



A STUDY ON DIGITAL DISRUPTION AND ITS IMPACT ON BANK CUSTOMERS IN GOA

Dr.(CA) Subrahmanya Bhat^{1*}

Abstract

Because of the emergence of new inventions, the banking industry has been undergoing rapid transformation. The introduction of standalone PCs marked the beginning of the banking sector's use of data technology, which later advanced to neighborhood networks. Of all industries, digital is the new expression in style. Along with other industries, banking is also transitioning to digitization on every continent. Banks of all shapes and sizes are investing heavily in digital drives in order to maintain dominance and give their clients the best possible service. Customers have benefited from digitalization as well by utilising credit-only transactions. Customers may now swap money anywhere at any time without having to keep currency on hand. A few corporate banks started making the transition to digital client administrations in order to remain competitive and serious. By embracing newer developments, banks have aided in several ways. The results indicate how cutting-edge bank-to-Balance Tech cooperation arrangements are replacing antiquated, competitive methods in the banking sector. Especially for international banks from rich economies, traditional banking is being disintermediated into more modest, multi-directional, and multi-modular models, opening up wonderful new prospects.

Keywords: Digital Disruption, Bank Customers, Goa, Banking sector, digital technology

^{1*}Principal, Swami Vivekanad Vidya Prasark Mandal's College Of Commerce Bori, Ponda Goa -403401, Chartered Accountant F-2 Dr.Kudchadkar Complex Above Amey X Ray Clinic Ponda- Goa 403401
Mobile No: 8806531262, E Mail: Skmbhat@Yahoo.Co.In

***Corresponding Author:** Dr.(CA) Subrahmanya Bhat

*Principal, Swami Vivekanad Vidya Prasark Mandal's College Of Commerce Bori, Ponda Goa -403401, Chartered Accountant F-2 Dr.Kudchadkar Complex Above Amey X Ray Clinic Ponda- Goa 403401
Mobile No: 8806531262, E Mail: Skmbhat@Yahoo.Co.In

DOI: - 10.48047/ecb/2023.12.si5a.067

INTRODUCTION

Banking is the backbone of Indian economy. Indian banking is one of the largest banking systems in the world. It is one of the major stepping stone towards sustainable development of MSMEs, community, state and national economy. Goa is known for travel and tourism, education hub. It has growth potential and ability to attract lakhs of tourists and gain foreign currency. Ease of banking will influence positively towards the growth and development of the state. The banking industry revolutionized through adoption of high-end technological advancements such as such as Artificial intelligence (AI), robotization, and robotics, crypto-currency among other things. In today's digital world, the banking industry offers a wide range of digital self-services, including checking balances, paying bills, moving money about in accounts, creating new ones, and obtaining ATM, credit card, charge card, and other information via PDAs and online games (Rupeika-Apoga, 2021). The rapid expansion of technology has altered routine banking operations, replacing tedious manual labour with improved client collaboration and the development of innovative products. The development of installment frameworks, obtaining, driving, and client connection executives has been bought by the emergence of new fintech. Technology will influence an undertaking's development, value, and viability. These innovative services have given new opportunities to serve clients using cutting-edge technology, but on the other side, the labour force is under pressure to continue to be useful. The banking industry is facing considerable challenges due to underperforming resources, problematic technology, shifting regulations, insufficient capital adequacy, resource commitment to the leaders, and labour force issues. Labor force challenges play a crucial role among other challenges in this situation. A few studies highlight the impact of creative disruptive challenges on the banking business, while fewer studies highlight the impact of labour force challenges on the banking sector (Girish, 2020). Accepting this as a basis, the current evaluation tends to focus on the impact of workplace human resources difficulties rather than the many causes of mechanical disruption that bank representatives are looking at. Web and digitalization are widely believed to be powerful forces that are drastically altering the financial business while unsettling well ingrained patterns of action (Laidroo, 2021). These overarching effects have paved the way for the banking industry's phenomenal growth, presenting a number of challenges and opportunities while also placing significant pressure on banks to advance. The

