

IMPACT OF COVID-19 ON CUSTOMER SERVICES & THEIR SATISFACTION IN THE BANKING SECTOR

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ABSTRACT

Banking sector is the foundation of an economy for the fulfillment of financial needs of various sectors. Indian economy goes through various phases and such kind of breakthrough in Indian is due to Covid-19. There is tremendous changes in Indian banking sector from conventional to non-conventional with inclusion of various E-banking services and focus totally shifted to customer satisfaction. This study conducted to find out the impact of elements of mobile banking services on e-banking and also to know the relationship between e-banking and mobile banking services in the Ambala district (Haryana). During the covid-19 due to different factors change the way of providing customer services from physical to more on digital platform. SPSS used to analyze the data with the help of correlation and regression statistical tool. Result clearly highlighted all the factors of mobile banking services are positively correlated with e-banking expect empathy and also have positive impact of elements of mobile banking services on e-banking expect empathy.

INTRODUCTION

The nightmare of COVID-19 in the world economy hits every economy and also has detrimental effects on the each and every sector. Every country has affected by the impact of novel corona virus. Every industry contributes positively to development and GDP of the country. This unprecedented challenge stops the working of the various industry. Every industry educational, entertainment, textile, agricultural, automobiles, consumer durables, FMCs, health care, banking industry etc. need to rethink about the new transformation or the new paths of working. Running down and sit at the home is not a solution to face such global crisis of covid-19. This challenge also create new vibes of working from traditional to conventional, from physical to virtual. Banking industry

plays an imperative role for providing financial services to the various person and organization. There was an unpredictable change in the Indian economy.

TRENDS IN BANKING DURING COVID-19

TRANSFORMATION AND RESHAPING OF BANKING FROM TRADITIONAL TO DIGITALIZATION

This pandemic situation drastically change the consumer behavior in relation to banking products and services. There was rampant increase in online banking services, customers supported the digitalization due to user friendly mobile banking services and lockdown, customers were not in the position to move and go to the banks physically. Customers also realize the significance of digital banking that how convenient it was to adopt technology for mobile banking. Earlier some banks were rigid for adopting the new technology but due to pandemic their customers and business forced to go with the trend of digitalization. This enable to retain the customers, possible video based KYC, reduction in the acquisition cost and also surging the satisfaction of the customers.

CONCEPT OF NEO BANKS AND HYBRID BANKING

Technology adoption in the banking industry create a new path for neo-banks and hybrid banking. In India, neo-banks are in relation to the conventional banks. Neo-banks are the banks with no physical branch, activities are only performed online and only digital services are provided. This enables higher productivity, greater customer satisfaction where customers demand more banking products and services. It enhance the customer relationship with customization according to customer needs that in turn increase efficiency, reduction in cost and mounting the productivity.

IMPAIRED LOANS: sudden shock to Indian economy by the means of covid 19 and lockdown create the instability for banks and become highly dynamic industry. The major function of banks to lending the loans create challenge for bank due to fall in the credit worthiness of the customers. Now, some customers were not in a position to repay the principal and interest amount due to unemployment, stoppage of working industry etc.

CUSTOMER SERVICES AND CUSTOMER SATISFACTION

Banking is service and customer based industry due to the feature of intangibility there is

more pressure on banking to fulfill the demand of the customer and provide good experience to retain the customers. Customer satisfaction is dependent on good quality of customer services provided by the banks.

Customer satisfaction can be defined as the situation when customer gets what they expect from the industry. If expectation equals to the performance of the services then they will be satisfied, and if they get more than what they were expecting then in that situation customers feel delighted. And if the performance is below expectation then customers were dissatisfied.

