



Article

# Digital Banking Services: Customer Onboarding Process with reference to Public Sector Banking

## Article History:

### Name of Author:

<sup>1</sup>Mr. Vishal Govind Herode, <sup>2</sup>Dr. Sandeep Pachpande, <sup>3</sup>Dr. Santosh Prakash Dhawale, <sup>4</sup>Prof. Smita Avadhut Bhoyate <sup>5</sup>Dr. Ganesh Chavan

### Affiliation:

<sup>1</sup>Ph.D. Scholar (ASM's Institute of Business Management and Research, Chinchwad, Pune)

<sup>2</sup>Research Guide (ASM's Institute of Business Management and Research, Chinchwad, Pune)

<sup>3</sup>Associate Professor, HSBPVT'S, GOI, Faculty of Management, Ahilyanagar, e-mail id: santoshdhawale@gmail.com, ORCID ID- 0009-0001-3208-7089

<sup>4</sup>Assistant Professor, HSBPVT'S, GOI, Faculty of Management, Ahilyanagar, e-mail id: smita1jadhav@gmail.com, ORCID ID: 0009-0002-4500-6062.

<sup>5</sup>Associate Professor, RDC- Faculty of management studies, e-mail. Drchavangs@gmail.com,

### Corresponding Author:

Mr. Vishal Govind Herode

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**Abstract:** The term "digital banking" is commonly used to describe the transformation of conventional banking through electronic means like ATMs, phones, the internet, and mobile phones, which are now the main channels through which banking services and products are offered. Customers are still waiting for the new fastest banking services, but India is going in a technologically powered financial service revolution that will come with many new features, including anytime, anywhere, super-fast response times in banking transactions. The main aim of the study is to analyze the factors influencing the impact of digital banking on customer satisfaction. This research also points out the factors contributing to the evolution in terms of accessibility, mobility, and affordability, and also effectiveness in using the digital banking services. Descriptive research is used, and the sample size is 100. Data was collected through the questionnaire method. Analysis was done through excel using univariate, bivariate, and multivariate means. The study indicates that banks need to spend more on sturdy and reliable systems to minimize the occurrence of failed transactions and operational errors in ATMs, mobile banking, and POS terminals; they need to come up with an application that can be used to enhance digital banking and assist in the development of ICT so that technology can be adopted, and eventually there is a need to conduct customer satisfaction surveys to determine how well customers are adapting to technology. The paper presents a discussion of the relevant literature, the research methodology of this study, research analysis, research findings, and the conclusion of the study. The conclusion of the study will synthesize the insights gained from the literature and research findings, providing a comprehensive overview of customer adaptation to technology in digital banking. This will help identify areas for improvement and inform future strategies for enhancing customer satisfaction.

**Keywords—** Banking Services, customers, Virtual, Technology in banking, IoT.

## INTRODUCTION

Banks in India have seen an extreme change from ordinary banking to advanced banking. Today they are ready for computerized banking at a fast speed. The trendy expression in India today is making a credit only economy and their future. The customary method of banking services in India was slow, not practical and made boundaries to fast financial development. The presentation of computerized banking has reformed the financial area with different ongoing refreshed modernizing innovation. The PC world has changed diverse new innovations such distributed computing, lattice figuring, Mobile processing, IoTs, Machine learning and Artificial Intelligence Technology.

1.1 Bank: It is a monetary organization that acknowledges stores from people in general and makes credit. Loaning exercises can be performed either straightforwardly or by implication through capital business sectors.

1.2 Customer Satisfaction: It is a term as often as possible utilized in promoting. It is a proportion of how items and services provided by an organization meet or outperform customer assumption. Consumer loyalty is characterized as the quantity of customers, or level of aggregate customers, whose announced involvement in a firm, its items, or its services surpasses indicated fulfillment objectives.

1.3 Digital Banking: It is additionally characterized as conveyance of banking items and services to customers through electronic channels. Advanced Banking is otherwise called Electronic Banking, Cyber Banking, Home Banking, or Virtual Banking and incorporates different banking exercises that can be led from anyplace.

1.4 Research strategy: It is the particular methods or procedures used to distinguish, select, process, and examine data regarding a theme.

