

A Study on Impact of Digital Banking on The Growth of Medium Scale Industry with Reference to SVM Private Limited.

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Abstract— The rapid evolution of digital banking has significantly influenced the growth of medium-scale industries, offering enhanced financial accessibility, operational efficiency, and streamlined transactions. This study examines the impact of digital banking on the growth of medium-scale enterprises, with a specific focus on SVM Private Limited. Digital banking encompasses a range of financial tools, including online banking platforms, mobile applications, automated payments, and digital lending services, all of which contribute to improved financial management and operational efficiency. The study also explores challenges such as cybersecurity concerns and digital literacy gaps that may hinder optimal utilization. Findings indicate that digital banking plays a crucial role in supporting business growth by offering flexibility, efficiency, and scalability and it leads to improved business efficiency by reducing delays, enhancing transparency in financial transactions.

Keywords— *transaction security, streamlining operational efficiency, digital banking services.*

I. INTRODUCTION

In today's digital age, businesses increasingly adopt digital banking systems in order to increase operational efficiency, safety and financial transparency. Digital banking, including online banking, mobile wallets and electronic money transfers, has revolutionized the way businesses carry out their financial transactions. The shift from cash to digital banking not only simplifies payment processes, but also reduces the risks of theft and human error in financial management. The study focuses on the importance of digital banking for improving the efficiency and security of businesses, with particular attention to SVM private limited.

II. REVIEW OF LITERATURE

1. **"Digital Banking and the Growth of Medium-Sized Enterprises: A Study of Indian Firms"** by Gupta et al. (2020) - This study examines the impact of digital banking on the growth of medium-sized enterprises in India. The authors find that digital banking can improve growth prospects for medium-sized enterprises.
2. **"The Impact of Digital Banking on Financial Performance of Banks"** by Ali et al. (2019) - This study explores the impact of digital banking on the financial performance of banks. The authors find that digital banking can improve financial performance by increasing efficiency and reducing costs.
3. **"The Impact of Digital Banking on Medium-Sized Enterprises in India"** by Kumar et al. (2019) - This study explores the impact of digital banking on medium-sized enterprises in India. The authors find that digital banking can improve efficiency, reduce costs, and increase competitiveness for medium-sized enterprises.
4. **"The Impact of Digital Banking on Small and Medium-Sized Enterprises (SMEs)"** by Beck et al. (2018) - This study explores the impact of digital banking on SMEs. The authors find that digital banking can improve access to finance, reduce transaction costs, and increase efficiency for SMEs

III. RESEARCH OBJECTIVES

PRIMARY OBJECTIVES:

- To study on impact of digital banking on the growth of medium scale industry with reference to SVM private limited.

SECONDARY OBJECTIVES:

- To assess the extent to which digital banking features and functions are utilized by medium-scale industry and their impact on business operations.
- To examine how digital banking facilitates faster and more convenient transaction processing, reducing time spend on manual paperwork and bank visits.
- To analyse the potential of digital banking to facilitate easier access to investment opportunities for medium-scale businesses.
- To evaluate the influence of digital banking on the ability of medium-scale industries to manage financial risks and mitigate potential economic fluctuations.

Purposive sampling is a selection of subset in a vast set. In contrast, the researcher uses their knowledge and judgment to choose individuals.

4. Source of Data:

There is two type of data that is being adopted for this project. They are primary data and secondary data.

Primary data:

Primary data are those which are collected for the first time and they happen to be original in nature. Primary data are collected through questionnaire.

