

Omnichannel: An Empirical Analysis among Indian Retail Banking Customers

Bhushan Bawankule¹, Arti Chandani²

Symbiosis Institute of Management Studies, Symbiosis International (Deemed University),
Range hills Road, Khadki, Pune, Maharashtra, India

²arti.chandani@sims.edu

Abstract

Banking industry is going through a significant change due to technology and changing customer demand which is basically being more personalized and providing a more seamless banking experience. These changes have brought in Omni channel banking into practice.

Aim: The purpose of this study is to understand the whether usage of banking channel is same across different genders and different age groups. The study also focuses on the security issues of personal and financial information with respect to digital banking among different age groups. The customer's experience in different banking channels and factors related to that channel are also being studied.

Methodology: This research paper based on a quantitative analysis method. The Survey was done through an online questionnaire made on Google Forms to identify various factors that would influence the customer experience and inclination towards a specific banking channel. The respondents are customers of banks who are availing banking services from either Indian public sector or private banks.

Result: There is a difference between gender and usage of banking channels while applying loan and managing accounts. In addition, protecting personal and financial information influences older age groups rather the younger ones. Moreover, customers using digital banking find that the advantages are time effectiveness, flexible working, seamless operation, and easy interaction with the bank. This helps in enriching their digital banking experience.

Limitations: This study is only limited to the factors affecting Indian customer perspective in banking experience.

Key words: Omnichannel, Banking channel, Usage Pattern, Customer Service, Digital Banking, Indian Bank

Introduction

Banking industry is going through fast and significant changes due to technological progress e.g. infrastructure development, two-step verification, and 'Internet of Things' (IoT). As a result, customers want more time, personalization, and banking transactions. The technological advancements and increasing use of smartphones, tablets and other devices fueled to the increased use of digital banking and Omni channel is essential for a different set of banking channels and services. The bank's Omni-channel gives access to services at all stations in a consolidated way (Tobias Rosman, 2015).

Innovations have transformed the banking industry than what it was decades ago. The way money is managed is changed due to ATM machines. We can withdraw money whenever we want, not just in working hours but otherwise as well. Interaction with banks has significantly increased due to more access to banking services. The internet has helped us in managing banking from home. Nowadays many banks have their own mobile applications. In the beginning, customers only use it for simple tasks like money transfer or checking bank balance and then it is used for the complex tasks like buying or selling of capital markets instruments such as shares and debentures, along with paying various bills.

While digital banking has become a normal for most customers, there are still many customers who value the personal touch and even those who use digital banking services, tend to prefer face-to-face encounters of complex financial products. As banks continue to make progress in price stability and customer experience, banks must also remember the critical human side of the equation. Customers are often unwilling to switch to digital channels for complex products such as investment and securities. (Walter & Zubin, 2019)

The Omnichannel can be seen as an advancement of multi-channel banking where multi-channel gives a diverse exposure across the various channels. Omnichannels are connecting the channels to provide better and seamless service.

For banking players, accessibility, association and investment are the main topics to get benefit form growth driven by innovation and productivity (Julian Skan, 2015). The organizations were using three practices to manage their Omnichannel network which were seamless experience across channels, right channel for right transactions, and consistent performance across channels (McKinney, 2014).

Our insights about overall customer experience is still lacking in different situations (Jaakkola, 2015). This study aims to get some insights about customer experience in banking industry having high growth rate due to digital conversion and global reach.

Literature Review

In today's world, there is a rapid change in technology as well as customer expectations. In this environment banking, inefficient channels that are not coordinated are becoming antiquated. To grow and gain competitiveness in the market, banks must start to move towards Omnichannel banking. There is a difference between multichannel and Omnichannel banking, as multichannel banking is inconsistent across channel movement and inconsistent service, Omnichannel banking offers consistent user experience across channels to offer seamless services when and where they needed (Ericsson, Farah, Vermeiren and Buckalew, 2012).

Internet, structured and all-around distribution, well logistic arrangement, cross channel assimilation, customer examination, and brand digitalization are the capabilities needed for the Omnichannel programs (Saghiri et al., 2017). Along these lines, the Omnichannel framework can affirm sufficient data accessibility, straightforwardness and consistency of the considerable number of channels which are advantageous e.g. by and large, deals

development, cost reserve funds, associations, and separation of high-quality service. In any case, aside from the significance and refinement of course readings on Omnichannels directs in different settings are consistently uncommon which makes it significant finding out about the changing banking services and customer's experience regarding the same.

Banking institution are pulled in by Omnichannel system for customer to get banking service as one with total arrangement rather than a solitary channel with restricted abilities. Also, the digital channels are adopted for virtual relocation, online money transfer and banking solutions (Liu, 2017). Increasing customer reach, efficiency, market share and improving overall customer retention can be gained through an understanding of customer experience (Julian Skan, 2015).

