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A Study on Channel Preferences among Urban and Rural Banking Customers

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Abstract

Background/Objectives: The expansion of banking channels from branch to off-site formats have ushered in changes in the banking habits of customers across geographies. The expansion of the channels by banks were mainly intended as experience enhancement tools in addition to migrating the customers and reduce the operational costs through brick and mortar format. But whether the improvements in the channel paradigm have reached the urban, semi urban and rural banking customer is a big question and the study is intended to bring out the channel usage matrix of customers across banks and across geographies and the impact of these channels on the last mile customers having accounts across banks. **Methods/Analysis:** The study analyzed the awareness and usage pattern of ATM, Internet and Mobile Banking among 200 bank customers through a structured questionnaire. The collected data was analyzed using SPSS. The gap between the awareness and usage level was found out. In addition to that, correlation and regression analysis were also carried out. **Findings:** The results of the study confirmed that whether the channel offerings by banks are really reaching customers across rural, semi urban and urban bank customers and translate into usage more than the awareness. **Applications/ Improvements:** The implications for banks will be two fold. It will help banks to know the awareness level of their digital channels among their customers. It will also enable them to undertake research on the usage level of their channels across customer segments and retune their strategies for maximum penetration as well as usage.

Keywords: Alternate Channels, ATM, Awareness, Bank Accounts, Bank Branches, Channels, Digital Strategies, Gap, Internet Banking, Mobile Banking, Usage

1. Introduction

The first tranche of expansion of commercial banks pan India happened in 1969 post nationalization of 14 banks and changed the paradigm of bank-branch geography with all the nationalized banks expanding their foot-print and especially in rural and semi urban areas. In line with the Government initiatives, the objective was to include the population group not covered under the banking habit at that point of time and also to focus on social and financial interventions for their empowerment. The concept of social banking started taking roots with the Government introducing a number of schematic development measures targeting rural development and public sector banks acted as catalysts of social change through banking inclusions and credit interventions[1]. The business model of branch expansion by banks in the rural and semi urban locations has been made as a prescription by the regulators to keep the banks engaged with the rural population.

The second round of nationalization in 1980, made further inroads in rural expansion by banks with the increased number of public sector players. The next revolution in the banking sector happened in the early 1990s after the economic liberalization measures introduced in 1991 and new generation private sector banks were allowed as a part of the reform measures. Technology enabled banking models were introduced by the new players and there was a necessity for adoption of the same by the existing players in the products, processes

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and channels. The traditional branch formats of service delivery to customers were strengthened with additional delivery channels like Automated Teller Machines (ATMs). The objective was migration of customers to alternate channels other than Branches for their convenience as well as to rationalize the cost of service through the branch format. With technology and telecommunication models gaining traction and the internet penetration making inroads, the channel matrix of banks underwent innovative changes with the introduction of Internet Banking and Mobile Banking. The last mile customers were also reached through Micro ATMs and serviced through the Business Correspondent model. The new channel formats over the years have gained strength and the usages of these channels by the different segments of customers have increased over the years. The adoption by metro and urban customers was relatively quicker while the semi urban and rural customers were trying to catch up with the new channel paradigm.

The study was initiated to find the level of usage of different channels viz. Branch, ATM, Internet Banking and Mobile Banking among the rural, semi urban and urban customers and the steps that banks have to initiate for better engagement of those customers with the available channels. There is no doubt that additional channels offer additional enhancements to customer experiences but the point of reference is that whether the alternate channels have reached the different customer segments and what are the steps that banks have to initiate for taking those channels to the last mile customer.

