



A Study of Financial Literacy Level towards Electronic Banking Amongst Youth

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Received: 11 December 2022

Accepted: 04 March 2023

Published: 08 April 2023

Abstract: Literacy towards various financial aspects as well as towards financial instruments has been very low among people in many countries including developed and developing countries. Financial literacy can be considered very low among youth as the outcome of most of the research. There are many options where people can invest their money. Such options are known to only a few common people. Every individual starts saving money at a very early age. This money reaches banks only after the person crosses a certain age. Even today, people are using traditional methods of Banking as they are not aware about E-Banking to a great extent. E-Banking helps the customers in saving their money, efforts and time. Bankers try to educate them about various uses of E-Banking from time to time through various seminars, educational programmes and many other ways. In this research, students at a major institution were randomly chosen to participate in research. The questions were typically based on the use of E-Banking services and also to check whether they are still connected with Banks through traditional methods only. The objective of the study is to understand the awareness level and usage towards various E-banking services offered by Public and Private Sector Banks amongst youth. The result of the study indicates that the youth has been using ATM and Internet Banking, but is still not aware much about the other forms of E-Banking i.e. Mobile, SMS and Phone Banking.

Keywords: *E-Banking, Literacy, ATM, Mobile Banking, Internet Banking.*

1. INTRODUCTION

Literacy towards various financial aspects as well as towards financial instruments has been very low among people in many countries including developed and developing countries. Financial literacy can be considered very low among youth as the outcome of most of the research. The main reason behind low literacy level is due to the level of complexities and variety in the financial world. There are many options where people can invest their money. Such options are known to only a few common people. Every individual starts saving money



at a very early age. This money reaches banks only after the person has crossed a certain age. Banking can be considered as a lifeline. Banking sector of every economy should be strong enough so that it could lead to economic growth (Nidhi, 2016).

Even today, people are using traditional methods of Banking as they are not aware about E-Banking to a great extent. Bankers try to educate them about various uses of E-Banking from time to time through various seminars, educational programmes and many other ways. Stronger banking sector could act as a lifeline for the economy (Monisha et al, 2017).

In this research, students at a major institution were randomly chosen to participate in research. The questions were typically based on the use of E-Banking services and also to check whether they are still connected with Banks through traditional methods only.

2. About E-Banking

E-Banking is considered to be a medium which helps in delivering banking services and strategic tools which could lead to business development. E-Banking is helpful for the bankers and customers. Through E-Banking, the customers could save their efforts, money and time. Bankers need not have a long queue before them for cash withdrawal, funds transfer and many other reasons. E- Banking has created a facility wherein the customers could access their accounts from anywhere by use of a computer, mobile or laptop. Even after so many years since E- Banking has become an essential facility for many individuals, entrepreneurs, and businessman, there exists such a group in the society who are still not aware about E-Banking services. There are a huge number of customers in both Public sector and Private sector Banks, whose awareness and knowledge about E-Banking is almost nil and they are still using Banking services in traditional way.

3. Review of Literature

Andreou & Anyfantaki (2021) have focused on survey based on financial literacy amongst Cypriot adults. This report is mainly based on the financial behaviour and aptitude of the respondents. It has also investigated the implications which financial literacy have on the use of digital financial service mainly internet banking. This study is based on respondents who belong to Cyprus. This is a country which faced a major financial crisis during 2013. This crisis led to shrinking of banking sector. The respondents have been facing a need of financial sophistication so that they could effectively use as well as manage services based on digital banking. Financial literacy has been very low in Cyprus based on the findings.

Nidhi (2016) have indicated that financial sector plays a vital role towards economic development of every country. Banking can be considered as a lifeline. Banking sector of every economy should be strong enough so that it could lead to economic growth. Internet banking is being implemented in the banking sector and it has made it very easy for the customers to use banking services with ease. There is lot of competition among the banks and this has led to banking automation. This study is focused on analysis of progress which internet banking has made in India. The author has indicated that the banks are having many opportunities as well as challenges. Banking has introduced various innovations like credit card, RTGS, ATMs, mobile banking, debit cards etc.



Yates S. R. (2020) have investigated about the factors which affect E-Banking adoption rates. Ownership of credit card, education, financial knowledge and income are found to be associated with higher probability of adopting E-Banking. Age was found to have negative association with probability of adopting E-banking and the study also indicated consumers who are of African American origin are lesser likely towards adoption of electronic banking. The result was found to be more prominent for the women belonging to African American origin do not hold for the business owners. The results also indicated that adoption of E-banking would increase income, education and their financial knowledge.

Monisha et al (2017) have mentioned in the study that financial sector has been playing a very important role in developing an economy. Stronger banking sector could act as a lifeline for the economy. The current situation as well as future is quite dependent upon success of the banking industry. Use of traditional methods in banking has been replaced by electronic banking and this transformation has come up due to education and awareness about E-Banking. There are different E-Banking products which have been offered through different E-Banking channels such as Internet banking, ATM, Mobile banking etc. Introduction of information technology in the banking sector has made banking more sophisticated and reliable.