revolutionary phase that the banking industry is currently experiencing has sparked a crucial shift in perspective that has resulted in a wonderful reexamination of surviving methodologies, working models, and hierarchical construction towards standards in view of adaptability, deftness, and client centricity. Additionally, these compelling developments will create a new scene that will likely characterise important participants who are prepared to compete in the years to come. Problematic digital technology alters how things are done, empowering models shift incentives, creating client-driven biological systems, and creating a new source of money. As Blade Specialists join the banking environment and prompt plan of action disruption, urging bank-Balance Tech cooperative organisations or in-house Blade Tech new enterprises, ushering in monetary development, there have been floods of value chains becoming unbundled. While a sizable portion of research deals with other topics on Balance Specialists from a created economic viewpoint, we are unaware of comparison research that explicitly addresses a related topic from a big time wage change economy viewpoint. Such a Balance Specialists bank environment nexus provides fertile ground for the underappreciated negative impact of dig-tech on models. The main goal of the exploration is to learn more about this subspace and examine how technology might lead to problematic model development. The commitment of the paper is three creases. First, it expands the investigation into banking and Balance Specialists by investigating how the latter option upsets officeholder model assumptions. Second, it makes use of a unique but repeatable review methodology. Third, the outcome has financial implications. Banks, controllers, and sellers may be interested in the results and may choose to use Blade Tech as an intermediate key speculator.

1.1. Background Of Study

“Digital transformation” is the process of recognizing that consumer expectations will change as the digital environment continues to evolve and become more capable of reliably delivering better results and increasing customer satisfaction. The use of digital technology has changed consumer behavior. Through mobile devices, apps, machine learning, automation, and other variables, customers theoretically get exactly what they need, when they need it. The term “digital transformation” refers to the integration of digital technology into all functional areas of a company (Pakurár, 2019). This process has fundamentally changed the way companies operate and deliver value to their customers. These new

digital tools have changed consumer expectations and led to the emergence of new types of modern shoppers. The modern consumer has access to applications, a constant connection to the Internet, and a working understanding of technology.

As a result of the digital revolution, banks are having to reassess how they interact with their customers and how they want to meet their growing demands. The present article attempts to seek answers to the questions: What models and methods can be used to measure how customer satisfaction changes as a result? The banking sector often measures the quality of service using the SERVQUAL model, which compares consumer expectations of the service provided to the consumer's perception of the actual service delivery. A customer's overall rating of a company on the quality of service provided is how SERVQUAL defines service quality.

1.2. Technology Disruption In Banking Sector

The financial services have been significantly disrupted by digital innovations. In the next five years, over half of the workforce in the open sector will leave their jobs. Due to the resignation of senior and centre level representatives, the banking industry will therefore experience a remarkable loss of talents and capabilities. Therefore, bankers must take into account particular factors while recruiting, accepting, planning, executing, evaluating, and considering other human-related aspects. A variety of new roles will be created as a result of these fundamental skills, necessitating the development of new skill sets. This shift will make it more challenging for HR departments at businesses to hire for new skills and upskill the present workforce.

Representatives' profiles have altered as a result of the digital revolution, making it imperative to physically inspect transactions. Its development has transformed traditional banking into digital banking. The interest in IT skills to deal with interaction has increased as a result of digital advancements, such as branchless banking, mobile banking, and web banking. Since there is a knowledge gap, notably among conservative, Gen X-er, and Gen X representatives.

According to Flejterski, S. and Labun, J. (2020), the banking industry struggles to keep up with the standards of the global market and faces challenges with employee retention and representatives' lack of flexibility when it comes to new technologies like robotization, mechanical technology, and artificial intelligence (Flejterski, 2020). Therefore, the banks' greatest concern is finding enough staff to handle this transition and manage technology disruption.

1.3. Objectives Of The Study

- To analyze patterns of digital technology adoption in the Goa banking industry
- To analyze how digital technology influence the value chain system and competitiveness of banks in Goa
- To examine the impact of digital disruption on the transactions of bank customers in Goa

1.4. Research Hypothesis

H0: There is no impact of digital Disruption on the transactions of Banking Customers in Goa.

H1: There is impact of Impact of digital Disruption on the transactions of Banking Customers in Goa.

