



Study Of Internet Banking Usage: Elderly Vs Youth

Dr. Sarina Asif Assistant Professor, Centre for Innovation & Entrepreneurship,
GD Goenka University E-mail Id: Sarina.asif@gdgoenka.ac.in

ABSTRACT

Existing research in online banking has not deeply investigated the determinants of use and non-use of Internet Banking among the youths and elderly people. Therefore, this research investigates the preferences of different age groups regarding internet banking. It also tries to find out which is better in terms of service deliver in internet banking or traditional banking. The research is descriptive in nature and uses convenience sampling method. To analyse the data, two sample Z-test and one way ANOVA were used. Findings indicate that, there is relationship between experience of online banking and experience of traditional banking. The findings also reveal that there is enough evidence to support that there is a relationship between no. of years of usage and online banking.

KEYWORDS: Online Banking; Traditional Banking; Youth; Elderly.

INTRODUCTION

Before E-banking in India came into existence, the dealings between customers and banks was on one on one basis. The bank branch was involved in dealing with customers, payments, clearing, loan applications, opening accounts etc. but the head office was involved in overall clearing, size of branch, training, sanctioning of loans, keeping track of accounts of customers and it does not deal directly with customers.

In the last 5 decades banking in India has evolved through various phases. Due to Globalization and Liberalization a new environment was seen in banks in the whole of the world. Banks offers new services with latest technologies such as anywhere and anytime banking, Tele banking, Internet banking etc. The entry of foreign banks has pushed Indian banks to follow the path of latest technologies so as meet threat of competition and to retain their customer base. The growing competition and increased expectations has led to increase in awareness among banks on and role of internet banking. E-banking has revolutionized banking industry and is a product of innovation.

Internet banking is considered to be the remarkable development in the banking sector. The ability to carry out banking transactions through the Internet has

empowered customers to execute their financial transactions within the comfort of their homes. Internet banking provides benefits both bankers and customers alike. For the bankers, this system is cost-effective, as it has considerably reduced the administrative costs and paperwork related to the transactions. Besides, banks can also cater to the needs of thousands of customers at the same time. Conventional banking has always been slow and time consuming. But, Internet banking has tremendously reduced the time required to process banking transactions, thereby making banking faster and convenient. With many other advantages the greatest advantage of Internet banking lies in the fact that customers are no longer required to wait in those long and wearisome queues of the banks to request a financial transaction or statement. With the help of Internet banking, customer can access any information regarding their account and transactions, any time of the day. Therefore, customer can regularly monitor their account as well as keep track of financial transactions, which can be of immense help in detecting any fraudulent transaction. In addition to this, fund transfers, both national and international, have also become faster and convenient. There are lots of advantages of Internet Banking services like; time saving, minimum efforts, cost saving, easiness and many more. But, most of the people in India especially in the rural and semi-urban areas are not using these services.

To increase the use of Internet banking in semi-urban areas carrying out Internet banking properly, a basic knowledge of computers and the Internet is required, which limits the number of people willing to avail this facility as till date 60% of Indian population still stay in village where internet development is moving at very steady rate hence it is most important to develop Internet Banking services in remote areas of India. Many people, who are not comfortable with computers and the Internet, often find it difficult to use internet banking. Therefore, for beginners, Internet banking is really time consuming process. In addition to this, people also find difficulty in trusting a completely mechanized system like Internet Banking, in case of financial matters. In many instances, a simple mistake, like clicking a wrong button, may create a big problem.

However, this uneasiness can be avoided by printing the transaction receipt and keeping it with oneself, until the bank statement is received. With the advancement of technology, many banks have taken the adequate measures to ward off any problems related to the security of internet banking and providing easy way to access it. The Internet enables users to visit an online banking website at any time and from any location more easily and efficiently. In comparison with traditional banking, Internet banking is able to reach far more people and keep away people from waiting in lines. It offers greater convenience and time saving benefits of consumers from different genders and age groups.

The process of E-banking started in 1980's when RBI had set up two committees in a sequence in order to step up the pace of automatic operations in the banking

sector. A high-level committee was formed under the chairmanship of Dr. C. Rangarajan, then Governor of RBI, to plan out phased computerisation and mechanization in the banking industry over period five-years from 1985 to 1989. The main aim was to improve customer service and two models of branch automation were developed and were in practice. The second committee was Rangarajan committee which was formed during this five year time frame in 1988 to make a detailed perception plan for Computerization of banks and for extension of automation to other areas such as funds transfer, e-mail, BANKNET, SWIFT, ATMs, E -banking, etc.

