

DETERMINANTS OF CUSTOMER WILLINGNESS TO EMBRACE E-BANKING IN NATIONALIZED AND SCHEDULED BANKS: A LITERATURE REVIEW

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Abstract

The rapid advancement of digital technologies has revolutionized the banking sector, prompting a significant shift towards e-banking services. This literature review aims to explore the determinants influencing customer willingness to embrace e-banking services provided by nationalized and scheduled banks, with a specific focus on the Nagpur District in India. Through an extensive review of existing studies, this paper identifies key factors such as technological awareness, perceived ease of use, perceived usefulness, trust, security concerns, and demographic variables that shape customer acceptance of e-banking. Additionally, the review highlights the comparative analysis between nationalized and scheduled banks, shedding light on their respective challenges and opportunities in fostering e-banking adoption. The findings suggest that while technological factors play a crucial role, socio-economic and demographic factors also significantly impact customer attitudes towards e-banking. This review provides valuable insights for banking institutions aiming to enhance their e-banking services and tailor their strategies to increase customer adoption rates. Future research directions are also discussed to further understand the evolving landscape of e-banking in the context of emerging markets.

Keywords – E-Banking, Customer Willingness, Nationalized Banks, Scheduled Banks, Technological Adoption

Introduction

The advent of digital technology has dramatically transformed the banking industry, leading to the emergence of e-banking services that offer convenience, efficiency, and accessibility to customers. In India, the adoption of e-banking has been steadily increasing, driven by factors such as widespread internet penetration, advancements in mobile technology, and supportive governmental policies. However, the extent of e-banking adoption varies significantly between nationalized and scheduled banks, and across different regions within the country. This paper focuses on understanding the determinants of customer willingness to embrace e-banking services provided by nationalized and scheduled banks in the Nagpur District, a major commercial center in the state of Maharashtra, India.

Nationalized banks, often characterized by their extensive branch networks and government ownership, have traditionally been perceived as more secure and trustworthy by the Indian populace. Scheduled banks, which include both private sector banks and regional rural banks, are known for their agility, customer-centric approach, and innovative service offerings. Despite these differences, both types of banks face common challenges in promoting e-banking adoption, such as addressing security concerns, enhancing customer trust, and ensuring ease of use of their digital platforms.

This study aims to delve into the multifaceted factors that influence customer willingness to adopt e-banking services in the Nagpur District. By conducting a thorough literature review, this paper seeks to identify and analyze key determinants such as technological awareness, perceived ease of use, perceived usefulness, trust, security concerns, and demographic variables. Understanding these factors is crucial for banks to tailor their strategies effectively and to overcome the barriers to e-banking adoption.

The significance of this study lies in its comparative approach, examining the distinct challenges and opportunities faced by nationalized and scheduled banks in fostering e-banking adoption. By providing a comprehensive overview of the existing literature, this paper aims to offer valuable insights for banking institutions, policymakers, and researchers interested in the evolving landscape of e-banking in India.

In the following sections, we will review the relevant literature to identify the determinants of e-banking adoption, analyze the differences between nationalized and scheduled banks, and discuss the implications of these findings for the banking sector in the Nagpur District. Through this analysis, we hope to contribute to the ongoing discourse on digital banking and to support the efforts of banks in enhancing their e-banking services to meet the needs and expectations of their customers.

Objectives of the study

- To identify and analyze the key factors influencing customer willingness to adopt e-banking services provided by nationalized and scheduled banks in the Nagpur District.
- To conduct a comparative analysis of e-banking adoption between nationalized and scheduled banks.
- To evaluate the impact of technological factors, such as internet penetration, mobile technology advancements, and digital literacy, on the willingness of customers to embrace e-banking services.