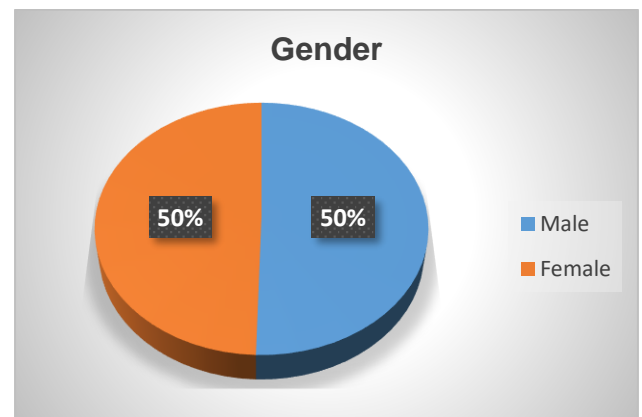
Secondary data:

Secondary data is a data which is already existed data like magazines, journals, books and so on.

V. DATA ANALYSIS AND INTERPRETATION

Figure 1

Gender of the respondents



IV. RESEARCH METHODOLOGY

A. RESEARCH DESIGN

This study will employ a descriptive research design has been used to analyse the impact of digital banking on the growth of medium scale industry in improving business efficiency and security at SVM private limited. Both qualitative and quantitative approaches will be used to gain insights into the impact of digital banking services.

B. SAMPLING DESIGN

- Population: Employees of SVM private limited.
- Sample Size: A total of 103 response from SVM private limited employees.
- Sampling Technique:

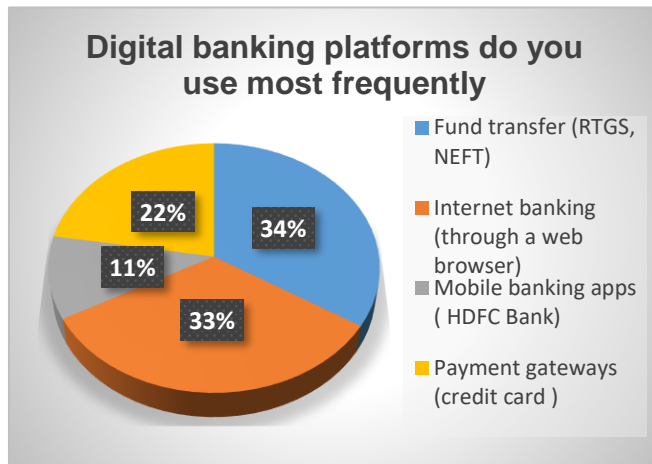
This study uses Purposive Sampling

INTERPRETATION

Majority (50.4%) of the respondents are Male.

Figure 2

Showing the Frequency of using digital banking platforms.

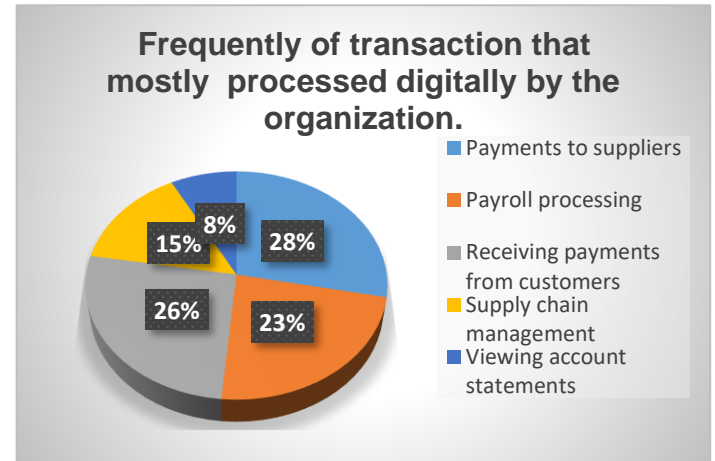


INTERPRETATION

Majority (33.9%) of the respondents use Fund transfer (RTGS, NEFT)

