Research Article

An Analysis And Overview Of Digital Banking Services In Jammu And Kashmir

Aabid Ahmad Reshi [1], Dr. G. Sathishkumar[2], Dr Bajrang Lal Yadav[3], Dr Irshad Ahmad Syed Bukhari[4]

[1]Research Scholar, NIMS University, Jaipur, India
[2]Associate Professor, NIMS University, Jaipur, India
[3]Associate Professor, Echelon Institute of Technology, Faridabad, India
[4] Assistant Professor, NIMS University, Jaipur, India

Abstract

Digital banking has transformed the banking industry by offering clients safe, practical, and technologically advanced financial services. Digital banking has become much more popular in Jammu and Kashmir as a result of government efforts, smartphone and internet-based service growth, and information technology improvements. By looking at the accessibility, uptake, advantages, and difficulties of digital banking, this research provides an analysis and overview of digital banking services in the area. The results show that while digital banking has increased financial inclusion, accessibility, and transaction efficiency, obstacles including low digital infrastructure, cybersecurity issues, and digital literacy still prevent it from being widely used. The study highlights the importance of increased awareness, technological improvements, and security measures to foster sustainable digital banking development in Jammu and Kashmir.

Keywords: Digital Banking, Jammu and Kashmir, Digital Transformation, Financial Inclusion, Mobile Banking, Internet Banking, Digital Payments, Customer Adoption.

1. INTRODUCTION

Digital banking has become more central to the financial sector than ever before, revolutionizing the banking landscape and customer financial lives. The adoption of the advanced information and communication technology (ICT) in the banking operations has helped the financial institutions to bring diverse digital services to the banking sector such as internet banking, mobile banking, ATMs, Unified Payments Interface (UPI), electronic fund transfers, digital wallets, and online customer support. These innovations have helped to make banking more efficient, customer-friendly, cost-effective and accessible.

Over the past decade, India's digital banking landscape has seen unprecedented growth, thanks to technological innovations, government policies, and regulatory efforts from the Reserve Bank of India (RBI). Digital financial services have gained momentum in the urban and rural areas with various initiatives like Digital India, Pradhan Mantri Jan Dhan Yojana (PMJDY), Aadhaar-enabled payment systems and the ongoing surge of UPI. Thus, digital banking has emerged as a key pillar of India's efforts to push towards financial inclusion and a cashless economy.

The UT of Jammu and Kashmir has also witnessed a gradual shift towards digital banking services. Digital platforms are becoming increasingly crucial for commercial banks, regional rural banks, and cooperative banks to deliver services more effectively and make them more accessible to their customers. The region now has digital banking outlets such as mobile banking apps, internet banking, QR code-based payment, point-of-sale (POS) terminals, UPI transactions and self-service banking facilities. These services have facilitated financial transactions, allowing the customers to transfer money, pay bills, check account status, and perform financial transactions without going to a physical bank.

However, the penetration and successful use of digital banking services in Jammu and Kashmir are still affected by a few factors. Geographical issues, unreliable internet access, lack of digital literacy, cyber security concerns, and technological awareness issues continue to be key challenges, especially in rural and remote areas. The challenges have highlighted the need to explore the financial state of the digital banking services and understand the level of satisfaction among the citizens of the region.

To gain insight into the current state of digital banking in the region, an analysis and overview of digital banking services are imperative in Jammu and Kashmir.In this context, it is important to have an analysis and overview of digital banking services in Jammu and Kashmir to better understand the existing digital banking landscape, assess availability and accessibility of digital financial services, and explore opportunities and challenges for digital banking adoption. Such an evaluation helps to gauge the status of the digital transformation of the banking industry and can serve as a basis for policy and strategy formulation to improve the digital financial inclusion of the banking industry. This study is likely to help in academic research as well as offering insights for banking institutions, policymakers, and other stakeholders to improve the effectiveness, accessibility, and sustainability of digital banking in Jammu and Kashmir.