1.5 Technology: It is the assortment of strategies, abilities, techniques, and cycles utilized in the creation of labor and products or in the achievement of destinations, like logical examination.

1.6 Online Banking: It is an electronic installment framework that empowers customers of a bank or other monetary foundation to direct a scope of monetary exchanges through the monetary foundation's site. The internet banking framework will regularly interface with or be some portion of the center financial framework worked by a bank and is rather than branch banking which was the conventional way customers gotten to banking services.

## LITERATURE REVIEW

In the review of Sikdar and Makkad (2013) in this review talked about on Internet Banking in India – a viewpoint on advantages and difficulties included recommended that business banking exercises as time goes on can be essentially smoothed out by

restricting the branch based associations with the customers, engaging the banks to revolve around coordinate contribution and various activities requiring higher spotlight concerning business banks. Trivedi and Remedios (2014) this exploration clarified the Impact of Internet putting money on customer maintenance evidently show that web banking holds customers. In case the bank expects to extend the customer base of web banking they should focus more on assistance quality, responsiveness, assurance and security, insistence and reliability components of web banking. Even more ever the bank should be more careful to make their web banking service more prominent quality full for their customers.

## Research Methodology

### Formulation of Research

Consumer loyalty is one of the elements for the drawn-out achievement of any association. In customer job is generally significant than others in all business. Customer requests and assumptions are danger in monetary services in banking and similar time nowadays' customers are progressively creating associations with different suppliers. Contenders from neighboring enterprises and monetary innovation new businesses are presently flooding the market with imaginative, innovation driven deviations from the customary financial mode.

Advanced modernization, is allowing customary banks a second opportunity to develop consumer loyalty and reliability, driving long haul connections and benefit with the methodology. Advanced financial channels work on customers' entrance, work with the contributions of more services, draw in new customers, offer types of assistance presented by contenders and lessen customer wearing down. So computerized banking is most requirement for banking services in the business world. Consequently, fostering the innovation in financial area is exceptionally fundamental to draw in the customers consequently improving the innovation in customer perspective is likewise extremely fundamental. Consequently, scientist is taken this exploration for primary target of services needed to work on the innovation and create in banking. The reason for the review is to break down the effect of advanced financial services and explanations behind picking web banking, fulfillment of customers towards computerized banking and discover the issues experienced by the customers. This examination issue additionally centers around dissecting the degree of availability, versatility, moderateness, precision, unwavering quality and effectiveness in the utilization of different computerized banking services.

## Scope of this Research

The new computerized banking creative services are electronic installment, electronic banking, versatile banking, Automated Teller Machines, Electronic Clearing Services, National Automated Clearing House, Credit and Debit Cards, Immediate Payment Service (Pixies /IMPS), National Electronic Funds Transfer (NEFT), Prepaid Payment Instruments (PPIS), Unified Payments Interface (UPI), Online Media Banking. In this innovative world required basic assessment and assessment of computerized banking services in regard of consumer loyalty and to track down new technique to take on or foster the innovation and frameworks.

In Digital India, now days Government is taking inception of advanced services in financial domain like ACH, on the web, wire move, and versatile cash move etc. Consequently this review is generally fundamental for further developing services of bank. However various examination concentrate on as of now has taken this examination region, specialist has done this exploration to taking the advancement as far as level of openness, flexibility, moderateness and productivity in the utilization of advanced financial services in customer point of view and to this review centers on Digital banking - an innovation driven financial that includes E-banking, Digital wallets like PayPal, Mobile banking, ATMs, RTGS and POS terminals which impacts consumer loyalty which is a proportion of how a customer reacts having utilized in advanced financial stages that causes them to stay faithful to the bank, or lead to increment in the quantities of customers utilizing the different advanced channels stages to do their banking. In current business world in advanced situation of all business and uncommonly innovation empowered financial services are having various advancement of innovation like distributed computing, portable processing, IoTs, monetary examination so the exploration in innovation based financial services are having significant extension in business research.

### Research Objectives

To investigate the elements affecting utilization of innovation in financial services. To distinguish and break down the effect of innovation in financial services in term of openness, versatility, moderateness, effectiveness in customer point of view.