4. Research Problem

Banks have become digital and they have moved away from traditional banking towards electronic mode of Banking. The customers and bankers prefer to deal with their products and services in the electronic form as they find it easy and accessible to request for their product or avail any banking services with an ease. Banks are providing their products and services through different online channels. It is important that the people are aware about availing of banking services through ATM, Internet Banking, Mobile banking, SMS and Phone Banking. Awareness is very important else it is not an easy task to use these services of banks in a simplified way. The bankers are also nowadays making people aware about the banking services being provided to the customers. Banks are running awareness campaigns so that the customers are aware about E-banking services. Therefore, this study examined the awareness level of youth towards various E-Banking facilities provided by Indian Banks and also to check the usage of various E-banking services.

5. Objectives and Hypothesis of the study

5.1 Objectives of the study

- To study various E-banking services provided by Banks
- To understand the literacy amongst youth towards various E-banking services offered by Public and Private Sector Banks
- To understand level of usage of various E-banking services amongst youth

5.2 Hypothesis of the study

H₀₁ – There is no significant impact of literacy about E-Banking services on their usage among youth

H₁₁ – There is a significant impact of literacy about E-Banking services on their usage among youth



H₀₂ – There is no significant association between literacy level about E-Banking services and gender of the youth

H₂₂ – There is a significant association between literacy level about E-Banking services and gender of the youth

6. RESEARCH METHODOLOGY

This study is based on the literacy and usage level of E-Banking services among youth of New Delhi. The study is descriptive in nature as it intends to find out the characteristics of the youth of New Delhi towards their awareness about E-Banking services. Primary data has been collected through structured questionnaire. The method of sampling adopted in this study is convenience sampling. With the use of convenience sampling, a sample of 120 youth have been considered as a part of this study who have been using Banking services. The questionnaire is based on demographic profile and it has covered different aspects of literacy and usage of different channels for availing E-banking services. The hypothesis have been tested using ANOVA and regression which have been applied through SPSS 20.

6.1 Sample

Convenience sampling has been used to collect sample and data about 120 youth has been considered in this study to understand the literacy and usage of E-Banking services among youth belonging to New Delhi. The youth considered in the study are aged between 25 – 35 years.

6.2 Data Collection method

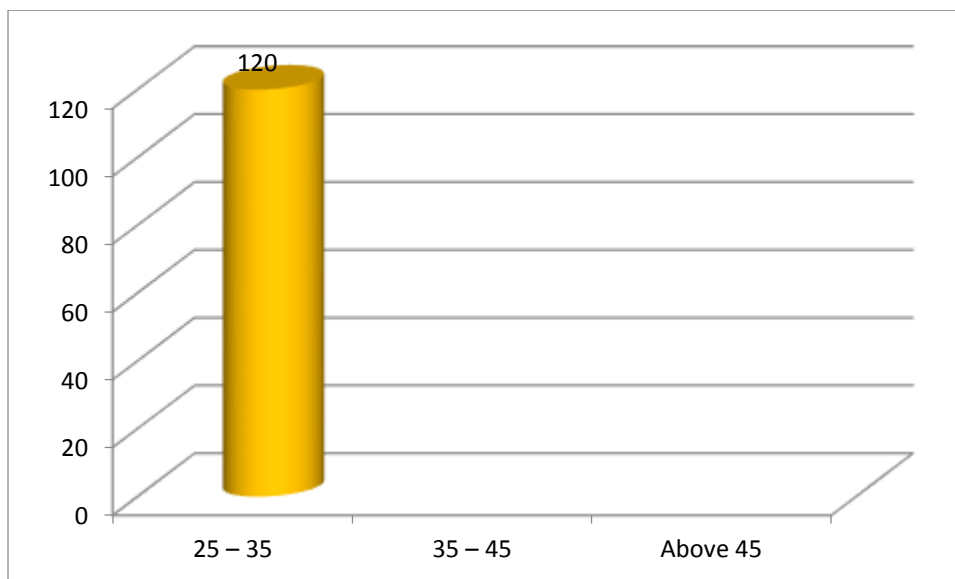
This study is based on primary data. The data has been collected through a structured questionnaire. In the questionnaire, various Electronic banking applications were included from previous research. The questionnaire includes demographic profile of the respondents, literacy and usage of E-Banking services.