The Government of India enacted the Information Technology Act, 2000 (generally known as IT Act, 2000), with effect from 17 October 2000 to provide legal status to electronic transactions and other electronic commerce. RBI had set up a 'Working Group' on e-banking to examine different aspects of e-banking. This Group mainly focused on three major areas of E - banking: (1) Technology and security issues, (2) Legal issues and (3) Regulatory and supervisory issues.

There are a handful of companies specializing in developing e-banking software, security software and website designing and maintenance, there are few online financial service providers. Nowadays ICICI is also offering a wide range of services to customers. According to a number of authors E-banking is becoming popular in India (Gupta, 1999; Pegu, 2000; Dasgupta, 2002). However, it is still in its evolutionary stage.

This study tells about the usage of the internet banking between the youth of the country and elderly people who are using the internet banking, mobile banking or visiting the banks. Some elderly people prefer to visit the banks as they are not use to access the internet banking and they are having the passbook which can be updated only by visiting the banks. The services which elderly people are getting by visiting the banks, they are happy with that whereas the youth who prefer to use internet banking the services by that they are happy. There is no comparison between the youth and elderly in some points as these two generations have born in two different times. Youth are happy with the services they are getting by sitting at home and in-case they have to deposit the money or withdraw then they have to go to the bank for big amount of withdraw.

LITERATURE REVIEW

Omotayo & Olubunmi (2020). This study has been able to contribute to knowledge in the area of adoption and use of IB by identifying some of the factors that the elderly consider in using and not using IB. The research provides banks with knowledge of the factors to highlight in their strategies to increase IB services adoption and use. Banks could leverage these factors to promote and enhance the use and continuous use of IB among the elderly. The use and non-use of IB among

elderly people in the Ibadan metropolis, Nigeria. Findings indicate that in addition to the TRA and TAM variables, trust, self-efficacy, security, and facilitating conditions are the factors the elderly population considers in choosing to use or not use IB. It is recommended that efforts could be made by banks to organize free computer skill acquisition training for this category of customers who did not have the privilege of being taught computer at younger ages, in addition to promoting the many benefits of IB, especially to this category of the population.

Lin, Wang, & Hung (2020). The main purpose of this research paper was to explore the key factors that are affecting the consumers' willingness to use the online banking. There are two processes to explore the key factors for the companies in the operation of the online banking. Then Structural Equation Modelling (SEM) was used to explore the factors of the customers who are actually using the internet banking, by this two process it will show the differences between the companies and customers who have adopted.

Msweli, et al. (2020). This study revealed that the elderly group certainly has unique requirements that need to be communicated to mobile commerce providers and designers in order to cater to this growing segment. Mobile banking is still in the emerging stage in various parts of the world, thus future research should focus on building the body of knowledge around this context. Additionally, the study found that there is a gap in research focusing on the elderly and mobile banking and commerce, which confirmed the findings. In the light of this, the opportunity for further studies is identified particularly from the perspective of developing countries.

Kemal (2019). Whilst there have been growing interest and efforts by governments in developing countries to disburse digital government-to-person (G2P) payments to promote financial inclusion, the role of mobile banking in the receipt of social cash remains under-researched. Through an interpretive case study of the Benazir Income Support Programme (BISP) in Pakistan, this paper applies Orlikowski's Duality of Technology that critically examines mobile banking usage by women beneficiaries and technology's effects on the institutional properties of their households.

S. et al. (2019). As a developing country, Sri Lanka is slightly inclining to internet banking usage with several technical and conventional issues. This study attempts to identify the factors which affect internet banking usage, especially among the youth generation. The findings of the study are important for both commercial banks and bank customers in Sri Lanka in identifying the factors which affect the usage of internet banking services. Data were collected by a structured questionnaire using a five-point Likert scale.

S. & Bhai (2018). In the past few years, Indian banking sector has been completely transformed. The banks are facing many challenges and many opportunities are available with the banks. Many innovations like ATM cards, credit cards, RTGS, debit cards, mobile banking etc. have completely changed the face of the Indian online banking. But there is a need to have more innovative solutions so that the challenges can be solved and the opportunities can be easily availed by the Indian bankers.

Grech et al. (2017). This paper focused on the customers' attitudes towards internet banking (IB), with particular reference to generational differences vis-à-vis such a service. The attitude of the consumers is important for banks to project how demand is likely to develop over time. Addressing the above factors shall become even more important as banks find themselves increasingly competing with non-bank entities, such as Electronic Money Institutions offering payments services.

