

A STUDY ON THE ADOPTION AND UTILIZATION OF BANKING TECHNOLOGY AMONG YOUTH

Selvakumaran N

II MBA, School of Management

Dwaraka Doss Govardhan Doss Vaishnav College, Chennai, Tamil Nadu

Abstract

Recently, there has been a lot of interest in how young people are adopting and using financial technology including digital payment apps, online banking, and mobile banking. The purpose of this study is to examine the benefits and drawbacks of youth financial technology use. For the study, which used a quantitative research methodology, 109 respondents were selected through the use of purposeful sampling. A well-crafted questionnaire was used to collect the data, which was then analysed using percentile analysis and Garrett ranking. The survey also determines which banking technology tools young people use the most frequently and which sectors they might not be as familiar with, suggesting possible knowledge gaps.

According to the findings, young people actively use financial technology and are very interested in online shopping, money transfers, and bill paying. However, a lot of youthful consumers are concerned about the privacy and security of financial data. Financial organisations, legislators, and researchers can use the data from these studies to gain a better understanding of how young people use banking technologies. To ensure that young people can use banking technology safely and effectively, they also offer solutions for improving security measures, increasing financial literacy,

Keywords: youth, banking technology, and security.

Introduction

Banking technology, including digital payment apps, online banking, and mobile banking, has proliferated in the contemporary digital era, and young people are usually at the forefront of adopting new technologies. Because they grew up in a digital age, the younger generation is used to using technology for many aspects of their lives, including managing their finances. The technology, especially has its ability to make financial transactions easy, accessible, and efficient.

However, there may be challenges, including concerns about privacy, security, and financial literacy. The benefits and drawbacks of youth banking technology use will be examined in this study, along with adoption and usage trends impacted by attitudes, behaviours, and preferences for different banking technology platforms. Investigating how young people use financial technology, weighing its advantages and disadvantages, and making recommendations for improving young people's understanding and safe use of banking technology are the goals of this study.

Review of Literature

Mrs. Divya MP, CK Hebbar, Banking is crucial to the growth of the economy. The way business is now conducted has changed as a result of the evolution of information technology. Banks are providing their clients with cutting-edge technological offerings. The banking industry adopted digital banking as a result of technological advancements, enabling customers to access banking services whenever and wherever they choose. The banks use the

internet to communicate with their clients. The fastest-growing banking method is digital banking. The use of smartphones among young people in India who have banking applications on their mobile devices has increased quickly. Due to how simple and convenient mobile banking is to use, it has become more and more popular recently.

Natkunarajah Umakanth, S Muthuvel, E-banking offers a number of benefits. Several relevant research have revealed that e-banking usage among young people has increased across a number of nations. In many other places, like Jaffna District, the phenomena is still not very common. This study identified and looked into the elements that lead young people in the Jaffna District to use online banking. The Unified Theory of Acceptance and Use of Technology model served as the foundation for the research model. 350 University of Jaffna students were given a survey questionnaire to complete in order to gather information. According to the findings, the use of e-banking and customer service are positively correlated with bank type, perceived ease of use, and perceived ease of use.

Deepak Chawla, Himanshu Joshi, the manner that the banking sector develops and provides value to its clients is changing as a result of mobile banking. In addition to lowering the cost of access to banking services, this banking channel has also produced chances for service differentiation. Therefore, understanding client categories and the extent to which consumers use different mobile banking services is crucial for banks if they want to ensure the long-term viability of the banking sector. The technology acceptance model (TAM) is integrated in this study to create a conceptual framework for discussing consumer attitudes and intentions towards mobile banking services. A survey was given to a sample of 367 respondents.

Srivatsa, H S; Srinivasan, R. India's banking industry has experienced fast expansion and fierce competition. Rapid technology advancements, fierce pricing competition that nearly made the industry commoditized, product improvements, the public sector losing market share to private banks, and finally a fierce battle for customers have all occurred in this industry. To investigate Indian retail banking consumers, the study used psychographics. This empirically based study is the outcome of research done in the Indian state of Karnataka. The next sections of this research discuss the numerous psychographic client categories that were found.

H. Kalaiarasi and V. Srividya, Almost all Indian banks now supply financial services through online banking, a modernization of the country's conventional branch banking system. Although internet banking offers better convenience and customer care, it has been seen that Indian banking customers are hesitant to use the services. Using Roger's innovation diffusion theory, this study examines the variables driving the uptake of online banking services. In addition to Roger's innovation qualities, one of the dimensions also includes the perception of risk, which has a substantial impact on how quickly new technologies are adopted. The study's findings indicate that young consumers adopt online banking when it is convenient for their way of life and if the website is easy to use.