In addition, the factors related to the customer experience are beneficial for both banking institution and other industries that mutually develop a system which makes the Omnichannel banking service experience (Komulainen, 2018). In current research priority is on 'understanding factor affecting customer behavior and decision making 'acknowledged as one of the significant topics (M.S.I 2016).

For creating customer loyalty, understanding the pattern of customer experience is important which helps the company to separate its services and products (Frow and Payne, 2007). Thinking about the customer experience is critical for the company as it helps to create and improve its experience just by understanding the customer's approach and point of view (Heinonen 2013).

In marketing, the consciousness on customer experience and its management has been increased. (Heinonen, 2010; Dube and Helkkula, 2015). Service experience consists of customers' past, present, future, and expectations or any other provisional experiences which the customer may expect from the bank. We can likewise say that all the time when service is utilized or intended to be used or recollected is to be identified with the service experience (Helkkula and Kelleher, 2010).

According to H. Komulainen, H. Makkonen (2018), the desires or fanciful experience identified with, for instance, what sort of service is viewed as acceptable or what sort of situation is identified with the service are ideal. The examination depicts the customer experience as individual inward mindfulness or impression of service. Experience emerges as the main priority of a person who is associated with it on a mental, physical, and profound level and took an interest in the service (Lemke, 2011; Holbrook and Hirschman, 1982). Client experience is impermanent in nature and inclined to change (Helkkula, 2012). The performance may seem unpleasant at the moment it happens; but, if you consider it later, it might be a good thing.

The client settles on choices which are suitable and follows up on the past, outside outcomes and future desires. Additionally, situational factors, for example, demographic attributes, the financial position of the individual, social, mental, and other character factors influence the exhibition, and encounters of the person (Constantinides, 2004).

The social condition and workplace always affect the individual experience. In this way, while the experience is accessible to the individual, it is likewise social, as individuals live and are involved with the social world (Helkkula, 2012). Therefore, alongside the individual context of the user, the experience is firmly impacted by the social setting of the consumer that is reflected in the thoughts and objects of others. In the view of the above discussions, the customer experience is justifiable but then again, the inward and automatic view of the other side of the community-based organization and which is highly dependent on flexibility and timely development. In such a manner, the Omnichannel bank centers around standards of consistency, productivity and body surface so as to make the customer experience as fulfilling as could reasonably be expected (McColl-Kennedy, 2015). With this hypothetical comprehension, we keep on assessing the client's involvement with the setting of Omni banking administrations.

2.1. Research Gap

The authors have done extensive research on the topic related to the theme of the paper and these were divided into sub-topics such as “Omnichannel banking”, “Digital banking”, “Banking channels”, “Customer service in the banking sector”, “Customer experience in the banking sector”. There is no research in the area of factor influencing the customer involvement with the Omnichannel banking and also study of the usage pattern of various banking channels according to the demographics.

2.2. Objectives:

- To analyze that whether there is any difference between gender and usage of banking channel while managing bank account.
- To analyze that whether there is any difference between gender and usage of banking channel while applying loan.
- To study whether there is any difference between age group and concern regarding security of personal and financial information.
- To study important factors affecting customer's preference for omnichannel banking.

3. Research Methodology

3.1. Research Type

The research has been done in a manner in which the study is descriptive in nature which adopts the quantitative analysis of the data collected from respondents through the questionnaire.

3.2. Questionnaire Design

The questionnaire was designed to study the various types of questions which were continuous and categorical in nature. The questionnaire mainly consists of three sections, the first section is about demographic information, second is for their interaction and usages of various banking channel and the third section is about their opinion and experience in various

banking channels. These experiences and interactions were measured through the five-point Likert scale.

3.3. Sample Selection

A sample of people were having a bank account and using various channels to fulfill their banking needs. The sample consisted of account holders in public sector as well as the private sector banks. This questionnaire directed on 900 respondents while **142** respondents completed this survey from Maharashtra state. The conventional sampling was used to conduct this survey. The conventional sampling is a type of non-probability sampling method and it involves the collection of data from respondents who are willing to participate in the study and are also a part of our study population.

3.4 Hypothesis

Hypothesis 1

H₁: There is no significant relation between the gender of the applicant and the usage of banking channel for applying loan

Hypothesis 2

H₂: There is no significant relation between the gender of the applicant and the usage of banking channel for managing accounts

Hypothesis 3

H₃: There is no significant relation between age group of customers and the security of personal and financial information in digital banking.

Hypothesis 4

H₄: There is no significant difference between factors affecting customer's preference for omnichannel banking.

4. Data Analysis and Interpretation

4.1. Data Analysis Procedure

The primary data collected through an online survey was analyzed by using tools such as MS-Excel, IBM-SPSS 21. The visualization of data was done by using Tableau which helps in the interpretation of data. The data from the questionnaire was collected in the form of an Excel sheet which was then imported into SPSS to conduct various statistical tests.

