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## Certificate

This is to certify that Mr. / Ms. / Dr. Suresh Babu K B.com (Retail Marketing)  
of PSG College Of Arts and Science has participated / presented a  
paper entitled Digital Finance Services: A Study On Customer Utilization In  
Coimbatore District in the  
One Day National Seminar on “**Smart Banking for Smart India: Empowering Growth through  
Innovation and Inclusion**” organized by the Department of Commerce (Banking & Insurance),  
PSG College of Arts & Science, Coimbatore on 29<sup>th</sup> August, 2025.

  
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As India continues to embrace digital transformation across sectors, the banking industry stands at the forefront of this revolution. From fintech innovations and AI-driven customer experiences to financial literacy and rural inclusion, the discussions at this seminar addressed the multifaceted challenges and opportunities that define smart banking today.

The proceedings include a wide range of contributions that reflect the seminar's core themes:

- Digital Innovation in Banking: Technologies reshaping financial services
- Financial Inclusion: Bridging gaps in access and equity
- Policy and Regulation: Navigating the evolving regulatory landscape
- Collaborative Ecosystems: Partnerships between banks, startups, and government initiatives.



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# Smart Banking for Smart India



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Cover image: [www.ingimage.com](http://www.ingimage.com)

Publisher:

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Dodo Books Indian Ocean Ltd. and OmniScriptum S.R.L publishing group

120 High Road, East Finchley, London, N2 9ED, United Kingdom

Str. Armeneasca 28/1, office 1, Chisinau MD-2012, Republic of Moldova,

Europe

Managing Directors: Ieva Konstantinova, Victoria Ursu

[info@omniscryptum.com](mailto:info@omniscryptum.com)

Printed at: see last page

**ISBN: 978-620-9-45130-0**

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**Smart Banking for Smart India :  
Empowering Growth through Innovation and Inclusion**

**BOOK OF PROCEEDINGS**

**29<sup>th</sup> August 2025**

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# DIGITAL FINANCIAL SERVICES: A STUDY ON CUSTOMER UTILIZATION IN COIMBATORE DISTRICT

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## **ABSTRACT**

From the analysis, it is ascertained that customer's usage of E-Banking can be known through friends, relatives or through bank employees. The finding helps us to know about the E-Banking and the uses as it minimize the work of customers in doing person-person banking without any waste of time and energy from the place where you are. Also we are able to know the use of e-banking in different sectors of our country likewise in industries, institutes etc. E-banking is your personal banking services on the internet, protected with bank identifiers. It is available anywhere, anytime. E-banking allows you to pay invoices to finish and foreign recipients easily and securely and also check our account balances and transactions.

*Keywords:* Digital Finance, Purposes, Economy growth, Financial Inclusion

## **INTRODUCTION**

Banking system is an important constituent of overall economic system. It plays a crucial role in the attainment of macro-economic objectives. It acts as a vehicle for socio economic transformation and also as a catalyst to economic growth. It plays an important role in mobilizing the nation's savings and in channelizing them into high investment priorities and better utilization of available resources. In the present competitive environment consumers are increasingly aware of alternatives in relation to services and organizations providing services. Consequently, expectations rise and consumers become more critical of the quality of services. With a view to ensure efficient financial services, India has de-regulated and liberalized the financial sector in general and the banking sector in particular. The E-Banking technology enables the customers to pay bill, to make account balance and cheque status, account statement enquiries, cheque book requests, to transfer funds between accounts, to check credit/debit and minimum balance, to get minimum balance alerts, to request for recent transactions history and interest rates/exchange rates, and to new product announcements on

their mobile itself. Payment systems are important for economic growth and they are evolving – largely driven by innovation, convenience and economic benefits. Efficiency in payment systems in general and electronic payment systems in particular, benefits every customer as well as the country’s economic growth.

## **REVIEW OF LITERATURE**

**Ravi Kumar Sharma (2005)<sup>1</sup>**, in his article “Technology and Security in Indian Banking System” deals with the growth of the Indian banking sector. The banking sector is now facing biggest challenges of rapidly changing customer expectations against the back draft of Liberalization, Privatization and Globalization (LPG). The retail banking clients today demand more care and extra facilities. They want more mobility of investments, interactive accounts, and better segmentation of banking products to cater to different segmental needs, convenience and untimely hour’s services.

**GV Chalam and KS Nageshwara Rao(2006)<sup>2</sup>**, in this study “E-banking Applications in Indian Bank- Emerging Issues” have pointed out that the security and privacy aspects continue to remain a major issue especially in the case of business people who lack awareness. To protect the interest of the customers, the government does not formulate the cyber laws and the legal frame work for e-banking on a full scale so far. In India, IT Act provides the security and legal frame work for e-commerce transaction. The IT Act also suggested the creation of a “Digital Signature Certification Authority” for authentication of electronic record/ communication through digital signature an important step that will be taken by the banks in India.

**Dr.R.Vijayakumar and Dr.N.Raman (2007)<sup>3</sup>**, in their article “Digital Banking” have stated that the banking industry in India is facing unprecedented competition from non-traditional banking institutions, which now offer banking and financial services over the internet. In India, adoption of internet banking is the prime motive among the nationalized banks as the private sector banks are riding on the high-tech wave of buzzwords like E-banking and M-banking and they are going ahead with plans to tie-up with portals and service providers to help translate these buzzwords into transactions.