NEED AND RELEVANCE OF THE STUDY

There has been tremendous changes in the Indian banking sector. Various factors were responsible for the dramatic changes like change in the demographic factors, socio-economic changes, legislative factors, political factors, international factors etc. The present scenario of banking has been affected by novel and pandemic COVID-19. This turn change in the banking technology, customer services and customer satisfaction. Banking is service based industry and totally customer oriented. So, there was need to study the impact of COVID- 19 on customer services and customer satisfaction during this pandemic. There has been continuously change in the demand pattern of the customers. Main focus to provide valuable suggestion to cope up with the situation. Paper enable banking industry to formulate strategies for the retention of valuable customers.

REVIEW OF LITERATURE

1. **Ameme, B., & Wireko, J. (2016)**, has focused on “Impact of technological innovations on customers in the banking industry in developing countries.” Outcomes of the study shows that customer satisfaction and advanced technology was positively correlated. Providing new and innovative banking products were not sufficient for the survival in the competitive edge market vital factor the way you were delivering the services. Cost and technology were positively related as upgraded technology introduced, cost also rise.
2. **Perwej, A. (2020)**, has done research on “the impact of pandemic covid-19 on the Indian banking system.” The novel corona virus affected the world economy and Indian doesn't remain in isolation from this pandemic. Banking industry plays an

imperative role during the nightmare of covid-19. Result shows that customers need financial relief from various obligations of banks, whereas banks need to strengthen the loan policies for default loan payment. There was huge decline in the revenue generated by commercial banks. Customers were more positively inclined towards the digital transformation of customer services.

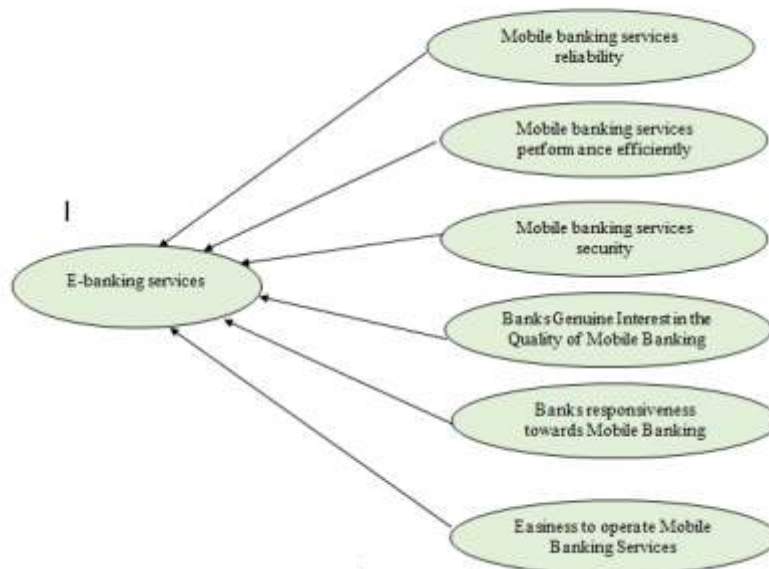
3. **Parimalarani G, Meena M.R, (2020)**, has conducted research on “Customer's Perception on Effectiveness of Digital Banking Services during Covid-19 Lockdown Period” with the objective to find out the relationship between customer services and customer satisfaction during lockdown period of covid-19. Primary and secondary data was collected from 450 customer's thorough Google form. Sample size was selected through convenient sampling method. SPSS was used to analyze the data. Result shows that there was significant relationship between e-banking services and customer satisfaction. High level of satisfaction was found between mobile banking services whereas moderately satisfied with ATM services.
4. **MP, M. D., & Hebbar, C. K. (2021)**, expressed their opinion on “a case study on “mobile banking is a boon to banking customers during the covid-19 pandemic situation”-with special reference to the SBI customers of Mangalore city. Outcomes of the study shows that people were in such a situation due to pandemic covid 19 to adopt new technology i.e. mobile banking services. There was climbing trend found in new registration for mobile banking. Customers enable to operate mobile banking.
5. **Haq, I. U., & Awan, T. M. (2020)**, has done research on “Impact of e-banking service quality on e-loyalty in pandemic times through interplay of e-satisfaction.” Area of the study were banks in Pakistan. Outcomes of the study shows that there were inclined trend in e-loyalty due to user friendly website during covid-19. Customer satisfaction were highly linked by e-privacy and security of the transaction and e-loyalty.
6. **Mishra, A. K., Patel, A., & Jain, S. (2021)** has conducted research on “Impact of Covid-19 Outbreak on Performance of Indian Banking Sector. In International Semantic Intelligence Conference”, with the objective to find out they ways to