Statement of the Problem

With digital banking and mobile payment systems becoming more and more popular, it is important to understand how teens are adopting and using these technologies. The study's

objectives are to identify the factors that influence young people's adoption of banking technology and look into the benefits and drawbacks of doing so. The study will specifically look at how young people use different banking technology tools, including digital wallets, online payment platforms, mobile banking apps, and other cutting-edge financial technologies. The study will add to our understanding of how banking technology impacts young people's financial behaviour and well-being, highlight areas that could use improvement, and provide insight into how young people are currently utilising banking technology.

Objectives of the Study

The project's goal is to find out how young people use banking technologies in both urban and rural locations.

- To ascertain which banking technology are most frequently used by youth.
- To look at the psychological, socioeconomic, and demographic factors that influence how young people use banking technology.
- To investigate the advantages and difficulties of using financial technology.
- Compare how young people in various nations and areas use financial technology and find any regional variations in adoption and usage trends.

Methodology of the Study

Only primary and secondary data were used in this investigation. There were 100 responders in the sample, representing a range of socioeconomic backgrounds. The respondents were selected from various regions. The purpose of the questions was to gauge the respondents' level of familiarity with banking technology. The chosen respondents were given the questionnaire, and the information gathered was examined. Before being evaluated using statistical methods including percentile analysis, Garrett ranking, and graphical and tabular display, the data was modified, encoded, and tabulated.

Scope and Limitations of the Study

Only the 100 survey respondents who disclosed information about their use of banking technologies are included in the study's scope. Because they only pertain to this specific sample size, the study's findings and conclusions might not be applicable to the entire population. It's possible that the survey did not fully reflect the nuances and complexity of respondents' viewpoints and experiences about the usage of financial technologies by young people. Furthermore, the survey's questions were insufficiently detailed to address every facet of the topic, which led to results that were not fully complete. The banking technology sector is always evolving, with new platforms and technologies being introduced on a regular basis. Because banking technology is always changing, the study can have drawbacks.

Findings

Table 1.1 Demographic Profile

Variables		Frequency	Percentage
Gender	Male	79	72.5
	Female	23	21.1
	Transgender	7	6.4
Occupation	SSLC	12	11
	HSC	14	12.8
	Under Graduate	56	51.4
	Post Graduate	20	18.3
	Diploma	7	6.4
Place	Rural	19	17.4
	Urban	90	82.6
Employment	Not-Employed	61	56
	Employed	48	44
Monthly Income	Below Rs. 15000	24	22
	Rs. 15001-30000	18	16.5
	Rs. 30001-45000	13	11.9
	Above Rs. 45000	54	49.5

Interpretation

Gender, age, educational attainment, socioeconomic status, and other demographic traits all have a big impact on how people from diverse backgrounds view the world. The data provided shows the frequency and percentage distribution of the variables utilised in the study. Seventy-two percent of the responders were male. Undergraduate or graduate students made up the bulk of responders (51.4%) and respondents (18.3%). The majority of responders (82.6%) came from metropolitan areas. Regarding employment status, 44% of respondents said they were employed, and 56% said they were unemployed. Last but not least, the majority of respondents (49.5%) earned more than Rs. 45,000 per month, with smaller percentages falling into the other income bracket.

Image of Usage of Banking Technology

Table 1.2

	Variables	No of Respondent	Percentage
Usage of Banking Technology	Rarely	37	33.9
	Occasionally	26	23.9
	Frequently	32	29.4
	Very frequently	14	12.8
Reasons that People Choose to Use	Convenience	40	36.7
	Security	10	9.2
	Accessibility	6	5.5
	All of the above	53	48.6

Device from Which People Choose to Access	Smartphones	75	68.8
	Tablets	13	11.9
	Laptops	12	11
	Computers	9	8.3

Source: Primary Data

Interpretation

The provided data displays the frequency and percentage distribution of characteristics associated with banking technology adoption. Most respondents said they use financial technology either frequently (29.4%) or occasionally (23.9%), while fewer said they use it infrequently (33.9%). The primary justification for utilising banking technology was convenience (36.7%), which was followed by all of the previously mentioned justifications (48.6%). When it came to using financial technologies, smartphones were the most popular option (68.8%). These findings shed light on the respondents' preferred devices, usage patterns, and motivations for utilising financial technology, providing insights into their behaviour and preferences in this domain.

