

# A Study on the Impact Level of E-Banking on Financial Inclusion in IOB

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**Abstract** - Digital banking has revolutionized financial access in India, especially for individuals previously excluded from traditional banking. This study examines the impact of digital banking on financial inclusion at Indian Overseas Bank (IOB), focusing on services like online banking, mobile banking, ATMs, and UPI transactions. The research measures financial inclusion through account ownership, transaction frequency, loan availability, and ease of service access. While digital banking improves convenience and accessibility, challenges such as low digital literacy and technological barriers persist. This study provides insights into how e-banking contributes to financial inclusion and highlights the obstacles that need to be addressed.

**Key Words:** Digital Banking, Financial Inclusion, Indian Overseas Bank, E-Banking, Financial Access

## 1. INTRODUCTION

Digital banking has revolutionized the way we access financial services, making them more user-friendly and accessible to everyone. This research looks into how Indian Overseas Bank (IOB) leverages digital banking tools such as internet banking, mobile banking, ATMs, and UPI transactions to promote financial inclusion. By examining aspects like account ownership, how often transactions occur, the availability of loans, and user-friendliness, the study showcases the advantages of e-banking while also tackling issues like low digital literacy, cybersecurity threats, and problems with internet connectivity. Although digital banking has greatly enhanced financial access, some obstacles still hinder its widespread use. This study focuses on IOB to shed light on the impact of digital banking on financial inclusion and suggests ways to make these services more accessible to all customers.

## 2. BODY OF PAPER

This study adopts a descriptive research design to assess the impact of digital banking on financial inclusion at Indian Overseas Bank (IOB). The study focuses on key variables such as account ownership, transaction frequency, loan accessibility, and ease of service use to understand how digital banking services influence financial inclusion. Tools used for data analysis include Percentage Analysis, Weighted Average, Correlation, and Regression to interpret the results and test hypotheses.

### Analysis:

#### 1. Gender of the Respondent

GENDER					
		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	MALE	71	48.3	48.3	48.3
	FEMALE	76	51.7	51.7	100.0

Interpretation: From the above data, it is inferred that, 76 individuals are Female, making up 51.7% of the group, 71 individuals are Male, comprising 48.3% of the group.

#### 2. Frequency of using e-banking

FREQUENCY OF USING E-BANKING					
		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Daily	69	46.9	46.9	46.9
	Weekly	59	40.1	40.1	87.1
	Monthly	17	11.6	11.6	98.6
	Rarely	2	1.4	1.4	100.0

Interpretation: From the above data, it is inferred that the Daily users are 46.9%, The Weekly users are 40.1%. The smallest representation is from those who Rarely use e-banking, with only 1.4%.

#### 3. Weighted Average

S No	Factor	1	2	3	4	5	Weighted Average	Rank
1	Convenience	38*5=190	81*4=324	17*3=51	6*2=12	5*1=5	582/15=38.8	1
2	Adaptability	25*5=125	77*4=308	28*3=84	12*2=24	5*1=5	546/15=36.4	4
3	Security	22*5=110	72*4=288	39*3=117	12*2=24	2*1=2	541/15=36.066	5
4	User-friendly interface	30*5=150	82*4=328	18*3=54	9*2=18	8*1=8	558/15=37.2	2
5	Low service charge	27*5=135	78*4=312	29*3=87	8*2=16	5*1=5	555/15=37	3

Interpretation: From the above data, it is inferred that, these financial inclusion factors are ranked as the most influencing through e-banking, Convenience ranks 1st (38.8), followed by a user-friendly interface in 2nd (37.2), low service charges in 3rd (37), adaptability in 4th (36.4), and security in 5th (36.06).

#### 4. Correlation

Null Hypothesis (H0):

There is no significant relationship between challenges faced while using e-banking services and the most used modes of e-banking.

Alternative Hypothesis (H1):

There is a significant relationship between challenges faced while using e-banking services and the most used modes of e-banking.

Correlations			
		CHALLENGES FACED WHILE USING E-BANKING SERVICES	MOST USED MODES OF E BANKING
CHALLENGES FACED WHILE USING E-BANKING SERVICES	Pearson Correlation	1	.198 <sup>*</sup>
	Sig. (2-tailed)		.016
	N	147	147
MOST USED MODES OF E BANKING	Pearson Correlation	.198 <sup>*</sup>	1
	Sig. (2-tailed)	.016	
	N	147	147

\*. Correlation is significant at the 0.05 level (2-tailed).

Interpretation:

Sig value = 0.05 P value = 0.016  
So,  $0.016 < 0.05$ . Null hypothesis is Rejected.  
There is a significant relationship between challenges faced while using e-banking services and the most used modes of e-banking.

#### 5. Regression

Null Hypothesis (H0):

There is no significant relationship between the services offered by e-banking and the modes used for e-banking

Alternative Hypothesis (H1):

There is a significant relationship between the services offered by e-banking and the modes used for e-banking.

ANOVA <sup>a</sup>						
Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	5.164	4	1.291	0.562	0.000
	Residual	326.060	142	2.296		
	Total	331.224	146			
a. Dependent Variable: Modes_used						
b. Predictors: (Constant), [Other Services ( Mini Statement, Pin Change )], [Saving Schemes ( Deposit, others )], [Bill Payments], [Fund Transfers ( IMPS, NEFT )]						

Coefficients <sup>a</sup>						
Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.
		B	Std. Error	Beta		
1	(Constant)	3.877	0.476		8.147	0.000
	[Fund Transfers ( IMPS, NEFT )]	-0.021	0.375	-0.009	-0.056	0.955
	[Bill Payments]	-0.180	0.353	-0.074	-0.509	0.612
	[Saving Schemes ( Deposit, others )]	0.308	0.310	0.120	0.991	0.323
	[Other Services ( Mini Statement, Pin Change )]	-0.254	0.378	-0.103	-0.673	0.502
a. Dependent Variable: Modes_used						

Interpretation:

Sig value = 0.05 P value = 0.00  
 $0.00 < 0.05$  Null hypothesis is Rejected.  
There is a significant relationship between the services offered by e-banking and the modes used for e-banking.

### 3. CONCLUSIONS

The study shows that digital banking has greatly improved financial inclusion at IOB, with 46.9% using it daily and 40.1% weekly. Convenience, ease of use, and low service charges drive adoption, while low digital literacy, security concerns, and poor internet access remain challenges. A strong link between e-banking and financial inclusion was found, proving its impact. To boost adoption, banks should improve digital literacy, strengthen security, and simplify banking platforms, ensuring financial services become more accessible and inclusive for all.

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