



**“A COMPARATIVE STUDY ON CUSTOMER ATTITUDES OF THE AHMEDABAD
REGION TOWARD TRADITIONAL VS. DIGITAL BANKING SERVICES”**

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Abstract:

Due to digital technologies, there have been transformative changes in the banking sector. As compared to traditional banking, digital banking provides convenience, speed, and 24/7 access to financial services, which are the major concerns in the case of traditional banking systems. Not only this, but face-to-face interactions and personalized services are also time-consuming not only for the customers but also for the bank employees. This study aims to compare the attitudes of customers toward both traditional and digital banking services by focusing on various factors like trust, satisfaction, ease of use, accessibility, and perceived risk. For this purpose, primary data have been used, and primary data were collected through questionnaires from 100 respondents from Ahmedabad city. The findings of the study indicate that due to convenience, customers are favoring digital banking for routine transactions as compared to traditional banking. Factors like age, income, and digital literacy are significant factors that determine the customer attitude. At last, the study also gives some recommendations in order to enhance customer satisfaction.

Key Words: *Customer Attitude, Traditional Banking, Digital banking,*

1. Introduction

1.1 Meaning and Overview of Banking Sector

The Banking sector is backbone of the economic growth of a county. The financial system is a key role of allows the transfer of money between savers and borrowers. the institutions act as intermediaries which mobilize savings and facilitate the fund. Financial system is a complex and closely interconnected financial institutions, market, investments, services and capital formation. In short, banks are that institution which deals in money and credit.

History and Growth of Banking System in India



The Indian banking system traces back its history to 1786, when the first bank general bank of India was established. In the 19th century, the East India Company established the Bank of Bengal in 1809, the Bank of Bombay in 1840 and the Bank of Madras in 1843. These were later merged in 1920, as Imperial Bank of India. Later in 1865, Allahabad Bank was established followed by Punjab National Bank in 1894. In between 1906 and 1913 Bank of India, Central Bank of India, Bank of Baroda, Indian Bank, Canara Bank and Bank of Mysore were set-up.

Reserve Bank of India came into being in 1935. After independence, the Imperial bank of India was nationalized under the state bank of India Act of 1955 and become known as the State Bank of India. In 1959, seven subsidiaries of SBI were also nationalised and 19th July, 1969, 14 major banks were nationalised.

In liberalization period 1991, to provide stability and profitability to the Nationalised.

The government decided to banking committee set up under the chairmanship of Mr. M. Narsimham to manage the various reforms in the Indian banking industry.

Banks are classified into two types i.e. commercial banks and cooperative banks. Commercial banks are established with an objective of collecting money from general public and giving loans to general public by way of cash credit, overdrafts etc. commercial bank classified into scheduled and non-scheduled banks. Scheduled commercial banks are those banks which are registered in the second schedule of RBI Act, 1934 and classified into Public, Private and Foreign Sector Banks. Non-scheduled banks are not mentioned in the Second Schedule of the RBI Act, 1934 and they not receive benefit from the RBI.

1.2 Overview of Traditional Banking

Traditional Banking represents the traditional form of banking where customers primarily visit physical bank branches. It involves face-to face interactions between bank employees and customers for services including deposits, withdrawals, loans, account management, and financial advising. People have to visit banks only during the working hours.

➤ What are the key features of traditional banking?

- Physical presence
- Fixed Working Hours
- Deals with money/ Cash Based Transactions
- Provides loans
- Withdrawal and payment facilities
- Branches at different locations



1.3 Overview of Digital Banking

Digital banking represents the digitization of all traditional activities and services. It involves to access financial services anytime, anywhere, without visiting a physical bank branch. Use of technology to offer banking services over the internet and mobile platforms allowing customers to reach the bank facilities.

Digital banking offers new and innovative ways to manage finance, and it's transforming the way people interact with their money. It's features like Net banking, Mobile banking, instant transfers, and other digital tools.

