

A Study on Impact of E-Banking on Customer's Financial Behavior in IOB

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Abstract - This study investigates how e-banking services at Indian Overseas Bank (IOB) influence customers' financial behavior, including spending habits, savings patterns, and investment decisions. Focusing on digital platforms like mobile banking, UPI, and online transactions, the research analyzes data from 249 IOB customers to assess the relationship between e-banking usage and financial management. The findings reveal that convenient digital tools significantly enhance financial planning and transaction frequency, particularly among younger users. However, challenges such as security concerns and limited digital literacy hinder broader adoption. The study underscores the need for improved security measures, user-friendly interfaces, and financial education programs to maximize e-banking's potential in empowering customers and promoting financial inclusion.

Keywords: digital banking, money habits, online security, customer trust, banking technology.

1.INTRODUCTION

E-banking has transformed customer interactions with financial services, significantly influencing financial habits, spending patterns, and banking behavior. This study explores the impact of digital banking services such as Internet Banking, Mobile Banking, UPI, NEFT, RTGS, debit and credit cards, and e-wallets on financial decision-making, planning, and money management among Indian Overseas Bank (IOB) customers. With the growing adoption of e-banking, understanding its role in shaping customer financial behavior is essential. The study examines key factors such as accessibility, convenience, security concerns, and trust, which influence the adoption of e-banking. It also highlights the challenges faced by customers, including digital literacy gaps and security risks, while emphasizing the need for improved financial education and secure digital banking services.

2. BODY OF PAPER

This study adopts a descriptive research design to assess the impact of e-banking on customer's financial behavior at Indian Overseas Bank (IOB). The study focuses on key variables such as E-Banking and Customer Financial Behavior, which includes spending habits, saving patterns, and investment decisions. These variables are used to analyze how e-banking influences financial habits and decision-making. Tools used for data analysis include Percentage Analysis, correlation, Chi-square, Regression to interpret the results and test hypotheses.

Analysis:

1. Gender of the Respondent

Gender of the respondents					
		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Male	129	51.8	51.8	51.8
	Female	120	48.2	48.2	100.0
	Total	249	100.0	100.0	

Interpretation: From the above data, it is inferred that, 129 individuals are Male, making up 51.8% of the group, 120 individuals are Female, comprising 48.2% of the group

2. Age of the Respondent

Age of the respondents					
		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	below 20	12	4.8	4.8	4.8
	21 to 30	150	60.2	60.2	65.1
	31 to 40	66	26.5	26.5	91.6
	41 to 50	15	6.0	6.0	97.6
	Above 50 years	6	2.4	2.4	100.0
	Total	249	100.0	100.0	

Interpretation: From the above data, it is inferred that out of 249 respondents 4.8% are below 20 years, 60.2% are 21 to 30 years, 26.5% are 31 to 40 years, 6% are 41 to 50 years and 2.4% of respondents are above 50 years.

3. Occupation of the Respondent

Occupation of the respondents					
		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Student	54	21.7	21.7	21.7
	Self-employed	48	19.3	19.3	41.0
	Private sector employees	117	47.0	47.0	88.0
	Government employees	24	9.6	9.6	97.6
	Unemployed	3	1.2	1.2	98.8
	Retired	3	1.2	1.2	100.0
	Total	249	100.0	100.0	

Interpretation: From the above data, it is inferred that out of 249 respondents 21.7% of e-banking users are students, 19.3% are self-employed, 47% are private sector employees, 9.6% are government employees, 1.25% are unemployed and 1.2% are unemployed.