### Research Design

The review is sort of engaging review. The poll strategy was utilized to gather information for investigation. The poll has socioeconomics factors and different factors are utilized to distinguish consumer loyalty level in openness, flexibility, reasonableness, productivity in financial services. Basic arbitrary testing was utilized by the scientist. The example size of this review is 100. Survey strategy was utilized to gather the essential

information for this review. The survey was partitioned in three areas. Area A accumulated segment information seeing respondents like sexual orientation, age, and scholastic capability. Segment B manages poll identified with speed of exchange, segment C arrangements with survey identified with openness, Section D arrangements with poll identified with flexibility, Section E manages survey identified with reasonableness, segment F manages survey identified with productivity, segment G manages survey identified with ease and helpful banking, area H manages poll identified with exactness and I manage poll identified with unwavering quality individually.

Graphic information investigation involved counts, rates, cross arrangements and proportions of focal inclinations. T test, Anova, ChiSquare were utilized for examination the relationship among factors.

- Onboarding outlineCustomer Research and Qualification
- Hazard appraisal and credit endorsement
- Complex Contracts and Commercial Negotiations
- Executing Legal Documentation and Contracts
- Oversee Associated Outsiders, Vendors, or Agencies
- Account Openings, Product Set-up, IT Integrations
- Nitty-gritty Customer Due-Diligence
- Directional complexity independent of complexity
- Local and International Regulatory Compliance
- Various banking products and services are available.
- Consistent relationship and communication management.

In business banking, customer onboarding is the cycle by which a bank decides if it will work with a customer and, based on what conditions and conditions, Banks direct a nitty-gritty assessment of related dangers, set up functional modalities around items and benefits, and plan related legitimate agreements and documentation.

This is an astounding capability because the customers are frequently large organizations with complex structures, and the cycle frequently necessitates various components:

Coordination Across Units (Risk, Compliance, Operations, Deals, Hazard, IT, and so on)

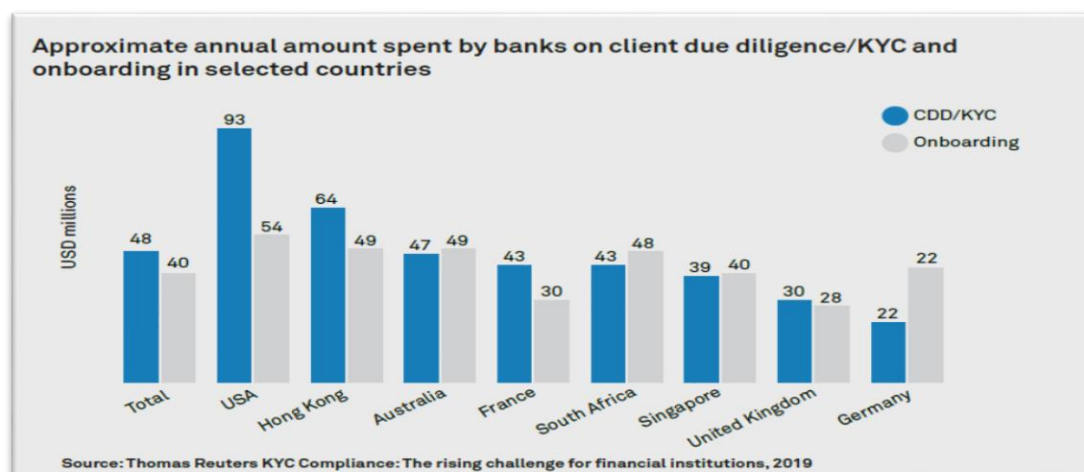
This intricacy brings longer onboarding cycles. In many instances, a similar customer needs different onboardings—one for each line of business—on the grounds that the basic frameworks and cycles are not incorporated and work in storehouses.

The onboarding system

Regardless of whether you are onboarding another customer or adding another helper for a current customer, it is critical to think about the intrinsic intricacy of the cycle from one finish to another. Various divisions catch the information uniquely, in contrast to the people who trade, recover, or examine data. When banks work across wards with different

guidelines and market rehearses, the interaction becomes even more muddled (and, surprisingly, significantly unique).

The whole customer onboarding cycle can be isolated into two squares: onboarding of customers and items or service.

