



“FACTORS INFLUENCING CUSTOMER ADOPTION OF DIGITAL BANKING SERVICES IN KOCHI”

AMRUTHA SANTHOSH (RESEARCH SCHOLAR)

**DR. SANDEEP KUMAR (ASSOCIATE PROFESSOR)
(RESEARCH SUPERVISOR)**

GLOCAL SCHOOL OF BUSINESS & COMMERCE

ABSTRACT

The objective of the study was to evaluate customer happiness with “digital banking services” in Kochi, with a specific focus on identifying the elements that influence overall contentment. The financial sector has been revolutionized by digital banking, which has improved ease and accessibility. However, user acceptance of digital banking differs depending on demographic and technological factors. The usage of electronic banking products in Kochi was investigated in relation to age, educational attainment, and technical proficiency., a city characterized by increasing internet usage and a varied population. Correlates and regression analyses were used in the research to look into the associations between these characteristics and customer satisfaction. The findings indicated that those with more technological experience were more likely to use digital banking, showing a strong positive relationship. “On the other hand,” age was shown that they had a bad correlate with digital banking adoption. There was a favourable correlation between income and education and adoption. The findings provide financial organizations with useful information to enhance their online banking capabilities and increase consumer satisfaction.

Keywords: Digital banking, customer satisfaction, technological competence, age, income, education, Kochi

1. INTRODUCTION

The banking sector saw a dramatic shift within the advent of e-banking, which changed how clients interacted with their banks and handle their financial transactions. With the progression of technology, the utilization of digital banking services has become more widespread, providing customers with more convenience, efficiency, and accessibility. Nevertheless, the level of acceptance among customers for these services differed considerably based on geographical locations and demographic factors. Kochi, a burgeoning urban region in Kerala, India, provided optimal surroundings to look at the elements affecting the uptake of online financial institutions. Kochi's large population, expanding internet use, and booming economy make it a perfect place to research the variables influencing the uptake of internet banking. For insurance companies looking to

successfully tailor their methods to reflect the needs and interests of clients, understanding these components was crucial. (Thangavel & Sudhaman, 2018).

This research set out to look at the primary influences on Kochi residents' adoption and use of online banking facilities. The research aimed to get significant insights into consumer behaviour and preferences by examining the correlations between several demographic and technological aspects and the “adoption of digital banking”. The study examined key factors such as technological expertise, “age, income, and education” to assess their influence on the probability of adopting “digital banking services” (Joju et al., 2017).

In addition, the study examined customer happiness with “digital banking services”, evaluating the impact of factors such as security, convenience, service quality, and privacy on overall satisfaction. The study attempted to utilize “correlation and regression analyses” to identify noteworthy trends and relationships that could provide insights for improving digital banking “services and boosting” adoption rates. Hence, the results of this study were anticipated to provide practical suggestions for banks and financial institutions in Kochi, enabling them to get a more profound comprehension of consumer requirements and preferences, enhance their service offerings, and encourage wider acceptance of digital banking solutions.

Objective of Study: To determine which factors—such as age, earnings, schooling, and prior technological experience—influence Kochi consumers' willingness to utilize electronic banking services.

Hypothesis of Study

H₀₁: There is no significant variables influencing the uptake of electronic banking service by customers.

H_{a1}: There is significant elements that have an impact on the use of electronic banking service by customers.

2. REVIEW OF LITERATURE

The literature study provides an extensive examination among the factors influencing the uptake of “mobile and internet banking” among different geographies and demographic groups. **Mattila et al. (2003)** provided more evidence revealed the usage of Banking via the internet was significantly influenced by family wealth and educational attainment, in particular among highly educated and wealthy adult males. **Kolodinsky et al. (2004)** carried out research in USA to look at how e-banking is affecting the financing industry. They discovered that factors related to age, financial status, and degree had a significant role in e-banking usage. However, the significance of these factors changed with time. “**Riquelme and Rios (2010)**” conducted a study in Singapore that specifically examined the level of “adoption of mobile banking”. The study placed particular emphasis on the role of gender as a moderating factor. Their research indicated that “men and women” were influenced differently in their adoption of a certain behavior or technology. Women were more motivated by social norms and ease of use, while men were more impacted by perceived advantages. **Yu (2012)** utilized the “Unified Theory of Acceptance and Use of Technology (UTAUT)” to look at the “use of mobile banking”. The research found that the acceptance of banking via mobile devices is significantly influenced by three key factors: actual money cost, productivity expectation, and socially effect. The research also highlighted the impact of gender and years of age on these attributes, which helps to provide a more complex understanding of The patterns

