

## Adoption of Digital Banking Services in the context of Coimbatore District of Tamil Nadu State of India

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### Abstract

*Digital Banking is an innovative technology which brings radical changes in the banking industry and also other industries. The Banks render various services for the customer's adoption and usage of the digital banking services. The purpose of this study is to understand the association of monthly income with the adoption of digital banking services. The data was collected from 50 banking customers in the Coimbatore District, Tamil Nadu state of India. The Chi-square test found that the Monthly Income have no significant association with the adoption of cash withdrawal, balance enquiry and online payment services.*

**Keywords:** Banking System, Digital Banking Services, Customers Adoption, Monthly Income of the customers.

### I. Introduction

The success of the banking industry depends on the customer adoption of digital banking services. The customers are using the services by increasing internet and other facilities. According to Dixit & Saroj (2010) Internet banking involves, consumer using the Internet to access their bank account and to undertake banking transactions. Internet is a digital delivery channel which able to do the banking services as balance enquiry, fund transfer, online payment cheque book request and other services by Mobile banking, Internet banking etc. The demographic variables also help to raising the customers' adoption of digital banking services. The gender, age, qualification and income are the demographic variables play a positive role in adoption of banking technology (Tater et.al 2011). The income or earnings is a sources any transaction. The customers' adoption on digital banking services is depends on the level of income generate by the customers.

This study examines the customers' adoption of digital banking services in Coimbatore District of Tamilnadu and find the monthly income impact the customers' adoption of digital banking services.

### II. Literature Review

Munish Kumar and Sandhir Sharma (2014) identified that the demographic factors have significantly impact the adoption of the Alternate Banking Channel Services. The demographic factors such as Age, Education, Income, Occupation and Employment Status associate with adoption of banking services. Nagamani and Asha (2016) inferred that the Personal factors like Educational qualification and Monthly income have associate with number of years of using Internet Banking Services except Gender, Age and Occupation of the banking customers. Vikas Chauhan et.al (2016) revealed that the demographic characteristics like Age, Gender, Monthly income, Educational Qualification had a significant impact on the adoption behaviour of E-banking services in India. BezaMucheTeka and Dhiraj Sharma (2017) found that the similar E-banking adoption behaviour of the customer who are in different Age, Education, Income and Occupation in Ethiopia.

### III. Objectives of the study

1. To know the customer adoption on digital banking services.
2. To understand the monthly income significantly associates with the adoption of digital banking services.

#### IV. Research Methodology

The primary and secondary data were collected for this study. The primary data collected through well-structured questionnaire from 50 respondents of Coimbatore District. The secondary data were gathered from various articles, journals and published reports.

#### V. Data Analysis

The Statistical Package for Social Science (SPSS) was used for analyse the data. The Percentage Analysis and Chi-Square test were applied for methods of statistical analysis.

#### VI. Results and Discussion

**Percentage Analysis:** This analysis was used to find the percentage of personal factors.

**Table 1: Personal Factors**

Personal Factors	Frequency	Percentage
<b>Gender</b>		
Male	30	60
Female	20	40
<b>Age</b>		
Below 30	17	34
31-45	23	46
46-60	10	20
<b>Educational Qualification</b>		
Up to school	7	14
Graduate	26	52
Post Graduate	8	16
Professional	9	18
<b>Occupation</b>		
Private Employee	19	38
Government Employee	4	8
Business	11	22
Self Employed	8	16
House wife	3	6
Student	5	10
<b>Monthly Income (Rs)</b>		
Below 25000	22	44
25000-50000	16	32
51000-75000	8	16
Above75000	4	8
<b>How long using Banking Services</b>		
Up to 3 years	16	32
4 to 6 years	20	40
More than 6 years	14	28
<b>Sources of Information</b>		
Bank official	17	34
Family	11	22
Friends and Relatives	8	16
Advertisement	14	28

**Interpretation:** The above table 1, shows that the 60% of the respondents are male and 40% of the respondents are female. It inferred that, 34% of the respondents comes under the age group of below 30. The 46% of the respondents are age group of 31-45 years and remaining 20% of the respondents are age group of 46-60 years. It found that, the 14% of the respondents who have education up to school. 52% of them have graduate, 16% of the respondents who have post graduate and rest of them who have completed professional. The majority of the respondents were private employee, 8% of the respondents were government employee, 22% of the respondents were doing business, 16% of the respondents were self-employed, 6% of them were house wife and 10% of them were students. Most of the respondents were earned below Rs.25,000, 32% of them earned monthly income between Rs.25,000-Rs.50,000, 16% of the respondents were earned income category of Rs.51,000-75,000 and rest of them were earned above Rs.75,000.

Around 32% of the respondents were using their digital banking services up to 3 years, 40% of the respondents were using from 4 to 6 years and remaining others using more than 6 years. Most of the respondents were get information about digital banking from bank official, 22% of the respondents were get information from their family, 16% of them get information from friends and family and rest 28% of the respondents know information from advertisement.

### Chi-Square Test

The Chi-square test used to find the significant association between Monthly Income and adoption of digital banking services.