2. LITERATURE REVIEW

Ullah, F., Sepasgozar, S. M., Shirowzhan, S., & Davis, S. (2021) A detailed Smart Real Estate Technology Adoption Model (SRETAM) was built based on an integrated KANO-SISQual hybrid approach to represent the user's perspective of REOP in DDE. 407 of his REOP clients in Sydney provided information through a survey. After reading 256 articles reviewed by 12 local realtors, 31 key signs were found (Ullah, 2021). The results identified 19 factors that are most important to REOPs users, with trust, information accuracy, and platform trustworthiness being the top three. Hypothetical results showed that the KANO category was statistically different from his SRETAM category with respect to behavioral intentions of users using REOP. The following eight factors have been identified as attractive to the KANO category. Graphic statistics, familiar web technologies, content organization, web design, immersive content, self-efficacy, informational novelty, presence of interactive 3D models. REOP users have reported frustration with the display of their location, lessons to be learned, and links to additional resources provided by the web portal. Thanks to variables and their taxonomy, DDE users have the potential to gain access to new features, precise information, and transparent data. REOP, on the other hand, may see an increase in customer numbers as a result of more people using its services. In this way, the traditional real estate market can become smart real estate according to DDE's Industry 4.0 requirements. According to Dinçer et al. (2019), "Responsiveness" is the most crucial factor in Turkey, while "Costs and Earnings" are the least critical factors (Dinçer, 2019). They also emphasised that the most crucial factor in determining customer happiness is information technology infrastructure, and that banks should make investments to upgrade their technical

infrastructure in order to meet consumers' expectations.

Customers can feel confident in their mobile banking provider if the system is reliable, accurate, and fast, responds quickly, and offers efficient services (such as payments, transactions, credit card services, etc.).

In variables affecting service quality and customer retention intentions, Zhou et al. (2021). Paclar et al. (2019) concluded that certainty; trustworthiness, accessibility, and interpersonal skills were the most important attributes for ensuring customer satisfaction, followed by responsiveness, empathy, and economic factors (Zhou, 2021). Research shows that the least important of all factors is specificity.

According to Zouari and Abdelhedi (2021), the five elements of the present SERVQUAL model should be expanded to include the two new factors of digitalization and compliance (Zouari, 2021). Although they were only done in one country and employed a fairly average sample size, their findings still mirror the larger SERVQUAL model (Tunisia).

Using two new criteria related to Industry 4.0 and pandemics, Tumsekcali et al. (2021) updated the SERVQUAL model to better understand and assess service quality in public transport networks. Awasti et al. (2011) proposed a hybrid approach based on SERVQUAL and fuzzy TOPSIS to evaluate the service quality of urban transport networks (Tumsekcali, 2021). The primary objective of this study is to identify the major and subordinate features of his SERVQUAL model that most impair customer satisfaction. Examine how five dimensions of service quality affect customer satisfaction. Reliability, certainty, concreteness, empathy, responsiveness.

His Naimi-Sadigh, Asgari, Rabiei (2022) from Specialized Banks of Iran describes the steps to be followed to implement digital transformation and

respond to disruption (Bank Maskan). Due to the complexity of difficulties in the field of digital technology, the Delphi method was used to gather opinions and reach consensus among banking sector experts (Naimi-Sadigh, 2022). We sought to create a clear process for the production and utilization of innovation within the bank, using new technologies and digital approaches through the use of digital transformation. A number of projects and activities have been selected to support and accelerate the progress of the stages of digital transformation and create the conditions for achieving the desired results. Depending on the type and degree of impact on the enterprise, these primarily information technology initiatives can be grouped into three categories: Infrastructure, development, economy.

3. RESEARCH METHODOLOGY

3.1. Research Approach

The current study provides a comprehensive review poll to satisfy theory requirements. I pilot a preliminary assessment on a minor irregular sub-test from the 50 members of the Goa Banks Organization before regulating it. I employ a drop-and-pick examination outline approach to further increase the review reaction pace (Awasthi, 2019). I add hole filling questions to the review to improve the quality of the material further, and I compile feedback from responders to make small adjustments for post-hoc speculation testing.

3.2. Sampling Size

3.2.1. Sample Size:

100 bank customers were chosen as samples, with a 5% margin of error.

3.2.2. Population of the study:

Customers of the top 3 banks chosen in Goa State make up the study's population.

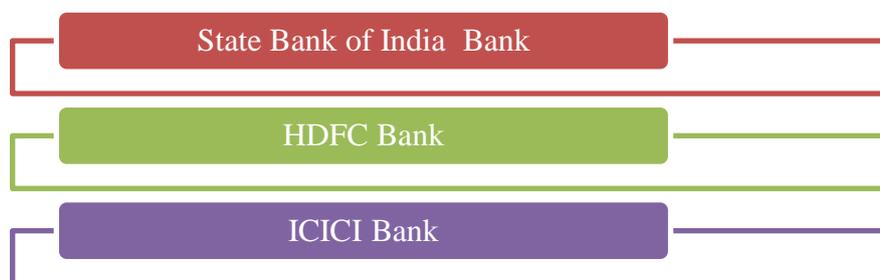


Figure 1: Top Three Banks of India

3.2.3. Sampling Technique:

Systematic sampling technique was utilized in choosing the associations from the rundown of enrolled organizations in the state.

