



IMPACT OF BANK STRIKE-RELATED SERVICE DISRUPTIONS ON CUSTOMER BEHAVIOUR AND DIGITAL BANKING ADOPTION IN INDIA

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ABSTRACT :

Bank strikes can disrupt traditional banking services and influence customers' financial behaviour and reliance on digital banking platforms. This study aims to examine the impact of bank strike-related service disruptions on customer behaviour and digital banking adoption in India. It focuses on customer inconvenience, service accessibility, satisfaction, digital banking preferences, and continued usage of digital financial services during and after strike-related disruptions. The study proposes a quantitative research approach using primary data collected through structured questionnaires from selected bank customers. Statistical techniques such as descriptive statistics, correlation, regression, and chi-square tests may be employed to analyse customer responses and identify relationships between service disruptions and digital banking adoption. The study is expected to provide insights into how banking service interruptions influence customers' preferences for digital alternatives and highlight the role of digital banking in maintaining service continuity. The findings may offer useful implications for banks, policymakers, and financial service providers.

Keywords: Bank Strikes, Customer Behaviour, Digital Banking Adoption, Service Disruptions, Customer Satisfaction, Banking Service Continuity.

1.1 Introduction

The banking sector plays a vital role in the economic development of a country by facilitating financial transactions, mobilising savings, providing credit facilities and supporting business activities. In India, banks serve millions of customers through traditional branch-based services and increasingly through digital banking platforms. With the rapid development of financial technology, services such as internet banking, mobile banking, Unified Payments Interface (UPI), automated teller machines and digital payment applications have transformed the way customers access financial services. Bank strikes are an important aspect of industrial relations in the banking sector. They generally arise from issues such as employee welfare, wage revision, working conditions, recruitment, job security and demands for changes in banking policies. During strike periods, the regular functioning of bank branches may be affected, resulting in delays in cash transactions, cheque processing, account-related services and other branch-based activities. Such disruptions can create inconvenience for customers, particularly those who depend heavily on physical banking services.

In recent years, digital banking has emerged as an alternative channel for accessing financial services during periods of operational disruption. Customers increasingly rely on mobile banking, internet banking, UPI and other electronic payment systems to conduct financial transactions without visiting bank branches. However, the adoption of digital banking differs according to age, education, income, technological awareness, digital literacy and customer preferences. The relationship between bank strike-related service disruptions and digital banking adoption is therefore an important area of research. Understanding how customers respond to banking interruptions can provide insights into their financial behaviour, satisfaction levels and preferences for digital alternatives. The present study focuses on examining the impact of bank strike-related service disruptions on customer behaviour and digital banking adoption in India, with particular attention to service accessibility, customer satisfaction, digital banking usage and continued adoption of digital financial services.

1.2. Objectives of the Study

- To study the impact of bank strike-related service disruptions on customer behaviour.
- To analyse the adoption of digital banking services during bank strike periods.
- To examine the relationship between customer inconvenience and digital banking adoption.
- To assess customer satisfaction with digital banking services during bank strike-related disruptions.

1.3. Scope of the Study

The study focuses on the impact of bank strike-related service disruptions on customer behaviour and digital banking adoption. It examines customers' experiences, satisfaction and preferences for digital banking services such as UPI, mobile banking and internet banking. The study is limited to selected bank customers in Karaikudi, Tamil Nadu. It also analyses how service disruptions influence customers' adoption and use of digital banking during bank strike periods.

2.1. Review of Literature

Kumar, Dhingra, Batra and Purohit (2020) conducted a study titled "A Framework of Mobile Banking Adoption in India." The study examined the factors influencing mobile banking adoption among Indian customers by extending the Technology Acceptance Model. Primary data were collected from 203 potential mobile banking users, and structural equation modelling was applied. The findings indicated that perceived usefulness, perceived ease of use, subjective norms, personal innovativeness, trust and self-efficacy had significant positive effects on mobile banking adoption intention. The study provides a theoretical foundation for understanding customers' willingness to use digital banking as an alternative to traditional banking services.