minimize the loss of banking sector, challenges faced by Indian banks and also to know the position of banks that how well they were prepared for such crisis. Outcomes of the study shows that banks need to restructuring the assets and liabilities and credit provision, high rate of NPAs in MSME and SMEs was the major problem faced by banks due to the closer of operation in industry and proactive policies should be adopted for long term sustainability.

7. **Bobade, P., & Alex, A. (2020)**, has done “Study the Effect of Covid-19 in Indian Banking Sector.” The purpose of the study to know the changes in RBI policy during COVID-19 and also provide remedies for such challenges. Result shows that RBI sanction relaxation for repayment of loans and extend the EMIs, credit policy changes and RBI converted accumulated interest into funded interest loans.

OBJECTIVE OF THE STUDY

- To find out the impact of covid-19 on customer services and their satisfaction in banking sector with special reference to Ambala Cantt (Haryana).
- To find out the correlation between E-banking services and mobile banking services reliability, performance, security, responsiveness, empathy, easiness.



HYPOTHESIS OF THE STUDY

On the basis of the objective of the study, following hypothesis is formulated:

H1: There is positive impact of mobile banking customer during Covid-19 on E-banking.

H2: There is positive correlation between E-banking services and mobile banking services reliability, performance, security, empathy, responsiveness, easiness.

On the basis of above alternative hypothesis, following sub-hypothesis is formulated:

H1A: There is positive impact of reliability of mobile banking services on e-banking.

H1B: There is positive impact of efficient performance of mobile banking services on e-banking.

H1C: There is positive impact of security of mobile banking services on e-banking.

H1D: There is positive impact of bank shows genuine interest in the quality of mobile banking services on e-banking.

H1E: There is positive impact of employee's responsive behavior towards mobile banking services on e-banking.

H1F: There is positive impact of easy operations of mobile banking services on e-banking.

H2A: There is significant relationship between e-banking and reliability of mobile banking services.

H2B: There is significant relationship between e-banking and efficient performance of mobile banking services.

H2C: There is significant relationship between e-banking and security of mobile banking services.

H2D: There is significant relationship between e-banking and genuine interest in the quality of mobile banking services.

H2E: There is significant relationship between e-banking and employee's responsive behavior towards mobile banking services.

H2F: There is significant relationship between e-banking and easy operations of mobile banking services.

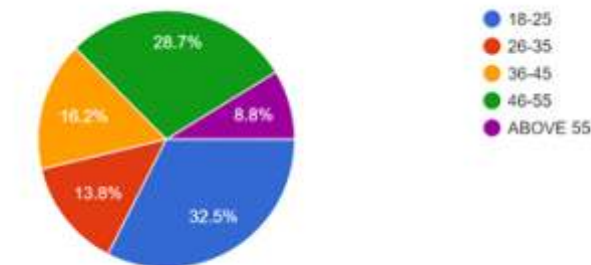
RESEARCH METHODOLOGY

Study was conducted on retail customers of public, private banks and also regional rural banks in Ambala Cantt, Haryana.

For the purpose of study, primary data and secondary data has been used. Primary data collected through structured questionnaire that was created on Google form and circulated through mail. Sample size was 84 customers from public, private and regional rural banks. Convenient sampling method was used to select the sample size. Retail customer were chosen as sample for the study. SPSS was used to analyze the data. Statistical tools like correlation and regression applied to find out the relationship and also to know the impact of mobile banking reliability, responsiveness, security, easiness, performance and empathy on e-banking services.