4.2. Demographic Details of Respondent's

In the sample taken for this study, almost 59 % of the respondents were falling into the age group of 20-30 years and 70 % were male respondents. About 18 % of respondents were working in the public sector and 34 % in the private sector. The sample is a good mix of different age groups as well as working people. About 38 % of respondents have a monthly

income lower than Rs.50000 followed by earning in the range of Rs.50000-Rs. 100000. (Table 1)

Table 1: Sample Characteristics

Demographic factors		Frequency	Percentage
Age	20-30	84	59%
	30-40	28	20%
	40-50	16	11%
	More than 50	14	10%
Gender	Male	99	70%
	Female	43	30%
Occupation	Public Sector	25	18%
	Private service	48	34%
	Business	23	16%
	Student	36	25%
	Other	10	7%
Monthly income (in Rupees)	Below 50,000	54	38%
	50000-100000	34	24%
	100000-150000	13	10%
	Above 150000	9	6%
	NA	32	22%
Primary bank account	Indian Public Sector Bank	96	68%
	Indian Private Sector Bank	40	28%
	Foreign Bank	2	1%
	Other	4	3%

Source: Authors calculation.

4.3. Banking related information of respondents

The respondents are from leading Public sector (68 %) and private sector banking (28 %) of India. In the sample of private sector bank around, 51% of respondents were using their accounts from the range of 0-5 Years. On other hand, in public sector bank around 39 respondents (40 %) were using their accounts form 5-10 Years. Also, in private sector bank major account holders are in age group of 20-30 Years. (Table 2)

Table 2: Banking related data of respondents

Bank Type	Service for year	Respondents	Percentage
Indian Public Sector Bank	0-5 years	16	16%
	5-10 years	39	40%
	10-15 years	23	25%
	15-20 years	11	11%
	More than 20 years	7	7%
Indian Private Sector Bank	0-5 years	20	51%
	5-10 years	13	33%
	10-15 years	6	13%
	15-20 years	1	3%
Foreign Bank	0-5 years	2	100%
Other	0-5 years	1	25%
	10-15 years	1	25%
	10-15 years	1	25%
	15-20 years	1	25%

Source: Authors calculation.

Table 2 also shows that the number of customers in Indian private sectors banks are less as compared to public sector banks and this is due to the fact the market share of public sector banks is much higher. There is only customer who is using private sector banks between 15-20 years and private sector banks came into existence post 1990s when India adopted a policy of LPG (Liberalization, Privatization and Globalization). There are no customers, among the sample, who are using the foreign banks for more than 5 years. It also gives an important finding that the penetration of foreign banks is much lesser in Indian market.

4.4. Usages of various banking channel

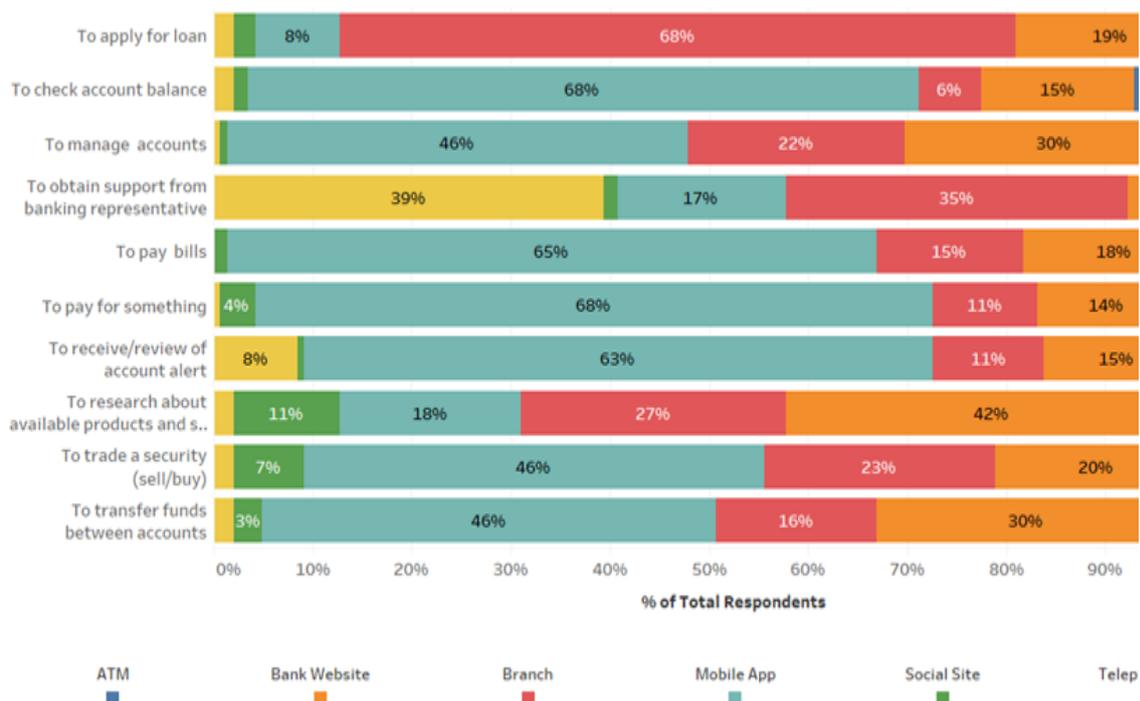


Figure 1. Preferred channel for various banking activities. (Source: Authors representation of data)