➤ What are the key features of Digital banking?

- Customers can access their account 24*7
- Online Account Management such as real time balance check, transaction history and fund transfer
- Applying for loans or updating personal information are available digitally
- Seamless transfer through NEFT, RTGS, IMPS
- Mobile wallets and QR code-based payments are also integrated
- Banks offer secure apps and websites with user friendly interfaces
- Automated services like bill payment, EMI reminders, and standing instructions can be automated.
- Enhanced security like two factor authentication, OTP verification, biometrics, and encryption to ensure data and transaction security.
- Reducing paperwork because all Communications are electronically form.

2. Literature Review

- ❖ Rai, A. (2025), "Customer Preference for Online Banking Vs. Traditional Banking" this study has found that why customers want to shift from traditional banking to online banking. to assist financial institutions in enhancing their services, improving customer satisfaction, and promoting financial inclusion for this reason customers choose online banking.
- ❖ Mery Agravante, M. et. al, (2025), "Digital vs. Traditional Savings: A Comparative Study of User Preferences, Satisfaction, and Perceived Benefits." The findings indicate that digital and traditional savings offered similar services and increasingly aligned their offering in terms of saving accounts and interest rates and fees and also indicate that some users may find digital saving appealing due to their convenience and higher interest rates, while others may prefer the personal interaction and perceived security of traditional savings.



- ❖ C. Jeya Gowri and Dr. S. Dani Romansingh (2024) “Perception on Digital Payment Towards E-wallets” In this study, the researcher investigated the perception on digital payment with special reference to e-wallets. The researcher used convenient sampling techniques, and the sample size was 90. They conclude the study that there is a high degree of correlation between monthly income and the amount spend through digital payment, and in the forthcoming year, people will hardly use cash to make payment first for perception towards digital payment. In India the use of mobile apps has across various sectors like healthcare, groceries, and shopping.
- ❖ K. Naveen Kumar and R. Renuka (2024) investigate e-payment adoption and user satisfaction on digital payment trends. Their research highlighted that clear trend towards digitalization of banking. The transition from cash-based transactions to digital payment platforms such as Paytm, BHIM, and Phone Pe signifies a fundamental shift in consumer payment behavior. This study examined the key concerns associated with digital payment systems and the evolving consumer acceptance of e-commerce based financial transactions. Technological advancements have played a pivotal role in enhancing the efficiency, transparency, and convenience of digital payments, thereby fostering greater consumer confidence.
- ❖ Saiganesh and Sahitya S. Patil (2025) examined a study that explores the factors influencing consumer adoption of digital wallets and mobile payment apps, with a particular focus on security concerns. The study identified a significant age gap in the survey sample and highlighted the need for strategies to expand adoption among different demographics, particularly working professionals and non-working individuals. The findings emphasize the need for digital wallet providers to prioritize user education, enhance security measures, and address the specific needs of different user groups to further drive adoption and build trust in these technologies.

3. Research Methodology

3.1 Research design

Explanatory research design has been used in this study.

3.2 Sampling design

Convenience Sampling design has been used in this study.

3.3 Research Objectives

- ❖ To examine Customer Attitudes of the Ahmedabad Region Toward Traditional Vs. Digital Banking Services
- ❖ To identify the advantages of digital banking over traditional banking in the perception of customers.
- ❖ To compare customers satisfaction with traditional and digital banking services.



- ❖ To assess trust and security concerns related to digital banking among customers in Ahmedabad Region.