2. REVIEW OF LITURATURE

Khan, J et al. (2026). A systematic review was performed to explore the relationship between digital service quality and customer loyalty of online banking with the intervening role of trust and perceived value (2026). The authors adopted the PRISMA framework to collate the findings of recent research, with the results indicating that important factors of digital service quality (ease of use, responsiveness, security, privacy and reliability) significantly impact on customers' loyalty. The trust and perceived value were found to enhance the effect of digital service quality on customers' intention to continue using the service and their loyalty. The research also underscored the rising significance of Artificial Intelligence (AI) in improving the customer experience and boosting the personalization of banking services. Moreover, the authors pointed out the need to have a standardized service quality measurement model and called for further longitudinal and cross-cultural studies for enhancing customers' behaviors in digital banking. The results imply that banks should emphasize on providing secure, reliable and customer-oriented digital services to build trust, increase perceived value of the service, and long-term customer loyalty.

McNamara, K. and Marpu, R. (2025) In the Banking 2.0: Stablecoins and the Future of Global Banking (2025), he explores how stablecoins have reshaped the global banking landscape and offer a glimpse into its future. The study suggested that stablecoins have the potential to revolutionize financial services by leveraging blockchain technology to streamline cross-border transactions, reducing costs, speeding up transaction times, and enhancing security. The authors emphasized that the rise of institutional adoption, supportive regulatory milestones, and innovations from key financial institutions are contributing to the adoption of digital assets in mainstream. The paper also highlighted that stablecoins have the potential to enhance payment efficiency, financial inclusion, monetary innovation, decrease transaction costs, and minimize settlement delays. It also highlighted the importance of comprehensive regulation, risk management, and institutional confidence to foster financial stability and sustainable uptake. In conclusion, the study has suggested that stablecoins could revolutionize the future of banking, serving as a complement to the current financial systems and leading the way for the digitalization of global finance.

Osman, I., & Maad, S. (2024). The goal of this review paper is to provide a comprehensive overview of the application of Data Envelopment Analysis (DEA) in banking and finance up to 2024. The authors build on the previous survey of DEA research articles to examine 104 research papers that have applied DEA as an increasingly popular non-parametric approach to measure bank's efficiency and performance, financial institutions' efficiency and performance, and microfinance institutions' efficiency and performance. The review includes an overview of different DEA models and their application to operational efficiency, productivity, risk management, financial inclusion, Islamic banking and sustainable banking, respectively. The paper's key strength lies in highlighting the evolving landscape of green banking, ESG (Environmental, Social, and Governance) principles, and sustainability in the context of DEA-based performance evaluation, which aligns with the shifting priorities of the global banking sector. The authors feel that DEA has emerged as an essential choice support tool for decision makers, researchers, and banking practitioners for enhancing efficiency and sustainable financial development. Their work further involves identifying emerging research prospects such as incorporating DEA with artificial intelligence, big data analytics and advanced sustainability indicators into the banking performance evaluation process.

S. Chandrasekaran et al. (2023). founded that Green technologies are revolutionizing the banking sector, with a particular emphasis on the concept of green banking systems. These innovative technologies encompass digital transformation, renewable energy integration, blockchain, and data analytics, among others. Through digitalization, banks are reducing their carbon footprint by promoting online and mobile banking services, while renewable energy sources are being adopted to power their operations sustainably.

Narayanan et al. (2023). Studies that digital transformation of the Indian banking sector, with a special focus on green banking initiatives, has been a pivotal development in recent years. Indian banks have increasingly embraced digital technologies to streamline their operations, enhance customer experiences, and promote sustainability. Green banking initiatives, in particular, have gained prominence as financial institutions strive to align with environmental goals. This transformation not only ensures a more efficient and customer-friendly banking sector but also contributes significantly to India's sustainability efforts by reducing the carbon footprint of financial services.

Raman, et al. (2022). The Indian banking sector is witnessing significant trends and challenges, with a particular focus on digitalization. On the positive side, there's a surge in digital banking adoption, driven by the rapid growth of mobile payments, UPI, and digital wallets. The rise of fintech startups is fostering innovation and expanding financial inclusion. However, challenges like data security, regulatory compliance, and digital literacy remain. Additionally, the sector is grappling with increasing competition and the need to balance technological advancements with customer trust. Overall, digitalization in the Indian banking sector is progressing, offering immense potential but accompanied by the need for careful management of associated challenges.