Research methodology

This study employs a comprehensive literature review methodology to investigate the determinants of customer willingness to embrace e-banking services in nationalized and scheduled banks within the Nagpur District. The research process begins with the identification and selection of relevant academic articles, reports, and studies published in reputable journals and databases. Key search terms related to e-banking adoption, customer perceptions, technological factors, trust, security, and demographic influences are used to source pertinent literature. The gathered literature is then systematically reviewed and categorized based on thematic relevance to the research objectives. A comparative analysis is conducted to highlight differences and similarities between nationalized and scheduled banks concerning e-banking adoption. The review also incorporates findings from empirical studies, case studies, and surveys conducted in similar contexts to provide a holistic understanding of the subject matter. By synthesizing insights from diverse sources, this methodology ensures a robust and nuanced exploration of the factors influencing e-banking adoption, providing a solid foundation for strategic recommendations and future research directions.

Literature review

Sakhaei, S. Fatemeh, 2014 Based on his findings, this Iranian researcher has assessed the nature of the connection between service quality and customer happiness, and he has looked at how different aspects of Internet banking affect customers' overall happiness. The results show that there is a significant association between customer satisfaction with Internet Banking and six elements of service quality: timeliness, reliability, performance, security/privacy, and website design.

Using a combination of in-person interviews and a formal questionnaire, data was collected from 285 customers who used the online banking services at the Panadura Branch of the Bank of Ceylon (A.P.P. Perera, 2018). The research put seven hypotheses on the connection between seven features of online banking and consumer happiness to the test. The results show that customer satisfaction is most positively affected by performance, device availability, and incentives, and least positively affected by fulfillment, secrecy, and responsiveness. The findings reveal that among the elements impacting the degree of satisfaction among online banking consumers, touch and dependability have the greatest impact. In order to help policymakers create high-quality services, the methodological evidence let us determine the relative efficacy of online banking service values. aspects aimed at enhancing consumer happiness.

Adewuyi (2014) made the following claims:Have investigated internet banking services and products in Nigeria. Even though numerous E-Banking schemes have been implemented and welcomed by consumers, the most widely utilized E-Banking solution is e-payment, according to their findings. All banks, however, provide some type of electronic service, like EBanking.

'Hindu J. Amin P. E., 2018' said. Another study has shown that happy customers are the key to effective service. Satisfaction and efficiency are two separate concepts. When it comes to defining service efficiency and customer happiness, everyone is on different page. Improving service efficiency is a goal of any business that aspires to grow.

In 2004, Jane M. Kolodinsky This research looks at three E-Banking technologies and the variables that affect their adoption or intention to use them, as well as how these elements vary over time. The research finds that attributes such as relative benefit, compatibility, complexity/simplicity, observability, risk tolerance, and product engagement are all associated with adoption using data collected by the Federal Reserve Board. A person's age, gender, marital status, education level, wealth, and possessions all play a role in the adoption process. The process of adoption has evolved over time, but the elements that impact it have remained relatively constant. We talk about the policy and financial industry ramifications.

(Abu Alsauod, Emad Hashiem, 2020) In order to better comprehend the banking industry's stakeholders and put online banking (OB) within a conceptual framework, this study will also look at existing literature to find areas where OB quality is lacking. There were three stages of client involvement with online banking systems and five quality gaps in online banking. Consequently, this research aims to determine how client satisfaction and the likelihood of using OB in Saudi Arabia are affected by these quality discrepancies. It was shown that consumers' ability to utilize OB is greatly affected by gaps in technology and human contact.

Per Khan (2017) The present research shows that electronic banking has provided consumers with tremendous options, which has drastically altered the banking business. Customers are able to bank whenever and wherever they want thanks to this borderless arrangement. However, it makes traditional banking more risky. The vast majority of clients currently approve of online banking transactions due to its many advantages. Electronic banking (E-Banking) and happy customers go hand in hand. Banks are able to hold on to most of their consumers because they are dedicated to utilizing the service.