7. Data Analysis

7.1 Demographic Profile

(a) Age of the respondents

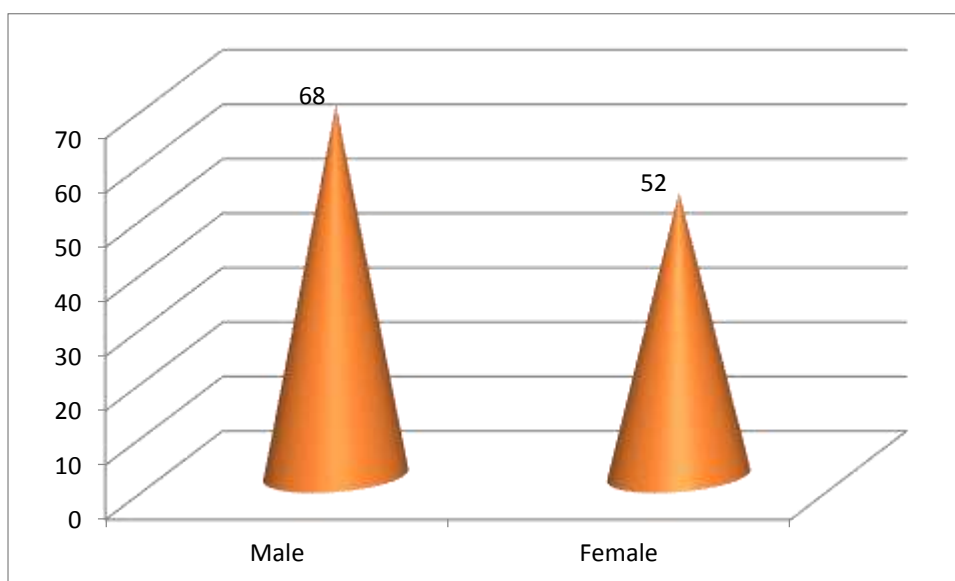
Sr. no.	Age group of the respondent	No. of respondents	%
1	25 – 35	120	100
2	35 – 45		
3	Above 45		
Total		120	100



This study is based on awareness and usage of E-Banking services amongst youth and all the respondents are in the age category of 25-35 years have been a part of this study. It is important that customers are aware about E-Banking as it is the latest technology in banking sector which has made it very easy for the customers to avail banking services.

(b) Gender of the respondents

Sr. no.	Gender	No. of respondents	%
1	Male	68	56.7
2	Female	52	43.3
Total		120	100

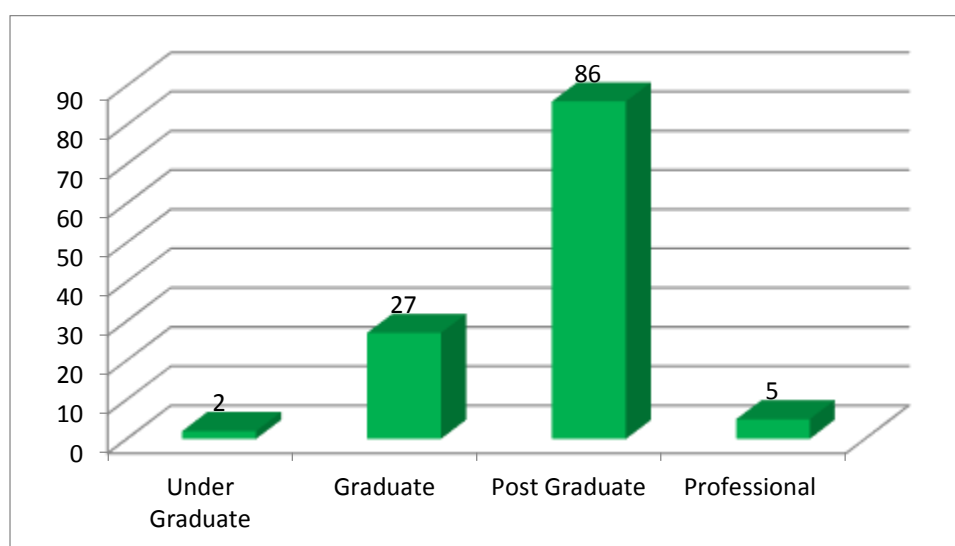




Among the respondents, 56.7% are males and remaining 43.3% are females. The views of respondents of both the genders are important. Majority respondents in the study are males who have provided their views about awareness and usage of E- Banking services.

(c) Qualification of the respondents

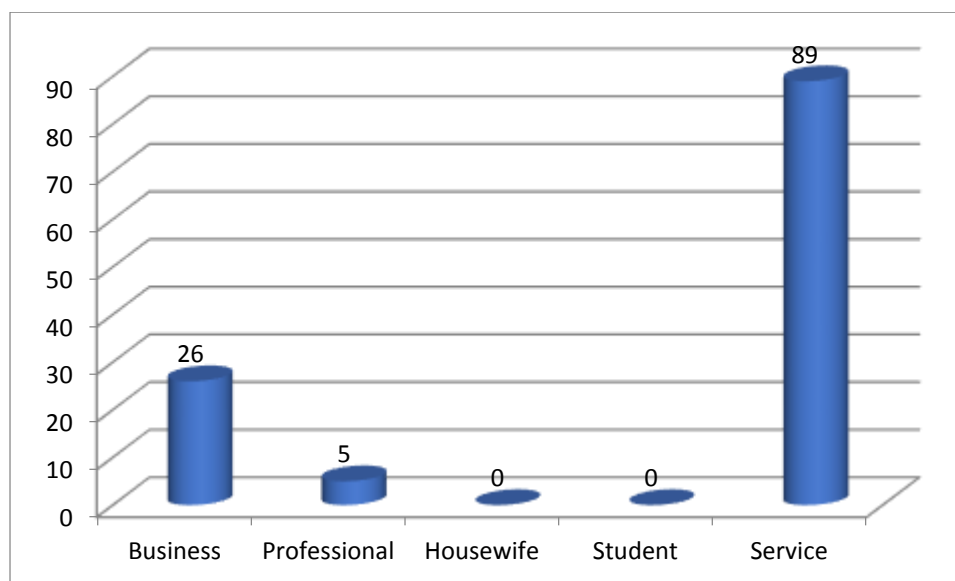
Sr. no.	Qualification	No. of respondents	%
1	Under Graduate	2	1.7
2	Graduate	27	22.5
3	Post Graduate	86	71.7
4	Professional	5	4.2
Total		120	100