Chechen, Yi-Jen, & Tung-Heng (2016). In this study, the adoption of the consumer towards the internet banking with a focus on privacy, trust and security of their personal information which is there in the internet banking and account was analysed. The results showed that prospective users' privacy concerns, particularly the concerns of those who were more socially aware, were affected by their perception of online banking security vulnerability. The results corroborate those reported in previous research demonstrating the importance of consumer perception of a bank's reputation and similarity to a related entity in creating trust.

Harrison et al. (2016). The theory of customer readiness and channel readiness as twin-determinants of retail customers' adoption of Internet banking, and also to conduct an initial test of the concept among individual banking customers in Scotland. However, the fact that the study is focused on Scotland alone is a limitation because the findings cannot be generalized across other national contexts without testing them in those nations. It also hesitates to claim that the six readiness variables validated in our final study model are the true universal antecedents of global retail banking customers' adoption of Internet banking.

Suraj, Magdalena and D. (2014). The outcome of this research proves undoubtedly that young generation representative, these born up to 25 years ago, cannot imagine banking without online banking. Over 60% of the respondents believe it may be the main means of communication between clients and their banks, and may also lead to the complete elimination of traditional banks.

Hettiarachchi (2014). This paper reports the findings of a study concerning the adoption of internet banking by investigating consumer adoption within the context of Sri Lankan banking services. Results revealed that attitudinal and

perceived behavioral control factors rather than social influence play a significant role in influencing the adoption of internet banking. The implications of these findings and conclusions were that banks need to play a leading role in influencing the perception, and thereby the attitude and behavior of current and potential internet banking users. The outcome of this study has practical implications and recommendations for banks. Customer-targeting strategies internet banks should focus on people with high purchasing power as the first priority and attempt to shift them online.

OBJECTIVES

Following are the objectives of the study:

- To study the preferences of different age groups regarding internet banking.
- To find which is better in terms of service deliver in internet banking or traditional banking.

RESEARCH METHODOLOGY

This research is Descriptive in nature. This research comprises of both primary as well as secondary data. The primary data is collected through the questionnaire. The secondary data was acquired through the literature review which has been collected through various sources. The elements of this research are youth and elderly people. The sampling unit comprises of people falling is between 18 to 45 Years of age and residing in Delhi NCR. The sampling frame used in this research is convenience sampling method and the sampling size is 145.

DATA ANALYSIS AND INTREPRETATION

To study the first objective of the study, descriptive statistics is used.

Table 1: Bank Name

BANK NAME	RESPONSES
HDFC BANK	32
ICICI BANK	24
YES BANK	4
STANDARD CHARTERED	8
BANK OF INDIA	18
KOTAK	8
OTHER	45

Table 1 shows how many respondents have their account in which bank. Maximum respondents have their account in HDFC bank whereas, least have their account in YES bank. 24 respondents have it in ICICI bank, 8 in Standard Chartered bank, 18 in Bank of India and 45 in other banks.

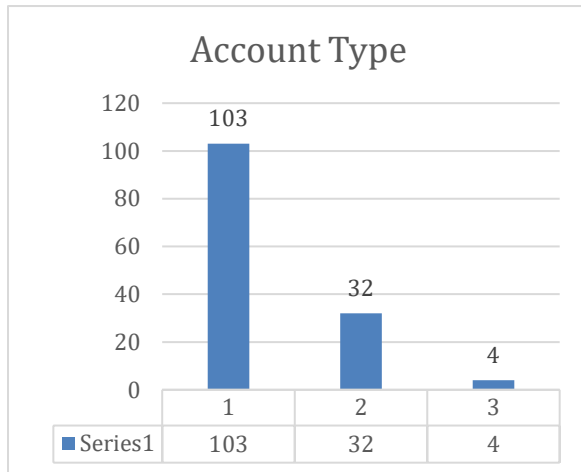


Figure 1: Account Type

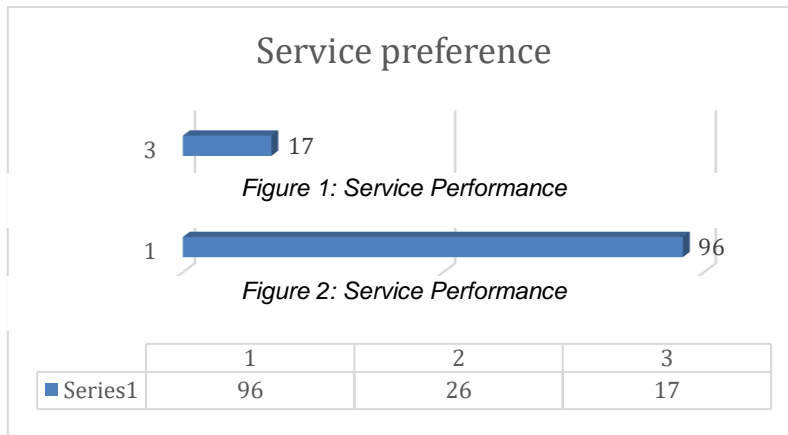
Figure 1 shows respondent's type of the account. As per the above figure, out of 139 respondents, 103 respondents have current account, 32 have savings account and 4 have different type of account.