DATA ANALYSIS AND INTERPRETATION

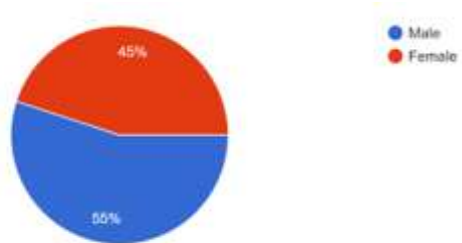
Below is the interpretation of the demographic factors that affects the customer's services and customer satisfaction.



On the basis of above figures, it depicts that 32.5% customers belong to 18-25 age group, 28.7% from 46-55 age group, 16.2% were from 36-45, 13.8% from 26-35 and 8.8% from age group above 55. It shows that banking customers comprise of all age.

Customers belong to the age group of 18-25 were more techno-savvy due to availability of smartphones or laptop with them. Hence, they adopt mobile banking easily.

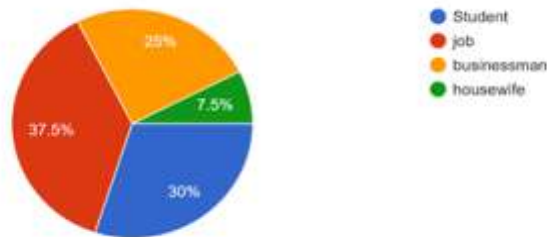
Gender:



Banking customers comprise both male and female. It is clear from the above mentioned pie-chart that there were 55% of male customers whereas 45% were female. This shows that male comprised the large part of retail customers.

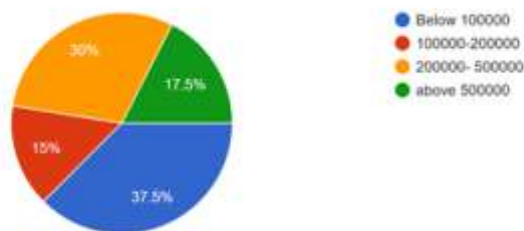
In Ambala region male retail customers were more active as compare to female.

OCCUPATION



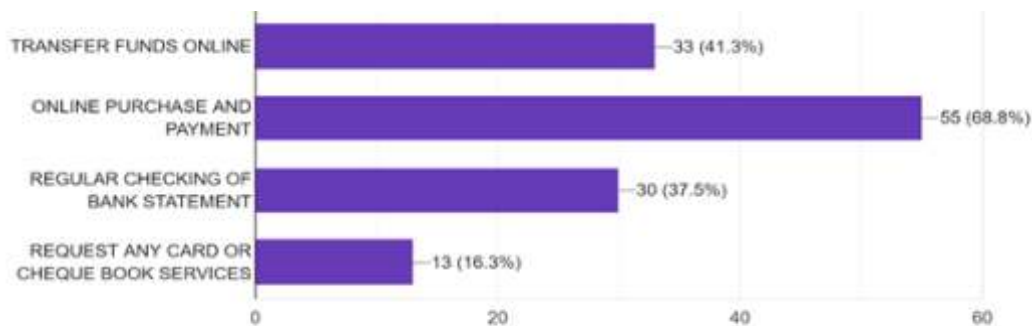
It is clear from the above mentioned pie-chart, occupation of the customers were classified into four parts, i.e. student, job, businessman, and housewife. Major share was 37.5% of job, 30% of students, 25% of businessman and 7.5% of housewives.

