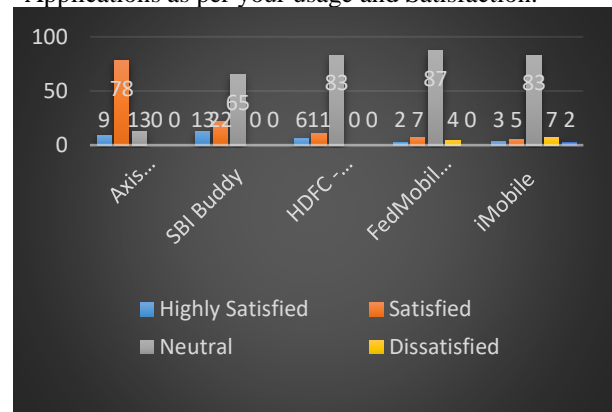
with the excellent service offered by the bank ,24% people were selected the Bank due to Brand name, 9% had followed the traditional account and 3% had other reasons.

10. How comfortable are you embracing digital mode of payments? (Online payments, credit/debit cards, payment apps, net banking)



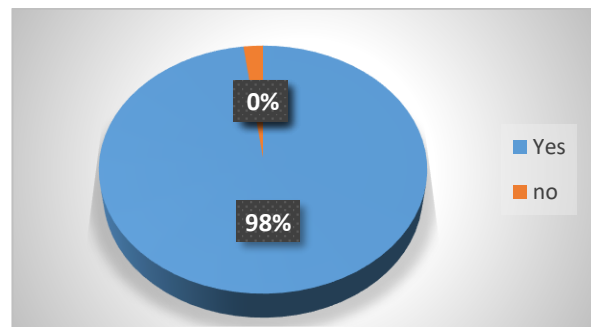
**Inference** – 98% of the respondents are either highly comfortable or comfortable using digital mode of payments.

11. Please rate the below mentioned Mobile Banking Applications as per your usage and Satisfaction.



**Inference** - Among the respondents, 87 out of 100 are satisfied with Axis Mobile and majority of the mobile users are preferring axis mobile for their online banking transactions.

12. Will you Recommend Axis Bank and its digital banking services to your friends and family?



**Inference** – Among the users, 98% of the respondents recommend Axis Bank and its digital Banking Services and the remaining 2% does not suggest Axis Bank to others.

This may be due to their previous banking experience or inadequate service provided by the bank which did not meet customer expectation.

From the study, it is found that all the respondents had multiple banking relationships with other banks. The mobile Application provided by Axis Bank to its Customers is very user friendly and the majority of the customer were highly satisfied with the features of Axis Mobile Application. Retail Banking Customers are shifting their banking operations from Traditional banking to Mobile banking because of increased penetration of digital initiatives in the banking industry.

### V. CONCLUSION

Customer is the king of the market today having various options available to him. The key to success is to provide customized and better services to them. Attitude of the customers towards online transactions with regards to privacy, safety and security is a matter of concern for the banking community. Everyone on the customer front is aware of the risks that technology can pose and are reluctant to use electronic methods of transactions. Apart from risks, another reason can be little understanding of the online/internet banking. Hence, banks need to address these issues and make their strategy accordingly.

Though mind set of Indian customers is changing and there is a paradigm shift in the way they do transactions online. Big credit for this goes to the Ecommerce options which are bringing these mind-set changes. This new way of digital banking can help banks to reduce their processing and other costs considerably as compared to brick and mortar system. Banks need to do SWOT analysis for taking full benefit of the opportunities available by managing the challenges of bringing all dimensions like banking, insurance, back office work and broking etc. under one corporate roof. Rural market is still unexploited in India and is capable of bringing exemplar change in the customer base of banks. Banks need to understand their customer requirements and build good infrastructure around ICT in India.

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### AUTHORS PROFILE



**Dr Komal Singh**, is working as an Associate Professor at Indira School of Business Studies, Pune. She has 17 years of vast experience in the field of Accounting & finance. Her area of interest includes financial accounting, cost and management accounting. She has worked in various parts of the country. Prior to Pune she was in Gujarat and also worked in Gurgaon for 5 years. She has taught financial management to BBA, MBA and engineering students also.

She completed her graduation and post-graduation in Commerce from Kurukshetra University. She qualified National Eligibility Test (NET) conducted by UGC in 2005. She was awarded Ph.D degree in E-Banking in 2009.

She has 8 international and 2 national research papers to her credit. She presented paper in various International and national conferences and seminars. She was awarded with Best Paper Award two times in the following International Conferences:

- International conference on Woman in Science & Technology: Creating Sustainable Career (January 28-30, 2016)
- 3rd International Conference on Growth, Globalization & Governance conducted by JK Lakshmi Pat University, Jaipur, Rajasthan (December 19-21, 2014)

She attended various national and state level workshops on High Impact teaching skills and research methodology.

She authored a book on E-Banking in India. Apart from teaching, she has NCC and NSS certification also. She has been actively involved with various clubs of students.

She has taught various Subjects including:

- Financial Accounting
- Cost & Management Accounting
- Financial Management
- Taxation
- Strategic & Enterprise Performance Management