Journal of Research Trends
OPEN ACCESS
ISSN: **APPLIED** | Volume-1 Issue-1,
Inaugural Edition July-December 2026
**JRT-11-06** | DOI:

# Customer Awareness of E-Banking Services and Its Impact on Digital Banking Adoption

**Dr. S. CHANDRAMOHAN,** *Professor, Department of MBA,*
**MRM INSTITUTE OF MANAGEMENT, HYDERABAD.**

**ABSTRACT:** The banker reports that a growing number of firms are utilizing the Internet for internal communications and marketing objectives. The term "e-banking" has arisen to denote the prevalent utilization of internet banking, indicating that the banking sector has also progressed in recent years. Currently, most individuals are not obligated to visit a bank due to the plethora of electronic communication and processing options available online. According to the Online Banking Report, financial transactions at branch or main offices account for roughly one-third of all customer transactions. Healy has set the benchmark for addressing problems and restoring client loyalty.

***Keywords:*** *Electronic banking; Internet banking; Credit/debit cards; Transparency; Accuracy; Cost saving; Customer's awareness and Satisfaction*

## 1. INTRODUCTION

E-banking is considered a modern enhancement of existing electronic distribution methods and has the capacity to offer financial institutions several advantages. The financial services sector was projected to allocate $2 billion into advanced computerized banking technologies. Thirty-four percent of the surveyed institutions reported no plans to invest in online banking technology, whereas sixty-six percent expressed intentions to do so. The current literature on e-banking covers a diverse array of subjects. Topics mentioned include customer satisfaction and acceptance, service offers, value addition for customers and financial institutions, operational risks, financial returns, and personal data protection. The Costanzia online banking platform is an enhanced electronic delivery system for banks, acknowledged by industry leaders like Boss et al., even though it operates alongside existing technologies such as automated teller machines and telephone transaction processing centers. The extensive use of electronic payment systems and banking will not transpire unless numerous substantial obstacles are eliminated. The primary objective is to diminish the probability of security breaches. Electronic commerce, especially online banking, has posed a problem for both consumers and merchants regarding the swift and reliable delivery of goods and services. Fur ash is not the only person discontented with the limited array of online shopping choices. Customers lacking advanced computer skills, particularly many elderly folks, previously expressed concerns about being disadvantaged in online transactions, especially in banking.

**Objectives:**

- To collect essential demographic information from E-bank users, encompassing their age, gender, marital status, and educational qualifications.
- To information about the increasing prevalence of internet banking.


CC BY NC

- To assess the satisfaction level of existing online banking clientele.
- To determine the public's opinion on the concerns expressed by e-banking users.
- To improve the user experience and attractiveness of online banking for clients.

## 2. REVIEW OF LITERATURE

Tiffany found that the inhabitants of Thoothukudi are familiar with and utilize mobile e-banking (2018). Mobile banking is the most beneficial e-banking solution because consumers' time is their most precious resource. Customers greatly prefer mobile banking services because of their seamless money transfer and receipt processes.

Abukir Sid dip (2017) conducted a paper in Mangalore, India, to assess customers' awareness of deposits and loans. The data obtained from their loans indicates that clients of both public and commercial banks possess comparable awareness of their consumer rights.

Bhupendrasingh Hade's "Online Banking and Customer Satisfaction in India's Public and Private Sector Banks: An Analytical Paper" (2016) provides a comprehensive analysis of these topics. The investigated variables exert a more significant influence on private bank clients than on those of public institutions on internet banking. Due to heightened media exposure of banks' electronic banking services, private sector clients are more proficient in choosing the online banking option that best suits their needs when opening an account.

Radish Gupta's 2016 publication focuses on the Indian financial systems, encompassing both public and private entities. He performed a comparative analysis of the service quality of two different banks within each category. The quality of financial services offered by private banks and online, 24/7 enterprises significantly influences consumer loyalty.

In 2001, the phrase "Black et al." gained widespread usage. This analysis concentrated on the elements affecting consumers' purchasing decisions and their impressions of internet banking. The public's perceptions of internet banking and potential strategies to enhance its appeal. The findings demonstrate a significant association between online banking and income, as well as between gender and educational attainment. The paper concluded that persons with the necessary abilities are more likely to engage in internet banking. Gametal (2004) contends that clients necessitate supplementary time and resources, specifically a computer and an Internet connection, to engage in online banking.

The predominant consumers in Riquelme's (2006) paper were either highly satisfied or very satisfied with the functionality of the online system. Online shops may effectively please their consumers by offering a varied product selection, detailed descriptions, and amiable customer service agents.