The respondents who have been a part of this study are having different qualifications like Under graduate, graduate, post graduate and professional. The majority respondents in this study are post graduates i.e. 71.7%, followed by graduate i.e. 22.5%, then professional i.e. 4.2% and remaining only 2% are under graduate. The views of respondents having different qualifications as their awareness level about E-banking is different.

(d) Occupation of the respondents

Sr. no.	Occupation	No. of respondents	%
1	Business	26	21.7
2	Professional	5	4.2
3	Housewife	0	0.0
4	Student	0	0.0
5	Service	89	74.2
Total		120	100

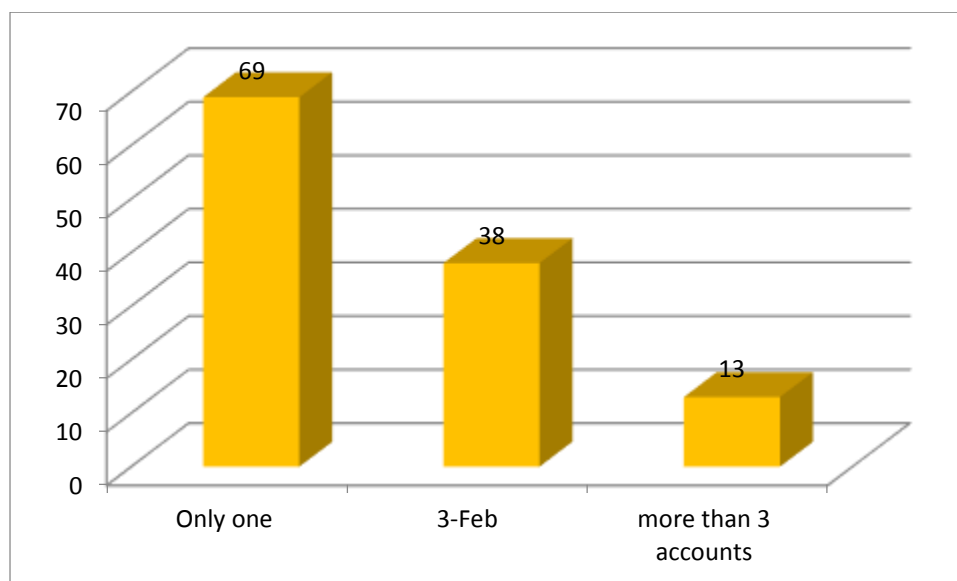


The respondents who have been a part of this study are having different occupations i.e. business, professional, housewife, student and service. Majority respondents are currently in Service i.e. 74.2%, followed by business i.e. 21.7% and only 4.2% respondents are professionals.

7.2 Banking practices of the respondents

(a) Number of accounts in Banks

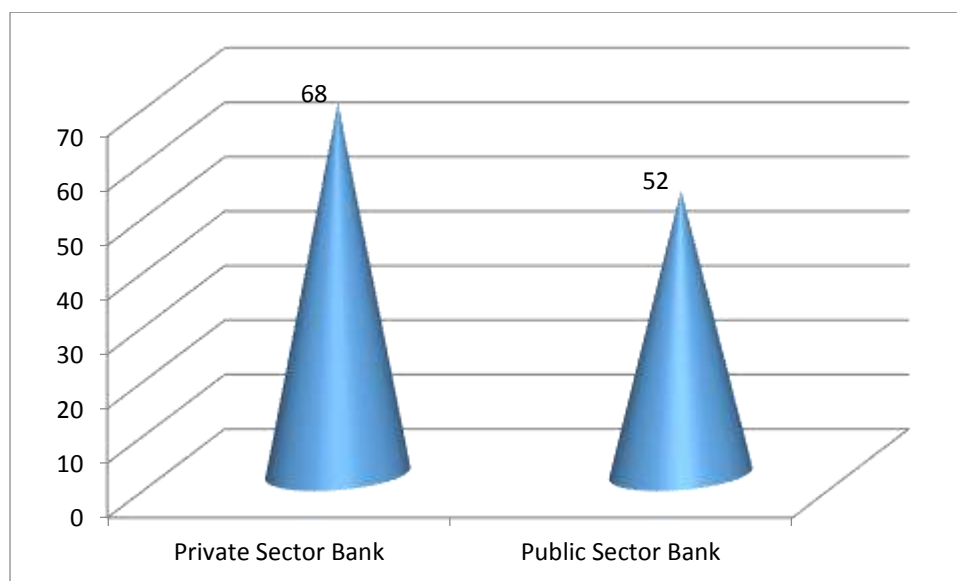
Sr. no.	Number of accounts	No. of respondents	%
1	Only one	69	57.5
2	2-3	38	31.7
3	more than 3 accounts	13	10.8
Total		120	100