## **OBJECTIVES OF THE STUDY**

To study the demographic profile of the respondents

To know the opinion of the customer’s with respect to electronic banking products and services.

To know the customer’s purpose of using Digital Financial Service.

## DATA AND METHODOLOGY

The study has depended on both secondary and primary data. The secondary data were collected from reports and websites. The primary data were obtained by conducting sample survey of 150 beneficiaries of E-Banking. The survey was conducted during July 2017 to November 2017. Relevant statistical tool such as percentage calculation, Weighted average, one way ANOVA, were applied for the interpretation of survey data.

## RESULTS AND DISCUSSION

### DEMOGRAPHIC PROFILE OF THE RESPONDENTS

Table No: 1

FACTORS	RESPONDENTS	FREQUENCY	%
AGE	BELOW 20 YEARS	20	13
	20-30	67	45
	31-40	30	20
	ABOVE 40 YEARS	33	22
	<b>TOTAL</b>	<b>150</b>	<b>100</b>
GENDER	MALE	66	44
	FEMALE	84	56
	<b>TOTAL</b>	<b>150</b>	<b>100</b>
EDUCATIONL QUALIFICATION	SCHOOL EDUCATION	25	17
	COLLEGE EDUCATION	28	19
	TECHNICAL EDUCATION	25	17
	PROFESSIONAL	46	31
	<b>TOTAL</b>	<b>150</b>	<b>100</b>
OCCUPATION	BUSINESS MAN	27	18
	GOVERNMENT EMPLOYEE	18	12
	PETIRED EMPLOYEE	4	3
	PROFESSIONAL	55	37
	HOUSEWIFE	16	11
	STUDENT	30	20
	<b>TOTAL</b>	<b>150</b>	<b>100</b>
MONTHLY INCOME	BELOW 10000	51	34
	10001-20000	30	20
	20001-30000	36	24
	ABOVE 40001	33	22
	<b>TOTAL</b>	<b>150</b>	<b>100</b>

**WEIGHTED AVERAGE: FACTORS FOR CUSTOMERS PURPOSES OF USING DIGITAL FINANCIAL INCLUSION**

**Table No: 2**

S. No	Purposes for using E-Banking		Factors					Weighted average score	Rank
			1 (5)	2 (4)	3 (3)	4 (2)	5 (1)		
1.	Accounts information and balance enquiry	No of respondents	47	26	37	15	25	505	4
		Weight	235	104	111	30	25		
2.	Summary reports of transactions	No of respondents	45	25	37	16	27	495	7
		Weight	225	100	111	32	27		
3.	Funds transfer	No of respondents	59	23	22	26	20	525	1
		Weight	295	92	66	52	20		
4.	Check cancellation	No of respondents	47	25	38	15	25	504	5
		Weight	235	100	114	30	25		
5	Checkbook application	No of respondents	44	26	48	13	19	513	2
		Weight	220	104	144	26	19		
6	Financial planning and analysis	No of respondents	46	19	47	13	25	508	3
		Weight	230	86	141	26	25		
7	Loan application	No of respondents	45	21	43	19	22	498	6
		Weight	225	84	129	38	22		

From the above table shows that purpose of using Digital financial service to funds transfer was ranked first with an weighted average score 525, checkbook application was ranked second with an weighted average score 513, financial planning and analysis was ranked third

with an weighted average score 508, accounts information and balance enquiry was ranked fourth with a weighted average score 505, check cancellation was ranked fifth with an weighted average score 504, loan application was ranked sixth with an weighted average score 498, summary reports of transactions was ranked seventh with an weighted average score 495.

**ANOVA BETWEEN THE ACCOUNT INFORMATION AND FUNDS TRANSFER**

**NULL HYPOTHESIS:**

H<sub>0</sub>: there is no variation between the account information and funds transfer

**ALTERNATIVE HYPOTHESIS:**

H<sub>1</sub>: there is variation between the account information and funds transfer

**TABLE NO: 3**

**ANOVA**

	Sum of Squares	Df	Mean Square	F	Sig.
Between Groups	14.820	4	3.705	1.827	.127
Within Groups	294.014	145	2.028		
Total	308.833	149			

**INTERPRETATION**

From the above table it is interpreted that the calculated value is (.127) which is higher than the level of significant (0.05). Therefore, we rejected the null hypothesis H<sub>0</sub> and reject the alternative hypothesis H<sub>1</sub>. Hence there is a variation between the account information and balance enquiry and funds transfer

**SUGGESTION AND CONCLUSION**

On the basis of the observations made by the researcher with the respondents and on the basis of the discussions held with the bank officials of the study area, the following suggestions are made to enhance the role of the commercial banks in better functioning of electronic services on one hand and the bank customers on the other hand in the study area. It is a fact that the e-banking services are offered through electronic devices. Though the bank customers avail themselves of these services they have limited knowledge of the various functional aspects of these services. The people generally know only the basic functional aspects of the services.

This may be considered a hurdle in the financial inclusion process at various levels. It is understood that the security system is not so effective as to protect the customer transactions. It is only as long as the security system is effective, the e-banking services can be offered effectively. They should be informed in advance so as to maintain transparency. This will increase the trust of the customer in bank and bank activities. The technological development which has revolutionized the delivery channel in the banking sector benefit the customer through automated teller machines services, credit card services, debit card services, electronic clearing services, electronic funds transfer services and real time gross settlement services

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