4. Income of the Respondent

Income of the respondents					
		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Below 20,000	66	26.5	26.5	26.5
	20,000 to 40,000	90	36.1	36.1	62.7
	40,000 to 60,000	54	21.7	21.7	84.3
	60,000 to 80,000	30	12.0	12.0	96.4
	Above 80,000	9	3.6	3.6	100.0
	Total	249	100.0	100.0	

Interpretation: From the above data, it is inferred that out of 249 respondents 26.5% customers earn below (20,000), 36.1% customers earn between (20,000 to 40,000), 21.7% customers earn between (40,000 to 60,000), 12% customers earn between (60,000 to 80,000) and 3.6% customers earn above (80,000)

5. Correlation

Null Hypothesis (H0): There is no significant relationship between the features provided by e-banking and the frequency of online purchase using e-banking.

Alternative Hypothesis (H1): There is a significant relationship between the features provided by e-banking and the frequency of online purchase using e-banking.

Correlations			
		Which feature of e-banking impacts your financial behavior the most?	How often do you make online purchases using e-banking services?
Which feature of e-banking impacts your financial behavior the most?	Pearson Correlation	1	.232**
	Sig. (2-tailed)		.000
	N	249	249
How often do you make online purchases using e-banking services?	Pearson Correlation	.232**	1
	Sig. (2-tailed)	.000	
	N	249	249
**. Correlation is significant at the 0.01 level (2-tailed).			

Interpretation: From the above table, we can find that the significant value less than table value 0.05, so the Null hypothesis is rejected. Therefore, there is a significant relationship between the features provided by e-banking and the frequency of online purchase using e-banking.

6. Chi-square

Null Hypothesis (H0):

There is no association between the use of e-banking services and the choice of e-banking services for savings and investments.

Alternative Hypothesis (H1):

There is a association between the use of e-banking services and the choice of e-banking services for savings and investments.

Test Statistics		
	Do you use e-banking services for savings and investments?	Which e-banking service do you use for savings and investments?
Chi-Square	48.398 ^a	26.422 ^a
df	3	3
Asymp. Sig.	.000	.000

a. 0 cells (0.0%) have expected frequencies less than 5. The minimum expected cell frequency is 62.3.

Interpretation: From the above table, we can find that the significant value less than table value 0.05, so the Null hypothesis is rejected and Alternative hypothesis is accepted. Therefore, there is a association between the use of e-banking services and the choice of e-banking services for savings and investments.

7. Regression

Null Hypothesis (H0):

There is no significant relationship between the security measures implemented in e-banking and the perceived security of users.

Alternative Hypothesis (H1):

There is a significant relationship between the security measures implemented in e-banking and the perceived security of users.

ANOVA ^a						
Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	19.407	4	4.852	6.336	.000 ^b
	Residual	186.834	244	.766		
	Total	206.241	248			
a. Dependent Variable: How Secure do you feel while using e-banking services?						
b. Predictors: (Constant), How much do you trust the security measures provided by e-banking? How much do you trust the security measures provided by e-banking? How much do you trust the security measures provided by e-banking? How much do you trust the security measures provided by e-banking?						

Coefficients ^a					
Model		Unstandardized Coefficients		Standardized Coefficients	Sig.
		B	Std. Error	Beta	
1	(Constant)	1.805	.157		.000

How much do you trust the security measures provided by e-banking?	.145	.077	.146	1.886	.061
How much do you trust the security measures provided by e-banking?	.137	.093	.122	1.476	.141
How much do you trust the security measures provided by e-banking?	.126	.070	.142	1.789	.075
How much do you trust the security measures provided by e-banking?	-.056	.075	-.060	-.746	.456
a. Dependent Variable: How Secure do you feel while using e-banking services?					

Interpretation: From the above table, we can find that the significant value less than table value 0.05 so the Null hypothesis is rejected. Therefore, there is a significant relationship between the security measures implemented in e-banking and the perceived security of users

3. CONCLUSION

E-banking has changed the way people manage their money by making banking easier, faster, and more accessible. It helps customers track spending, save, and invest more efficiently. However, some people still hesitate to use e-banking due to security concerns and a lack of digital knowledge. To encourage more users, banks should improve security, educate customers on safe digital banking, and make online banking easier to use. With these improvements, e-banking can help more people make better financial decisions and manage their money wisely.

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