Figure 4

Frequency of transaction that mostly processed digitally by the organization

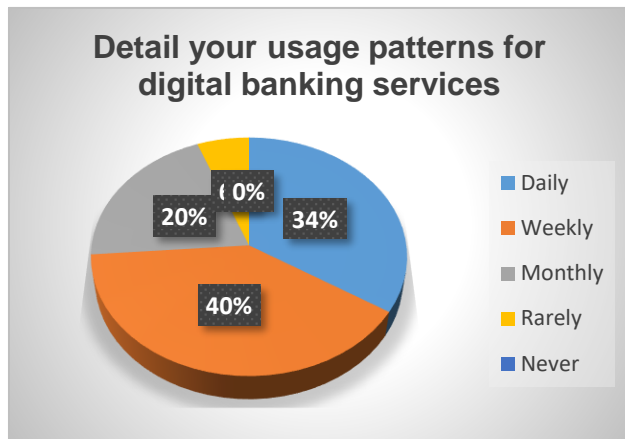


INTERPRETATION

Majority (28.1%) of the respondents are use payments to suppliers.

Figure 3

Digital banking usage pattern by employees

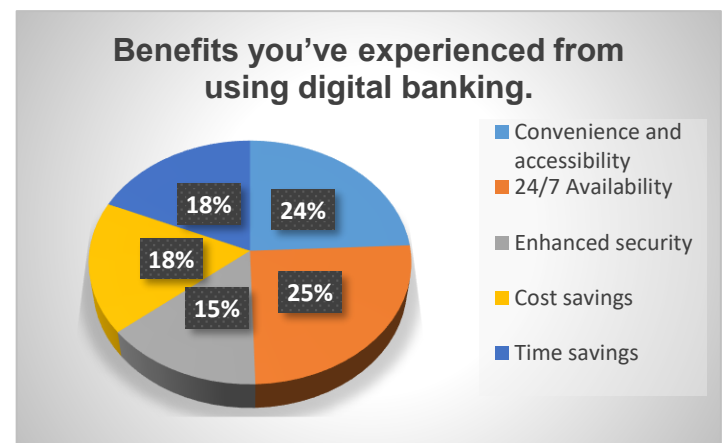


INTERPRETATION

Majority (39.8%) of the respondents are using digital banking on weekly basis.

Figure 5

Primary benefits you have experienced while using digital banking.

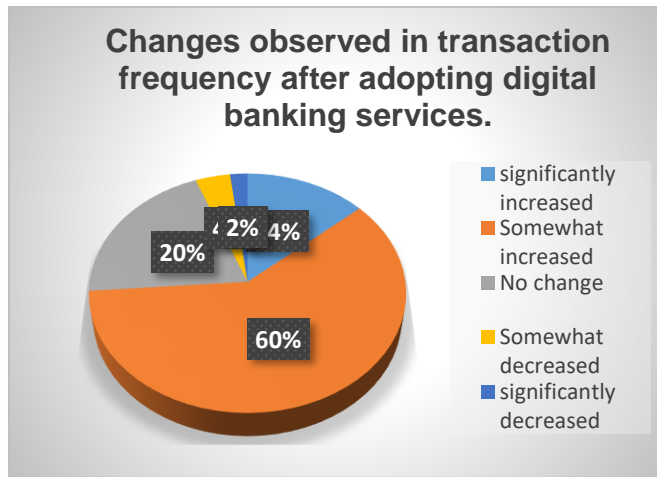


INTERPRETATION

Majority (25.2%) of the respondents are chosen 24/7 availability.

Figure 6

The Changes observed in transaction frequency after adopting digital banking services.

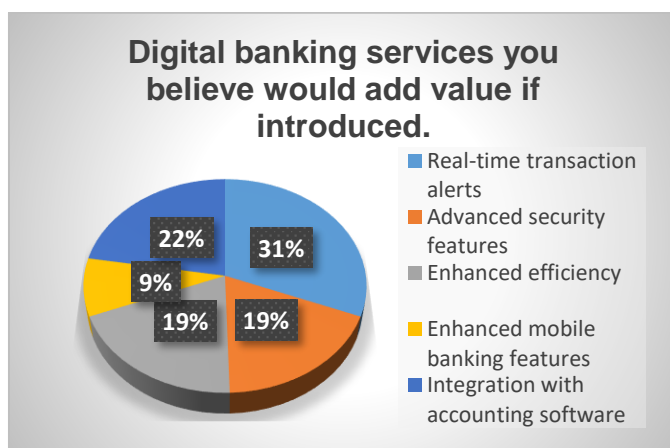


INTERPRETATION

Majority (60.1%) of the respondents are chosen somewhat increased.