1.1 Statement of the Problem

Channel paradigm continues to be one of the main drivers of retail banking across the globe and also in India. All commercial banks compete with each other to offer different channels viz. ATM, Internet Banking and Mobile Banking in addition to the traditional branch format to their different retail banking customers. All those alternate channels have technology and telecommunication as the backbone to reach out the customers across different geographies. Banks take all out efforts to reach out their customers and make them avail the different channels offered by them. The objective is to make the customers enhance their satisfaction level while transacting different banking accounts. Many of the customers use different channels for their banking transactions based on their availability, accessibility and convenience based on their locations. The question is whether different customers use different set of channels or same set of channels based on their preferences. Banks always strive to make the customers use maximum channels so that the purpose of a particular channel is optimized by relevant customer usages. The efforts of the banks in offering different channels are well achieved only if usage responses across customer segments match the expectations of banks. The pattern of usage also may differ across different segments of customers in rural, semi urban, urban and metros. With the penetration of internet across geographies and mobile telephony gaining deep inroads across locations, Banks are taking all out efforts to spread the usage of alternate channels like ATM, Internet Banking and Mobile Banking and make them use those channels for achieving channel optimizations for reducing the cost of servicing per customer as they are relatively less costlier than servicing through the brick and mortar format. While the usage of those channels are gaining traction over the years, the level of usage of alternate channels among the rural, semi urban and urban bank customers have to be measured to know whether the channel strategies of banks are really bringing in the desired results. Also the reasons for the usage or lack of it have to be measured to give guidance for banks for revisiting their channel strategies with appropriate measures.

1.2 Significance of the Study

Channel preferences may vary across customer segments based on their locations and banking habits. The level of adoption of technology by different segments is a key variable in the channel usage of the customers. While metro and urban customers adapt to technology in a quicker time because of their position and life style, the absorption levels of technology may vary among the semi urban and rural customers. The telecommunication revolution which happened in the past decade changed the pattern of communication not only in the metros and urban areas but also brought in a significant change in the communication models of rural and semi urban customers. In tandem, Banks are also making their foot prints stronger by introducing alternate channels like ATM, Internet Banking and Mobile Banking. In this scenario, it is imperative to find whether banking customers in the rural and semi urban and urban have adapted to the new alternate channels offered by their banks in the same way as they have adapted the mobile telephony for communication. If there is any difference in the adaption level, what are the main reasons for the same and any remedial measures are to be taken by banks for reaching those segments with the new alternate channels and increasing the usage of those channels.

To enable banks to know different dimensions of alternate channels offered by banks by the rural, semi urban and urban bank customers, the study is aimed with the following objectives:

- To study the usage level of the type of mobile phones among the rural, semi urban and urban customers who maintain a bank account.
- To study the level of usage of the different channels viz. Branch, ATM, Internet Banking and Mobile Banking by different segments of bank customers.
- To study the level of usage of Internet Banking and Mobile Banking among the customers who use Branch and ATM as primary channels.

1.3 Scope of the Study

A study on the usage of different channels used by bank customers who have different occupational and professional profiles in rural, semi urban and urban customers have been undertaken. Two hundred customers who are having bank accounts in those locations are taken as the sample for the study. The samples include agriculturists, employees, entrepreneurs and house wives who have a bank account and also have varied income levels. Different types of customers are using different types of channels for their banking operations. Banks also always improve their channel models and offer their customers a choice of channels for them with the ultimate objective of enhancing their customer experience and stay with the bank with the maximum share of wallet. Customers use the offered channels mainly as per their conveniences and choices. Various studies have been undertaken about the penetration of channels across customers. This study identifies the different channels used by the customers across different geographies and also looks for channels used by the maximum number of customers across locations and whether the penetration strategies of banks have yielded the desired levels of acceptances by the various customer groups. The main implication of the study is to enable banks to look at the present level of digital channels offered and their impact on the awareness and usage level of the channels by the customers. The study will also provide insights for banks to revisit their digital strategies and take suitable initiatives for better awareness and regular usage of those channels which will ultimately reduce the servicing costs of the banks. This will also help the banks for fine-tuning their channel strategies for better customer reach.