Systematic sampling technique is a measurable procedure, to zero in on the objective populace for their examinations. By isolating the ideal example size by the absolute populace, scientists can decide

the inspecting span. A more careful utilization of likelihood examining is efficient testing, which includes haphazardly choosing an example from the whole gathering consistently. As per its definition, Systematic sampling technique in which the scientist chooses test members after a foreordained "inspecting span" and components from the objective populace utilizing a random starting point.

3.3. Tools of Data Collection:

Both primary and secondary sources of information were used to get the data. The core data were collected by the distribution of questionnaires supported by in-person interviews, while secondary data were gained through the use of books, journals, and the internet (Girish, 2020). The survey was formatted using a 5-point Likert scale. The questionnaire was distributed in 100 copies. Each copy was properly filled out and returned.

3.3.1. Primary study:

The study's whole foundation was made up of primary data, which was gathered by interviewing Customers.

3.3.2. Secondary data:

It is very important to have secondary data. It is compiled from periodicals, resource papers, workshops, and conferences, annual reports of development Banks, bankers, and reference books etc.

3.4. Tools for statistical Analysis:

With the use of a computer and the Statistical Package for Social Science (SPSS 23.0 variant), the field information were introduced and using descriptive statistics, and the relevant hypotheses were tried utilizing Pearson's Relationship and Regression at the 0.05 alpha level.

4. RESULTS AND DISCUSSION

Table 1 shows the astonishing and revealing findings of our analysis (Kriebel, 2019). To begin with, Table 1's findings show that each construct is reliable because they all achieve the acceptable develops edge scores.

Table 1: Validity, Consistency, and Reliability of Descriptive Statistics

| Factor construct | Items | Factor loadings | Mean | Stddev | t-stat | CRE | AVEX | CAL |
|------------------------|-----------------|-----------------|------|--------|--------|-------|-------|-------|
| Competitive approach | Q1 ^a | 0.62 | 2.84 | 2.80 | 26.6 | 0.878 | 0.578 | 0.627 |
| | Q1 ^b | 0.66 | 2.73 | 2.00 | 56 | | | |
| | Q1 ^c | 0.56 | 2.83 | 2.70 | 82 | | | |
| Value chain strategy | Q2 ^a | 0.66 | 2.50 | 1.20 | 56 | 0.887 | 0.672 | 0.506 |
| | Q2 ^b | 0.62 | 2.52 | 2.78 | 57 | | | |
| | Q2 ^c | 0.58 | 1.83 | 1.10 | 72 | | | |
| Dig-tech Adoptability | Q3 ^a | 0.60 | 1.77 | 2.00 | 28 | 0.728 | 0.624 | 0.662 |
| | Q3 ^b | 0.70 | 1.76 | 2.80 | 38 | | | |
| | Q3 ^c | 0.68 | 2.20 | 2.50 | 33 | | | |
| Innovativeness | Q4 ^a | 0.69 | 2.20 | 2.60 | 31 | 0.788 | 0.834 | 0.632 |
| | Q4 ^b | 0.67 | 2.50 | 1.20 | 47 | | | |
| Collaborative approach | Q5 ^a | 0.80 | 1.66 | 1.20 | 76 | 0.735 | 0.63 | 0.674 |
| | Q5 ^b | 0.63 | 1.50 | 2.20 | 83 | | | |

Second, we use the CAL for internal reliability of idle builds, which is acceptable at above. The results demonstrate increased reliability when they reach the prescribed cap. Third, we use AVEX for merging validity (Roy, 2019). Table 1's results demonstrate a tolerable overall validity, internal coherence, and unchanging quality. As shown in Table 1, although banks from low-paying progress countries lag behind, those from major league wage

generated and changing economies have invested in development approaches and expenditure plans. Traditional banks perceive competition starting from outside the framework as well. While retail banking, whose value chains have been severely disrupted by the opening of biological systems, is at the center of this model disruption risk, the risk is high and growing, as the results in Figure 4 show. It has been observed that.