Abdollahi Poor, et al. (2022). Explored the future study of Iran's banking industry, with a strong emphasis on digital transformation, holds significant promise and challenges. As Iran seeks to modernize its financial sector, digital banking is expected to play a pivotal role in improving accessibility, efficiency, and customer experiences. Fostering fintech innovation, enhancing cybersecurity measures, and promoting financial literacy will be crucial aspects to address. The integration of technologies like mobile banking, blockchain, and AI is likely to reshape the industry, while also supporting financial inclusion. An in-depth exploration of these trends and their impact on Iran's banking landscape will be essential for a comprehensive understanding of the sector's future trajectory.

Arun, et al (2017). Emphasized that Developing this understanding is mostly about examining these standards within the Indian context and the adjustments that the Reserve Bank of India made in order to implement these Basel criteria domestically. In order to make the Indian banking system more dependable, transparent, and secure for global trade, Indian banks must adhere to global norms on capital adequacy, liquidity, and risk management. The researchers therefore want to investigate the Basel Norm acceptance scenario in India.

Noronha, et al. (2017). Studies this, "Changing Landscape of Financial Services in Indian Banking System: Opportunities and Challenges," dives at the dynamic growth of financial services within India's banking industry. The study provides a thorough examination of the altering paradigms, highlighting both rising potential and the associated problems confronting the business. The study examines disruptive trends, technology breakthroughs, regulatory changes, and the influence of globalisation on the financial domain via an in-depth investigation, providing light on the strategic adaptation necessary for banks to succeed in this changing landscape. This study is an essential resource for learning the complexity and subtleties of modern Indian banking.

A.M, Dr & Dr.Dhananjaya.K.B. (2016). Studied that the Indian banking sector faces a dynamic landscape characterized by both challenges and opportunities. On one hand, challenges include the need to address a high level of non-performing assets, regulatory compliance burdens, and competition from emerging fintech players. Additionally, managing cybersecurity risks and adapting to changing customer expectations in the digital era are pressing concerns. On the other hand, this sector presents immense opportunities due to the growing population, increasing financial inclusion, and a burgeoning middle class. Advancements in technology and government initiatives like the Pradhan Mantri Jan Dhan Yojana have significantly expanded banking services to previously underserved areas. Furthermore, the sector can leverage data analytics, artificial intelligence, and mobile banking to enhance efficiency and offer tailored financial products. Striking the right balance between addressing challenges and capitalizing on these opportunities will determine the future success and resilience of the Indian banking industry.

Gautam, Rituraj. (2016). In this paper "The banking and financial services industries have always been highly traditional and have adhered to long-standing customs". However, due to changes in customer demographics and behaviour that have altered how services are consumed as well as the development of new services and apps that will necessitate more responsiveness from the participants, the sector has been upended and has grown more complicated. In addition, a number of new competitors have entered the market, increasing competition. In such a situation, this industry is seeing significant upheavals, one noteworthy example of which is the infiltration of the Internet of Everything (IoE) into the industry's operations. The current and potential disruptions to the Indian banking system are covered in this essay.

3. RESEARCH METHODOLOGY

The study used both descriptive and inferential statistical methods to examine and provide a summary of digital banking services in Jammu and Kashmir. Descriptive statistics, including frequency, percentage, mean, standard deviation, minimum, and maximum, were used to analyse data gathered from [541] respondents in order to summarise the availability, use, and perception of digital banking services. Skewness and kurtosis were used to analyse the data distribution in order to determine normality. Customers in the study area's overall usage of digital banking services was gauged by calculating composite mean scores.

DATA ANALYSIS

Table 4 Descriptive Analysis of Customer Perceptions through Digital Banking

	Valid	Missing	Mode	Median	Mean	Std. Deviation	Minimum	Maximum
Digital banking is easy to use	541	0	4.001	4.000	3.527	1.251	1.000	5.000
Technical issues are minimal	541	0	4.000	4.000	3.336	1.265	1.000	5.000
Customer support is good	541	0	4.000	4.000	3.431	1.293	1.000	5.000
Digital banking is secure	541	0	4.000	4.000	3.357	1.288	1.000	5.000
Digital illiteracy is a barrier	541	0	3.997	3.000	3.102	1.263	1.000	5.000