Table 2 represents the different age group of the respondents:

Table 2: Age of the respondent

AGE	RESPONSES
18 to 25 years	72
26 to 30 years	19
31 to 40 years	12
41 to 50 years	15
Above 50 years	22

According to you, what will you recommended internet banking or visiting the bank physically for your services?



As per the above figure, 96 respondents prefer using internet banking over visiting bank physically. Whereas, on 17 respondents prefer both going to the bank and use internet banking service.

How will you describe your experience while using internet banking?

Table 3: Experience of Online Banking

EXPERIENCE OF ONLINE BANKING	RESPONSES
Very Good	46
Good	56
Neither Good Nor Bad	34
Bad	4
Very Bad	0

The above table no. 3 shows the experience of the people using the internet banking.

How will you describe your experience visiting a bank physically?

Table 4: Experience of Traditional Banking

EXPERIENCE OF TRADITIONAL BANKING	RESPONSES
Very Good	19
Good	45
Neither Good Nor Bad	55
Bad	14
Very Bad	7

The above table no. 4 shows the experience of the elderly people visiting banks physically.

Have you ever detected that a fraud has called you for taking the information (which type of info)?

Table 5: Fraud Encounter

FRAUD ENCOUNTER	RESPONSES
OTP gathering calls	47
KYC Verification	24
Never had any encounter as such	64
Other	5

The above table shows fraud calls for gathering information. According to the table no. 5, 47 respondents' encountered call regarding OTP, whereas, 24 respondents get calls regarding KYC verification and 64 respondents said that they never got any calls.

How long you have been using internet banking?

Table 6: Years of Usage

YEARS OF USEAGE	RESPONSES
2 to 5 years	86
6 to 10 years	21
10 to 15 years	10
More than 15 years	11
None of the above	12

As per the above table no. 6, 86 respondents are using internet banking since 2 to 5 years, 21 since 6 to 10 years, 10 since 10 to 15 years, 11 from more than 15 years.

How much will you rate internet banking over traditional banking?

Table 7: Recommendation Rate

Recommendation Rate	RESPONSES
Very Good	51
Good	61
Neither Good nor Bad	23
Bad	3
Very Bad	2

The above table shows how people are rating more internet banking rather than visiting bank. 51 respondents rated internet banking as 'Very Good', 61 respondents rated as 'Good' whereas, 23 respondents rated internet banking as 'Moderate', 3 as 'Bad' and 2 as 'Very Bad'.

What kind of transactions you use on daily purpose for bill payment, money transfer etc.?

Table 8: Daily Services

Daily Services	RESPONSES
NEFT	59
RTGS	24
IMPS	27
Cheque	30

The above table shows that services for NEFT is mostly used followed by Cheque, IMPS and RTGS.

If the service of cash deposit will be online, then will you avail it?

Table 9: Interest in Online Deposition

Interest in Online Deposition	RESPONSES
Interested	102
Not Interested	38

The above table shows that 102 respondents are interested in availing the service of cash deposition online.

If you are asked to apply for a loan then, will you choose Internet Banking for the same as it has much less hassle or traditional banking?

Table 10: Applying Loan through Internet Banking

Online Loan	RESPONSES
Stressful	41
Similar Experience	32
Easy Going	52
Difficult to operate, yet not difficult	15

As per the responses in the above table, it can be seen that, 41 people think that online loan is stressful, whereas, 52 people think that that it is easy going.

From where you will order a new cheque book, if the previous is about to finish?

Table 11: Passbook Ordering

Passbook Ordering	RESPONSES
Order from internet banking	85
Visiting a bank	37
Contacting a customer care	18

Table 11 shows that maximum number of respondents would like to order a new cheque book from internet banking and least will contact the customer care service to do the same.

How do you check the balance of the points in your card?

Table 12: Balance Enquiry

Balance Enquiry	RESPONSES
Internet Banking	93
Visiting the bank	16
Customer Care	31

93 respondents says that they check the balance through internet banking, 16 respondents will check the balance by visiting the bank and 31 respondents will check the balance through customer care service.

What are the facilities that needs more improvement?

