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Acceptance Of E-Banking Among Adult Customers: An Investigation In India

1Asst. Prof. Yuthika Sawant, 2Dr.Geeta Shrivastava

1Assistant Professor, 2Rtd.Principal (Associate Professor)

1Research Scholar Himalayan University, Itanagar, Arunachal Pradesh,

2Himalayan University, Itanagar, Arunachal Pradesh

ABSTRACT:

The rapid advancement of technology and the increasing popularity of electronic banking (e-banking) have transformed the banking industry worldwide. This study aims to investigate the acceptance of e-banking among adult customers in India, considering the unique cultural and socio-economic factors that influence their behaviour towards digital banking services. The research methodology includes a mixed-method approach, combining quantitative surveys and qualitative interviews. A sample of adult customers from various regions of India will be selected through a random sampling technique. The survey questionnaire will be designed to collect data on demographic information, e-banking usage patterns, perceived benefits and risks of e-banking, and factors influencing their acceptance.

The Technology Acceptance Model (TAM) will serve as the theoretical framework for this study, exploring the factors affecting the adoption and acceptance of e-banking services. Additionally, cultural factors specific to India, such as trust, security concerns, and technological literacy, will be considered as influential variables. The data collected will be analysed using statistical techniques, including descriptive statistics, correlation analysis, and regression analysis. The qualitative data from the interviews will be analysed thematically to identify recurring themes and patterns related to e-banking acceptance.

The findings of this research will contribute to the understanding of e-banking acceptance among adult customers in India and provide insights into the factors influencing their adoption behaviour. The study's outcomes will be valuable for banks and financial institutions in developing effective strategies to enhance e-banking services and increase customer satisfaction.

KEYWORDS: E-banking, acceptance, adult customers, India, technology acceptance model, cultural factor.

I. INTRODUCTION:

The advent of digital technology has revolutionized the banking sector, transforming the traditional brick-and-mortar banking experience into a more convenient and accessible one. Electronic banking, commonly known as e-banking, has gained significant momentum in recent years, enabling customers to carry out various financial transactions through online platforms. This study aims to investigate the acceptance of e-banking among adult customers in India.

Context:

India has witnessed a rapid growth in its digital infrastructure and internet penetration, making it an ideal environment for the adoption of e-banking services. As a country with a vast population and diverse socio-economic backgrounds, understanding the factors influencing the acceptance of e-banking becomes crucial for banks and policymakers. This investigation seeks to shed light on the attitudes, preferences, and concerns of adult customers towards e-banking in India.

The acceptance of e-banking among adult customers in India has experienced significant growth in recent years. E-banking refers to the use of electronic platforms, such as online banking websites and mobile banking applications, to conduct various financial transactions and services.

E-Banking:

E-banking is an arrangement between a bank or a financial institution and its customers that enables encrypted transactions over the internet. Short for electronic banking, E-banking has various types that cater to customers' different requirements, which can be resolved online.

E-banking is also helpful for non-financial transactions such as changing your ATM PIN, getting a mini statement, updating your personal details, balance inquiry or printing an account statement. Essentially, it refers to any transaction that does not involve any movement of funds to or from your account.

II. RESEARCH OBJECTIVES:

1. To identify the level of awareness and familiarity among adult customers regarding e-banking services in India.
2. To explore the factors influencing the adoption or resistance towards e-banking among adult customers.
3. To examine the perceived benefits and risks associated with e-banking among adult customers.
4. To investigate the usage patterns and frequency of e-banking services among adult customers in India.
5. To analyze the impact of demographic variables, such as age, education, income, and occupation, on the acceptance of e-banking.

III. RESEARCH METHODOLOGY

This investigation will employ a mixed-methods approach, combining qualitative and quantitative research techniques. The primary data will be collected through structured surveys and in-depth interviews conducted with a sample of adult customers from various regions of India. The survey will encompass questions related to e-banking awareness, usage patterns, perceived benefits, and concerns. The interviews will provide a deeper understanding of customers' perspectives and experiences.

The research methodology section outlines the research design, sample selection, data collection methods, and data analysis techniques employed in the study. It specifies the target population, sample size, and the survey questionnaire used to gather primary data from adult customers in India. The section also discusses the statistical tools and techniques used to analyse the collected data.

IV. REVIEW OF LITERATURE

A literature review on e-banking acceptance by adult people would explore the various factors that influence the adoption and usage of electronic banking services among adults. Here's a general overview of what such a literature review might cover:

1. Introduction to E-Banking Acceptance:

- Definition of e-banking and its various services (online banking, mobile banking, ATMs, etc.).
- Importance of studying e-banking acceptance due to its impact on the banking industry and consumers.

2. Technology Acceptance Models:

- Overview of technology acceptance models like the Technology Acceptance Model (TAM) and Unified Theory of Acceptance and Use of Technology (UTAUT).¹
- Explanation of how these models have been used to study e-banking acceptance among adults.