Familiarity with Types of Banking Technology

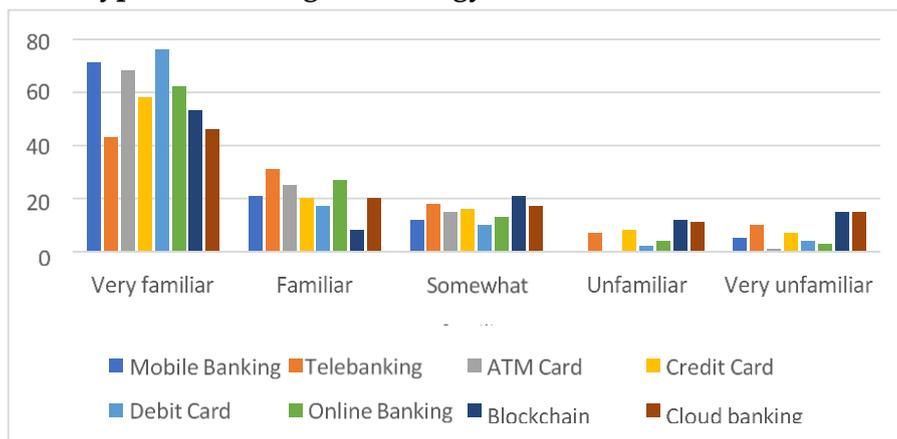


Chart 1.1

Source: Primary Data

Interpretation

Chart 1.1 presents a study of the respondents' knowledge with banking technologies. The majority of respondents (72 in value) are extremely familiar with debit cards, and the next most familiar (71 in value) are with internet banking. This demonstrates that young people are well-versed in the technology that banks have introduced, and that teens are greatly influenced by them.

Most Common Transactions That Young People Use

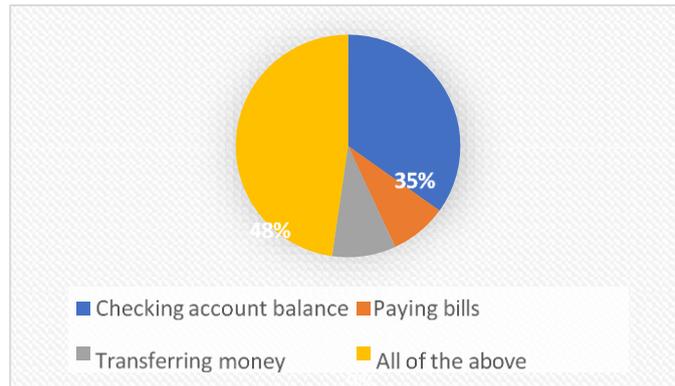


Chart 1.2

Interpretation

Chart 1.2 shows the most typical transactions for which young people utilise financial technology. It is noted that 48% of the respondents said they used all of the aforementioned methods, such as checking their balance, paying their bills, and transferring money.

Comfort Level with Modern Banking Technologies

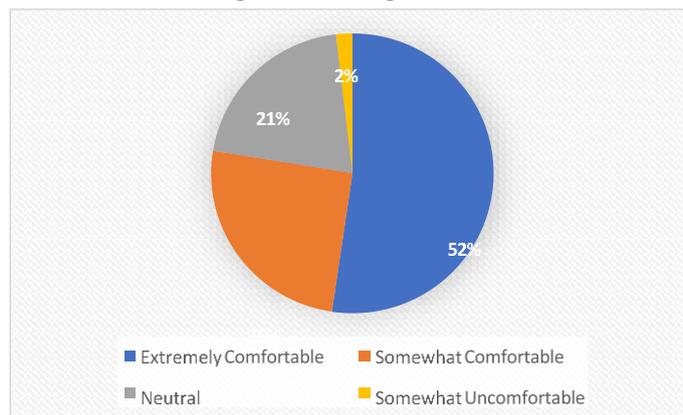


Chart 1.3

Interpretation

Chart 1.3 displays the opinion regarding the degree of comfort with banking technologies. It is noteworthy that 52% of the participants said that they felt quite comfortable utilising contemporary banking technologies.

Potential Concerns towards Banking Technology

Table 1.3

	Variables	Frequency	Percentage (%)
Advantages	Convenience and accessibility	54	49.5
	Better financial management	20	18.3
	Lower costs	5	4.5
	Improved financial literacy	30	27.7
	ATMs	37	33.9

Preferred Banking Technologies	Online banking services	20	18.3
	Mobile banking applications	14	12.8
	Digital wallets	33	30.2
	Blockchain	5	4.5
Potential Concerns	Threats to cybersecurity	59	54.1
	Fraud and scams	37	33.9
	Bad effects on social connections and relationships	3	2.8
	Financial losses	10	9.2

Source: Primary Data

Interpretation

The provided data displays the frequency and percentage distribution of attributes relating to the advantages, favoured banking technologies, and possible problems with banking technology. The respondents stated that more financial literacy (27.7%), convenience, and accessibility (49.5%) were the most often mentioned advantages of using banking technology. When it came to preferred financial technologies, ATMs were the most popular option (33.9%). The most often mentioned potential concern (54.1%) was cybersecurity risks. These findings provide insight into the respondents' opinions and viewpoints regarding this sector of financial services, revealing their preferred technologies, perceived advantages, and possible issues with banking technology.