Table 13: Need of Improvement

Need of Improvement	RESPONSES
Cash Depositing	44
Bank Connectivity	89
Other	7

As per the above table, 44 respondents suggests that cash depositing system needs improvement, whereas, 89 respondents suggests that bank connectivity needs improvement.

To study the second objective of the study, following hypothesis were made and two sample Z-test and one way ANOVA were used to analyse them.

H_{0A}: There is no relationship between experience of online banking and experience of traditional banking.

H_{1A}: There is a relationship between experience of online banking and experience of traditional banking.

State Hypothesis		
	$H_0 : \mu_A = \mu_B$	
	$H_1 : \mu_A \neq \mu_B$	
	Two Tail Test	
Select Test	Two Sample Z Test	
	Comparing two means with population distribution unknown	
	Given large sample sizes we can assume normal distribution appropriate (CLT)	
	Population standard deviations unknown but since n large use sample to provide estimate	
Set level of significance	Significance Level =	0.005

Experience of online banking		Experience of traditional banking	
Mean	1.971429	Mean	2.607143
Standard Error	0.070195	Standard Error	0.08524
Median	2	Median	3
Mode	2	Mode	3
Standard Deviation	0.830557	Standard Deviation	1.008571
Sample Variance	0.689825	Sample Variance	1.017215
Kurtosis	-0.74926	Kurtosis	-0.04324
Skewness	0.359512	Skewness	0.342399
Range	3	Range	4
Minimum	1	Minimum	1

Maximum	4	Maximum	5
Sum	276	Sum	365
Count	140	Count	140
Confidence Level (95.0%)	0.138788	Confidence Level (95.0%)	0.168534

	Experience of online banking	Experience of traditional banking
Mean	1.971428571	2.607142857
Known Variance	0.689825	1.017215
Observations	140	140
Hypothesized Mean Difference	0	
z	-5.757104862	
P(Z<=z) one-tail	4.27844E-09	
z Critical one-tail	1.644853627	
P(Z<=z) two-tail	8.55688E-09	
z Critical two-tail	1.959963985	

Since, the p-value > α , Reject H_{0A} and Accept H_{1A} . Therefore, there is enough evidence to support that there is relationship between experience of online banking and experience of traditional banking.

H_{0B} : There is no relationship between no. of years of usage and online banking.

H_{1B} : There is a relationship between no. of years of usage and online banking.

		A	B	C	D	E	
		Years of usage					Totals
		1	2	3	4	5	
Account type	0	0	0	0	0	1	1
	1	68	12	8	5	9	102
	2	14	8	2	5	2	31
	Totals	82	20	10	10	12	134
State Hypothesis							
		$H_0 : \mu_A = \mu_B = \mu_C = \mu_D = \mu_E$					
		$H_1 : \mu_A \neq \mu_B \neq \mu_C \neq \mu_D \neq \mu_E$					
Select Test		One-way ANOVA					

Set level of significance	Significance Level =	0.05
Extract relevant statistic		
Anova: Single Factor		

SUMMARY				
Groups	Count	Sum	Average	Variance
1	4	164	41	1606.667
2	4	40	10	69.33333
3	4	20	5	22.66667
4	4	20	5	16.66667
5	4	24	6	28.66667

ANOVA						
Source of Variation	SS	df	MS	F	P-value	F crit
Between Groups	3876.8	4	969.2	2.77867	0.065536	3.055568
Within Groups	5232	15	348.8			
Total	9108.8	19				

Since, the p-value > α , Reject H_{0B} and Accept H_{1B} . Therefore, there is enough evidence to support that there is a relationship between no. of years of usage and online banking.

LIMITATIONS

The study has certain limitations. In this study, the sampling size is not sufficient to form a generalized results. The reach of study was limited by geographical constraints as COVID is on rise the effects on the preferred services are observed. Also, the amount of variables is too many, future research must be done to eliminate them. The factors that effects our choice of banks may change over the location of residence; which in turn can't be a perfect choice.

CONCLUSION

In this research it is seen that the internet banking is majorly used by the youth instead of visiting banks. Whereas, old people prefer visiting physically to banks

as earlier in their time there was no internet banking used that much as compared to this time. This research helps us to know the reason that why the young generation prefer only internet banking and why the old people go to the bank physically and do not use the internet banking. The youth should also visit the bank because it helps them where the bank or their branch is situated and also get to know that who is their relationship manager and to whom they can complain for that branch if they will face any kind of problems. The youth can teach the elderly people how to use the internet banking as at their age the immunity of the body goes down as compare to the youths' immunity.

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