Figure 7

The Digital Banking services you believe would add value if introduced.

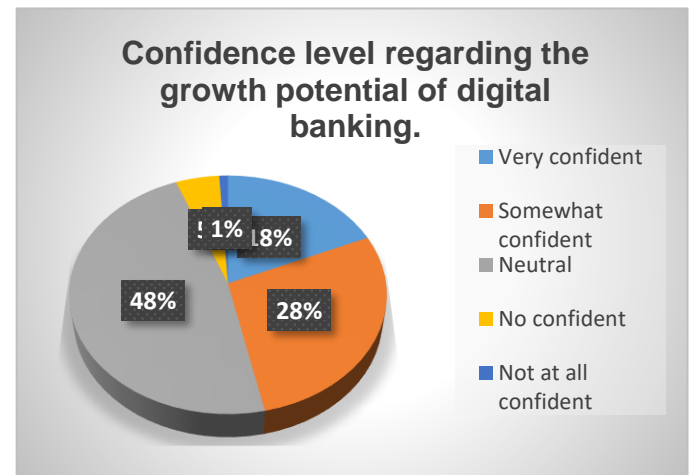


INTERPRETATION

Majority (31.6%) of the respondents are chosen Real-time transaction alerts.

Figure 8

The confidence level regarding growth of digital banking.

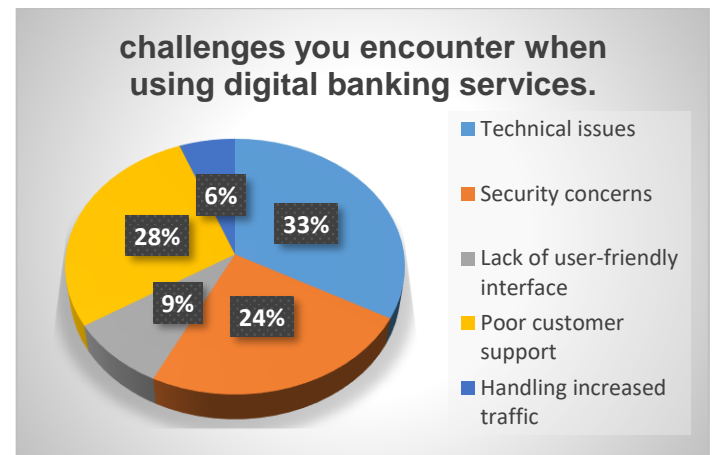


INTERPRETATION

Majority (47.5%) of the respondents are chosen neutral.

Figure 9

The challenges you encounter when using digital banking services.

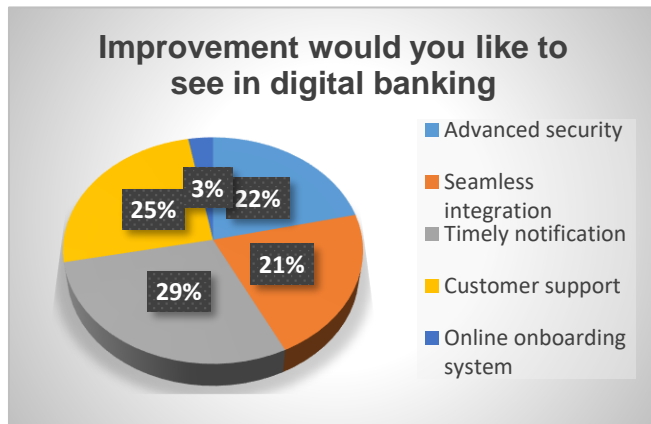


INTERPRETATION

Majority (33%) of the respondents are chosen technical issues.

Figure 10

Improvement would you like to see in digital banking services.

