



# Customer's Perception Towards Digital Banking Services In Andaman Islands

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## ABSTRACT

This study aims to explore and analyze the customer's perception towards digital banking services in the Andaman Islands. The research investigates the level of satisfaction, perceived benefits, and challenges faced by customers in adopting and utilizing digital banking services in this unique geographical context. Through a comprehensive literature review and empirical research, this study identifies key factors influencing customer perceptions, including convenience, security, reliability, and ease of use. Additionally, the research assesses the impact of socio-cultural factors specific to the Andaman Islands on customer attitudes towards digital banking. The findings of this study contribute to filling the research gap in understanding customer preferences and behaviors related to digital banking services in remote and geographically isolated regions like the Andaman Islands, providing valuable insights for digital banking providers and policymakers to enhance service offerings and promote financial inclusion in such areas.

**Keywords:** Customer perception, Digital banking services, Andaman Islands, Financial inclusion, Customer satisfaction, Adoption behavior, Convenience, Security, Reliability, Socio-cultural factors.

## Introduction

The advent of digital technology has revolutionized the banking sector, offering customers a myriad of convenient and efficient services. In the context of remote and geographically isolated regions like the Andaman Islands, digital banking presents unique opportunities and challenges. Understanding customer perceptions towards digital banking services in such areas is crucial for banks and policymakers to tailor their offerings and promote financial inclusion. This study delves into the customer's perception towards digital banking services in the Andaman Islands, aiming to uncover the factors influencing their attitudes, satisfaction levels, and adoption behaviors. By exploring these dynamics, this research seeks to contribute valuable insights to the field of digital banking in remote regions, facilitating informed decision-making and strategy development for stakeholders in the banking industry.

## Review of Literature

**According to Brown, J. (2017):** Brown's study delves into customer perceptions of digital banking services, highlighting factors such as convenience, security, and accessibility. **Smith, R. et al. (2019):** Smith et al. conducted a comprehensive analysis of digital banking adoption trends globally, shedding light on the factors influencing customer perceptions and behaviors. **Gupta, S. (2020):** Gupta's research focuses on the challenges faced by customers in remote areas like the Andaman Islands in accessing and utilizing digital banking services, emphasizing the need for tailored solutions. **Kumar, A. et al. (2021):** Kumar et al.'s study examines the impact of socio-cultural factors unique to the Andaman Islands on customer attitudes towards digital banking, providing insights into local preferences and behaviors. **Lee, C. and Wong, E. (2022):** Lee and Wong's research explores customer satisfaction levels with digital banking services, highlighting the role of service quality and customer support in shaping perceptions. These studies collectively contribute to understanding the various aspects of customer perception towards digital banking services, offering insights

into challenges, opportunities, and strategies for enhancing customer experiences in the Andaman Islands and similar remote regions.

### Research Methodology:

The primary objective of this study is to investigate the customer's perception towards digital banking services in the Andaman Islands using a Likert 5-point scale ranging from "Strongly Disagree" to "Strongly Agree." A convenience sampling technique employed to ensure representation from different demographic segments of customers in the Andaman Islands. The sample size will be determined using a confidence level of 95% and a margin of error of 5%. Data will be collected through structured questionnaires designed to capture various aspects of 1600 customer perceptions, including convenience, security, reliability, ease of use, and overall satisfaction with digital banking services. The Likert scale will be used to measure responses, assigning numerical values to each level of agreement/disagreement. Percentage analysis will be the primary statistical tool used to analyze the data collected.

### Results and Analysis

**Percentage Analysis:** The percentage of respondents selecting each response option (Strongly Disagree, Disagree, Neutral, Agree, Strongly Agree) will be calculated for each survey question. This analysis will provide a quantitative understanding of customer perceptions towards digital banking services. Ethical considerations will be upheld throughout the research process, ensuring confidentiality, voluntary participation, and informed consent from all participants. Data will be anonymized to maintain respondent privacy and confidentiality. Limitations of this research may include potential respondent bias, limited generalizability to other regions, and the subjective nature of Likert scale responses. Efforts will be made to minimize these limitations through rigorous sampling and data analysis techniques. The questionnaire will undergo pilot testing to ensure validity and reliability. By employing a robust research methodology, this study aims to provide valuable insights into customer perceptions towards digital banking services in the Andaman Islands, contributing to the broader understanding of digital banking adoption in remote and unique geographical contexts.

The table 1 below indicates that a significant majority of respondents, 78.4% combined (37.3% agreeing and 41.1% strongly agreeing), find digital banking services convenient for their daily transactions. However, there is a notable segment of customers (7.2% combined) who either disagree or strongly disagree with this statement, suggesting that there are areas where digital banking services can be improved to address the concerns of these customers. Additionally, the neutral responses (14.8%) highlight a group of customers who may be on the fence or require more information or assistance to fully embrace digital banking. Overall, while the majority of customers express satisfaction with digital banking convenience, there are opportunities for providers to enhance their services and cater to a wider range of customer preferences and needs.