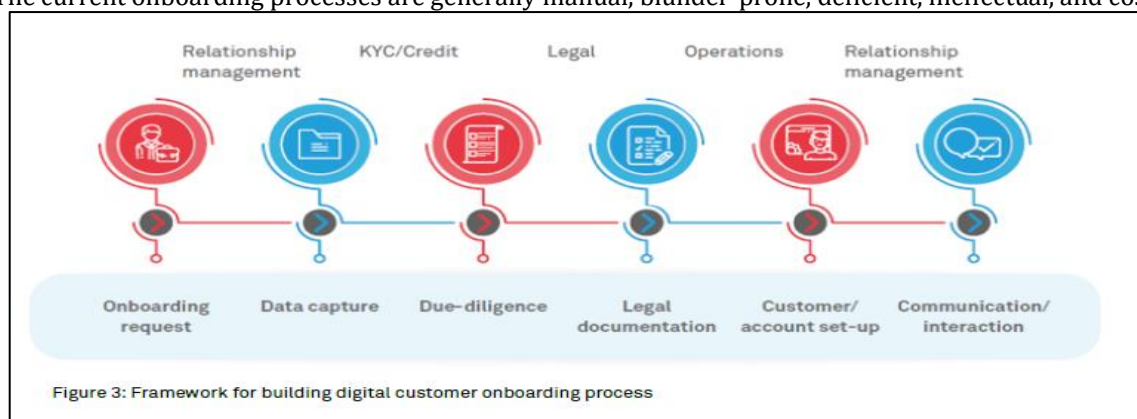


### Issue Statement

In the financial relationship, onboarding customers is the initial step of the customer venture. It requires a little while—or months, sometimes—because of intricacies, consistency challenges, and wasteful cycles, prompting problematic customer encounters, greater expenses for onboarding, and loss of income for banks.

Onboarding processes are seldom organized to consider and accommodate the customer. They will more often than not be hindered by innovative, procedural, and administrative issues. Up to this point, most banks saw customer onboarding as an administrative centre capacity, and a couple thought about it as a truly cutthroat differentiator.

Starting around 2008, worldwide monetary foundations have been fined \$26 billion all in all for not agreeing with hostile to illegal tax avoidance (AML) and know your customer (KYC) sanctions. Simultaneously, banks are adding severe controls, adding to expansions in general speaking, onboarding costs, bringing about a one-two punch for banks. The current onboarding processes are generally manual, blunder-prone, deficient, ineffectual, and costly.



the important functions and phases throughout the customer lifecycle starting from a request for onboarding and ending with communication and interaction being the customer. **Process Stages**  
**Onboarding Request:** This is the starting point of the process marked by a formal request from a potential customer which is managed by the relationship management team so that there will be a smooth start.  
**Data Capture:** KYC (Know Your Customer) and credit checks are done to gather and authenticate the needed customer data for the purpose of making sure of the regulatory compliance at the very beginning of the journey.  
**Due Diligence:** The legal departments evaluate the risk and confirm customer information through due diligence thus shielding the company from possible liabilities.  
**Legal Documentation:** The legal department prepares and takes care of all necessary documents thus establishing the



legal basis for the business relationship. **Customer/Account Set-Up:** The operations department takes care of the technical and procedural aspects of setting up the customer's account or service so that the customer can use the organization's products and services. **Communication/Interaction:** Relationship management that is ongoing guarantees clear communication, continuous support and is a factor in winning over customer loyalty in the long run. **Example Application** The case of a bank bringing on a new corporate client would follow this pattern: starting with the relationship managers who submit the onboarding request, passing through credit checks, detailed compliance verification, legal paperwork, account setup, and then consistent account management and communication for a superior customer experience.

### Key difficulties

To set up a compelling customer onboarding system—one that further develops customer experience and addresses bank-related issues—there are various difficulties related with current cycles that should be perceived from both the customer's point of view and the bank's viewpoint.

The way forward: a computerized customer onboarding stage

With the ascent of computerized economies and changes, amplify profit from speculation and customer sway by driving cycle effectiveness, further developing information quality, expanding service consistency, and fortifying danger the executives' capacities.