2. Review of Literature

Global research studies on digital channel preferences have thrown open a number of interesting dimensions regarding the usage level of digital channels by bank customers. Research studies in China revealed that the main barriers to online banking were the risks, computer skills, technology upgradation skills and their traditional cash-carry brick and mortar banking culture. The other barriers were lack of awareness on understanding the uses they derive while using mobile banking[2]. A study which dealt with analysing the factors which influence the Internet Banking services usage by customers revealed that complexity, security issues and the customer experience were the significant influencing factors by the customers and their individual characteristics was found to be partially influencing the adopters those who are using the Internet Banking facilities[3]. Another research categorized the non-adopters based on their intentions to use Internet Banking and it identified difference between the customer groups. The groups were called as postponers, opponents and rejectors. The resistance levels of rejectors are much more intense than the opponents and the postponers are likely to use Internet Banking and their resistance level was very low. The findings also revealed that psychological barriers like customers' risk perception and their self efficacy play a very important role in determining the resistance towards online banking[4]. Certain demographic variables, attitude on computer usage, previous banking and technology experience and reference group have been recognized as prime determinants of Internet Banking adoption in United Kingdom[5]. A study which analyzed the mature customers Internet Banking behavior revealed that perceived difficulty in using computers combined with the lack of personal service in E-banking were found to be the main barriers of Internet Banking adoption among mature customers. Internet Banking was also found to be more unsecured among mature customers than bank customers in general[6]. Another interesting study which analysed the customer perception on Internet Banking found that money transfers and bill payment are the mostly preferred services among Internet Banking adopters. The customers showed full usage and high satisfaction towards Internet Banking services and the prime concern among them was the security and to avoid such online frauds some banks have introduced card readers[7]. A study which investigated the factors that influence on customer acceptance of Mobile Banking revealed that perceived usefulness, risk and cost,

adaptability and attitude are primary determinants of Mobile Banking adoption among customers[8]. A research study in Sri Lanka analyzed the impact of Mobile Banking services towards customer satisfaction concluded that usefulness, ease of use, relative advantage, risk perception, lifestyle of customers and their current needs significantly affect the customer satisfaction on Mobile Banking usage[9].

Banks across India has expanded their branch network across the country for offering the banking services to the different segments of customers in rural, semi urban, urban and metro areas. As of March 31, 2015, there are 125857 branches of commercial banks of which 48557 are in rural, 33766 are in semi urban and 23036 are in urban locations. Reserve Bank of India has reported that the reach of banking services in rural areas through the Branch and Non Branch mode stood at 5, 53, 713 and 398 million people were covered through Basic Savings Account[10]. Another research report, PwC Retail Banking 2020 and Global Digital Banking Survey Insights, April 2015 highlighted that about 425 million adults have access to bank accounts. In the rural and urban space, as per Census 2011, 54.4% of rural households and 67.8% of urban households are availing banking facilities[11].

In internet penetration, usage model of internet has moved from the desk based usage and mobile has become the preferred model. The telecommunication revolution has shifted the gear towards usage of mobile phones for various applications. As per Assocham, India Report, April 2015, presently 74% of the population is using mobile phones for their personal use demonstrating the high penetration of mobile telephony in India[12].

In Mobile Banking penetration, India stands at No. 4 and in case of banking through mobile, youth in the average age group of about 30 are the key players and also the lowest among the worldwide banking customers[13]. The millennial are reprioritizing their channel usages and they are shifting towards using more of alternate channels. The visit to their banks' branches is often becoming less than before. Among the alternate channels ATMs which served as a relatively less costly channel for the bank as compared to the Branch format, performed well but with the rapid traction in the non cash transactions among the millennials, Internet Banking and Mobile Banking are becoming the game changers in the channel paradigm of bank customers. That will make the smart phone as the primary channel for banking transactions[14]. A study which dealt with banking technology innovations in India revealed that 63% of the customers preferred to use direct and self-service channels, 49% of the customers gave importance to get personal advice and 44% of the customers were price sensitive and discount seekers. Considering the usage of online channels 50% of the customers used internet and only 8% used Mobile Banking services[15].

Mobile Banking user segment is growing at a rapid phase and expected to grow exponentially in the next 5-10 years and in developing countries, the adoption rates are going to be still higher. The adoption rates are in the range of 60-70 % in India and China than in other developed countries like US and Canada. But the adoption rates within the individual countries are dissimilar. In India, Mobile Banking facility is offered by almost all commercial banks and mostly app based[16].