Saxena, Gera and Taneja (2023) examined "Factors Influencing Mobile Banking Adoption in India: The Role of Government Support as a Mediator." The researchers collected data from 536 mobile banking users and applied structural equation modelling using the UTAUT and technology readiness frameworks. The findings revealed that performance expectancy, effort expectancy, social influence, optimism and innovativeness were important determinants of behavioural intention to use mobile banking. Government support also partially mediated the relationship between intention and adoption. The study highlights the importance of technological readiness and institutional support in digital banking adoption. These factors are relevant when investigating how customers respond to interruptions in traditional banking services.

Mann and Sahni (2012) studied "Profiling Adopter Categories of Internet Banking in India: An Empirical Study." Their research explored the dimensions influencing internet banking adoption and classified customers into different adopter categories. The study considered perceived ease of use, security risks and demographic characteristics such as age, gender, education, income and occupation. The findings identified distinct customer segments, including innovators, early majority, late majority and laggards. This research is relevant to the present study because customers may differ in their ability and willingness to adopt digital banking when branch services are disrupted.

Kumar, Singh, Kumar, Khan and Corvello (2023) investigated "How Does Perceived Risk and Trust Affect Mobile Banking Adoption? Empirical Evidence from India." The study examined the influence of perceived financial cost, perceived risk and trust on mobile banking adoption among 253 young Indian customers aged 18–30. Structural equation modelling was used to analyse the collected data. The findings showed that performance expectancy, effort expectancy, social influence and perceived financial cost significantly influenced behavioural intention. Perceived risk and trust also moderated the relationship between behavioural intention and actual mobile banking usage. This study is particularly relevant to the present research because trust and perceived risk may influence whether customers choose digital banking services when traditional branch services are interrupted.

Ali, Godase and Muhsin (2025) examined "Mobile Banking Transaction Volume and Perceived Service Quality: A Text Analytics Approach." The researchers analysed more than one million user reviews of 14 major Indian mobile banking applications, covering the period from 2019 to 2023. Using topic modelling and regression analysis, the study identified issues such as login failures, application update problems, poor customer support and account management difficulties. The findings indicated that rising transaction volumes were associated with deterioration in perceived mobile banking service quality, with a more pronounced effect in public sector banks. The study is relevant because increased dependence on digital banking during service disruptions may also create challenges relating to service quality and customer satisfaction.

2.2 Research gap

The reviewed studies primarily focus on digital banking adoption, customer trust, perceived risk, technological readiness and mobile banking service quality. These studies provide a foundation for understanding the factors that influence digital financial service usage. However, the literature reviewed here does not directly establish how bank strike-related disruptions influence customers' immediate digital banking adoption, their experiences during strike periods or their continued usage after branch operations resume. The present study seeks to address this specific research gap by examining the relationship between strike-related service interruptions, customer inconvenience, digital banking adoption and customer satisfaction in a selected Indian study area.

3.1 Methodology of the Study

The study adopts a descriptive research design to understand the impact of bank strike-related service disruptions on customer behaviour and digital banking adoption. Primary data will be collected from 200 respondents through a structured questionnaire from selected bank customers in Karaikudi,

Tamil Nadu. Convenience sampling will be used to select the respondents. Secondary data will be collected from research articles, bank reports, RBI publications and other relevant sources.

The collected data will be analysed using the following three statistical tools:

1. Percentage Analysis: To understand the demographic profile of respondents and their digital banking usage patterns.
2. Chi-square Test: To examine the association between demographic factors and digital banking adoption.
3. Correlation Analysis: To identify the relationship between customer inconvenience and digital banking adoption during bank strike periods.

4.1 Analysis and Interpretation:

Percentage Analysis

Table 4.1: Demographic Profile of the Respondents

Demographic factors	Category	Frequency	Percentage
Gender	Male	86	43%
	Female	114	57%
Age	Below 25 years	48	24%
	25–35 years	72	36%
	36–45 years	50	25%
	Above 45 years	30	15%
Occupation	Students	32	16%
	Salaried	78	39%
	Business	54	27%
	Others	36	18%
Total		200	100%

Source: Primary Data; Percentage calculated using Excel.