Majority respondents are having only one bank account i.e. 57.5%, followed by 2 – 3 accounts i.e. 31.7% and remaining 10.8% respondents are having more than 3 accounts. The respondents open bank accounts for different reasons. Some respondents feel that they could operate only a single account and a few are able to maintain more accounts. Sometimes the services of the banks are such that they prefer to open another account to avail banking services with ease.

(b) Primary account is in which Bank

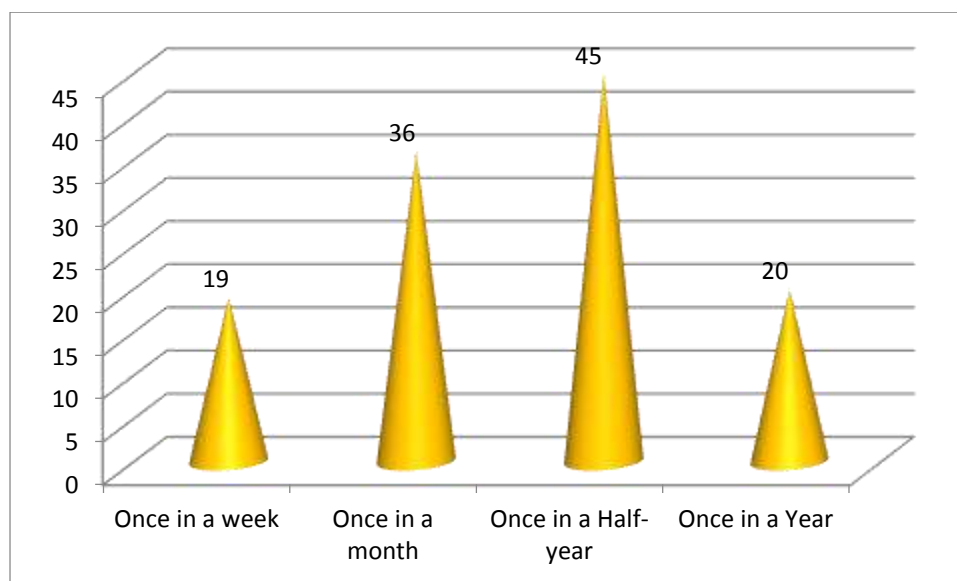
Sr. no.	Type of Bank	No. of respondents	%
1	Private Sector Bank	68	56.7
2	Public Sector Bank	52	43.3
Total		120	100



Majority respondents are having their primary account in Private sector banks i.e. 56.7% and remaining 43.3% respondents are having in Public sector banks. Respondents of both the types of banks have been considered in the study as the experience of the customers vary with the bank as their way of providing banking services.

(c) Frequency of visit to Bank

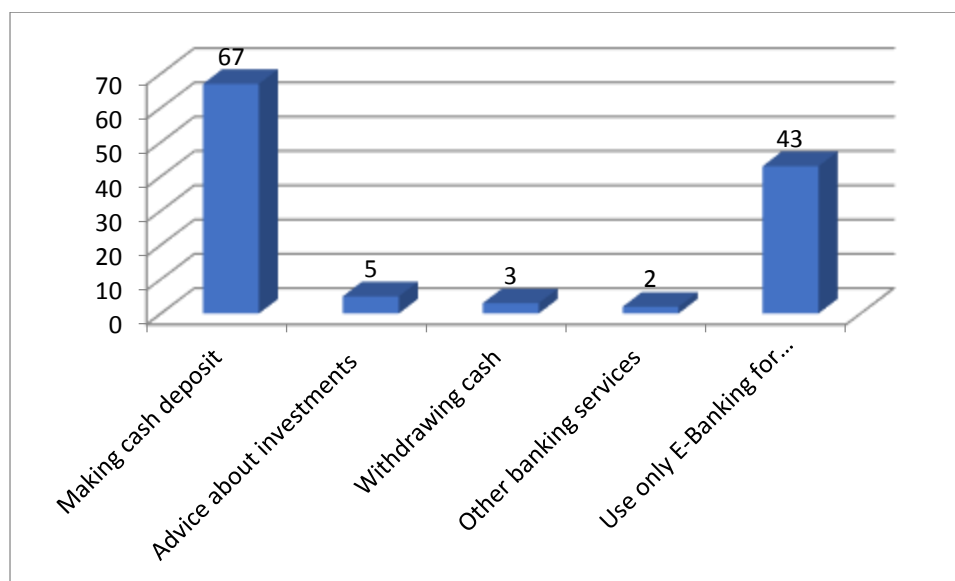
Sr. no.	Frequency	No. of respondents	%
1	Once in a week	19	15.8
2	Once in a month	36	30.0
3	Once in a Half-year	45	37.5
4	Once in a Year	20	16.7
Total		120	100