The Technical Committee of Reserve Bank of India in its Report on Mobile Banking dated 7.2.2014 has observed that only 22 million are active Mobile Banking customers on a base of more than 870 million mobile users and around 450 million bank accounts[17]. That reflects the potential for increasing the user base of mobile bank among customers who have bank accounts and smart phones.

The survey of literature on expansion of branch network and rural footprint and increase in number of bank customers in rural and urban areas clearly indicate the increased access of banking services to those populations. In tandem, mobile penetration and internet penetration are also growing in a rapid pace. To realize the potential of technology development and internet penetration, banks have expanded their channel bandwidth from the primary brick and mortar model and alternate channels have evolved. The literature survey also indicates the growing influence of internet and Mobile Banking in the channel usage of bank customers and whether the potential for Internet and Mobile Banking have fully been utilized by banks for service cost optimization per customer. The literature also indicates the gaps in the usage of mobile banks and the need for banks to address those gaps.

3. Research Methodology

To study the usage pattern of channels by different bank customers, a descriptive research design has been planned. It describes the level of use of different channels like Branch, ATM, Internet Banking and Mobile Banking by mainly the rural, semi urban and urban customers. In this study, a structured questionnaire is employed to study the usage pattern of channels by various customers. Primary and secondary data were collected for the study from bank

customers in and around the rural, semi urban and urban areas in Thanjavur. Stratified random sampling method was used to choose the samples based on customers having accounts with different banks viz. public sector and private sector banks (both old and new private sector banks). The sample size is 200 bank customers who are having accounts (savings, current, loan and other accounts) with different banks. The location in which the samples were administered is one of well banked and well connected in telecommunication in the Thanjavur District of Tamil Nadu, India.

Stratified random sample method was adopted for administering the questionnaire based on the bank customers if different locations (rural, semi-urban and urban) and have a mobile phone. 200 samples were administered randomly in around Thanjavur that included rural, semi urban and urban bank customers. Cronbach Alpha has been calculated to examine the reliability of the data collected and to test whether there is any inconsistency caused due to random error. The coefficient of Alpha is at 0.793 and the data has satisfactory internal consistency and reliability.

In Table 1, the respondents were classified based on their gender, age band, type of location, annual income and the type of activity they are engaged in. Among the respondents, 75% were male and the remaining female. In the age group, 39.5% and 34.5% were in the age group of 25 to 35 years and 35 to 45 years respectively. Out of the respondents, 23.5% were from rural, 44% from semi urban and 32.5% were from urban areas. The income levels among the respondents indicate that most of the respondents (95.5%) were in the annual income limit of upto Rs. 10 lacs. Within that limit, 42.5% were in the threshold limit of upto Rs. 3 lacs, 34.5% in the category of above Rs. 3 lacs upto Rs. 5 Lacs and 18.5% were in the category of above Rs. 5 lacs and upto Rs. 10 lacs. The occupational structure of the respondents also varied, with Agriculture at 12%, Service at 10.5%, Trade/Business at 16.5%, Professional and Self Employed at 27.5%, Entrepreneurs at 17.5% and others at 16%.

Table 2 shows bank account details of customers. The account distribution among the different customers with regards to type of accounts are 17.02%, 32.95% and 34.86% are having Current Accounts in the rural, semi urban and urban branches respectively. With regard to Savings Accounts, the percentage of rural, semi urban and urban customers were at 80.85%, 80.68% and 78.46% respectively (Table 2).

Channel awareness among customers varies depending upon the branch location (Table 3). The channel awareness for ATM/Debit Cards are at 74.46%, 87.50% and 96.92% in rural, semi urban and urban branches respectively. In case of Internet Banking, the relative awareness level among rural, semi urban and urban customers are at 27.65%, 65.90% and 80% respectively. In Mobile Banking, the awareness levels are more in urban customers at 72.30% as compared to rural customers (23.40%) and semi urban customers (40.90%).