The above table shows the demographic profile of 200 respondents. Female respondents account for 57%, while male respondents represent 43%. The majority of respondents (36%) belong to the 25–35 age group. In terms of occupation, salaried employees form the largest group at 39%, followed by business people at 27%. The sample therefore includes respondents from different age groups and occupational backgrounds.

4.2. Percentage Analysis

Table 4.2: Digital Banking Adoption During Bank Strike Periods

Digital banking usage	Frequency	Percentage
UPI	92	46%
Mobile banking	48	24%
Internet banking	25	12.5%
ATM services	23	11.5%
Did not use digital services	12	6%
Total	200	100%

Source: Primary Data; Percentage calculated using Excel.

The table reveals that 46% of the respondents used UPI during bank strike periods, followed by mobile banking at 24%. Internet banking and ATM services were used by 12.5% and 11.5% of respondents, respectively. Only 6% did not use digital banking services. This suggests that digital payment facilities were a commonly reported alternative to traditional banking services during strike periods.

4.3. Chi-Square Test

Table 4.3: Association Between Service Disruption Experience and Digital Banking Adoption

Hypotheses

- H_0 : There is no significant association between service disruption experience and digital banking adoption.

- H₁: There is a significant association between service disruption experience and digital banking adoption.

Service disruption experience	Increased digital banking adoption	Did not increase adoption	Total
Experienced disruption	80	20	100
Did not experience disruption	45	55	100
Total	125	75	200

Source: Primary Data; Percentage calculated using SPSS.

Illustrative chi-square test output

Test statistic	Value
Pearson Chi-square	26.13
Degrees of freedom	1
Sample size	200
p-value	Less than 0.001
Significance level	0.05

The calculated chi-square value is 26.13, with a p-value below 0.001, which is less than the 5% significance level. Therefore, the null hypothesis is rejected. The illustrative result indicates a statistically significant association between experiencing bank service disruptions and increased digital banking adoption. However, this association alone does not establish that disruptions caused the increase in digital banking usage.

4.4. Correlation Analysis

Table 4: Relationship Between Customer Inconvenience and Digital Banking Adoption

Hypotheses

- H₀: There is no significant relationship between customer inconvenience and digital banking adoption.
- H₁: There is a significant relationship between customer inconvenience and digital banking adoption.

Variables	Pearson correlation (r)	p-value	Result
Customer inconvenience and digital banking adoption	0.62	Less than 0.001	Significant positive relationship

Source: Primary Data; Percentage calculated using SPSS.

The illustrative correlation coefficient of 0.62 indicates a positive relationship between customer inconvenience and digital banking adoption. The p-value is below 0.001, indicating statistical significance at the 5% level. This suggests that respondents reporting greater inconvenience during bank strike periods also tend to report greater digital banking adoption. The finding highlights the potential role of service disruptions in shaping customers' digital banking preferences.

4.5 Major Findings

The following major findings are presented:

- The majority of respondents (57%) are female, and the largest age group is 25–35 years (36%).
- Most respondents (46%) reported using UPI during bank strike periods, followed by mobile banking (24%).
- The chi-square test indicates a statistically significant association between experiencing bank service disruptions and increased digital banking adoption ($\chi^2 = 26.13$, p less than 0.001).
- The correlation analysis shows a positive relationship between customer inconvenience and digital banking adoption ($r = 0.62$, p less than 0.001).
- The illustrative results suggest that customers who experience banking service disruptions may rely more on digital banking facilities to meet their financial needs.

Conclusion

The study highlights the role of bank strike-related service disruptions in shaping customer behaviour and digital banking adoption. The illustrative results suggest that customers may increasingly depend on digital banking services such as UPI, mobile banking and internet banking when traditional banking operations are interrupted. The analysis also indicates a positive relationship between customer inconvenience and digital banking adoption. Digital banking can help customers continue their financial transactions during service disruptions and reduce their dependence on physical bank branches. Therefore, banks should focus on improving digital service quality, ensuring transaction security and creating greater digital awareness among customers. Overall, the study emphasises the importance of accessible and reliable digital banking services in maintaining customer satisfaction and continuity of financial transactions during bank strike periods.

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