Majority respondents visit bank once in a half year i.e. 37.5%, followed by once in a month i.e. 30%, then once in a year i.e. 16.7% and 15.8% respondents visit once in a month. The data above indicates that respondents are more dependent upon E-Banking hence, they do not prefer to go to Bank regularly. There are a few respondents who are businessmen, visit more to banks as they need to deposit cash in the bank which they earn from their business.

(d) Main reason for visiting Bank branch

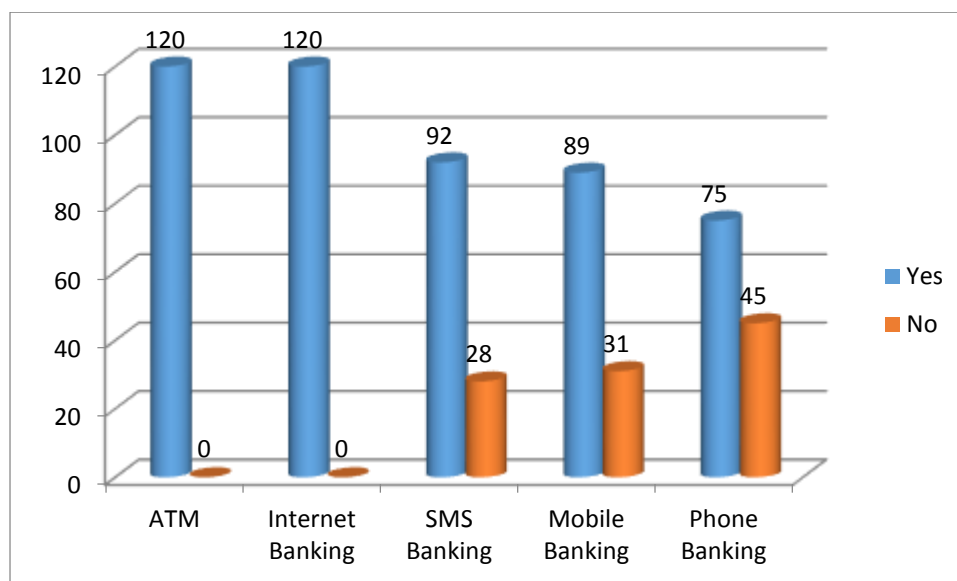
Sr. no.	Reason	No. of respondents	%
1	Making cash deposit	67	55.8
2	Advice about investments	5	4.2
3	Withdrawing cash	3	2.5
4	Other banking services	2	1.7
5	Use only E-Banking for services	43	35.8
Total		120	100



Majority respondents visit bank branch for depositing cash i.e. 55.8%, followed by respondents who do not visit bank branch as they are dependent upon E-banking for services, followed by 4.2% respondents who visit their bank branch for getting advice about investments, 2.5% visit for withdrawing cash and 1.7% visit for other banking services. Respondents who have been a part of this study mainly visit bank branch for cash deposit, since they might be finding it difficult to visit cash through CDM. At times when respondents need to withdraw a high amount of cash, they generally prefer to go to bank branch, as there are certain limitations while they withdraw through an ATM.

(e) Literacy about E-Banking services

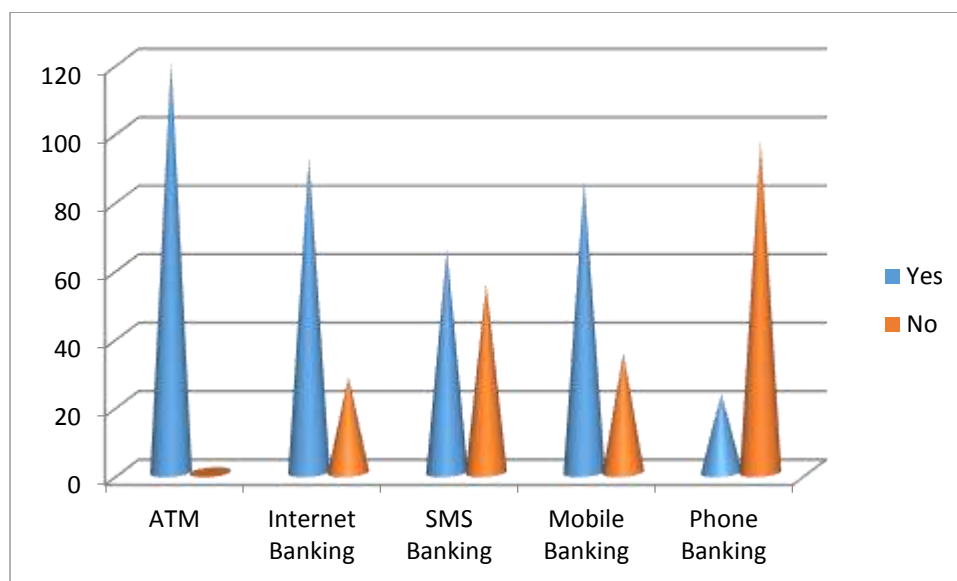
Various Services		Awareness			
		Yes	Yes %	No	No %
1	ATM	120	100	0	0
2	Internet Banking	120	100	0	0
3	SMS Banking	92	76.7	28	23.3
4	Mobile Banking	89	74.2	31	25.8
5	Phone Banking	75	62.5	45	37.5