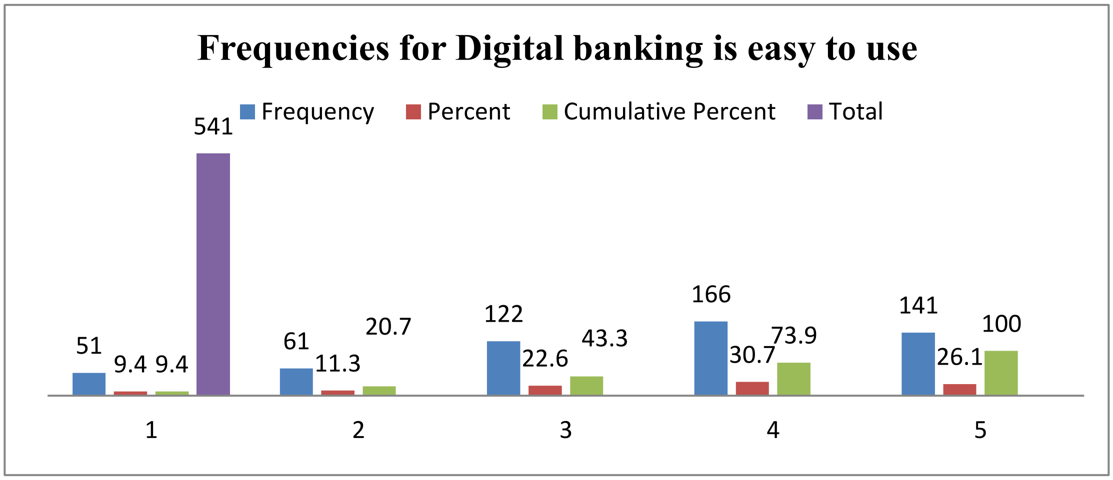
The descriptive analysis shows that bank customers opinions of digital banking services are generally positive. Users find digital banking platforms to be relatively user-friendly, as evidenced by the highest mean score for the statement "Digital banking is easy to use" (Mean = 3.527). Additionally, bank customers opinions of digital banking security (Mean = 3.357) and customer support (Mean = 3.431) show moderate to positive agreement. The statement "Technical issues are minimal" has a somewhat lower mean (Mean = 3.336), suggesting that some consumers are still concerned about technological concerns. Additionally, the mean score for "Digital illiteracy is a barrier" is 3.102, indicating that the adoption of digital banking is still somewhat hampered by a lack of digital skills.

Table: 5 Frequency table for " Digital banking is easy to use

Frequencies for Digital banking is easy to use				
Digital banking is easy to use	Frequency	Percent	Valid Percent	Cumulative Percent
1	51	9.4	9.4	9.4
2	61	11.3	11.3	20.7
3	122	22.6	22.6	43.3
4	166	30.7	30.7	73.9
5	141	26.1	26.1	100.0