3.4 Source of data & Data collection

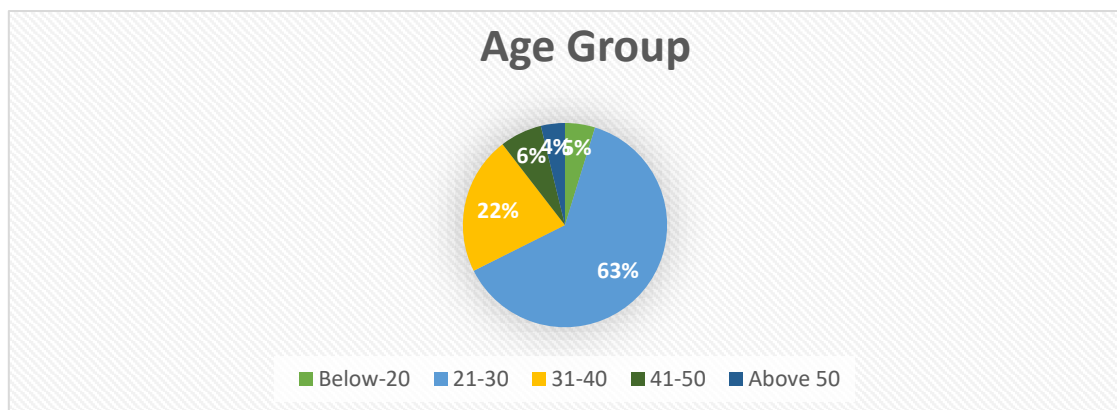
- ❖ Primary Data is used for this study, which is collected through structured questionnaires from 100 respondents from Ahmedabad city. This questionnaire covers aspects such as customer awareness, satisfaction, preferences and other benefits or concerns related to traditional and digital banking.

3.5 Limitation of the study

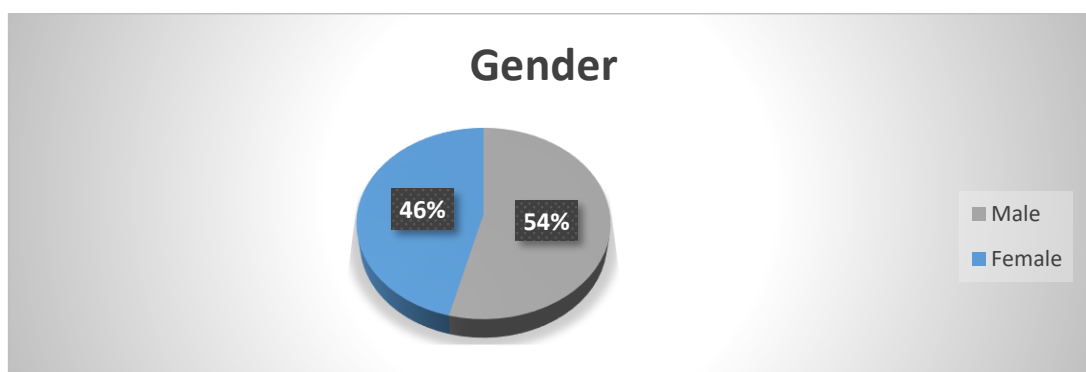
- ❖ The study is limited to the Ahmedabad region and the sample size is 100 respondents only. The use of convenience sampling may not fully represent the entire population.

4. Data Analysis and Interpretation

The interpretation and analysis of the data collected from the survey questionnaire are shown below:



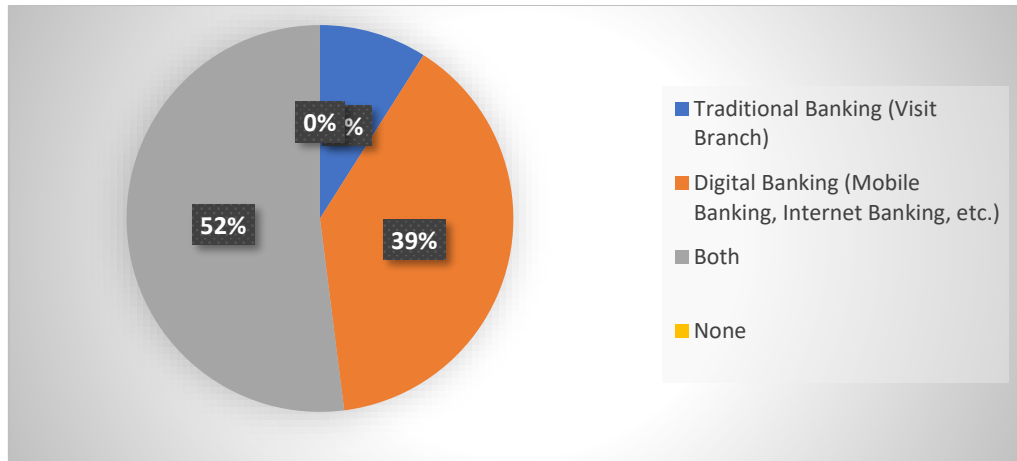
On the basis of survey of 100 respondent it 's found that 63% respondent are from age group of 21 to 30, 22% respondent are from age group of 31 to 40, 6% respondent are from age group of 41 to 50. Majority of the respondents have their age group between 20 to 30.





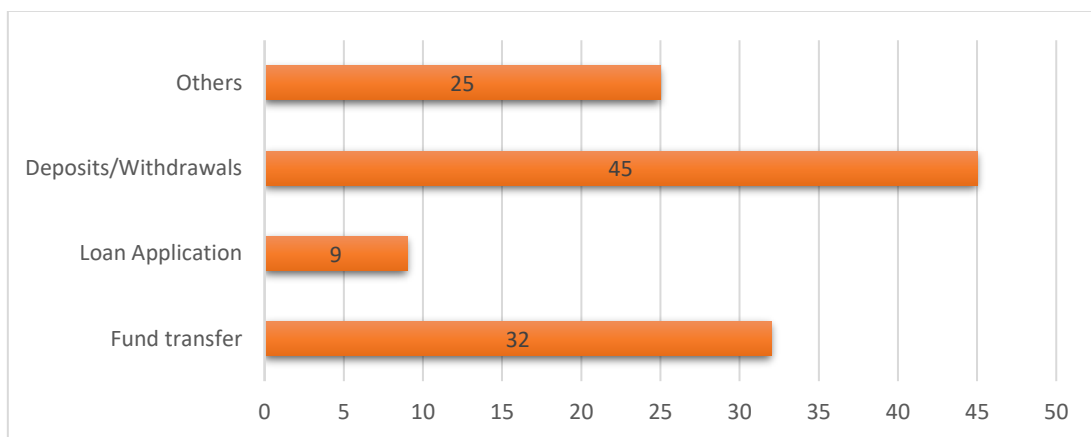
From the survey of 100 respondents, it's found that 54% respondents are male and 46% of respondents are female.

➤ **Which banking mode do you prefer?**



On the basis of survey of 100 respondents, it's found that 52% of respondents have preferred both the mode i.e. traditional banking and digital banking while 39% respondents are preferring digital banking mode.

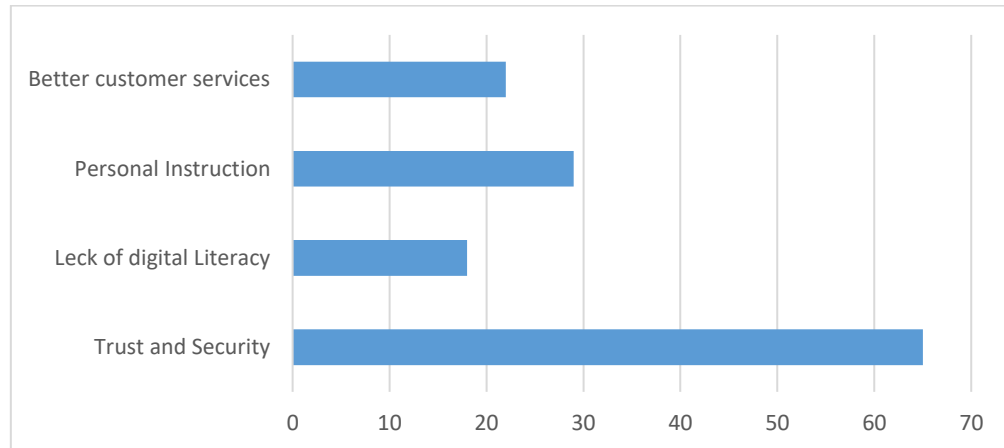
➤ **What type of banking transactions do you perform the most in traditional banking?**