All the respondents are aware about ATM and Internet for banking services. Majority respondents are aware about Mobile banking i.e. 74.2% and remaining 25.8% are not aware, 76.7% respondents are aware about SMS Banking and 23.3% are not aware. 62.5% are aware about Phone Banking and remaining 37.5% are not aware about the same. The respondents are aware about ATM and they have been using this service since a long time. There are different banking services which could be availed through ATM and Internet. There are many users of Mobile banking also. There are few respondents who are not much aware about the banking services which they could availed through SMS and Phone banking.

(f) Usage of E-Banking services

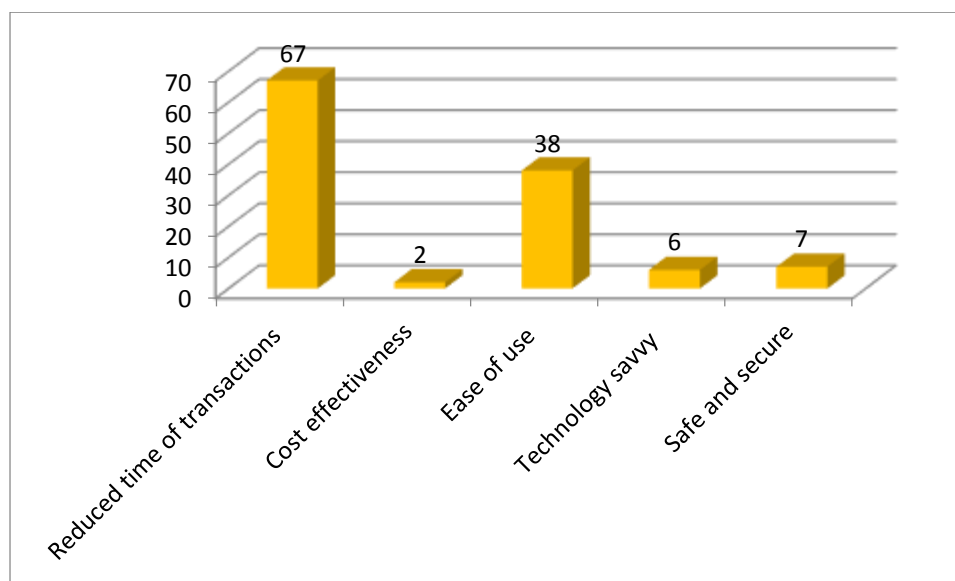
Various Services		Usage			
		Yes	Yes %	No	No %
1	ATM	120	100	0	0
2	Internet Banking	92	76.7	28	23.3
3	SMS Banking	65	54.2	55	45.8
4	Mobile Banking	85	70.8	35	29.2
5	Phone Banking	23	19.2	97	80.8



All the respondents who have been using ATM for cash withdrawal and other services. Majority respondents have been using Internet Banking for availing banking services i.e. 76.7% and 23.3% have not be using the same. Majority respondents have been using SMS Banking for availing banking services i.e. 54.2% and 45.8% have not be using the same. Majority respondents have been using Mobile banking for availing banking services i.e. 70.8% and 29.2% have not be using the same. Majority respondents have not been using Phone Banking for availing banking services i.e. 80.8% and 19.2% have only been using the same. It is important that the bankers make an attempt to make customers aware about E-banking services as this would convince them to use them for availing banking services easily and avoid visiting bank branch for tasks which could be completed from home or office itself.

(g) Most important factor that promotes use of new techniques in banking

Sr. no.	Factor	No. of respondents	%
1	Reduced time of transactions	67	55.8
2	Cost effectiveness	2	1.7
3	Ease of use	38	31.7
4	Technology savvy	6	5.0
5	Safe and secure	7	5.8
Total		120	100



Majority respondents prefer to use Electronic banking since it reduces time of transactions i.e. 55.8%, followed by ease of use i.e. 31.7%, then safe and secure i.e. 5.8%, then technology savvy i.e. 5% and remaining feel that E-banking is cost effective i.e. 1.7%. E-Banking offers many benefits to the customers and this has encouraged them to make use of different E-Banking services like ATM, Mobile Banking, Internet Banking, etc. E-Banking helps the customers in reducing their time for executing banking transactions.