Table 4 explains the channel usage details and it seems that Branch continues to be a main driver in the channel paradigm of banks. 63.82%, 76.13% and 67.69% of the rural, semi urban and urban customers respectively are using Branch as the choice of their channel preference. ATM usage levels are at 42.55%, 54.54% and 89.23% respectively. It indicates that while penetration level of ATM as channel is more in case of urban customers as compared to rural and semi urban customers. The penetration of Internet Banking is very low among the rural (10.63%) and semi urban customers (2.59%) as compared to urban customers (47.69%). In Mobile Banking also, the penetration is very low among the rural (10.63%) semi urban customers (12.50%) as compared to the urban customers.

Table 1. Demographic details of bank customers (Sample size: 200)

Variables	No.	%	Variables	No.	%	Variables	No.	%
Gender			**Location**			>10 Lacs To 20 Lacs	7	3.5
Male	150	75	Rural	47	23.5	>20 Lacs To 50 Lacs	2	1.0
Female	50	25	Semi-Urban	88	44.0	**Occupation**		
Age			Urban	65	32.5	Agriculture	24	12.0
25-35	78	39.0	**Annual Income**			Service	21	10.5
36-45	69	34.5	Upto 3 Lacs	85	42.5	Trade/Business	33	16.5
46-55	43	21.5	>3 Lac To 5 Lacs	69	34.5	Prof. and Self Emp.	55	27.5
Above 55 Years	10	5	>5 Lacs To 10 Lacs	37	18.5	Entrepreneur	35	17.5
						Others	32	16.0

Based on Friedman - mean rank, ATM (4.92) stand first among various facilities offered by the banks to the customer apart from the facilities at the branch, Internet Banking (3.89), Mobile Banking (3.48). ATM facility is the frequently used facility by the customers and it is been ranked. The chi-square value for the channel usage is 671.168 and it is statistically significant since p value is less than 0.01.

From the mean scores for various channels (Table 5), the findings from the study are strengthened where ATM has been ranked one, Internet Banking has been ranked two and Mobile Banking has been ranked three.

Another interesting finding from the study is that there are considerable gaps between the awareness and the usage levels of different channels across customer segments. It is quite interesting to note that among the rural in Table 6, in case of ATM, the awareness level is 74.46% whereas the usage level is only 42.55% showing a gap of 31.91%. This reflects the scope for banks to immediately address this gap by suitable marketing strategies to effectively bring more customers into the ATM fold and reduce the transaction costs of servicing through the Branch. In case of rural, semi urban and urban branches, the awareness level, usage level and the gap for Internet Banking are 27.65%, 10.63%, 17.02% and 65.90%, 12.50%, 53.40% and 80%, 47.69% and 32.31% respectively. This reflects the low level of penetration of Internet Banking in the semi urban and urban areas and also the high potential available from the customer segments which are aware of Internet Banking but not using the facility. With the widespread telecommunication penetration and the internet across semi urban and urban areas, there is a golden opportunity available for banks for the growth of alternate channel in a big way. Same is the case with Mobile Banking also. The awareness, usage and gap in Mobile Banking are 23.40%, 10.63% and 12.77% for rural, 40.90%, 12.50% and 28.40% for semi urban and 72.30%, 47.69% and 24.61% for urban customers. With the Mobile Banking penetration gaining aggressive traction across geographies and with various research studies indicating Mobile Banking as the channel of the future, the finding from this study about the gap in Mobile Banking usage from the already existing customer base who are aware of Mobile Banking facilities throw huge opportunities for banks to aggressively strategize for taking the channel to those segments.

To strengthen the finding that the Mobile Banking and Internet Banking operation through mobile, Table 7 indicates the percentage of mobile phone users among the rural, semi urban and urban segments. If we look at

Table 2. Bank accounts details of bank customers

Location	No. of customers	Current Accounts		Savings Accounts	
		Yes	% of Yes	Yes	% of Yes
Rural	47	8	17.02	38	80.85
Semi-Urban	88	29	32.95	71	80.68
Urban	65	25	38.46	51	78.46

Table 3. Channel awareness details of bank customers

Segment	ATM/Debit Card				Internet Banking				Mobile Banking			
	No	Yes	Total	% of Yes	No	Yes	Total	% of Yes	No	Yes	Total	% of Yes
Rural	12	35	47	74.46	34	13	47	27.65	36	11	47	23.40
S.Urban	11	77	88	87.50	30	58	88	65.90	52	36	88	40.90
Urban	2	63	65	96.92	13	52	65	80.00	18	47	65	72.30
			200				200				200	

