

# A STUDY ON CONSUMER PERFORMANCE TOWARDS THE RISE OF DIGITAL BANKING FROM CASH TO CODE THOOTHUKUDI DISTRICT

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## ABSTRACT

The rapid growth of digital banking has revolutionized the financial services industry by offering consumers an easier, faster, and more accessible way to manage their finances. This study investigates consumer perceptions toward the adoption of digital banking platforms, focusing on various aspects such as usage levels, satisfaction, perceived convenience, and performance. With the shift from traditional cash transactions to digital modes of payment, understanding the challenges, preferences, and expectations of consumers becomes essential. Data was collected from 129 respondents of diverse age groups, income levels, and genders. The study identifies key drivers of adoption, such as ease of use, performance reliability, and satisfaction, while also addressing barriers like security concerns and limited digital literacy. The insights gained from this research aim to assist financial institutions in enhancing user experiences and increasing the adoption rate of digital banking solutions.

**Keywords:** Digital Banking, Consumer Perception, Financial Technology, Mobile Banking, Online Transactions, User Satisfaction, Convenience, Adoption Barriers

## 1. INTRODUCTION

The evolution of banking has taken a significant turn with the emergence of digital platforms, enabling users to conduct financial transactions conveniently through smartphones, computers, and other electronic devices. This shift from traditional cash-based systems to digital banking has transformed the way consumers manage their finances.

Banking has undergone a significant transformation over the last decade with the emergence of digital platforms. Digital banking, which encompasses services such as online banking, mobile applications, and unified payment interfaces (UPI), has redefined the way people conduct financial transactions. As smart phones and internet access have become more prevalent, banks are shifting their focus from physical branches to technology-driven services that promise speed,

convenience, and security. The COVID-19 pandemic further accelerated this shift by forcing both consumers and financial institutions to adopt contactless, remote banking solutions. However, the journey toward digital banking is not without challenges. A section of the population still struggles with issues such as lack of technical know-how, data security concerns, and limited trust in digital systems. This study explores the current trends in digital banking adoption and examines how consumers perceive this shift from traditional methods to modern financial technologies. The research also highlights demographic variations in usage patterns, with younger age groups and higher income brackets showing greater reliance on digital services. By assessing the opinions and experiences of 129 respondents, this paper provides valuable insights into the present state of digital banking and the steps that banks must take to ensure inclusivity, satisfaction, and continuous improvement of their digital platforms.

## 1.2. STATEMENT OF THE PROBLEM

Despite the widespread availability and rapid adoption of digital banking services, a substantial portion of consumers continues to face barriers that hinder full acceptance. These barriers include concerns over data security, lack of personalized support, limited digital literacy, and resistance to change—especially among older or less tech-savvy populations.

As financial institutions transition toward digital-first strategies, the gap between technological advancements and consumer readiness has become more evident. This study aims to understand that gap and uncover specific concerns and experiences that shape consumer perceptions of digital banking. Addressing these insights is essential for improving service design, accessibility, and consumer trust in the digital financial ecosystem.

## 1.3. OBJECTIVES OF THE STUDY

The specific objectives of this study are as follows:

- To assess consumer awareness and understanding of digital banking platforms.
- To evaluate the usage patterns of digital banking among various demographic groups.
- To identify the level of convenience and satisfaction experienced by users.
- To analyze the perceived performance and trustworthiness of digital banking systems.
- To examine the barriers and concerns faced by consumers while transitioning to digital banking.

## 2. REVIEW OF LITERATURE

Hernandez and Marion (2006) presented a strategy for investigating new technology adoption and tested the method in Brazil on internet banking uptake. Interviews were conducted with a total of 100 respondents who lived in one of Brazil's largest cities. The findings appear to imply that people's intentions to utilize online banking are exclusively impacted by their opinions about internet banking.

AMIN 2007 He conducted a study on internet banking uptake among Malaysia's young business intellectuals. The study used the modified Technology Adoption Model (TAM) as the theoretical framework to investigate the technology acceptance of internet banking among Malaysian undergraduate students. According to the findings, perceived utility, clear case of usage, and perceived credibility all had a substantial impact on behavioral indentation.

According to MAÇADA, A.C.G.; BELTRAME, M.M.; DOLCI, P.C.; BECKER, J.L. 2012. Information-Intensive Organizations' IT Business Value Model 9(1):44-65 in Brazilian Administration Review (BAR). Among the numerous business segments, the banking sector is one of the most significant investors in information technology to implement strategy and obtain a competitive edge.

### 3. RESEARCH METHODOLOGY

#### Sampling Technique

This study follows a descriptive research design and uses a structured questionnaire to collect data from 129 respondents selected through convenience sampling. The sample includes consumers from various age groups and professional backgrounds who actively use or are aware of digital banking services.

#### 3.1. LIMITATIONS

The time duration assigned for the study was limited.