The above chart indicates that from the traditional banking, deposits/withdrawal are the most performing transaction followed by the fund transfer, and loan application.

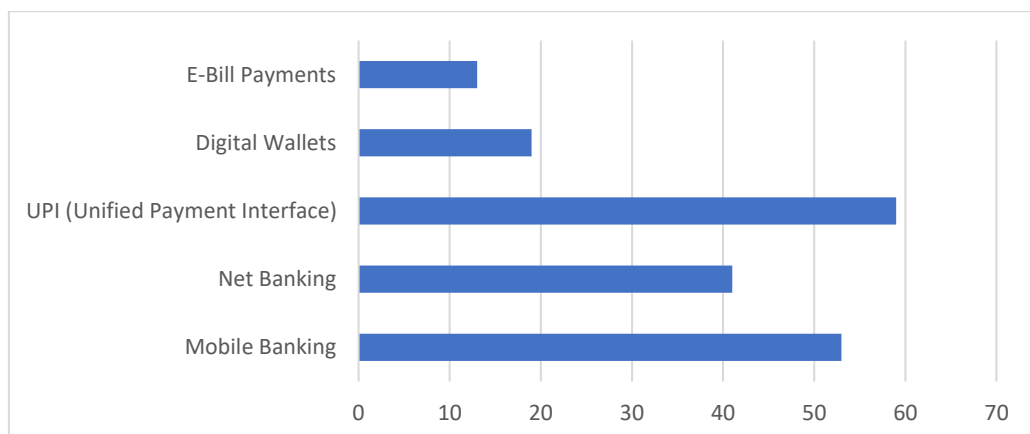


➤ **Why do you prefer traditional banking over digital banking?**



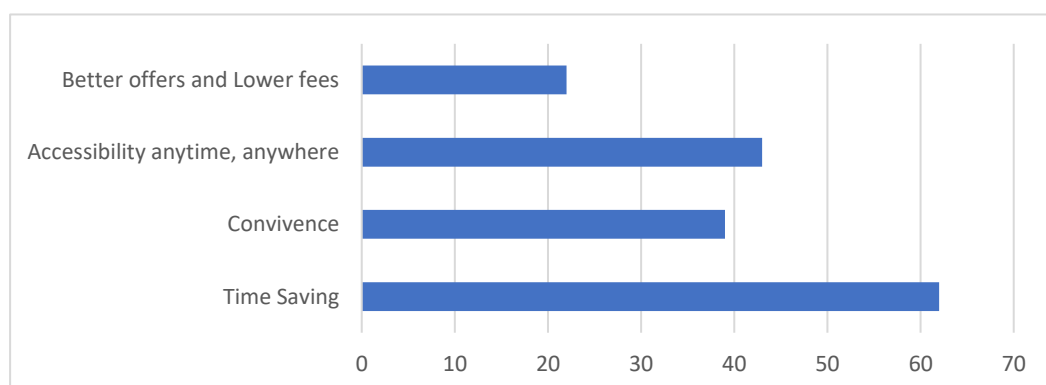
The survey data highlights that due to trust and security and personal interaction, people prefer traditional banking over digital banking.

➤ **Which digital banking channels do you prefer to use?**



The above table highlighted that majority of the respondents are frequently using UPI, mobile banking and net banking.