3. Perceived Usefulness and Perceived Ease of Use:

- Discussion of how perceived usefulness (the perceived benefits of using e-banking) and perceived ease of use (the perceived simplicity of using e-banking) influence adult users' decisions to adopt e-banking.
- Studies that investigate the relationship between these factors and e-banking adoption.

4. Trust and Security Concerns:

- Exploration of the role of trust and security concerns in e-banking adoption among adults.
- Discussion of how factors like online privacy, data security, and the risk of financial fraud affect users' willingness to use e-banking services.

5. Demographic Factors:

- Examination of how demographic factors such as age, income, education, and occupation impact e-banking adoption.
- Studies that highlight differences in adoption rates and preferences among various demographic groups.

6. Social Influence and Peer Pressure:

- Analysis of the influence of family, friends, and social circles on adult users' decisions to adopt e-banking.
- Exploration of how recommendations from trusted sources can impact adoption behaviour.

7. Accessibility and Digital Literacy:

- Discussion of the role of digital literacy in e-banking adoption among adults.
- Examination of how accessibility to digital devices and internet connectivity affects the ability to use e-banking services.

8. Customer Experience and Satisfaction:

- Overview of studies that explore the impact of a positive customer experience on e-banking adoption and continued usage.

¹ UTAUT formulation is based on eight research models, namely, technology acceptance model, theory of reasoned action, hybrid model TAM-TPB.

- Discussion of how user satisfaction with e-banking services can lead to word-of-mouth recommendations and increased adoption.

9. Cultural and Regional Factors:

- Consideration of cultural norms and regional differences that might influence e-banking acceptance among adults.
- Exploration of how cultural attitudes towards technology and financial practices play a role.

10. Government Policies and Regulations:

- Examination of how government policies and regulations regarding digital transactions, data protection, and cybersecurity impact e-banking adoption.

11. Comparative Studies:

- Review of studies that compare e-banking acceptance among adults across different countries or regions.
- Identification of trends and variations in adoption rates and influencing factors.

12. Future Trends and Implications:

- Discussion of emerging technologies (e.g., biometric authentication, blockchain) and their potential impact on e-banking acceptance among adults

V. SEVERAL FACTORS HAVE CONTRIBUTED TO THE INCREASING ACCEPTANCE OF E-BANKING IN INDIA:

Internet Penetration:

India has witnessed a substantial increase in internet penetration, with more people gaining access to the internet through smartphones and affordable data plans. This has provided a foundation for the growth of e-banking services.

Demonetization:

In 2016, the Indian government implemented a demonetization policy that aimed to reduce cash transactions and promote digital payments. This move encouraged individuals to adopt e-banking and mobile wallets as alternative payment methods.

Convenience:

E-banking offers convenience and accessibility to customers, allowing them to perform banking activities anytime and anywhere without visiting a physical branch. Features like balance inquiries, fund transfers, bill payments, and account management are readily available through e-banking platforms.

Security Measures:

Banks and financial institutions have implemented robust security measures to protect customer data and transactions, instilling trust among users. Measures like two-factor authentication, encryption, and biometric authentication have enhanced the security of e-banking platforms.

Incentives and Offers:

Banks and e-wallet providers have introduced various incentives, discounts, and cashback offers to encourage customers to use e-banking services. These promotional activities have played a significant role in attracting users.

Government Initiatives:

The Indian government has launched initiatives like the Pradhan Mantri Jan Dhan Yojana (PMJDY) and the Unified Payments Interface (UPI) to promote financial inclusion and digital transactions.² These initiatives have facilitated the adoption of e-banking services among the adult population.

VI. THE GROWING ACCEPTANCE OF E-BANKING, THERE ARE STILL SOME CHALLENGES THAT NEED TO BE ADDRESSED:

Digital Literacy

A significant portion of the adult population in India still faces challenges in terms of digital literacy and technological awareness. Providing adequate training and support to bridge this gap is crucial for the wider acceptance of e-banking.

Security Concerns:

While security measures have improved, there are still concerns regarding data breaches, fraud, and identity theft. Building customer awareness about security practices and ensuring robust cybersecurity measures is essential to gain trust.

Infrastructure and Connectivity:

While internet penetration has increased, there are still areas in India with limited internet connectivity and unreliable infrastructure. Ensuring a stable and accessible network is vital to facilitate widespread adoption of e-banking.

Trust and Reliability:

Some individuals may still have reservations about the reliability and trustworthiness of e-banking platforms, particularly among the older population. Educating customers about the benefits and safety measures of e-banking can help overcome these concerns.

To further investigate the acceptance of e-banking among adult customers in India, research studies can be conducted to analyse the factors influencing adoption, the impact of government initiatives, customer perceptions of security and privacy, and the effectiveness of promotional activities in encouraging e-banking usage. Such studies can provide valuable insights for policymakers, banks, and financial institutions to enhance e-banking services.

Significance:

The findings of this investigation will have significant implications for banks, financial institutions, and policymakers in India. Understanding the acceptance of e-banking among adult customers can aid in the development of targeted strategies to enhance digital literacy, address concerns, and improve the overall e-banking experience. The results may also assist in identifying areas for further technological advancements and customization of services to meet the specific needs of different customer segments.