ANNUAL INCOME



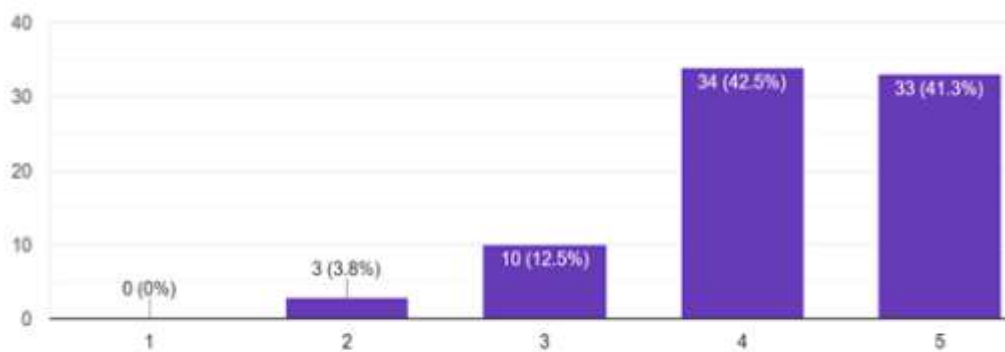
From the above mentioned chart it was clear that 37.5% customers has less than 1lakh annual income, 30% were in the group of 2lak to 5 lakh, 17.5% of above 5 lakh group and 15 % were in the group of 1lakh to 2lakh.

E-BANKING SERVICES CUSTOMERS ARE USING



The above chart clearly shows that 68.8% customers using e-banking services for online purchase and payment, while 41.3% customers using for online fund transfer, with 37.5% customers using e-banking for regular updating and checking of bank statement and 16.3% apply for any card or cheque books through e-banking.

E-banking services that are necessary for the current scenario of Covid-19.



On the basis of above diagram it is clearly stated that 42.5% customers believe that e-banking services are imperative in present time.

Discussion

E-BANKING IN COVID-19

Variables	r (correlation)	P value
E-banking & Reliability of Mobile Banking	.303	.005
E-banking & Performance of Mobile Banking	.208	.050
E-banking & Security of Mobile Banking	.290	.007
E-banking & Empathy of Mobile Banking	.098	.377
E-banking & Responsiveness of Mobile Banking	.358	.001
E-banking & Easiness of Mobile Banking	.320	.003

The above table shows that there is moderate positive relation between e-banking services and mobile banking services reliability with r .303. P-value is .005 less than .05 than there is significant relationship between both of the variables.

There is also moderate positive relation between e-banking services and performance of mobile banking efficiently with r .208 and p value .05 that highlights there is positive significant relationship between them.

There is moderate positive relation between e-banking and security issues related mobile banking services with r .290 and the relationship is significant, it is supported by the evidence with p value .007.

There is moderate positive relation between e-banking services and genuine interest towards customers issues i.e. empathy with r .098 but there is no significance relationship between both of them with p value .377 clearly stated in the above table.

There is also moderate positive relationship between e-banking services and responsiveness with r .358 and also p value with .007 that shows that there is significant relationship between them. Easiness to operate mobile banking services is also moderate positive related with e-banking services with r .320 and there is significant relationship between them with p value .003.

IMPACT OF MOBILE BANKING SERVICE ELEMENTS ON E-BANKING

	R (regression)	Coefficient of R	P Value
Reliability → E-banking	.303	.283	.005
Performance → E-banking	.208	.213	.050
Security → E-banking	.290	.275	.007
Empathy → E-banking	.098	.114	.377
Responsiveness→ E-banking	.358	.356	.001
Easiness → E-banking	.320	.311	.003

On the basis of above table, it can be said mobile banking services elements have impact on e-banking services. Responsiveness has highest impact on e-banking services with R .358, following easiness with R.320, then reliability with R .303, security with R .290, performance with R .208 and least impacted with empathy R .098. Reliability, performance, security, responsiveness and easiness has significant on the other hand empathy is insignificant.

CONCLUSION

On the basis of study it can be concluded that, at present time every customer feels the necessity of e-banking services due to various factors like lack of time availability,

Smartphones with everyone, almost majority of persons has bank accounts for different reasons. On the basis of above data it can be concluded that there is significant relationship between mobile banking service elements like reliability, performance, responsiveness, security and easiness while empathy has insignificant relationship with e-banking. Moreover, mobile banking service elements has positive impact on e-banking expect empathy.

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