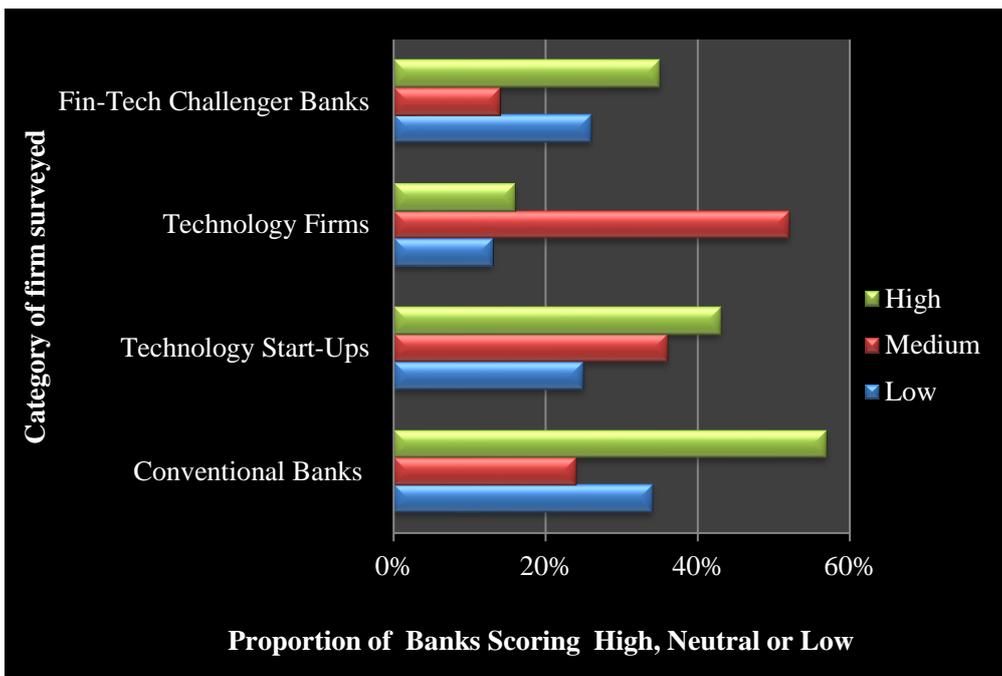


Figure 2: Digitization's Disruptive Potential for Bank Business Models

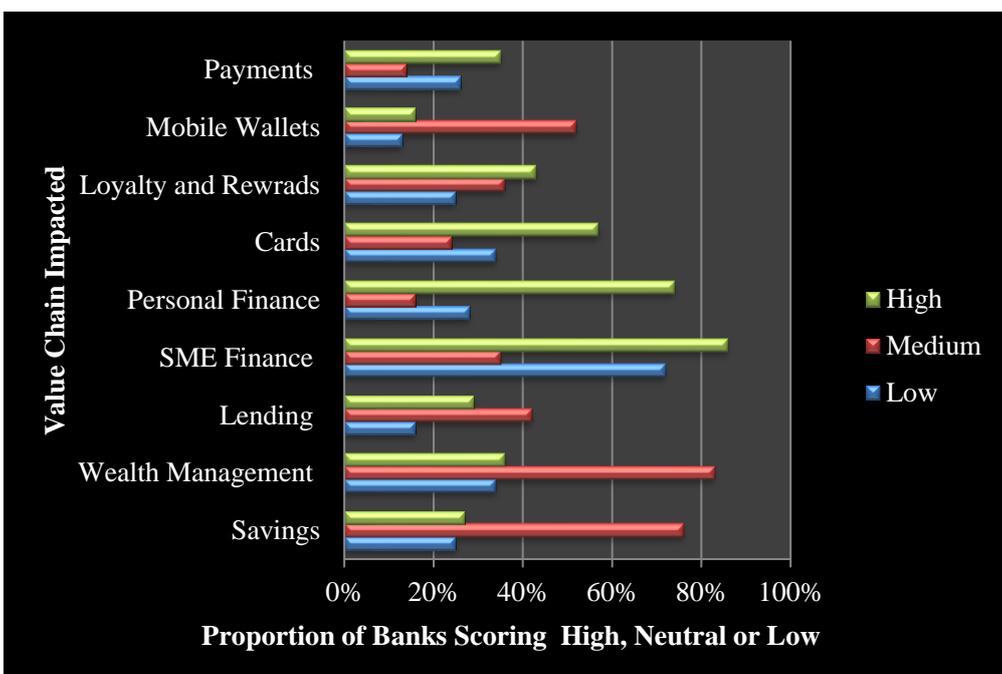


Figure 3: Disruptive Competition's Effects

Following challenger banks in balance tech, tech companies, digtech startups, and other traditional banks pose the greatest threats to the bank-o-circle model (A, 2019). Human collaboration channels as branch sizes and numbers decline disappears and the tech scene expands. Rivalry develops. Due to the negative impact of difficult mining specialists on every element of the financial architecture, new techniques must be developed. Officials eliminate these dangers through testing and virtual entertainment. Furthermore, as shown in Figure 3, the majority of officials believe that the regions with the lowest spend on installments, mobile

wallets, reliability, rewards; installment cards, etc. are the top locations for Dig Tech Models, while competitors agree to have the influence of Reserves, excess CEO, and credit results minimize disruption. Branch exchanges have lately decreased by more than a third, while dig-tech exchanges have been booming, as a result of the influence of fintech collaboration and dig-tech acceptability (UNCTAD, 2020). This is happening despite the ongoing wave of consolidations. In response, banks have adopted multi-pronged strategies that include smaller dig-tech-powered branches to replace less-

used ones, dig-tech-stacked multi-administration ATMs to replace less-frequented ones, and fewer but bigger branches with both traditional and modern offices.

This is also in response to consumer research showing trust in digtech banks and responses suggesting balance tech banks could be an option, especially for people in their 20s and 30s. Most banks focus on the omni-digital phase, research, online banking and CRM phases, but the central banking phase is less important. These ties into Dig-Tech's model of change to improve customer experience and omni-digital channel intelligence.

5. DISCUSSION

Table 2: Hypothesis Testing

| Hypothesis | t-value | DF | Sig | (Accept and Reject) |
|-------------------------------------------------------------------------------------------------------------|---------|----|-------|---------------------|
| H0: There is no impact of digital Disruption on the transactions of Banking Customers in Goa. | 6.623 | 02 | 0.009 | Reject |
| H1: There is impact of Impact of digital Disruption on the transactions of Banking Customers in Goa. | 2.136 | 02 | 0.001 | Accept |