Dimension	Definition	Examples
Governance	Governance council to provide leadership and oversight	<ul style="list-style-type: none"> <li>• Collaborative approach for a customer onboarding solution</li> <li>• Key stakeholder representations (sales, risk, credit, legal etc.)</li> <li>• Clear delivery milestones, ownership and accountability</li> </ul>
Customer	Customer-centric and experience-led onboarding approach	<ul style="list-style-type: none"> <li>• Re-imagine end-to-end customer journey and experience</li> <li>• Digital solutions to minimize frictions and increase transparency</li> </ul>
Process	Simplify and re-orient customer onboarding business processes to support new customer experience	<ul style="list-style-type: none"> <li>• Integrated workflow management and standardized processes</li> <li>• Differentiate between global processes and local needs</li> <li>• Eliminate inefficiencies and identify areas to automate</li> <li>• Define, measure, monitor and improve service-level agreements and key performance indicators</li> </ul>
Technology	Implement solutions for digital interventions that enable features and business capabilities	<ul style="list-style-type: none"> <li>• Online solutions for improved straight-through processing, faster approval and processing</li> <li>• Digital verification/validation of credit (know your customer, customer due diligence, enhanced due diligence)</li> <li>• Customer dashboards to enhance</li> </ul>

**Governance** This aspect highlights the importance of leadership and supervision through a governance council. To illustrate, a council comprising sales, risk, and legal departments would help in managing customer onboarding smoothly with well-defined milestones and responsibilities. This could be a reality in the form of constant meetings with prescribed roles to monitor the progress of the onboarding project. **Customer** A customer-centric approach redesigns the onboarding experience for greater satisfaction and transparency. For instance, implementing digital tools that track customer journey milestones can minimize friction and increase trust. An example would be using a portal where new clients can see the stages of their onboarding process, ask questions, and track progress in real-time. **Process** This area focuses on streamlining and integrating onboarding business processes. By managing workflows across departments and standardizing tasks, organizations avoid duplication and delays. A practical example is deploying an integrated case management system, allowing different teams to collaborate on onboarding tasks, track issues, and monitor progress efficiently. **Technology** Implementing digital tools enhances agility and efficiency. For example, using online platforms to collect and validate customer documents speeds up onboarding and ensures compliance. A common example is e-signature tools that allow customers to submit required forms without physical paperwork, improving speed and customer experience.

**Table 1.0 – Descriptive Analysis**

Attributes	Standard Deviation
Mobile Banking	.502
E-Banking	.498
POS Terminals	.197
ATM	.488
Telebanking	.219
Digital Alerts	.416
Once a day	0.2727
Two or more times a day	0.488
Once a week	0.465
Two or more times a week	0.409
Mobile Banking	0.502
E-banking	0.492
Mobile Money	0.327
Fund Transfers	0.429
Plastic Money	0.197
Faster log in facility	0.845
Performance of E-Cards	0.730
Transfer of funds ( NEFT, RTGS)	0.784
Clearing services ( ECS- credit/ debit)	0.798
ATM services	0.709
Internet Banking Services	0.820
Telephone Banking Services	0.813
Mobile Banking Services	0.837
24 Hrs Services	0.744
Information provided on Bank Website	0.828
Up to date content	0.740
Process of Transactions	0.844
Wide range of products and services provided	0.871
Problem solving through instant information	0.790
Bank insists on error free transaction records	0.770
Electronic bill payments	0.757
Service charges	0.847

### Consumer loyalty

Invalid Hypothesis: There is no huge distinction among sexual orientation and chose ascribes in advanced financial services in customer point of view.

Substitute Hypothesis: There is huge distinction among sexual orientation and chose ascribes in advanced financial services in customer point of view.