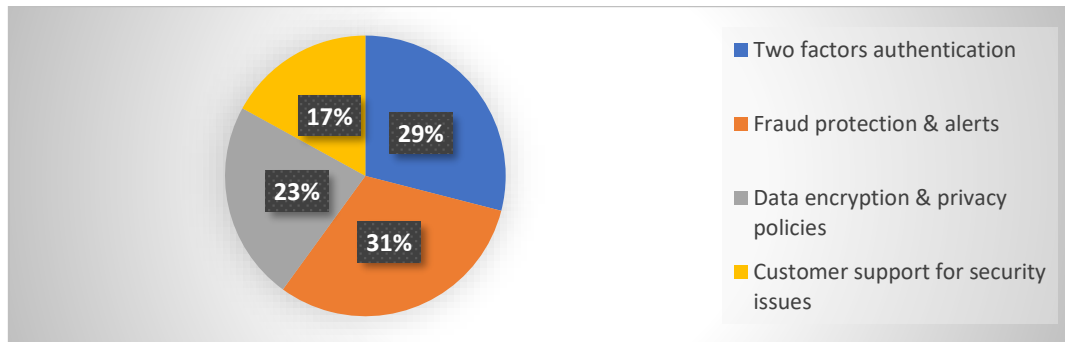
➤ **Why do you prefer digital banking over traditional banking?**





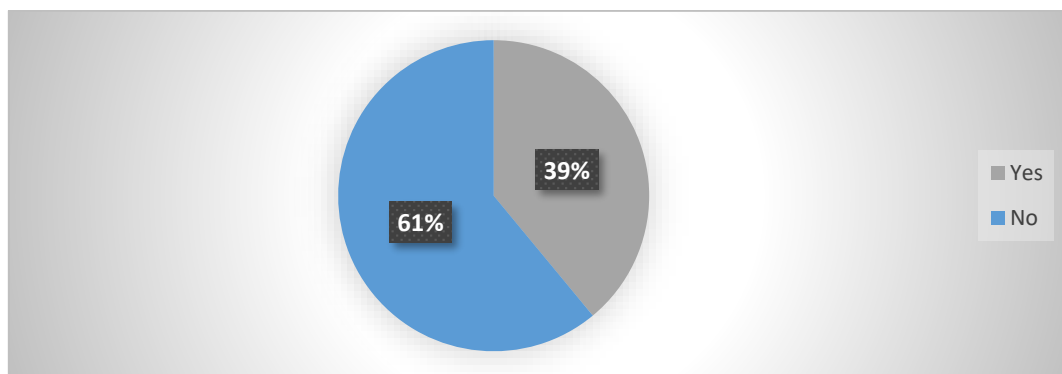
The above chart indicates that many customers are satisfied with the services provided by digital banking due to reasons such as time saving, accessibility at any time anywhere, and convenience, which has led them to switch from traditional banking to digital banking.

➤ **What security features do you consider essential for Digital banking?**



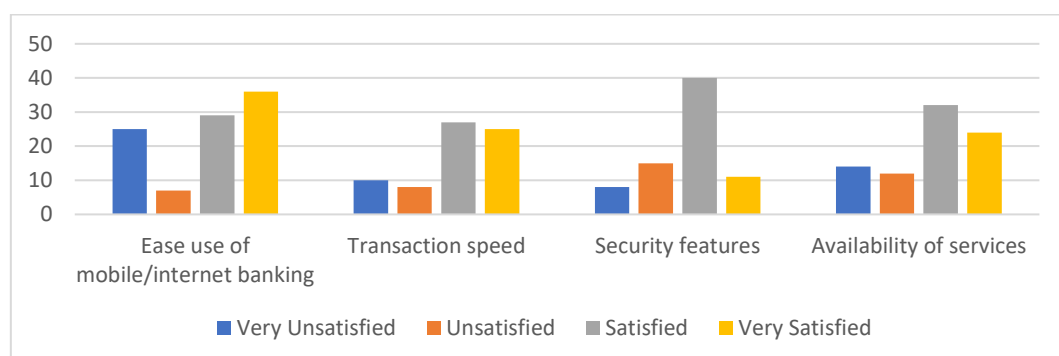
On the basis of the survey, 31% of respondents selected fraud protections & alerts. Two-factor authentication (29%) also scored high, reflecting the need for an additional layer of protection beyond username and password.