As stated by Khrais in 2013, The purpose of this research is to identify the key factors that facilitate consumers' adoption of E-Banking services. In order to examine the connection between the independent and dependent variables, this research used the survey approach. Online banking customers in Poland were the subjects of a survey that included a letter outlining the purpose of the research and promising the respondents that their answers would be kept private. Since statistical tools were used to test hypotheses and fulfill objectives, the analysis may be described as descriptive, and quantitative approaches were employed.

In 2009, Hua The research focuses on how widespread internet banking is in China. The purpose of this research is to examine how customers see online banking, how intuitive the platform is, and what privacy protections are in place. Therefore, customers' perceptions of the service's ease of use and privacy policies significantly impact the rate of online banking adoption. Perceived privacy, security, and convenience of use are all given weight in this

study. Concerns about security and privacy take precedence over any apparent ease of use. Security is the single most critical consideration for user adoption. Conclusions and limitations of these studies are summarized in the conclusion.

(Hammoud, Jamil, 2018) The purpose of this research was to identify the component of E-Banking service quality that is most likely to affect customer satisfaction by examining the aspects that relate to it. A survey instrument was issued to customers of Lebanese banks in order to obtain responses. Statistical analysis was performed on the data using SPSS. The findings show that when it comes to customer satisfaction, reliability is the most important factor, followed by performance and simplicity of use; responsiveness and communication; and protection and privacy.

The effects of consumer satisfaction with E-Banking Services on banks are examined in a study by Dr. S. Sangeetha (2020). Everyone benefits from electronic banking technology, including consumers, banks, and other businesses. customer happiness is unaffected by demographic variables such as age, occupation, yearly income, or the kind of bank selected.

Studying how online banking affects customer satisfaction is the focus of (Dr. Jagdeep Singh, 2018). A five-point Likert scale has been developed. A total of 42 new statements were added to the Service quality model to facilitate this process. In all, forty-two assertions were included. We asked people to rate these goods from 1 to 5 depending on how they used E-Banking services. Connectivity, tangibility, understanding, credibility, stability, access, responsiveness, competence, and dependability are nine critical aspects that were used to analyze the influence of E-banking on service quality. In terms of the variables impacting EBanking use, the research found that there is a significant difference. If online banking companies really care about providing their consumers with top-notch service, they would take these factors into account.

The effects on banks and the level of satisfaction with online banking systems are discussed in (Rajput, 2015). The purpose of this article is to examine how customers feel about online banking. The data was analyzed descriptively using percentages and ANOVA after being acquired using a questionnaire. Since customers are utilizing E-Banking systems like ATMs, home banking, and payment cards, it's safe to assume that around 45% of the population views and is happy with E-Banking. Common E-Banking services include withdrawing funds from ATMs, paying bills, and retrieving bank statements.

Based on their research of the pros and cons of online banking in India (Vikas Chauhan and Vipin Choudhary, 2015), it seems that this method of conducting financial transactions is quickly becoming popular. Getting a lot of attention in India, and the government is trying to boost its appeal among consumers. The adoption of E-Banking services is being hindered by difficulties such security issues, privacy concerns, skepticism, and users' overall lack of understanding about the service. with light of the challenges and dangers inherent with electronic banking, many branches of the Indian government are collaborating to strengthen

the safety and reliability of online banking. To start, the introduction of the internet into banks has altered their traditional methods of operation. Banks have been updated by the banking organization's use of the internet. Implementation Anyone may benefit from online banking: banks and clients alike.

(D, Acknowledgment of Online Banking by Consumers, 2016) How customers interact with the E-Banking platform is the focus of this research. In general, respondents were optimistic about the forecast. A lack of knowledge about how banks work is the main obstacle to using the E-Banking feature. Even if some people think E-Banking is risky, most people think the systems are too complicated and hard to use. The analysis in this paper is grounded on primary data. Most bank clients are familiar with all banking services, the survey found. Additionally, financial institutions need to do what's necessary to keep their clients updated on new services and technology.