### FINDINGS AND SUGGESTIONS

- On speed of exchanges, it was uncovered that versatile cash was the most every now and again utilizing advanced channel. ATM services were viewed as not to be rapid in this manner was the significant region that should have been tended to by greater part of the respondents.
- On availability of computerized banking, it was uncovered that capacity to execute at favored planning was viewed as the most significant element while checking out availability. Greater part of the respondents accepted that availability to them is degree to which a customer or customer can acquire a decent or service at the time it is required. With respect to availability in utilizing portable banking, customers don't get to portable financial much.
- The bank customers were needed to rate the degree of proficiency of any computerized channel they use. It is caused that customers are happy regarding quicker sign in office, execution of plastic cards, move of assets and clearing services.
- The customers are happy as for the data and interaction of exchanges are made with exact subtleties. Too customers are happy regarding the items and services given by the bank.
- The impact the bank customers were needed to rate the degree of dependability of any advanced channel they use. it is concentrated on those customers are happy regarding charge installments, mistake free exchanges, critical thinking and service charges.
- On openness, it was observed that bank customers knew about what involved availability. The most available computerized stage was versatile keeping money with an inclination that advanced banking could be gotten to on a moderate degree. Furthermore, being able to bank whenever and anyplace and further

check adjusts and access proclamations could be deciphered as openness. Utilization of innovation was the significant hindrance towards openness as innovation was changing exceptionally quick without the bank customers accepting the required abilities to adapt to this new peculiarity. The concentrate along these lines infers that expansion in openness prompts an expansion in consumer loyalty.

- On versatility, it was observed that portable cash was the most versatile advanced channel because of the individual touch it offers to the bank customers. Advanced banking was viewed as quick and proficient thus adjusting to their utilization was simple. Further from the customer's everyday exchanges, it was inferred that the flexibility to the given computerized banking channels was very high as introduced by the day-by-day number of exchange and a long time that the customers had utilized computerized banking. Bank customers utilized diverse computerized banking channels which was a mark of their flexibility. The majority of the advanced foundation of banking utilized were further solid anyway larger part of bank customers had neglected to adjust to computerized banking at one point in their lives with different reasons given for this disappointment. Banks attempt to guarantee customers can adjust by passing data on the best way to utilize computerized banking ultimately the review reasons that there is a critical connection between versatility of computerized banking and consumer loyalties. With an increment in adaption then consumer loyalty likewise increments.
- On moderateness of computerized channels, the review infers those advanced financial channels are reasonable. Reasonableness while executing utilizing advanced banking is significant anyway there are different contemplations to be set up separated from moderateness. The negative negligible connection inferred that that reasonableness didn't impact on consumer loyalty's. It is in this way finished up reasonableness isn't one of the key factors that is checked out while conveying an advanced banking exchange. Customers will execute utilizing whatever other channel that is quick, open and effectively versatile.

The bank customers were needed to rate the degree of unwavering quality of any advanced channel they use. it is concentrated on those customers are happy as for charge installments, mistake free exchanges, critical thinking and service charges.

## Conclusion

In essence, the present analysis of the consumer digital banking market reveals technological advancements at a rapid pace converting, plus, customer demands and regulatory requirements getting more complex. Although the sector of digital banking is powered mainly by AI, automation and data analytics, still the accessibility, speed, resilience and inclusivity are amongst major challenges that are yet to be tackled. The banks are now forced to make their transaction systems more modern, thereby, eliminating the aforementioned barriers and able to accommodate even the hardest to reach customers, for instance, the disabled individuals who are usually neglected in research and service design as well.

Getting the most from their digital investments will not make banks just merely existing but rather being able to do so by offering superior services through an entirely new approach whereby the customer is at the center. This means investing in the technologies that enable the customers to feel like their data is handled securely and, at the same time, providing them with personalized service, dealing with such things as coordination between various departments and customer onboarding by the fastest possible techniques, as well as using cutting-edge tools like AI, machine learning, and advanced cloud systems. So, the regulatory environment could also be gradually changing; digital accessibility and security standards that are laid down by central authorities and that the institutions have to comply with, become the ones

that are hard to negotiate over. The digital maturity of the institutions has become a differentiating factor and this is the area where such practices as responsive design, hyper-personalization and proactive risk management are used. The continuous investment in ICT competencies, consumer education, and loops of regular customer feedback will be the means through which banks will build trust, tailor to various user needs, and finally reduce the digital divide caused by factors such as age, ability, and location. Ultimately, it is purely those banks that pledge to gradual, customer-led, and inclusive change that will get the most out of the evolution of digital banking ecosystems as they will be able to unlock new sources of income, improve their operations significantly, and even provide all social strata with equitable access to finance that is really equitable.

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