From the survey, we can interpret that there is the importance of both physical and digital channels of banking. Figure 1 shows the importance of various banking channels for different types of banking activity. For example, we can confirm that most of the work is done through a mobile application but respondents tend to favor physical banking channels for the activities like applying for a bank loan, getting support from banks, and researching about the product. This figure also suggests the shift of banking channel preference for conducting banking activities are going on, as respondents prefer channels like a mobile application, online banking for simple transactions. This finding is confirming the declining use of branch and other physical banking channels.

This also brings an important insight and implication for the banks that they should focus on as to how the loan can be moved from bank to online platform. The online platforms are much more cost effective and moving these products to various other channels can bring in efficiency to the banks. 23% of the customer prefer using and visiting bank for selling and buying security and this is something which can be moved to other digital channels by providing support to the customers.

4.5. Advantages of digital banking channel

From the survey we can confirm that main perceived advantages of digital channels are greater flexibility with working hours (88%), time saving (87%) than physical channels.

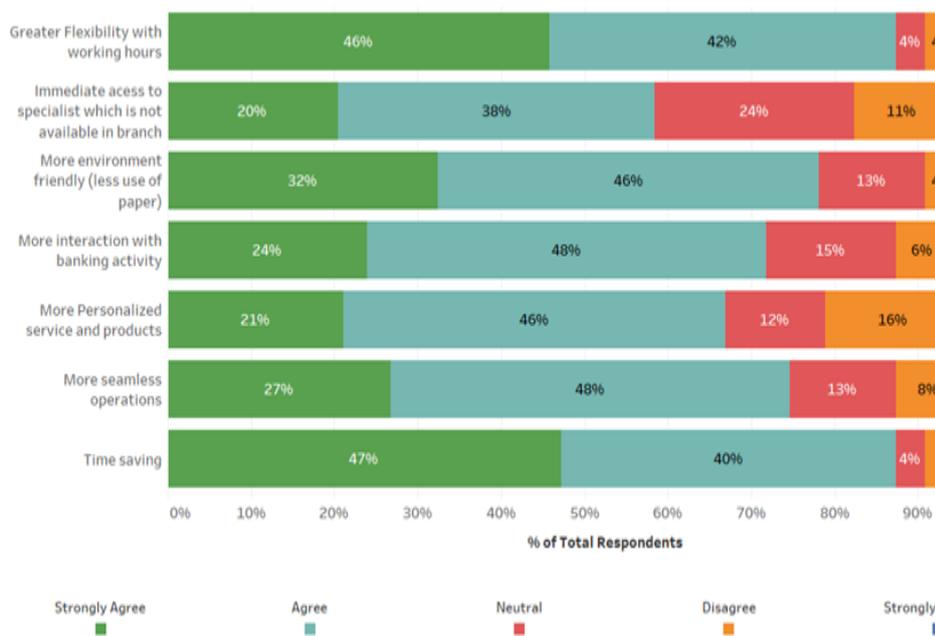


Figure 2. Response on advantage of digital banking channels (Source: Authors representation of data)

Figure 2 gives the details about respondent’s view on the advantages of digital banking channels. 46% of the respondents strongly agree that the digital banking offers them greater flexibility in terms of the using the banking service as per their convenience against the traditional 9am to 5pm banking hours. Using the digital channel there is an access to the specialist either through customer care, email or through chat bots which is very difficult in the case of physical banking as the bank representative can handle only limited number of customers at a time and these representative are busy in multiple other tasks, leaving less time for the dedicated customer support. There is a strong agreement of digital banking products over physical banking in terms of being environment friendly not only that there is less paper usage but indirectly it saves fuel also otherwise the customer would have been required to visit to the branch.

The amount of time saved is of great value to the customer. If there is a product or service which needs 10 minutes’ task, it actually needs at least 1 hour or more, depending on the distance between the bank and customer’s place. This can be done easily using the digital channels. There is a great amount of agreement over the seamless operation among the customers as the operations are more standardized using the digital channels which gives the same experience to each customers.

4.6. Disadvantages of digital banking channels

As majority of respondents have access to the digital facilities. From the survey, we can confirm that the main disadvantages of digital channels are the security of personal financial information, service issue, and lack of personal touch.