As per the above table showed that the null Hypothesis that is H0: There is no impact of digital Disruption on the transactions of Banking Customers in Goa was rejected because the p value is more than 0.05, However the Alternate Hypothesis that is H1: There is impact of Impact of digital Disruption on the transactions of Banking Customers in Goa was accepted (Waracle, 2019).

6. CONCLUSION

The banking industry has undergone a sea shift as a result of digitalization. Customer is the client of the bank has replaced the option that client is client of the branch. Senior bank officials were wary of technology during the early, protracted stages of digitalization because they feared losing their jobs and being unable to adapt to new circumstances (Türkmen & Soyer, 2020). The effectiveness of automated procedures among employees and consumers has increased in recent years. Customers and representatives are asking for an automated cycle to reduce the dependency on client branches. Goa banking industry dispute has been caused by expanding competition. Banks concentrated more than ever on lowering the cost of their operations. The use of digitalization has become a crucial tool for banks to reduce task costs. Customers of portable banking from Goa were chosen as the study's inspiration. Since these numerous services are available at the consumers' fingertips rather than requiring them to visit a branch, banks have

Despite its immediate importance, block chain technology will eventually gain widespread acceptance and have a significant impact on strategy, especially among large organizations (Verdict, 2020). Cutting-edge research and vast amounts of information, adaptive technology, open APIs, and open source technologies are already having a major impact on their plans of action, but banks see block chain as the most irreversible model disruptor of all time.

encouraged clients to take advantage of them as they have become more contemporary. People have started using mobile banking services for daily transactions as time has gone on. Since maintaining social separation is so important in today's key stage superfluous partnerships, this has put people in a position where they must decide how best to handle daily tasks.

Dig-tech repeats its customer experience, claiming that the more time a bank stays in touch with its customers, the more likely it is to maintain a long-term relationship and the less likely it is to switch (Chen, Wu, & Yang, 2019). To achieve this, banks are becoming more customers oriented and more entrepreneurial with dynamic models concerned with the maintainability of vast amounts of data. There, always demanding customers play a fundamental role in the planning and delivery of the value chain.