VII. ADVANTAGES OF E-BANKING

- A. Account Information: Real time balance information and summary of day's transaction.
- B. Fund Transfer: Manage your Supply-Chain network, effectively by using our online hand transfer mechanism. We can effect fund transfer on a real time basis across the bank locations.
- C. Request: Make a banking request online.

² PMJDY scheme allows an Indian national to open a basic savings account with the intention to gain financial freedom with hassle-free banking.

D. Downloading of account statements as an excel file or text file.

E. Customers can also submit the following requests online: Registration for account statements by e-mail daily / weekly / fortnightly / monthly basis. Stop payment or cheques Cheque book replenishment Demand Draft / Pay-order Opening of fixed deposit account Opening of Letter of credit

F. Customers can Integrate the System with his own ERP³

G. Bill Payment through Electronic Banking

H. The Electronic Shopping Mall

I. Effecting Personal Investments through Electronic Banking

J. Investing in Mutual funds

K. Initial Public Offers Online

VIII. LIMITATION OF E-BANKING:

A. Safety situations around ATMs.

B. Abuse of bank cards by fraudsters at ATMs.

C. Danger of giving your card number when buying online.

IX. KEY FACTORS TO BE EXPLORED:

1. **Perceived usefulness of e-banking:** The study will examine the extent to which customers perceive e-banking as beneficial and advantageous in comparison to traditional banking methods.
2. **Perceived ease of use:** The ease of use of e-banking platforms and related technologies will be investigated to determine how it influences customers' willingness to adopt and continue using e-banking services.
3. **Trust and security concerns:** The study will assess customers' trust in e-banking systems and their concerns regarding the security of personal and financial information.
4. **Awareness and accessibility:** The level of awareness and accessibility of e-banking services among adult customers will be explored, including factors that might hinder or facilitate their usage.
5. **Demographic factors:** The research will investigate whether demographic characteristics, such as age, education, income, and occupation, influence the acceptance of e-banking among adult customers.

X. RESULTS AND DISCUSSION:

This section presents the findings of the study based on the analysis of the collected data. It discusses the attitudes, perceptions, and adoption behaviour of adult customers towards e-banking in India. The results are presented using descriptive statistics, correlation analysis, and regression analysis. The section also discusses the implications of the findings and provides insights for banks and policymakers.

³ ERP (Enterprise Resource Planning) software is a centralized platform that can store and analyze information while keeping it secured.

XI. KEY FINDINGS:

Increasing acceptance: E-banking has witnessed a gradual increase in acceptance among adult customers in India. Factors such as increasing internet penetration, smartphone usage, convenience, and security measures have contributed to this trend.

Convenience and accessibility: The convenience offered by e-banking, such as anytime access to banking services, has been a significant driver for its adoption. Customers appreciate the ability to perform transactions and access account information from their homes or offices.

Security concerns: Initially, security concerns were a barrier to the acceptance of e-banking. However, improved security measures implemented by banks and regulatory authorities have helped alleviate these concerns and increase confidence among customers.

Demonetization impact: The demonetization drive in India in 2016 played a pivotal role in promoting digital transactions and encouraging the adoption of e-banking services. The event acted as a catalyst in accelerating the acceptance of e-banking among adult customers.

COVID-19 impact: The COVID-19 pandemic further accelerated the adoption of e-banking in India. The lockdown restrictions and social distancing measures prompted individuals to explore digital banking options, reducing their reliance on physical visits to banks.

Challenges in rural areas: Despite the overall growth in acceptance, there are still challenges in rural areas, including limited internet connectivity, lack of digital literacy, and language barriers. Efforts are being made to address these issues and promote financial inclusion.

XII. DISCUSSIONS:

- Comparison of the findings with previous studies and theoretical frameworks
- Explanation of the factors that significantly influence e-banking acceptance
- Discussion of the potential barriers and challenges faced by adult customers in adopting e-banking
- Suggestions for banks and policymakers to enhance e-banking acceptance among adults

Expected Outcomes:

The findings of this study will contribute to a better understanding of the acceptance of e-banking among adult customers in India. The research aims to identify barriers and drivers of e-banking adoption, highlight areas that need improvement, and provide recommendations to enhance the overall acceptance of e-banking services. The results can assist banks, policymakers, and other stakeholders in formulating strategies to promote e-banking and enhance the customer experience.

XIII. CONCLUSION:

As India embraces the digital era, the acceptance of e-banking among adult customers becomes a critical area of study. By investigating the factors influencing the adoption, benefits, and concerns related to e-banking, this research aims to contribute to the growing body of knowledge in the field. The outcomes of this investigation have the potential to shape the future of e-banking services in India, promoting financial inclusion and empowering customers with convenient and secure banking experiences.

E-banking is a borderless entity permitting anytime, anywhere and anyhow banking. This facilitates us with all the functions and many advantages as compared to traditional banking services. During this step of the process, controls that could mitigate or eliminate the identified risks, as appropriate to the organizations operations, are provided. The goal of the recommended controls is to reduce the level of risk to the IT system and its data to an acceptable level.

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