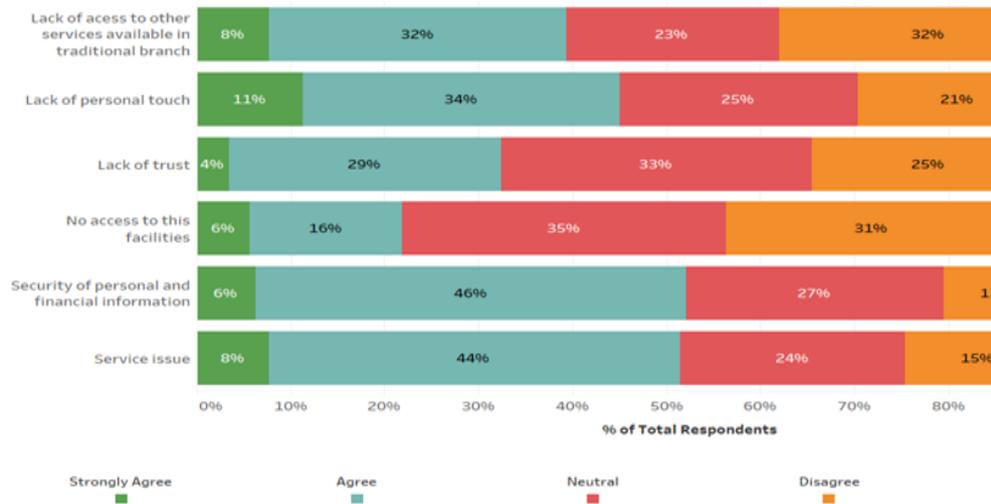


Figure 3. Response on disadvantage of digital banking channels (Source: Authors representation of data)

Figure 3 gives the customer’s view about the disadvantages of the digital banking. There appears to be strong agreement among the customers about the lack of personal touch. Many a times, customer would regard a personal touch as a high value which is missing in digital channels. Many customers are apprehensive about the security of the data and personal information which is being shared on these digital channels. The customers have made a decision to come to digital channel considering this risk still there are concerns about this. Some of the customers have concern about the server issues where the customer is not able to do the banking transactions due to the server failure.

4.7. Reliability Test

		N	%
Cases	Valid	142	100.0
	Excluded ^a	0	.0
	Total	142	100.0
a. Listwise deletion based on all variables in the procedure.			

Table 4. Reliability Statistics		
Cronbach's Alpha	Cronbach's Alpha Based on Standardized Items	N of Items
.865	.865	13

Cronbach Alpha is the most popular method for calculating the reliability which is calculated with the help of a number of responses and average inner item correlation. It measures the ability of the questionnaire to concisely measure topics under different times and across a population (Perry Hinton, 2005).

The researchers have used Cronbach Alpha to check the reliability of the data for the analysis. The alpha score of more than 0.70 is taken as high scale reliability. In our research **Cronbach Alpha is 0.865** which shows the high reliability of data. This gives a great amount of confidence to the researchers to continue with their research and this also give confidence to the users of the present research as the data is highly reliable.

Table 5: Descriptive statistic of responses.

Item Statistics			
	Mean	Std. Deviation	N
Time_Saving	4.183	1.0956	142
Personalised_Service	3.620	1.1345	142
Seamless_Operations	3.838	1.0628	142
Flexibile_Workinghours	4.190	1.0378	142
Immediate_acesstospecialist	3.549	1.1272	142
Environment_friendly	3.965	1.0343	142
Moreinteractive_banking	3.768	1.0828	142
Security_Information	3.289	1.0558	142
Lack_personaltouch	3.183	1.1462	142
No_access	2.711	1.0625	142
Service_issue	3.254	1.1008	142
Lack_otherservices	3.028	1.0977	142
Lack_trust	2.915	1.0348	142

Table 5 shows the mean and standard deviation of the factors which were considered as a part of the research. These factors were further divided into advantages and disadvantages of the digital channels from the perspective of the customers. From the response of our survey we can see that all 142 of our respondents answered all the questions. The researchers did not find any questionnaire which was incomplete in any regard, so this gives the sample of 142 for the analysis to the researchers. The larger standard deviations show which questions got a large variety of responses. The mean is highest of flexible working hours followed by time saved due to the usage of digital channels. The mean is lowest for no access to these digital channels (2.711) followed by lack of trust (2.915) for the customers.

4.8. Hypothesis Testing

4.8.1. Hypothesis 1

Independent sample T-test is used to test the hypothesis as there are only two categories in the gender viz male and female. There are total of 99 male respondents while 43 are female respondents for the present study.

The researchers have used independent sample T- test to find whether is there any difference among the customers i.e. male and female while they apply for the bank loan using banking channels. The data has been analyzed with the help of IBM-SPSS 22 and the results are shown in the table 6.

Table 6: Significance of banking channel for applying loan and gender

Independent Samples Test

		Levene's Test for Equality of Variances		t-test for Equality of Means				
		F	Sig.	t	df	Sig. (2-tailed)	Mean Difference	Std. Error Difference
To apply for loan	Equal variances assumed	15.347	.000	-3.268	140	.001	-.592	.181
	Equal variances not assumed			-3.006	66.913	.004	-.592	.197

The table above shows the significance value of 0.001 ($p=0.001$) and 0.004 ($p=0.004$). Given that $p < 0.05$, the null hypothesis can be rejected and the alternative hypothesis can be accepted i.e. there is a significant relation between usages of the banking channel for applying loan and gender. The Levene test value of significance is 0.000 which is less than

0.05 and allows the researchers to accept alternative hypothesis. This has strong application for the banks as they can focus their loan towards customers who are using more for loan application.