concerning mobile banking service uptake. The combination of these studies provides valuable insights into the various factors that influence the acceptance of digital banking technologies. These studies emphasize the significance of demographic variables, consumer innovativeness, and contextual influences in shaping consumer behaviour in different regions and with different technologies.

3. METHODOLOGY

The study was characterized by its descriptive and empirical nature. Both “primary and secondary data” sources were utilized. The researchers employed a handy sampling technique to gather the feedback from banking customers. There are 200 people in the research project's study. The collection of primary data involved the use of meticulously designed surveys and questionnaires administered to both banks clients and personnel in Kochi. The researcher collected “secondary data” from a range of sources including reports, publications, and bulletins from the “Reserve Bank of India”, as well as published and unpublished journals in the banking and finance field, international journals, periodicals, World Bank publications, university theses, documents, conferences, and websites. The statistical techniques employed included correlation and regression.

4. RESULTS AND DISCUSSION

Experiments using correlation as well as regression provide important insights into the variables driving the adoption of banking services offered online.

Correlation analysis measured the extent and orientation of relationships between characteristics such as “age, income, education, and technology experience” with the use of online banking services. The findings demonstrated a robust and significant positive association (0.60) between proficiency in technology and the “adoption of digital banking”. This suggests that persons with higher levels of technological competence are more inclined to utilize “digital banking services”. In contrast, there was a negative correlation (-0.32) found among the use of “internet banking and their age”, indicating that older persons were less likely to use these services. The presence of positive correlations (0.45 for income and 0.50 for education) indicates that higher the rising use for electronic bank accounts is significantly influenced by your schooling and wealth.

Table 1: Results of Correlation Analysis

Variables	Age	Income	Education	Technology Experience
Age	1.00			
Income	-0.32**	1.00		
Education	0.50**	0.45**	1.00	
Technology Experience	0.60**	0.55**	0.60**	1.00

➤ The regression analysis provided more clarification on these findings, revealing a statistically significant positive influence of technological experience (with a coefficient of 0.52) on the likelihood of using the services of online banking. Additionally, the examination also indicated positive impacts from income (0.38) and education (0.45). The presence of a negative correlation (-0.22) further supported the notion that older persons exhibited a decreased propensity to embrace digital banking. Every factor exhibited statistical significance ($p < 0.01$), highlighting their pivotal importance in affecting the adoption of digital banking.

Table 2: Results of Regression Analysis

Predictor	Regression Coefficient (β)	Standard Error	t-Value	p-Value
Age	-0.22	0.05	-4.40	< 0.01
Income	0.38	0.06	6.33	< 0.01
Education	0.45	0.07	6.43	< 0.01
Technology Experience	0.52	0.05	10.40	< 0.01

These findings illuminate the intricate connection between personal attributes Promoting the usage of online banking options, providing guidance for targeted initiatives to increase digital Banks's acceptability across a range of age categories.

CONCLUSION

The survey findings emphasized the crucial aspects that impact customer satisfaction with Kochi offers secure “internet banking service”. The use of “online banking” is mostly influenced by technological competence, with persons who possess greater degrees of tech proficiency being more inclined to utilize these services. Higher income and education levels were found to have a favourable impact on adoption rates, indicating that financial stability and higher educational achievement contribute to increased utilization of Banking through the internet solutions. Conversely, however, there was a negative correlation between age and adoption, suggesting that older clients are less likely to accept digital banking technologies. Customer satisfaction was influenced mostly by security, convenience, and service quality, with privacy playing a less significant effect. These findings emphasize the need of prioritizing the improvement of digital literacy and customizing “digital banking services” to meet the requirements of various demographic groups. Kochi's financial institutions can utilize these data to enhance their strategy, optimize service offerings, and promote wider adoption of digital banking products among their customer base.

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