Differences in Technology Across Age Groups

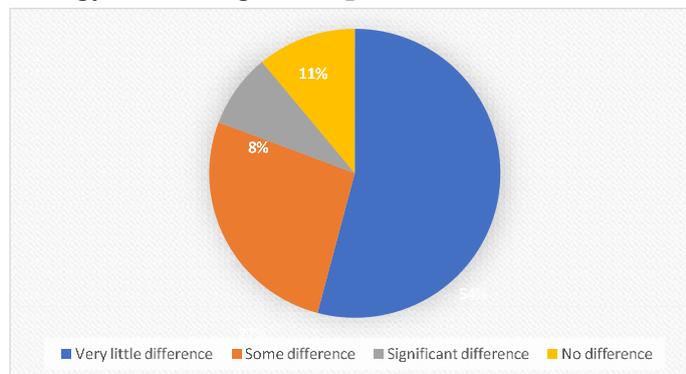


Chart 1.4

Interpretation

Chart 1.4 shows the opinions on how technology varies by age group among young people. Very few discrepancies were detected in the responses of 54% of the respondents. In other words, people don't perceive many differences in technology. Furthermore, they are even more tech-savvy.

Best Practices for Ensuring Safety in Banking

Table 1.4

	Variables	Frequency	Percentage (%)
Best Practices for Ensuring Safety and Security	Multi-factor authentication	72	66.1
	Regular security updates and patches	21	19.3
	Fraud detection and prevention measures	11	10.1
	Customer education and awareness campaigns	5	4.6
Preferred Customer Support	Phone	61	56
	Email	23	21.1
	Chat support	18	16.5
	In-person support	7	6.4

Interpretation

Preferred customer service methods and the frequency and percentage distribution of aspects related to the safest and most secure financial technology practices are displayed in the provided data. 66.1% use multi-factor authentication. Phone help was the most frequently chosen option for preferred customer service methods (56%). These findings highlight how important multi-factor authentication and frequent security updates are to maintaining the safety and security of financial systems.

Regional Differences on Technology Among Youth

Table 1.5

	Variables	Frequency	Percentage (%)
Regional Differences	Variations in technical infrastructure	57	52.3
	Cultural attitudes towards technology	25	22.9
	Economic development	19	17.4
	Government rules and regulations	8	7.3

Interpretation

The view on regional differences in technology is presented in the table 1.5. It is observed that (52%) of the respondents have responded Variations in technical infrastructure.

Priority on Types of Banking Technology

Table 1.6

Particular	TS	MS	Rank
Mobile banking	5709	52.3	V
Telebanking	5920	54.3	III
ATM Card	5570	51.1	VIII
Credit Card	5664	51.9	VI
Debit Card	5521	50.65	IX
Online banking	6062	55.6	I
Blockchain	5997	51.3	VII
Cloud banking	5924	54.3	II
Digital Wallets	5870	53.8	IV
UPI	5424	49.7	X

Source: Primary Data

Interpretation

Along with their corresponding T.S. (Total Scores), M.S. (Mean Scores), and ranks, the table offers details on the several causes of the recession. First position goes to the variable "Online banking," which has the greatest T.S. of 6062 and a mean score of 55.6. Online banking is the most extensively used technology, according to the data that the respondents provided. The variable "cloud banking," which ranks second with a mean score of 54.3 and a T.S. of 5924.

Results and Discussions

- The study's findings on the use of financial technology revealed that a sizeable percentage of respondents, mostly people living in cities, claimed to use it frequently or very frequently.
- The main motivations for using banking technology were found to be accessibility and convenience, with smartphones being the most popular device for doing so. In addition, fraud and cybersecurity worries were noted as potential issues connected to the use of financial technology.
- These findings underline the necessity for strong security controls to handle possible dangers and the growing reliance on banking technology for financial operations. Further investigation could look at how demographic variables like gender, occupation, and income affect the ways in which banking technology is used as well as possible improvements to customer education and support programs.
- This emphasizes the significance of financial institutions putting strong security measures in place and supporting customer education and awareness efforts to reduce potential hazards related to the use of banking technology. Building user trust and confidence through more research and the application of strong security measures can encourage the broad usage of banking technology for financial transactions.

Recommendations and Conclusion

The goal of this study was to determine whether people are aware about banking technology and how youth utilize the technologies among them. To protect consumer data and transactions, financial institutions should continue to invest in strong security measures including multi-factor authentication, frequent security updates, and fraud detection/prevention techniques. To boost user awareness and vigilance against potential risks, customer education and awareness initiatives should be stepped up. The results emphasise the growing use of banking technology, which is fuelled by convenience, accessibility, and increased financial literacy. However, concerns related to cybersecurity threats, fraud, and social connections should be addressed through effective security measures, customer education, and support services. It may result in better consumer experiences and a future growth in the usage of these technologies.

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