Missing	0	0.0		
Total	541	100.0		

Graph :1

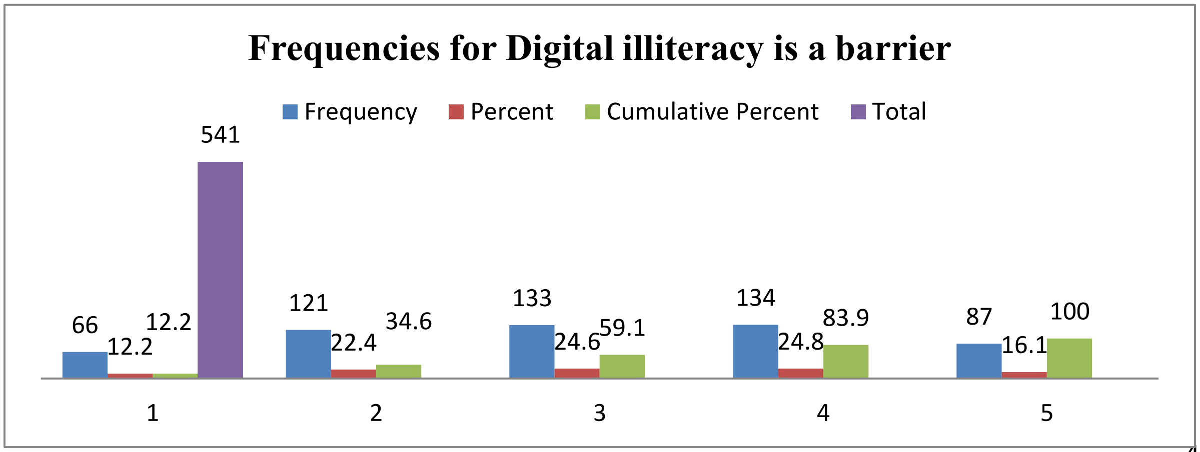


The graph shows that the majority of respondents chose scale values 4 (30.7%) and 5 (26.1%), suggesting more agreement with the statement. Approximately 22.6% of respondents remained indifferent, with just a tiny fraction disagreeing. Overall, the replies show a positive attitude toward the researched variable.

Table 6: Frequency table for digital illiteracy barrier

Frequencies for Digital illiteracy is a barrier				
Digital illiteracy is a barrier	Frequency	Percent	Valid Percent	Cumulative Percent
1	66	12.2	12.2	12.2
2	121	22.4	22.4	34.6
3	133	24.6	24.6	59.1
4	134	24.8	24.8	83.9
5	87	16.1	16.1	100.0
Missing	0	0.0		
Total	541	100.0		

Graph: 2



The graph displays the distribution of replies, with most respondents clustered around scale values 3 and 4, suggesting moderate agreement. The cumulative proportion indicates that 59.1% of replies fall into the neutral group, increasing to 100% at the maximum scale point. Overall, the graph shows a balanced response pattern with a minor inclination to agree.

Table: 6: One-Sample t-Test Results on Users' Perceptions of Digital Banking Effectiveness and Barriers

One Sample T-Test			
	t	Df	P
Digital banking is easy to use	65.58	540	< .001
Technical issues are minimal	61.32	540	< .001
Customer support is good	61.72	540	< .001
Digital banking is secure	60.61	540	< .001
Digital illiteracy is a barrier	57.12	540	< .001
Note. For the Student t-test, the alternative hypothesis specifies that the mean			

The result shows that all of the chosen statements about digital banking—ease of use, few technical problems, customer service quality, perceived security, and digital illiteracy as a barrier—are statistically significant at the one percent level ($p < 0.001$), according to the one-sample t-test results. This shows respondents' strong and consistent impressions, as the mean responses for each variable deviate significantly from the test value that was hypothesised. The results show that digital banking services are usually regarded favourably in terms of usability, dependability, security, and assistance; nonetheless, digital illiteracy is still a significant barrier to the successful adoption and use of these services.

4. CONCLUSION

The findings of the current study show that digital banking has emerged as a revolutionary force in improving the accessibility, efficiency, and convenience of banking services in Jammu and Kashmir. According to scientific evidence, users generally have positive attitudes toward the ease of use, security, customer assistance, and overall effectiveness of digital banking services. The descriptive statistics and one-sample t-test results show that these impressions are statistically significant, indicating an increasing acceptability of digital financial services among banking consumers. The growing use of mobile banking, internet banking, the Unified Payments Interface (UPI), digital wallets, and other electronic payment systems represents the banking sector's gradual digital transformation and commitment to expanding financial inclusion in the region. These results imply that digital banking has emerged as a key driver for upgrading the provision of financial services and encouraging increased client involvement.

Nonetheless, the study finds that the long-term expansion of digital banking remains hampered by a number of structural and technological hurdles. Digital illiteracy, inadequate digital infrastructure, unreliable internet access, technical challenges, and cybersecurity concerns continue to be significant barriers to the effective adoption of digital banking, particularly in rural and physically distant areas of Jammu and Kashmir. These findings highlight the importance of coordinated efforts among banking institutions, policymakers, and regulatory agencies to develop digital infrastructure, improve cybersecurity standards, and execute comprehensive digital literacy and financial awareness activities. Addressing these issues would not only boost client confidence and the quality of digital banking services, but would also enable greater financial inclusion and long-term digital transformation. The study adds to the existing literature by providing empirical evidence on the current state of digital banking adoption in Jammu and Kashmir. It also provides practical insights for policymakers and financial institutions looking to create inclusive, secure, and customer-centric digital banking ecosystems.

5. REFERENCES

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