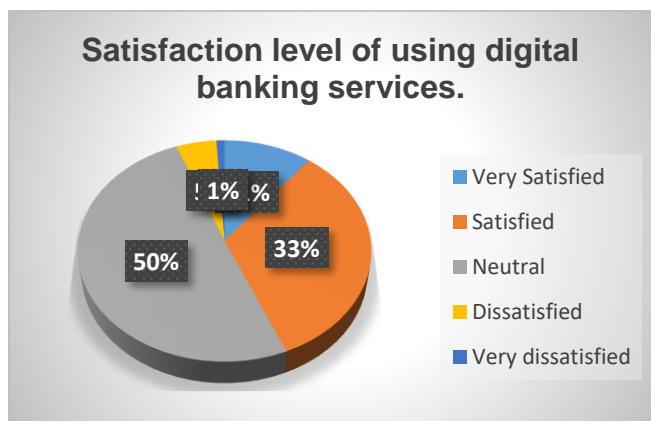


INTERPRETATION

Majority (29.1%) of the respondents are chosen timely notification

Figure 11

Satisfaction level of using digital banking services.

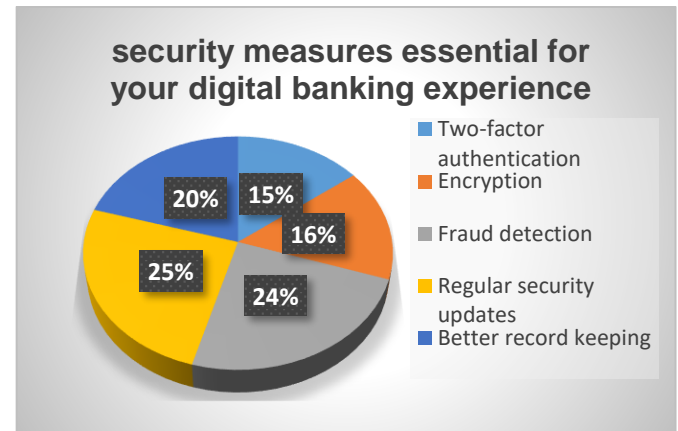


INTERPRETATION

Majority (50.4%) of the respondents are chosen neutral about the satisfaction level.

Figure 12

Suggest the security measures that are essential for your digital banking experience.

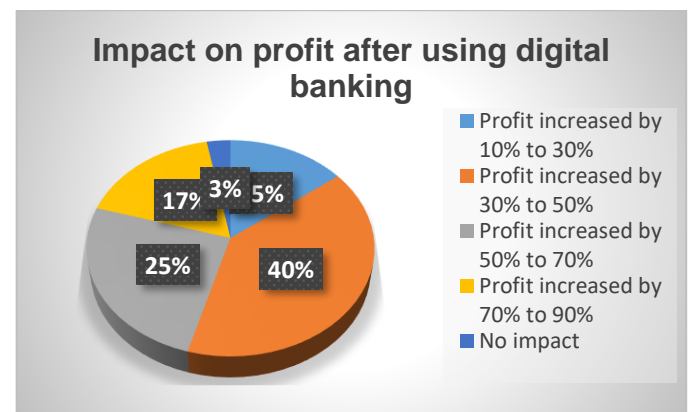


INTERPRETATION

Majority (25.2%) of the respondents are chosen regular security updates.

Figure 13

The impact on profit after using digital banking services.



INTERPRETATION

Majority (39.8%) of the respondents are chosen profit increased by 30% to 50%

Figure 14

REGRESSION ANALYSIS

H0: There is no significant association between profit after using digital banking and security measures.

H1: There is a significant association between profit after using digital banking and security measures.

ANOVA^a

Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	6.391	1	6.391	6.257	.014 ^b
	Residual	103.163	101	1.021		
	Total	109.553	102			

a. Dependent Variable: How much impact on profit after using digital banking?

b. Predictors: (Constant), Indicate the security measures you consider essential for your digital banking experience.