### Hypothesis

**(H<sub>0</sub>)1:** Monthly Income of the customers have not significantly association with Cash Withdrawal.

**Table 2: Association between Monthly Income and Adoption of Cash withdrawal from ATM**

Monthly Income	Cash withdrawal			
	Adopters	Non Adopters	Total	
Below 25000	21	1	22	
25000-50000	16	0	16	
51000-75000	7	1	08	
Above 75000	4	0	04	
Total	48	02	50	
Chi Square Test	Pearson Chi-square Value	Sig	Degrees of Freedom	Significant/Not Significant
	2.356	.502	3	Not Significant

**Interpretation:** The above table shows that  $P = .502$  is greater than 0.05, the null hypothesis was accepted. It is inferred that, occupation have not significantly associate with adoption of cash withdrawal.

**(H<sub>0</sub>)2:** Monthly Income of the customers have no significant association with Cash Deposit.

**Table 3: Association between Monthly Income and Adoption of Cash Deposit**

Monthly Income	Cash Deposit			
	Adopters	Non Adopters	Total	
Below 25000	6	16	22	
25000-50000	15	1	16	
51000-75000	5	3	08	
Above 75000	4	0	04	
Total	30	20	50	
Chi Square Test	Pearson Chi-square Value	Sig	Degrees of Freedom	Significant/Not Significant
	20.099	.000	3	Significant

**Interpretation:** The above table shows that  $P = .000$  is less than 0.05, the null hypothesis was rejected. It is inferred that; monthly income has significantly associate with adoption of cash deposit.

**(H<sub>0</sub>)3:** Monthly Income of the customers have not significantly association with Balance Enquiry.

**Table 4: Association between Monthly Income and Adoption of Balance Enquiry**

Monthly Income	Balance Enquiry			
	Adopters	Non Adopters	Total	
Below 25000	18	4	22	
25000-50000	15	1	16	
51000-75000	8	0	08	
Above 75000	4	0	04	
<b>Total</b>	<b>45</b>	<b>05</b>	<b>50</b>	
Chi Square Test	Pearson Chi-square Value	Sig	Degrees of Freedom	Significant/Not Significant
	3.220	.359	3	Not Significant

**Interpretation:** The above table shows that  $P = .359$  is greater than 0.05, the null hypothesis was accepted. It is inferred that, monthly income have not significantly associate with adoption of balance enquiry.

**(H<sub>0</sub>)4:** Monthly Income of the customers have not significantly association with Fund Transfer.

**Table 5: Association between Monthly Income and Adoption of Fund Transfer**

Monthly Income	Fund Transfer			
	Adopters	Non Adopters	Total	
Below 25000	7	15	22	
25000-50000	14	2	16	
51000-75000	7	1	08	
Above 75000	4	0	04	
<b>Total</b>	<b>32</b>	<b>18</b>	<b>50</b>	
Chi Square Test	Pearson Chi-square Value	Sig	Degrees of Freedom	Significant/Not Significant
	17.892	.000	3	Significant

**Interpretation:** The above table shows that  $P = .000$  is less than 0.05, the null hypothesis was rejected. It is inferred that, monthly income have significantly associate with adoption of fund transfer.

**(H<sub>0</sub>)5:** Monthly Income of the customers have not significantly association with Online Payment.

**Table 6: Association between Monthly Income and Adoption of Online Payment**

Monthly Income	Online Payment			
	Adopters	Non Adopters	Total	
Below 25000	15	7	22	
25000-50000	16	0	16	
51000-75000	6	2	08	
Above 75000	4	0	04	
<b>Total</b>	<b>41</b>	<b>09</b>	<b>50</b>	
Chi Square Test	Pearson Chi-square Value	Sig	Degrees of Freedom	Significant/Not Significant
	7.502	.058	3	Not Significant

**Interpretation:** The above table shows that  $P = .058$  is greater than 0.05, the null hypothesis was accepted. It is inferred that, monthly income have not significantly associate with adoption of online payment.

(H<sub>0</sub>)6: Monthly Income of the customers have not significantly association with Cheque Book Request.

**Table 7: Association between Monthly Income and Adoption of Cheque Book Request**

Monthly Income	Cheque Book Request			
	Adopters	Non Adopters	Total	
Below 25000	0	22	22	
25000-50000	9	7	16	
51000-75000	3	5	08	
Above 75000	3	1	04	
<b>Total</b>	<b>15</b>	<b>35</b>	<b>50</b>	
Chi Square Test	Pearson Chi-square Value	Sig	Degrees of Freedom	Significant/Not Significant
	18.750	.000	3	Significant

**Interpretation:** The above table shows that  $P = .000$  is less than 0.05, the null hypothesis was rejected. It is inferred that, monthly income have significantly associate with adoption of cheque book request.

## VII. Finding

- The majority 60% of the respondents are male.
- The most 46% of the respondents are age group of 31-45 years.
- The majority 52% of respondents who have graduate.
- The most 38% of the respondents were private employee.
- Most 44% of the respondents were earned below Rs.25,000.
- Majority 40% of the respondents were using from 4 to 6 years.
- The Monthly Income of the respondents have significantly associate with adoption of cash deposit, fund transfer and cheque book request. So, the hypothesis was rejected.
- The Monthly Income have not significantly associates with adoption of cash withdrawal, balance enquiry and online payment. So, the hypothesis was accepted. It implied that the customer's monthly income does not influence adoption of cash withdrawal, balance enquiry and online payment.

## VIII. Conclusion

The upgradation of technology is a reason for growth of Digital banking services in the banking sector. The customers adopt these kind of services on the basis of their personal factors. The study conclude that Monthly Income have significantly associate with adoption of cash deposit, fund transfer and cheque book request. These services are highly effect the adoption of the banking customers.

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