4.8.2. Hypothesis 2

As there are only two categories in the gender viz male and female, independent sample T-test is used to test the hypothesis. The researchers have used independent sample T- test to find whether is there any difference among the customers i.e. male and female while they manage their bank account using banking channels. The data has been analyzed with the help of IBM-SPSS 22 and the results are shown in the table 7.

Table 7: Significance of banking channel for managing accounts and gender

Independent Samples Test

		Levene's Test for Equality of Variances		t-test for Equality of Means				
		F	Sig.	t	df	Sig. (2-tailed)	Mean Difference	Std. Error Difference
To manage accounts	Equal variances assumed	8.038	.005	-3.631	140	.000	-.848	.234
	Equal variances not assumed			-3.4775	72.63	.001	-.848	.244

The table above shows the significance value of 0.000 ($p=0.000$) and 0.001 ($p=0.001$). Given that $p < 0.05$, null hypothesis can be rejected and we can accept the alternative hypothesis i.e. there is a significant relation between usages of banking channel for managing accounts and gender.

4.8.3. Hypothesis 3

One-way ANOVA is used for testing of hypothesis as there are four categories under age and only one independent variable (Security of Information).

Table 8: Significance relation between security of information and age category

ANOVA					
Security_ofInformation					
	Sum of Squares	df	Mean Square	F	Sig.
Between Groups	10.724	3	3.575	3.369	.020
Within Groups	146.438	138	1.061		
Total	157.162	141			

The table above shows a significance of 0.020 ($p=0.020$). Given that $p < 0.050$, the null hypothesis can be rejected and we can accept the alternative hypothesis that means statistically there is a significant relation between the security of personal and financial information and age group. The four age groups are 20-30 years, 30-40 years, 40-50 years and more than 50 years among the customers.

Table 9: Post hoc test multiple comparisons

Multiple Comparisons						
Dependent Variable: Security_ofInformation						
Tukey HSD						
(I) Age	(J) Age	Mean Difference (I-J)	Std. Error	Sig.	95% Confidence Interval	
					Lower Bound	Upper Bound
20-30 year	30-40 years	-.4286	.2248	.230	-1.013	.156
	40-50 years	-.7411*	.2810	.045	-1.472	-.010
	more than 50 years	-.5000	.2974	.337	-1.273	.273
30-40 years	20-30 year	.4286	.2248	.230	-.156	1.013
	40-50 years	-.3125	.3228	.768	-1.152	.527
	more than 50 years	-.0714	.3372	.997	-.948	.805
40-50 years	20-30 year	.7411*	.2810	.045	.010	1.472

	30-40 years	.3125	.3228	.768	-.527	1.152
	more than 50 years	.2411	.3770	.919	-.739	1.221
more than 50 years	20-30 year	.5000	.2974	.337	-.273	1.273
	30-40 years	.0714	.3372	.997	-.805	.948
	40-50 years	-.2411	.3770	.919	-1.221	.739
*. The mean difference is significant at the 0.05 level.						

The Tukey post hoc test reveals that there is a difference between the mean of the age group of 20-30 years and 40-50 years. Also, for given data, we can conclude that the people between the age group of 40-50 years believe that the security of personal and financial information is a crucial factor influencing the behavior of the customer while using digital channels than that of a 20-30-year age group.

4.8.4. Hypothesis 4

Factor analysis helps in the study of key factors that impact the behavior of customers while using digital banking channels which also affect the overall banking experience. Some of the parameters identified are time-saving, flexibility in time, having seamless operation, personalized service, security issue, lack of personal touch, and others. These factors were measure by using a 5-point Likert scale.

Table 10. KMO and Bartlett's Test of respondents.

KMO and Bartlett's Test		
Kaiser-Meyer-Olkin Measure of Sampling Adequacy.		.861
Bartlett's Test of Sphericity	Approx. Chi-Square	992.933
	Df	78
	Sig.	.000

From the table above **Kaiser-Meyer-Olkin Measure of Sampling Adequacy (KMO)** measure is **0.861** which is acceptable. This value indicates that each of the variables meets the requirement of factor analysis. Bartlett's test of sphericity indicates the relationship between variables. The value of p should be less than 0.5, in our case, it is **0.000** which means we can continue our factor analysis.

Table 11: Communalities of Respondents

Communalities		
	Initial	Extraction
Time_Saving	1.000	.769
Personalised_Service	1.000	.568
Seamless_Operations	1.000	.671
Flexibile_Workinghours	1.000	.785
Immediate_acesstospecialist	1.000	.528
Environment_friendly	1.000	.639
Moreinteractive_banking	1.000	.683
Security_ofInformation	1.000	.575
Lack_personaltouch	1.000	.505
No_access	1.000	.478
Service_issue	1.000	.605
Lack_otherservices	1.000	.542
Lack_trust	1.000	.573
Extraction Method: Principal Component Analysis.		