Coefficients^a

Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.
		B	Std. Error	Beta		
1	(Constant)	1.940	.261		7.436	.000
	Indicate the security measures you consider essential for your digital banking experience.	.188	.075	.242	2.501	.014

a. Dependent Variable: How much impact on profit after using digital banking?

INTERPRETATION

The p-value (significant value) is 0.014

- Since the p-value is less than 0.05, the null hypothesis is rejected.
- There is a statistically significant association between enhanced security measures and the increase in profit after using digital banking.

Figure 15

CHI-SQUARE ANALYSIS

H0: There is no significant association between the role in the company and the digital banking platform used most frequently.

H1: There is a significant association between the role in the company and the digital banking platform used most frequently.

role in SVM private limited company * which digital banking Platforms do you use most frequently. Crosstabulation

		which digital banking Platforms do you use most frequently.				Total
		1	2	3	4	
role in SVM private limited company	1	17	15	2	5	39
	2	9	10	5	11	35
	3	9	9	4	7	29
Total		35	34	11	23	103

Chi-Square Tests

	Value	df	Asymptotic Significance (2-sided)
Pearson Chi-Square	7.166 ^a	6	.306
Likelihood Ratio	7.486	6	.278
Linear-by-Linear Association	2.972	1	.085
N of Valid Cases	103		

a. 3 cells (25.0%) have expected count less than 5. The minimum expected count is 3.10.

INTERPRETATION

The p-value (significant value) is 0.001

- Since the p-value is less than 0.05, the null hypothesis is rejected.
- There is a significant association between the role of employees in the organization and the digital banking platforms they use most frequently.

FINDINGS

- Majority (50.4%) of the respondents are Male.
- Majority (33.9%) of the respondents are given Fund transfer (RTGS, NEFT)
- Majority (39.8%) of the respondents are given weekly
- Majority (28.1%) of the respondents are given payments to suppliers.
- Majority (25.2%) of the respondents are choosing 24/7 availability.
- Majority (60.1%) of the respondents are given somewhat increased.
- Majority (31.6%) of the respondents are given Real-time transaction alerts.
- Majority (47.5%) of the respondents are given neutral.
- Majority (33.0%) of the respondents are chosen technical issues.
- Majority (29.1%) of the respondents are chosen timely notification.
- Majority (50.4%) of the respondents are neutral about the satisfaction level.
- Majority (25.2%) of the respondents are chosen regular security updates.
- Majority (39.8%) of the respondents are chosen profit increased by 30% to 50%.

SUGGESTIONS

- The company should conduct regular financial literacy programs to educate its customers about the benefits and usage of digital banking. This can be done through workshops, webinars, and online tutorials.
- SVM Private Limited should develop customized digital banking solutions that cater to the specific needs of medium-scale industries. This can include features such as cash flow management, payment tracking, and financial analytics.
- SVM Private Limited should prioritize cybersecurity measures to protect its customers' sensitive information and prevent cyber threats.

This can be achieved by implementing robust security protocols, conducting regular security audits, and providing training to its employees on cybersecurity best practices.

- SVM Private Limited should conduct regular feedback and surveys to understand its customers' needs and preferences. This can help the company to identify areas for improvement and make necessary changes to its digital banking services.

CONCLUSION

The study on the impact of digital banking on the growth of medium-scale industry with reference to SVM Private Limited reveals that digital banking has a significant impact on the growth of medium-scale industries. The study highlights the benefits of digital banking, including increased efficiency, reduced costs, and improved customer experience. The study also identifies the challenges faced by medium-scale industries in adopting digital banking, including lack of financial literacy, security concerns, and limited access to digital banking services. By investing in digital banking infrastructure, providing financial literacy programs, and developing customized digital banking solutions, SVM Private Limited can improve its competitiveness and contribute to the growth of medium-scale industries. Overall, the study concludes that digital banking is a critical component of the growth of medium-scale industries, and SVM Private Limited should prioritize its digital banking services to meet the evolving needs of its customers.

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