(2012) Raja JOC. The electronic banking landscape of the financial system. This paper aims to analyze the range of online banking services provided by banks globally using secondary data. This document presents a detailed enumeration of the advantages of reaching out to us, a comparative analysis of online and traditional banking, and a compilation of the extensive security protocols adopted by various institutions to safeguard online banking transactions. It assesses the advantages of internet banking for the


CC BY NC

banking sector in the context of the ongoing global financial crisis.

A paper comparing customers in industrialized nations to those in underdeveloped countries revealed that individuals in developed countries are more inclined to utilize internet banking.

In his 2007 paper "Consumer Loyalty," John Reynolds asserts that firms can leverage client loyalty to enhance the marketing of their online banking services.

The proliferation of e-banking is dependent on public endorsement, according to Huang Habit's Electronic Money and e-Banking Service (2005). The key lesson is that, while online banking clients exhibit common traits, there exist substantial disparities among the distinct categories of online banking service assessments.

In 2002, Chandar conducted an unrestricted paper on the relationship between delighted bank clients across the nation and outstanding service. The research indicated that these characteristics were significantly correlated and independent. These models demonstrate substantial disparities in four essential domains: infrastructure, human resources, service delivery techniques, and public accountability. The paper's conclusions serve as an exemplary foundation for anyone intrigued by the prospective future of banking.

In 2001, the bank performed an empirical paper on consumers' attitudes of internet banking (Polatoglu and Eking, How Customers Feel about Internet Banking). The evaluation encompassed marketing campaigns and customer perceptions of the relative simplicity, security, and benefits of online banking, along with both internal and external considerations. The adoption rate was associated with each of these parameters. The data indicates that internet banking not only streamlines user experiences but also reduces costs for banks.

Leader and Byers assert in their 2001 work "Retail Bank Service Strategy" that alterations to distribution channels are driven by changes in consumer perceptions, rather than by adjustments to banks' cost structures. They note that virtual banks can only achieve profitability if the clientele favoring electronic media is approximately twice that of those who prefer traditional bank branches.

## 3. RESEARCH METHODOLOGY

The main aim of this paper is to assess the level of pleasure and comfort experienced by commercial bank clients in the Hyderabad region when using online banking services. The information for this inquiry was sourced from a variety of primary and secondary sources. Ninety consumers were randomly chosen from the population of individuals who engage in internet banking. Absolute arbitrariness dictates the options. The data was gathered in the spring and summer of 2022. The data acquired from the primary source was examined utilizing the F-Statistic, chi-square test, fundamental percentages, probability analysis, and means. The secondary material employed in the assembly of Table 1 was obtained from the internet, newspapers, magazines, journals, and books.

**Results and Discussion**

Table 2 reveals that 16.67% of the participants are aged 50 or more, 40% are between 26 and 25 years old, and 40% are between 25 and 25 years old. Table 3 reveals that men account for 61.11 percent


CC BY NC

of the total replies, whilst women account for 38.89 percent. The poll indicated that 64% of participants are married, whereas 36% are unmarried. The poll indicates that 13.33% of the 90 respondents are illiterate, 22.22% have completed just secondary education, 26.67% have attained four years of college, and 20% possess graduate or professional degrees.

Table 1: delineates the age demographics of the survey participants. Crucial contextual information. The figures exhibit percentages included in parenthesis.

| Age in Group (in years) | No. of Respondents |
|---|---|
| Up to 25 | 36 (40) |
| Between 26-50 | 39 (43.33) |
| Above 50 | 15 (16.67) |
| Total | 90 (100) |

Table 2: Crucial contextual information. The figures exhibit percentages included in parenthesis.

| Gender | No. of Respondents |
|---|---|
| Male | 55 (61.11) |
| Female | 35 (38.89) |
| Total | 90 (100) |

Table 3: The marital status of the paper population. Crucial contextual information. The figures exhibit percentages included in parenthesis.

| Marital Status | No. of Respondents |
|---|---|
| Married | 58 (64.44) |
| Unmarried | 32 (35.56) |
| Total | 90 (100) |

Table 4: The educational backgrounds of the respondents. Crucial contextual information.

| Educational Qualification | No. of Respondents |
|---|---|
| Illiterate | 12 (13.33) |
| School level | 20 (22.22) |
| College level | 24 (26.67) |
| Professional | 18 (20.00) |
| Diploma | 16 (17.78) |
| Total | 90 (100) |

Figure 5 demonstrates that 17.78% of survey respondents did not pursue higher education.