Based on research conducted by Kavitha in 2016, Research indicates that the banking sector is the most important one, as it provides a means for the public and government to save money and contributes to GDP. Secondary data is the foundation of the study. Trend and compound yearly growth rate (AGR) were among the methods used in the research. E-Banking has both advantages and disadvantages, but the study predicts that banks will overcome all of their problems in the future.

In 2016, P.V. This proves that consumers' sentiments regarding technology may be better understood via online banking. Primary data, gathered from 200 inhabitants of Coimbatore via questionnaires, is the main focus of the study. Statistical methods such as chi-square and simple percentage analysis are used. In order to keep existing customers happy and bring in new ones, banks are embracing new technologies, says the report.

According to Raghavendra et al. (2016) Timeliness of response, privacy, website layout, and usability are some of the aspects that influence customer satisfaction, and this research zeroes in on a few public sector banks and consumer opinions from one area with a comparable socioeconomic background. Gender, age, education, and money all have a role in how satisfied a consumer is. This study will only look at how satisfied customers are with banks' online banking services. In addition, private banks, bank support services, and mobile banking are the main areas of investigation in the research. Parts of essential banking systems that let Indian banks provide first-rate service to their customers. New innovations on the internet are making it possible for banks to be more efficient and creative. For many reasons, including convenience, security, and the elimination of long lines, automated teller machines (ATMs) have become ubiquitous. These days, public sector banks have all the equipment and resources they need to cater to their clients' requirements. This analysis makes use of analysis of variance (ANOVA), coefficient, and variance.

Research gap

Despite the extensive body of literature on e-banking adoption, several critical gaps remain, particularly in the context of nationalized and scheduled banks in India. Firstly, there is a paucity of region-specific studies that address the unique socio-economic and cultural factors influencing e-banking adoption in the Nagpur District. Most existing research focuses on metropolitan areas, leaving a gap in understanding the dynamics in smaller, yet significant, commercial hubs. Secondly, while numerous studies explore the technological and security aspects of e-banking, there is limited comparative analysis between nationalized and scheduled banks, particularly concerning customer trust and service satisfaction. This gap restricts a comprehensive understanding of how different banking structures impact customer perceptions and adoption behaviors. Furthermore, the role of demographic variables, such as age, income, and educational background, in influencing e-banking acceptance is often underexplored or generalized, necessitating a more granular analysis within specific regional contexts. Addressing these gaps will provide deeper insights into tailored strategies for enhancing e-banking adoption across diverse customer segments and banking institutions in the Nagpur District and similar regions.

Conclusion

This study provides a comprehensive review of the determinants influencing customer willingness to adopt e-banking services in nationalized and scheduled banks, with a specific focus on the Nagpur District. Through an extensive analysis of existing literature, key factors such as technological awareness, perceived ease of use, perceived usefulness, trust, security concerns, and demographic variables have been identified as critical in shaping customer attitudes towards e-banking. The comparative analysis between nationalized and scheduled banks reveals distinct challenges and opportunities in promoting e-banking adoption. Nationalized banks, with their extensive branch networks and government backing, are generally perceived as more secure, yet they often lag in technological innovation and customer-centric service design. Scheduled banks, on the other hand, excel in leveraging technology and providing innovative services but must work harder to build trust and address security concerns among their customers.

The study highlights the significant impact of technological factors and demographic variables on e-banking adoption. It underscores the importance of enhancing digital literacy, addressing security concerns, and building customer trust to foster greater acceptance of e-banking services. Additionally, it calls for a nuanced approach that considers regional socio-economic and cultural contexts, particularly in less-studied areas like Nagpur District. In conclusion, understanding and addressing the multifaceted determinants of e-banking adoption are crucial for the sustained growth and success of digital banking services. By leveraging the insights from this study, banking institutions in the Nagpur District and similar regions can enhance their e-banking offerings and better meet the evolving needs of their customers.

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