REFERENCES

1. Awasthi, Anjali, Satyaveer S. Chauhan, Hichem Omrani, and Ariyo Panahi. (2011). A Hybrid Approach Based on SERVQUAL and Fuzzy TOPSIS for Evaluating Transportation Service Quality. *Computers and Industrial Engineering* 61: 637–46.
2. Sharma B. A. (2019). Mobile Banking Services and Customer satisfaction with reference to ICICI Mobile Banking Services

- and Customer Satisfaction with Reference to ICICI Bank - A Study.
3. Chen, M.A., Wu, Q., Yang, B. (2019). How Valuable Is FinTech Innovation? *Rev. Financ. Stud.*, 32, 2062–2106
 4. Dinçer, Hasan, Serhat Yüksel, and Luis Martínez. (2019). Analysis of Balanced Scorecard-Based SERVQUAL Criteria Based on Hesitant Decision-Making Approaches. *Computers & Industrial Engineering* 131: 1–12.
 5. Flejterski, S. and Labun, J. (2020). ‘The banking industry and digital innovation: in search of new business models and channels European’, *Journal of Service Management*, Vol. 20, No. 4, pp.5–15
 6. Girish, V. (2020). Impact of COVID - 19 on Mobile Banking Services. *IJBM*, 70, 2790–2797.
 7. Kriebel, J., & Debener, J. (2019). Measuring the Effect of Digitalization Efforts on Bank Performance. Available at SSRN 3461594
 8. Laidroo, Laivi, Ekaterina Koroleva, Agata Kliber, Ramona Rupeika-Apoga, and Zana Grigaliuniene. (2021). Business Models of FinTechs—Difference in Similarity? *Electronic Commerce Research and Applications* 46: 101034.
 9. Naimi-Sadigh, A., Asgari, T., & Rabiei, M. (2022). Digital transformation in the value chain disruption of banking services. *Journal of the Knowledge Economy*, 13(2), 1212–1242.
 10. Pakurár, Miklós, Hossam Haddad, János Nagy, József Popp, and Judit Oláh. (2019). The Service Quality Dimensions That Affect Customer Satisfaction in the Jordanian Banking Sector. *Sustainability* 11: 1113
 11. Roy, Neha Chhabra, and T. Vishwanathan. (2018). "Workforce challenges in Goa banking scenario—Journey from identification till mitigation." *Current Science* 115.4: 739.
 12. Rupeika-Apoga, Ramona, and Stefan Wendt. (2021). FinTech in Latvia: Status Quo, Current Developments, and Challenges Ahead. *Risks* 9: 181
 13. Tumsekcali, Ecem, Ertugrul Ayyildiz, and Alev Taskin. (2021). Interval Valued Intuitionistic Fuzzy AHP-WASPAS Based Public Transportation Service Quality Evaluation by a New Extension of SERVQUAL Model: P-SERVQUAL 4.0. *Expert Systems with Applications* 186: 115757.
 14. Türkmen, E.; Soyer, A. (2020). The Effects of Digital Transformation on Organizations. In *Handbook of Research on Strategic Fit and Design in Business Ecosystems: Advances in E-Business Research*; IGI Global: Hershey, PA, USA. pp. 259–288.
 15. Ullah, F., Sepasgozar, S. M., Shirowzhan, S., & Davis, S. (2021). Modelling users’ perception of the online real estate platforms in a digitally disruptive environment: An integrated KANO-SISQUAL approach. *Telematics and Informatics*, 63, 101660.
 16. UNCTAD. (2020). Coronavirus update: COVID-19 likely to cost economy \$1 trillion during 2020. UN.org.
 17. Verdict. (2020, May 15). Fintech trends: Artificial intelligence leads Twitter mentions in April 2020. Retrieved from Retail Banker International.
 18. Waracle. (2019, September 17). Top 5 Fintech Trends 2020. Retrieved from Waracle.
 19. Zhou, Qingji, Fong Jie Lim, Han Yu, Gaoqian Xu, Xiaoyu Ren, Dan Liu, Xiangxin Wang, Xinda Mai, and Hong Xu. (2021). A Study on Factors Affecting Service Quality and Loyalty Intention in Mobile Banking. *Journal of Retailing and Consumer Services* 60: 102424
 20. Zouari, Ghazi, and Marwa Abdelhedi. (2021). Customer Satisfaction in the Digital Era: Evidence from Islamic Banking. *Journal of Innovation and Entrepreneurship* 10: 9.