7.3 Hypothesis Testing

H₀₁ – There is no significant impact of literacy about E-Banking services on their usage among youth

H₁₁ – There is a significant impact of literacy about E-Banking services on their usage among youth

The above hypothesis has been tested through the application of Regression through SPSS 20 for finding out the impact of independent variable i.e. literacy about E-banking services and dependent variable is usage of E-Banking services.

The literacy about E-Banking services i.e. ATM, Internet Banking, Mobile banking, SMS banking and Phone banking has been considered of 120 respondents and the mean response has been considered as the independent variable and usage of E-Banking channels of banks for availing banking services has been considered as dependent variable.

Model Summary

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.336 ^a	.113	.105	.955

a. Predictors: (Constant), Awareness



The table above has been a result of Regression as applied through SPSS 20. The value of R is 0.336 and this indicates a positive correlation literacy about E-Banking services on their usage among youth. The value of R Square indicates 0.113 which is a less and it has indicated that the independent variable is unable to evaluate the value of dependent variable.

ANOVA^a

Model	Sum of Squares	df	Mean Square	F	Sig.
1 Regression	13.662	1	13.662	14.991	.003 ^b
Residual	107.538	118	.911		
Total	121.200	119			

a. Dependent Variable: Usage

b. Predictors: (Constant), Awareness

The above table indicates whether the null hypothesis has been accepted or not. The significant value is 0.003 which is less than 0.05 (as per 5% level of significance) and this indicates that the null hypothesis has been rejected i.e. H_{01} – There is no significant impact of literacy about E-Banking services on their usage among youth and the alternate hypothesis has been accepted i.e. H_{11} – There is a significant impact of literacy about E-Banking services on their usage among youth. The customers should be aware about the use of E-Banking as it has many benefits and the customers avail banking services through E-banking as it reduces the time involved and also makes it easy for the customers to complete banking transactions without going to the bank.

H_{02} – There is no significant association between literacy level about E-Banking services and gender of the youth

H_{22} – There is a significant association between literacy level about E-Banking services and gender of the youth

ANOVA

Awareness

	Sum of Squares	df	Mean Square	F	Sig.
Between Groups	2.358	1	2.358	10.116	.002
Within Groups	27.508	118	.233		
Total	29.867	119			

The above table has been obtained through application of ANOVA in SPSS 20. The significant value is 0.002 which is less than 0.05 (as per 5% level of significance) and this indicates that the null hypothesis has been rejected i.e. H_{02} – There is no significant association between literacy level about E-Banking services and gender of the youth and the alternate hypothesis has been accepted i.e. H_{22} – There is a significant association between literacy level about E-Banking services and gender of the youth. The youth who are males have a different level of awareness as they generally get a chance to interact with more people in their community and hence they are more aware about the E-Banking channels for availing banking services.



8. Findings

- Majority respondents in the study are males who have provided their views about awareness and usage of E- Banking services.
- The views of respondents having different qualifications as their awareness level about E-banking is different.
- Majority respondents are currently in Service among those who have been a part of this study.
- The respondents open bank accounts for different reasons, some of them are having only one account and a few of them are having more accounts.
- Respondents of both the types of banks have been considered in the study as the experience of the customers vary with the bank as their way of providing banking services.
- There are a few respondents who are businessmen, visit more to banks as they need to deposit cash in the bank which they earn from their business.
- Respondents who have been a part of this study mainly visit bank branch for cash deposit.
- The respondents are aware about ATM and they have been using this service since a long time.
- Majority respondents have been using SMS Banking, Mobile Banking and Phone Banking.
- E-Banking helps the customers in reducing their time for executing banking transactions.

9. CONCLUSIONS

The objective of the study is to understand the literacy level and usage towards various E-banking services offered by Public and Private Sector Banks amongst youth. The result of the study indicates that the youth has been using ATM Banking, but is still not aware much about the other forms of E-Banking i.e. Internet, Mobile, SMS and Phone Banking.- Banking has created a facility wherein the customers could access their accounts from anywhere by use of a computer, mobile or laptop. Even after so many years since E- Banking has become an essential facility for many individuals, entrepreneurs, and businessman, there exists such a group in the society who are still not aware about E-Banking services. There is a significant impact of literacy about E-Banking services on their usage among youth. The customers should be aware about the use of E-Banking as it has many benefits and the customers avail banking services through E-banking as it reduces the time involved and also makes it easy for the customers to complete banking transactions without going to the bank. There is a significant association between literacy level about E-Banking services and gender of the youth and the bankers should make an attempt to make customers aware about the benefits of E-Banking.

10. Suggestions

- It is important that the bankers make an attempt to make customers aware about E-banking services.



- The bankers should focus on not only registering the customers for E-Banking rather help them in making use of different channels of E-banking so that they could benefit from them.
- The customers should try to make the best use of E-Banking channels so that they need not go to the bank for basic banking services.
- ATM and Internet Banking are being used by customers, and the other channels should also be used for making transactions easier.

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