The proportion of all specialists in the domain is denoted in parentheses. 54.44 percent of respondents are employed full-time, 13.33 percent are self-employed, 8.89 percent are farmers, and 12.22 percent are professionals. Table 6 reveals that 18.89% of the surveyed students are homeowners. Table 7 reveals that 36.67 percent of respondents reported yearly incomes below Rs 1,000,000, 52.22 percent reported incomes ranging from Rs 1,000,001 to Rs 3,000,001, and 11.11 percent reported incomes over Rs 1, 67,000,000. The table exemplifies the widespread use of online banking. An impressive 93% of users of mobile banking reported satisfaction with the service. Customer satisfaction with automated teller machines is 88.89%, while online banking satisfaction stands at 78.89%. Customers have lauded the electronic fund transfer service and the simplicity of credit and debit card usage. A positive association exists between customer satisfaction levels and their preference for various electronic banking services, as demonstrated by chi-square testing ($\chi^2$=53.1, FD=8, P=0.000). Table 8 demonstrates that most consumers are familiar with financial advisors and express satisfaction with the support they receive. Residents of the Hyderabad area have lauded the efficiency, security, and superior quality of service offered by


CC BY NC

internet banking. The accessibility, rapidity, user-friendliness, and affordability of online banking services offered by commercial banks have rendered them highly popular. Table 5: The distribution of sample responses by occupation reveals that customers prioritize social status (95.56%); security (50.0%), control (40.0%), leisure (58.19%), and information exchange (90.0%). The figures exhibit percentages included in parenthesis.

Table 5: Illustrates a breakdown of occupations within the sample population. The preliminary data. The percentages are indicated by the figures in parentheses.

| Occupation | No. of Respondents |
|---|---|
| Employee | 49 (54.44) |
| Business | 12 (13.33) |
| Agriculture | 8 (8.89) |
| Professional | 11 (12.22) |
| Student | 17 (18.89) |
| Total | 90 (100) |

Table 6: The income distribution within the sample population. Crucial contextual information.

| Income | No. of Respondents | Percentage |
|---|---|---|
| Up to Rs.1,00,000 | 33 | 36.67 |
| Rs 1,00,001 to Rs 3,00,000 | 47 | 52.22 |
| Above Rs 3,00,000 | 10 | 11.11 |
| Total | 90 | 100.00 |

Table 7: The most often employed online banking services among our sample of 90 clients. Crucial contextual information.

| Customer preference | Satisfied | Percentage | Not Satisfied | Percentage |
|---|---|---|---|---|
| Mobile Banking | 84 | 93.33 | 6 | 6.67 |
| E-Cheques | 69 | 76.67 | 21 | 23.33 |
| Phone Banking | 61 | 67.78 | 29 | 32.22 |
| Credit /Debit cards | 78 | 86.67 | 12 | 13.33 |
| ATM | 80 | 88.89 | 10 | 11.11 |
| Electronic fund transfer | 73 | 81.11 | 17 | 18.89 |
| Tele banking | 54 | 60 | 36 | 40 |
| Internet Banking | 71 | 78.89 | 19 | 21.11 |
| SMS Banking | 59 | 65.56 | 31 | 34.44 |

Table 8: Delineates the preferences of ninety internet banking clients.

| Motivating Factors | No. of Respondents | Percentage |
|---|---|---|
| Time saving | 73 | 81.11 |
| Accuracy | 49 | 54.44 |
| Ubiquity | 31 | 34.44 |
| Easy and convenient access | 68 | 75.56 |
| Cost saving | 77 | 85.56 |
| Transparency | 63 | 70.00 |
| Social status | 86 | 95.56 |
| Confidentiality | 50 | 55.56 |
| Exchange of information | 81 | 90.00 |
| Service quality | 67 | 74.44 |
| Security | 45 | 50.00 |
| Speed | 88 | 97.78 |
| Control over funds | 36 | 40.00 |
| Time out feature | 53 | 58.89 |
| Total | 90 | 100.00 |

Table 9: Ranks commercial banks in the Hyderabad, Telangana region according to consumer satisfaction with e-banking services overall.

| Service Quality Factors | Average Score Respondents | F-Statistic |
|---|---|---|
| Time factor | 3.1032 | 1.1361 |
| Reliability | 2.1736 | 3.1432* |
| Queue management | 2.1438 | 1.6413 |
| On-line bill payments | 2.3710 | 1.4351 |
| Easy to use and user friendliness | 3.2134 | 0.4751 |
| Anytime and anywhere banking facility | 3.6415 | 3.2185* |
| Convenience way of operating banking transactions | 2.8124 | 3.6141* |
| *Significant at 5% level. | | |

Table 10: The respondents' projected future requirements for electronic banking services.