Table 4. Channel usage details of bank customers

Segment	Branch			ATM			Internet Banking			Mobile Banking		
	Yes	Total	% of Yes	Yes	Total	% of Yes	Yes	Total	% of Yes	Yes	Total	% of Yes
Rural	30	47	63.82	20	47	42.55	5	47	10.63	7	47	10.63
S.Urban	67	88	76.13	48	88	54.54	11	88	12.50	17	88	12.50
Urban	44	65	67.69	58	65	89.23	31	65	47.69	37	65	47.69

the smart phone user segment, 23.40% of rural, 81.81% of semi urban and 100% of the urban customers have smart phone. In addition, 17.02% of rural, 13.63% of semi urban and 35.38% of urban customers also have a mobile phone as well as a feature phone. There is a revelation that smart phone penetration is at a high level in semi urban and urban areas but there is no corresponding Mobile/Internet Banking penetration in those areas. Again, there is a golden opportunity for banks to aggressively strategize for better penetration of Mobile /Internet banking.

The research paper has also the intention to study the relationship between the channels used by the customers and the location of the customers and the results are shown in Table 8.

Correlation analysis was used to determine the correlation of factors at the 0.05 level of significance. It has highlighted the fact that there is significant positive correlation between Bank location and the facilities regarding the channels used by the customers other than the branch banking facilities. ATM, Internet Banking and Mobile Banking channels experienced by bank customers have a significant positive relationship with bank location.

The study has also measured the relationship of the channels used by the customers and the location of the customers and the results are shown in Table 9.

Regression analysis was carried out to find the impact of independent variables on dependent variable. ATM, Internet Banking, Mobile Banking is found to be significant with Bank location in Table 9. In the above table, R value represents simple correlation. The correlation value indicates quite high degree of correlation between the preferred channel factors such as ATM, Internet banking, Mobile Banking and Bank location (r = 0. 168, r = 0.268, r = .166). The R^2 column indicates how much of the total variation in the dependent variable (Bank location) can be explained by the independent variable (preferred channel factors) and here it is (R^2 = 2.8%, R^2 = 7.2% R^2 = 2.8%) which is quite good influence. Three preferred channel factors – ATM, Internet Banking and Mobile Banking towards Bank location have been explained in the model, which is quite good.

The gap in the awareness and usage of channels is demonstrated in the following Figure 1:

Table 5. Channel usage rank

Channels	Friedman Mean	Rank	Chi-square	Sig.
ATM	4.92	1	671.168	.000
INTRNTBANKG	3.89	2		
MOBBANKG	3.48	3		

Table 6. Awareness vs. usage level of channels by bank customers

Segment	ATM/Debit Card			Internet Banking			Mobile Banking		
	Awareness Level (%)	Usage Level (%)	Gap (%)	Awareness Level (%)	Usage Level (%)	Gap (%)	Awareness Level (%)	Usage Level (%)	Gap (%)
Rural	74.46	42.55	31.91	27.65	10.63	17.02	23.40	10.63	12.77
S.Urban	87.50	54.54	32.96	65.90	12.50	53.40	40.90	12.50	28.40
Urban	96.92	89.23	7.69	80.00	47.69	32.31	72.30	47.69	24.61

Table 7. Mobile phone usage level

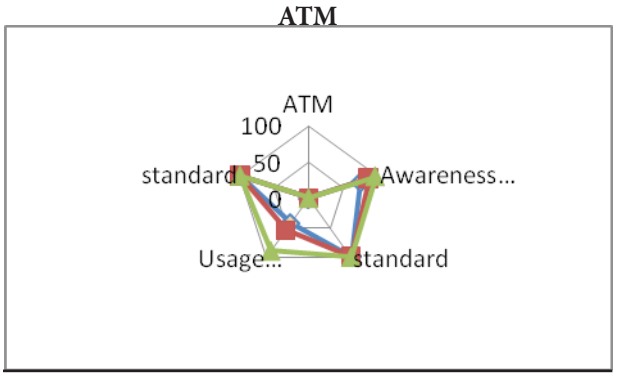
Segment	No. of Customers	Feature Phone		Smart Phone		Both	
		Yes	% of Total Users	Yes	% of Total Users	Yes	% of Total Users
Rural	47	22	46.80	11	23.40	8	17.02
S.Urban	88	21	23.86	72	81.81	12	13.63
Urban	65	21	32.30	65	100	23	35.38
Total	200						