Extraction value of 12 components are above 0.5

The communalities describe the amount of variance a variable share with all other variables taken into study.

Table 12: Total variance of respondents

Total Variance Explained

Component	Initial Eigenvalues			Extraction Sums of Squared Loadings			Rotation Sums of Squared Loadings		
	Total	% of Variance	Cumulative %	Total	% of Variance	Cumulative %	Total	% of Variance	Cumulative %
1	5.182	39.860	39.860	5.182	39.860	39.860	4.606	35.433	35.433
2	2.740	21.078	60.938	2.740	21.078	60.938	3.316	25.505	60.938
3	.913	7.019	67.957						
4	.809	6.223	74.180						
5	.578	4.445	78.626						
6	.544	4.187	82.813						
7	.447	3.439	86.252						
8	.389	2.989	89.241						
9	.379	2.916	92.157						
10	.346	2.658	94.815						
11	.306	2.353	97.168						
12	.253	1.946	99.114						
13	.115	.886	100.000						

Extraction Method: Principal Component Analysis.

Initial Eigen value column shows the Eigen value of factors we are interested in. Only 2 factors have Eigen value greater than 1. % of variance indicate the variance explained by each factor. From table we can see that factor 1 having Eigen value 5.182 which accounts for 35.433 percent of variance.

Table 13: Component matrix of the respondents

Component Matrix^a

	Component	
	1	2
Time_Saving	.842	-.245
Personalised_Service	.676	-.332
Seamless_Operations	.789	-.222
Flexibile_Workinghours	.846	-.262
Immediate_acesstospecialist	.637	-.350
Environment_friendly	.701	-.384
Moreinteractive_banking	.780	-.274
Security_ofInformation	.559	.513
Lack_personaltouch	.470	.533
No_access	.360	.590
Service_issue	.403	.666
Lack_otherservices	.405	.615
Lack_trust	.428	.624

Extraction Method: Principal Component Analysis.

The component matrix table gives the initial picture of the loading of variables onto factors but it difficult to interpret. This difficulty is solved by rotation of the component matrix.

Table 14: Rotated component Matrix of responses

Rotated Component Matrix^a

	Component	
	1	2
Time_Saving	.855	.194
Personalised_Service	.752	.038
Seamless_Operations	.797	.189
Flexibile_Workinghours	.867	.181
Immediate_acesstospecialist	.727	.003
Environment_friendly	.799	.005
Moreinteractive_banking	.815	.139
Security_ofInformation	.239	.720
Lack_personaltouch	.153	.694
No_access	.028	.691
Service_issue	.029	.777
Lack_otherservices	.055	.734
Lack_trust	.071	.753

Extraction Method: Principal Component Analysis.

Rotation Method: Varimax with Kaiser Normalization.

a. Rotation converged in 3 iterations.

From the above table, we can see that factor 1 labeled as Operational flexibility which is clubs the statement like time-saving, flexible working, interactive banking, seamless operation and factor 2 which is basically related to the disadvantages of digital banking more related to service side which is loaded by service issues, lack of other services available at the branch and lack of trust.

Table 15: Component transformation matrix.

Component Transformation Matrix

Component	1	2
1	.874	.485
2	-.485	.874

Extraction Method: Principal Component Analysis.

Rotation Method: Varimax with Kaiser Normalization.

This table shows the correlation used in transforming component matrix into rotated component matrix.

4.9. Discussion

In the questionnaire, we have used an open-ended question in which we asked respondents to tell us any suggestion they have regarding Omnichannel banking. Some of the suggestions given were, the user interface of mobile application and banking website should be easy to understand and should also provide seamless transactions which are analogous to the finding of (Aldiabat, 2019) which explained a simple user interface to enhance overall customer satisfaction. The fear regarding the security of personal and banking related data leak is also one of the key points from the customer perspective which affect the user experience, which is analogous to the finding of (Komulainen,2018). A successful business can be carried out and extract the best out of both the customer and banking staff by side by side maintain virtual banking with regular updating of knowledge by a Banker will lead in achieving the goal and please the customers. The usage pattern of different customers suggests that for most of the banking services, customers prefer digital channels over physical channels which confirm the declining use of branch and other physical banking channels. The service issue, lack of service availability, and lack of trust over digital banking channels defers the customers from using digital banking channels.