CC BY NC

| Future Expectations | No. of Respondents | Percentage |
|---|---|---|
| Reasonable cost | 16 | 17.78 |
| Expected neither technique intervention nor quality services | 53 | 58.89 |
| Security | 21 | 23.33 |
| Total | 90 | 100.00 |

**Customer Perception on Service Quality Factors**

The extensive utilization of online banking has transformed the way individuals oversee their accounts and access funds. Reliability is essential for superior online banking services. A significant advantage of online banking is the time it conserves. The majority of users using online banking to settle payments or transfer funds to relatives. The online banking service will draw a larger user base if it is intuitive. Internet banking customers often convey their happiness with the convenience of accessing their accounts from any device. It is essential to regulate wait times to guarantee a favorable experience for customers utilizing online banking. In relation to each aspect of the service's quality, a score of 5 signifies total satisfaction, a score of 4 denotes moderate satisfaction, a score of 3 reflects dissatisfaction, and a score of 2 represents significant dissatisfaction. Table 9 presents the average percentage of happy clients for each service dimension. Each SQF is assigned a satisfaction level ranging from 1 to 5, which consumers are asked to assess. The average values of the SQF and F-statistics are available at this location. The results demonstrate that consumers are content with the services owing to their dependability, accessibility (enabling them to utilize banking services at their convenience), and ease of use. The mean values of the three components were 3,143, 2,815, and 3,614, respectively.

Table 11: How Easy It Is To Use Online Banking

| Difficulty | No. of Respondents | Percentage |
|---|---|---|
| Risky | 11 | 12.22 |
| Less Knowledge | 45 | 50 |
| High Fees | 7 | 7.78 |
| Complex to use | 27 | 30 |
| Total | 90 | 100.00 |

The 'F' values for all three components of service quality—reliability, accessibility (24/7), and convenience (easy banking)—are unique and demonstrate statistical significance at the 5% level (Table 10). This table delineates the anticipations of potential customers. A majority of respondents, 58%, indicated a preference against utilizing technical assistance or computers, but merely 23.3% of consumers wish for the bank to ensure their safety throughout usage. Table 11 illustrates the percentage of respondents who agreed that banks possess the right to impose fair fees for their services. Fifty percent of individuals indicate that they experience challenges with internet banking due to their unfamiliarity with its complexities. Thirty percent of respondents regarded internet banking services as demanding, whereas eleven percent considered them harmful.

## 4. CONCLUSION

The ability to use an online banking service is essential in the modern world. The accessibility of banking services online has afforded users an unparalleled degree of price flexibility and supplier selection about their financial service needs. To maintain their dominant market position, banks must invest in cutting-edge technology and creative products and


CC BY NC

services. To maintain competitiveness in the burgeoning E-Economy, banks have acknowledged the necessity of offering online banking services, even though the traditional banking system will endure. Financial organizations adept at employing e-banking to cultivate stronger consumer ties will prevail. The pervasive nature of online banking generates new growth potential while also introducing innovative business practices. The bank must establish methods to address clients' concerns and enhance awareness of the advantages of online banking.

## REFERENCES

[1] R. Tiffany, R& Sangeeta, V. “A Paper on Consumer Awareness and Usage of Embanking Transaction through Mobile phones in Thoothukudi (2018), Shalala International Journal of Commerce, vol.6, no. SI, 2018, pp. 151-157.

[2] S. B. Verma, S. K. Gupta and M. K. Sharma, “E-Banking and Development of Banks”, New Delhi: Deep & Deep Publications Pvt. Ltd. (2007).

[3] S. Singh, “Internet Banking Services as Tool of CRM: A Paper in the National Capital Region”, NICE Journal of Business, vol. 5, no. 1, (2010), pp. 87-96.

[4] SathyaSwaroopDebashish (2002), E-banking in indiaVolume 6 , No. 1 , pp 18

[5] American Banker (2000) Web Banks Beat Branches on Ratios but there's No Competition.

[6] Beer Stan (2006) Customers Preference on Internet Banking Survey.

[7] Kevin B (2001) has dot.com Banking Peaked? ABA Banking Journal. pp: 73-75.

[8] Boss S, McGranahan D, Mehta A (2000) Will the Banks Control Online Banking? The McKinsey Quarterly.

[9] Jim B (2002) Online Banking by the Numbers.

[10] Chris C (2000) Pioneer Internet-Only Bank Has a new Strategy. American Banker, p: l.