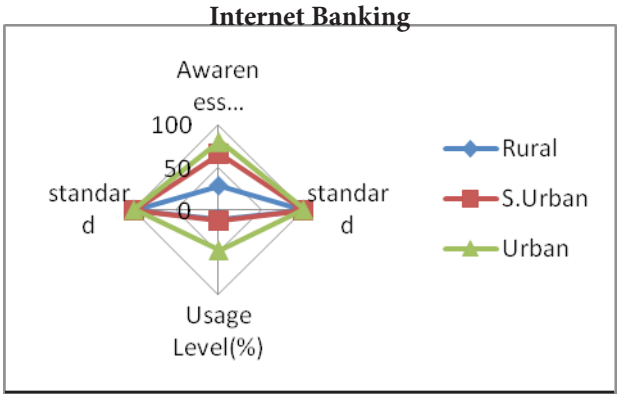
Table 8. Correlation analysis

	Bank Location	ATM	Internet Banking	Mobile Banking
Bank Location	1	.168*	.268**	.166*
ATM	.168*	1	.480**	.409**
Internet Banking	.268**	.480**	1	.713**
Mobile Banking	.166*	.409*	.713**	1

Table 9. Model summary

Model Summary									
Model	R	R Square	Adjusted R Square	Std. Error of the Estimate	F	T	Sig.	B	Std. Error
ATM	.168[a]	.028	.023	.183	5.720	2.392	.018[a]	.038	.016
Internet banking	0.268	.072	.067	.596	15.163	3.894	.000	.203	.052
Mobile banking	.166	.028	.023	.642	5.517	2.349	.020	.132	.056
a. Predictors: (Constant), Bank location									





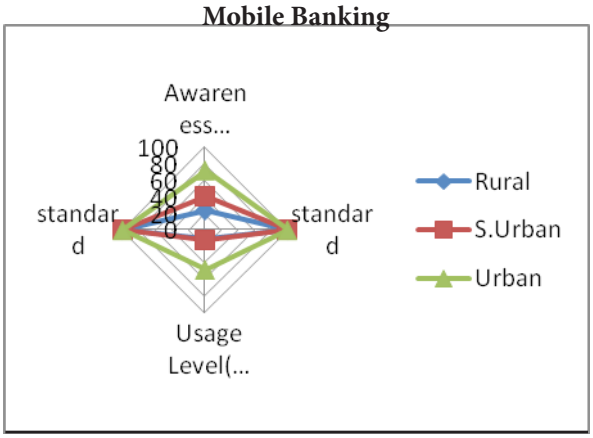


Figure 1. Awareness level and usage level for ATM, Internet Banking and Mobile Banking.

4. Conclusion

Banks offer different channels for enhancing the experience of their customers. In addition to the brick and mortar format (branch), other alternate channels were offered to the customer across geographies but the study has indicated that the reach of those channels were location dependant. The study has thrown light on how the different channels were used by the bank customers and also indicated the awareness levels of these channels among different customer segments. Another important finding from the study is awareness does not readily translate into usage of those channels and there exists a significant gap awareness and actual usage of those channels. The take away for banks from this study is that whether the channel offerings by banks are really reaching customers across rural, semi urban and urban bank customers and translate into usage more than the awareness. The implications for banks will be two fold. It will help banks to know the awareness level of their digital channels among their customers. It will also enable them to undertake research on the usage level of their channels across customer segments. The study provides clues for banks to revisit their channel strategies and initiate effective action plans to enhance awareness and also bridge the awareness and usage and that will help them for developing a channel matrix for achieving the optimal transaction costs of servicing the customers.

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