**Table 1**

<b>I find digital banking services convenient for my daily transactions.</b>					
		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Strongly Disagree	35	2.2	2.2	2.2
	Disagree	74	4.6	4.6	6.8
	Neutral	236	14.8	14.8	21.6
	Agree	597	37.3	37.3	58.9
	Strongly Agree	658	41.1	41.1	100.0
	Total	1600	100.0	100.0	

The table 2 below illustrates that a significant portion of respondents, 74.5% combined (41.7% agreeing and 32.8% strongly agreeing), trust that digital banking services in the Andaman Islands are secure. However, there is also a notable percentage of customers (9.2% combined) who either disagree or strongly disagree with this notion, indicating a level of skepticism or concern regarding the security of these services. The neutral responses (16.3%) suggest that there is a segment of customers who may be unsure or require more assurance about the security measures implemented in digital banking. This table highlights the importance of building and maintaining trust in the security of digital banking services, as perceptions of security directly impact customer confidence and adoption rates. Providers should focus on addressing the concerns of the skeptical minority while reinforcing trust through robust security measures and transparent communication about security protocols.

**Table 2**

<b>I trust that digital banking services in the Andaman Islands are secure.</b>					
		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Strongly Disagree	46	2.9	2.9	2.9
	Disagree	101	6.3	6.3	9.2
	Neutral	261	16.3	16.3	25.5
	Agree	667	41.7	41.7	67.2
	Strongly Agree	525	32.8	32.8	100.0
Total		1600	100.0	100.0	

Table 3 presents a critical evaluation of customer perceptions regarding the user interface of digital banking platforms in the Andaman Islands. The data indicates that a significant portion of customers, 72.9% (Agree + Strongly Agree), find the user interface easy to use, which suggests a generally positive response. However, it is noteworthy that 12.6% (Disagree + Strongly Disagree) of customers do not find the interface easy to use, highlighting considerable minority dissatisfaction. This disparity in opinions could stem from various factors such as differing levels of digital literacy among customers, varying expectations regarding user experience, or potential issues with the design and functionality of the digital banking platforms. Further qualitative analysis and feedback gathering may be necessary to pinpoint specific areas for improvement and enhance overall customer satisfaction and usability.

**Table 3**

<b>The user interface of digital banking platforms in the Andaman Islands is easy to use.</b>					
		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Strongly Disagree	68	4.3	4.3	4.3
	Disagree	132	8.3	8.3	12.5
	Neutral	232	14.5	14.5	27.0
	Agree	574	35.9	35.9	62.9
	Strongly Agree	594	37.1	37.1	100.0
Total		1600	100.0	100.0	

The table 4 below presents data on customers' access to digital banking services in terms of their agreement levels, ranging from Strongly Disagree to Strongly Agree. The majority of respondents (73.6%) either agree or strongly agree that they can access digital banking services whenever needed. This indicates a positive perception among customers regarding the availability and accessibility of digital banking services. However, it's noteworthy that a considerable proportion (9.5%) either disagree or strongly disagree, suggesting that there may be room for improvement in ensuring consistent and reliable access to these services for all customers. Overall, the data reflect a generally positive but not universally uniform sentiment regarding digital banking accessibility among the surveyed customers.

**Table 4**

<b>I can access digital banking services whenever I need them.</b>					
		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Strongly Disagree	53	3.3	3.3	3.3
	Disagree	99	6.2	6.2	9.5
	Neutral	271	16.9	16.9	26.4
	Agree	582	36.4	36.4	62.8
	Strongly Agree	595	37.2	37.2	100.0
Total		1600	100.0	100.0	

The table 5 below illustrates customers' perceptions regarding the efficiency and speed of transactions through digital banking services. A significant portion of respondents (75.8%) either agree or strongly agree that transactions are processed quickly and efficiently, indicating a generally positive sentiment towards the performance of digital banking systems in this aspect. However, it's important to note that around 10% of respondents either disagree or strongly disagree, suggesting that there is a subset of customers who feel that transactions are not as efficient as desired. This indicates a potential area for improvement in enhancing transaction processing speed and efficiency to meet the expectations of all customers consistently. Overall, while the majority perceive digital banking transactions positively, there are still segments of customers who may require attention to address their concerns regarding transaction processing.

**Table 5**

Transactions through digital banking are processed quickly and efficiently.					
		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Strongly Disagree	41	2.6	2.6	2.6
	Disagree	112	7.0	7.0	9.6
	Neutral	234	14.6	14.6	24.2
	Agree	619	38.7	38.7	62.9
	Strongly Agree	594	37.1	37.1	100.0
	Total	1600	100.0	100.0	

### Conclusion

This study on customer's perception towards digital banking services in the Andaman Islands has shed light on several key insights that address the existing research gap in this area. By employing a Likert 5-point scale and percentage analysis as the statistical tool, we have gathered comprehensive data on customer attitudes, satisfaction levels, and adoption behaviors towards digital banking services. The findings reveal a generally positive perception among customers, highlighting convenience, security, and reliability as key factors influencing their satisfaction. However, the research also identifies areas for improvement, such as enhancing customer support and addressing concerns related to service reliability in remote areas. These insights provide valuable guidance for banks and policymakers in tailoring their digital banking offerings to better meet the needs and expectations of customers in the Andaman Islands, thereby promoting financial inclusion and enhancing overall customer experience in the digital banking landscape.

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