Conclusion

The objective of this study was to create an in-depth understanding of the usage pattern of various channels in banking and factors affecting overall customer experience and the adoption of a particular channel. The present study gives deeper insights about the preference of customers for mobile banking over the physical channels for simple banking activities but customers favor physical channels for critical work such as applying for a loan or getting support from the bank. In light of this, the current study offers the perception of digital banking users and found out the factors which impact the overall banking experience. The factors brought out from this study are operational flexibility which shows that greater flexibility with working hours, time-saving and seamless operations are the main perceived advantages of digital banking channels. Also, the service inability which shows the service

issue, lack of service, and lack of trust are perceived disadvantages of digital banking. The correlation between the gender and usages of banking channels for a specific purpose such as applying for loan and managing account which is presented in the analysis section. Additionally, it was revealed that the security of personal and financial information is more perceived as concerned in the age group of 40-50 years than that of 20-30 years age group. As the usage of digital banking is increasing, the awareness regarding these factors would help the bank.

References

1. Aldiabat, K., Al-Gasaymeh, A., & Rashid, A. S. K. (2019). The effect of mobile banking application on customer interaction in the Jordanian banking industry. *International Journal of Interactive Mobile Technologies*, 13(2), 37–48. <https://doi.org/10.3991/ijim.v13i02.9262>
2. Constantinides, E. (2004). Influencing the online consumer's behavior: The Web experience. *Internet Research*, 14(2), 111–126. <https://doi.org/10.1108/10662240410530835>
3. Dube, A., and A. Helkkula. (2015). Service experiences beyond the direct use: Indirect customer use experiences of smartphone apps. *Journal of Service Management* 26(2): 224–248.
4. Ericsson, J., Farah, P., Vermeiren, A., & Buckalew, L. (2012). Winning Strategies for Omnichannel Banking: Cisco IBSG Global Research Reveals New Ways for Banks to Prosper in an Omnichannel World. Cisco IBSG, 1–18.
5. Frow, P., & Payne, A. (2007). Towards the 'perfect' customer experience. *Journal of Brand Management*, 15(2), 89–101. <https://doi.org/10.1057/palgrave.bm.2550120>
6. Heinonen, K., Strandvik, T., & Voima, P. (2013). Customer dominant value formation in service. *European Business Review*, 25(2), 104–123. <https://doi.org/10.1108/09555341311302639>
7. Heinonen, K., T. Strandvik, K.-J. Mickelsson, B. Edvardsson, E. Sundström, and P. Andersson. (2010). A customer-dominant logic of service. *Journal of Service Management* 21(4): 531–548.
8. Helkkula, A., & Kelleher, C. (2010). Circularity of customer service experience and customer perceived value. *Journal of Customer Behaviour*, 9(1), 37–53. <https://doi.org/10.1362/147539210x497611>
9. Helkkula, A., C. Kelleher, and M. Pihlström. (2012). Practices and experiences: challenges and opportunities for value research. *Journal of Service Management* 23(4): 554–570.
10. Hinton, P. R., McMurray, I., & Brownlow, C. (2014). Using SPSS to analyse questionnaires: Reliability. In *SPSS explained*. London: Routledge, Taylor & Francis Group.
11. Holbrook, M.B., and E.C. Hirschman. (1982). Hedonic consumption: Emerging concepts, methods and propositions. *Journal of Marketing* 46(3): 92–101.
12. Jaakkola, E., A. Helkkula, and L. Aarikka-Stenroos. (2015). Service experience co creation: Conceptualization, implications, and future research directions. *Journal of Service Management* 26(2): 182–205.
13. Komulainen, H., & Makkonen, H. (2018). Customer experience in omni-channel banking services. *Journal of Financial Services Marketing*, 23(3–4), 190–199. <https://doi.org/10.1057/s41264-018-0057-6>

14. Lemke, F., M. Clark, and H. Wilson. (2011). Customer experience quality: An exploration in business and consumer contexts using repertory grid technique. *Journal of the Academy of Marketing Science* 39(6): 846–869.
15. Liu, Jun and Abhishek, Vibhanshu and Li, Beibei (2017). The Impact of Mobile Channel Adoption on Customer Omni-Channel Banking Behavior.
16. Marketing Science Institute. (2016). Research Priorities 2016-2018. Marketing Science Insitute, 24. http://www.msi.org/uploads/articles/MSI_RP16-18.pdf
17. McColl-Kennedy, J. R., Cheung, L., & Ferrier, E. (2015). Co-creating service experience practices. *Journal of Service Management*, 26(2), 249–275. <https://doi.org/10.1108/JOSM-08-2014-0204>
18. Mckinney, T. (2014). Omni-Channel Banking Customer Experience: Forget What You Thought You Knew about Channels.
19. Rosman, T., & Rosman, T. (2015). Investigating omni-channel banking opportunities in Sweden: From a user perspective. 12.
20. Saghiri, S., Wilding, R., Mena, C., & Bourlakis, M. (2017). Toward a three-dimensional framework for omni-channel. *Journal of Business Research*, 77(April), 53–67. <https://doi.org/10.1016/j.jbusres.2017.03.025>
21. Skan, Julian, J. D. and S. M. (2015). The Future of Fintech and Banking. Accenture, 1–12. www.fintechinnovationlab.com
22. Walter Rizzi, Zubin Taraporevala (2019). The balancing act: Omnichannel excellence in retail banking.