The research is confined to the rise of digital banking from cash to code thoothukudi district.

#### 3.2. DATA ANALYSIS

The data collected from 60 respondents was analyzed using simple statistical tools and visualized through charts. The following chart displays the distribution of age, gender, income, usage level, adaptation, convenience, system performance, and overall satisfaction of consumers using digital banking.

#### ANALYSIS AND INTERPRETATION OF THE STUDY

##### 1.7.1. Overall Demographics of Survey

VARIABLES	CATEGORY	FREQUENCY	PERCENTAGE (%)
<b>Age</b>	Below 30	18	30%
	31-40	20	33%
	41-50	12	20%
	51 -60	7	12%
	Above 60	3	5%
<b>TOTAL</b>		60	100%
<b>Gender</b>	Male	38	63%
	Female	22	37%
<b>TOTAL</b>		60	100%
<b>Married status</b>	Married	49	82%
	Unmarried	11	18%
<b>TOTAL</b>		60	100%
<b>Education</b>	Below SSC	10	17%
	HSC	21	35%
	Graduate	20	33%
	Masters	9	15%
<b>Income level</b>	Below 20000	17	28%
	20000 – 30000	10	17%
	30000 – 40000	14	23%
	40000 – 50000	11	18%
	50000 Above	8	13%
<b>TOTAL</b>		60	100%

Source: primary data

#### Inference:

From the above Table 1.7.1 it is inferred that majority of the small scalebusiness entrepreneurs belong to the age group of 31 to 40 years (33. %).The survey reveals that highest portion of consumer (35.%) have studied up to higher Secondary Education and those who have studied SSLC contributed the least percentage. Majority of (82%) of consumer are married. (63%) of male consumer is engaged. (23%) of consumer level of income 30000-40000 per month.

#### Performance and usage of digital Banking

**Table 1.7.2**

Performance	WEIGHED AVERAGE	Rank
Paying bills	4.11	I
Invest and conduct trade	3.62	V
Fund Transfer	3.68	IV
Make Merchant Payments	4.03	II
Open/Close a Fixed Deposit	3.58	VI
Check Mortgages, Loans	3.98	III

Source: primary data

#### **Inference:**

The above table 1.7.2 states that performance of internet banking. Most of the respondents give rank I by, (paying bills 4.11%) which is followed by at Make Merchant Payments II, Check Mortgages, Loan III, Fund Transfer at rank IV, and Invest and conduct trade at rank V, and Open/Close a Fixed Deposit at rank VI with the weighted score of (3.58%).

### **1.7.3 ANALYSIS ON THE PROBLEMS OF DIGITAL BANKING**

**Table 1.7.3**

S.NO.	PROBLEMS	WEIGHTED AVERAGE	RANK
1	Technology and Service Interruptions	3.99	II
2	Deposit Limitations	3.68	IV
3	Security and Identity Theft Concerns	3.57	VI
4	Lack of Personal Banker Relationship	4.13	I
5	Delay in Refund	3.89	III
6	High bank charges	3.62	V

Source: primary data

#### **Interpretation**

The above table 1.7.3 states that problems are facing business professionals while using internet banking. Most of the respondents are given rank I (Lack of Personal Banker Relationship 4.13%) which is followed by at Technology and Service Interruptions II, Delay in Refund rank III, Deposit limitation at rank IV, High bank charges at rank V, and Security and Identity Theft Concerns with the weighted score of (3.57%).

## **4. FINDINGS**

Based on the data analysis, the following findings were observed:

- The 31-40 age group is the most active in digital banking, indicating generational adoption.
- Gender-based usage level of digital banking male respondents highly inclusive access.
- Middle-income earners are the highest adopters due to their reliance on efficient financial tools.
- Users appreciate the speed and 24/7 nature of digital platforms.
- While satisfaction is high, issues like cyber security and digital literacy still need attention.
- Most of the respondents are given I rank to (Paying bills) in performance of internet banking.
- Majority of respondents are given I rank to Lack of Personal Banker Relationship problem while using internet banking.

## **5. SUGGESTIONS**

- Launching digital literacy programs for less tech-savvy users.
- Enhancing security protocols and making them more transparent to users.
- Offering intuitive and multilingual interfaces to increase accessibility.
- Providing AI-powered or human support for real-time problem-solving.
- Promoting cash back, discounts, or reward programs to boost continued usage.

## 6. CONCLUSION

Digital banking has reshaped the way consumers interact with financial services, offering unprecedented levels of speed, convenience, and accessibility. While adoption is growing—particularly among younger and middle-income users—challenges like limited trust, security concerns, and digital literacy still prevent universal acceptance.

To ensure a truly inclusive digital future, financial institutions must design strategies that go beyond technology—prioritizing education, security, and support. This will not only improve user satisfaction but also strengthen the role of digital banking in driving economic growth and financial inclusion.

## CONFLICT OF INTERESTS

None.

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