➤ **Have you ever faced a security breach or fraud in digital banking?**



The majority of respondents (61%) reported not having experienced any security breach or fraud, which implies a relatively high level of trust and perceived safety in digital banking platforms. This reflects positively on the effectiveness of security mechanisms currently in place, such as OTPs, biometrics, and alerts.

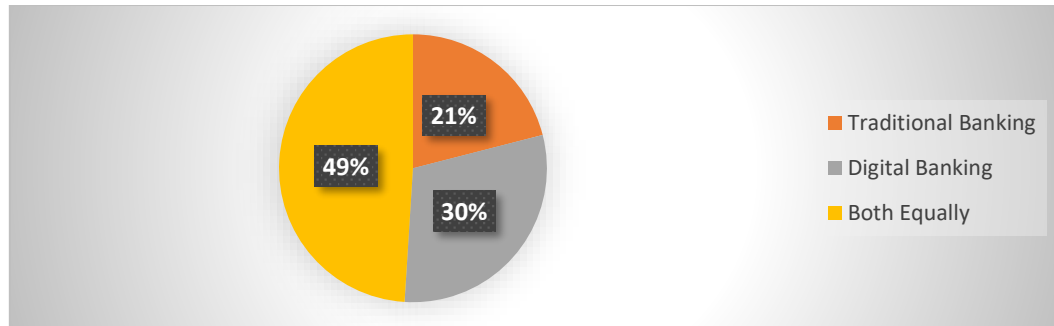
➤ **Rate your satisfaction with digital banking services**





This graph indicates that digital banking services is favorably viewed, with two-thirds of customers satisfied. Only 13% of respondents are either unsatisfied or very unsatisfied, which is relatively low.

➤ **Which banking method do you trust more?**



The data indicates that 49% respondents are trusting both the banking method, digital banking (30%) is rapidly gaining ground. This shows a progressive shift in user attitude, suggesting that digital trust is building steadily.

5. Finding, Conclusion, and Suggestions

5.1 Findings:

- ❖ From the analysis of customer attitudes of the Ahmedabad region toward traditional vs. digital banking services, it is clear that both banking methods equally benefit from customer perception.
- ❖ When examining the digital banking over traditional banking in the perception of customers, there are several advantages of the Digital Banking like time saving, accessibility anytime and anywhere, convenience, better offers, low fees etc.
- ❖ manage finances on the go without visiting branch hours, banks must continue improving app quality, security, and reliability to ensure a seamless experience.
- ❖ Digital banking slightly outperforms traditional banking in customer satisfaction due to convenience, speed, and flexibility. However, traditional banking remains relevant for personalized service and in-person interactions. Banks should focus on hybrid services for best results.
- ❖ The study indicates that customers are becoming more confident, have reduced fear of fraud, and security concerns remain high in using digital banking. A majority of customers express positive inclination toward digital banking services.

5.2 Conclusion:

- ❖ This analysis clearly shows that traditional banking remains popular for high-value transactions, while digital banking is more widely adopted due to its convenience, speed, and accessibility. While many customers are satisfied with digital banking, they are concerned about security, fraud,



and technical issues. Traditional banking still holds importance for customer support but is less suitable for everyday transactions due to limitations like restricted hours and longer processing times.

5.3 Suggestions:

- ❖ To improve traditional banking, banks should extend operating hours, reduce wait times through better queue systems, and integrate more seamlessly with digital services. Enhancing staff training and accessibility for all users is also crucial. For digital banking, improvements should focus on stronger cybersecurity, user-friendly interfaces, 24/7 human support, and personalized financial insights.

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