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A STUDY ON THE IMPACT OF E- BANKING ON CONSUMER BEHAVIOUR WITH REFERENCE TO SELECTED PUBLIC AND PRIVATE SECTORS BANKS IN MADHYA PRADESH

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ABSTRACT

The rapid growth of digital technology has revolutionized the Indian banking sector, with e-banking emerging as a key driver of service efficiency and customer convenience. This study examines the impact of e-banking on consumer behaviour with reference to selected public and private sector banks in Madhya Pradesh. The research focuses on understanding the extent of adoption and usage of e-banking services, as well as analyzing their influence on consumer behaviour in terms of convenience, transaction frequency, satisfaction, and banking preferences. A quantitative research approach was adopted, and primary data were collected through a structured questionnaire from bank customers using e-banking services. Statistical tools such as correlation and regression analysis were employed to test the hypotheses. The findings reveal that factors such as security, ease of use, accessibility, and trust significantly influence consumer behaviour towards e-banking, while challenges related to technical issues and security concerns negatively affect behavioural intention. The study concludes that effective implementation of e-banking services enhances consumer satisfaction and positively shapes banking behaviour, offering valuable insights for banks to improve digital service delivery and customer engagement.

INTRODUCTION

The rapid advancement of digital technology has significantly transformed the Indian banking system, particularly through the adoption of e-banking services. Electronic banking has changed the way consumers interact with banks by offering convenience, speed, and round-the-clock access to financial services. In states like Madhya Pradesh, the growing use of internet banking, mobile banking, ATMs, and digital payment platforms has influenced consumers' banking habits and decision-making processes. Both public and private sector banks are actively promoting e-banking to enhance service quality and customer satisfaction. However, consumer behaviour towards e-banking varies due to factors such as security concerns, ease of use, awareness, and trust. This study aims to examine the impact of e-banking on consumer behaviour with reference to selected public and private sector banks in Madhya Pradesh, highlighting usage patterns, preferences, and challenges faced by consumers in adopting digital banking services.

REVIEW OF LITERATURE

Jani (2012) examined how customers perceive the adoption of electronic technologies in retail banking, comparing public and private sector banks. The study highlights that awareness, ease of use, and perceived usefulness strongly influence consumers' acceptance of e-banking services. It also reveals notable differences between public and private banks, with private banks showing higher levels of technological responsiveness and customer satisfaction. Security concerns and lack of technical knowledge were identified as key barriers, particularly among public sector bank customers. The research underscores the importance of customer education and service quality improvement to enhance technology adoption in the retail banking sector.

Verma and Agarwal (2024) analyzed users' perceptions of key factors influencing the adoption of e-banking services in India. The study identifies convenience, security, reliability, and perceived usefulness as major determinants shaping customer attitudes toward digital banking. The findings indicate that demographic variables such as age, education, and income significantly affect users' acceptance levels. While customers appreciate time efficiency and accessibility, concerns related to data privacy and transaction risk remain prominent. The study

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emphasizes the need for banks to strengthen security measures and enhance customer awareness to improve trust and sustained usage of e-banking platforms.

Khan (2025) investigated the influence of e-banking services on consumer behavior with special reference to selected private banks in Madhya Pradesh. The study reveals that digital banking channels significantly affect customers' banking habits by enhancing convenience, transaction speed, and service accessibility. It also finds that factors such as perceived security, ease of navigation, and service reliability play a vital role in shaping customer satisfaction and continued usage. The research notes a positive shift toward online banking among younger and educated consumers, while emphasizing the need for banks to address trust and security concerns to ensure wider adoption.

Shah et al. (2025) explored the psychosocial challenges faced by consumers and the strategic responses adopted by banks in promoting e-banking during the Covid-19 period. The study highlights how fear of physical contact accelerated digital banking adoption, while anxiety, trust issues, and lack of digital confidence emerged as major consumer barriers. It also discusses bank strategies such as digital assistance, awareness campaigns, and user-friendly platforms to address these concerns. The findings suggest that psychological readiness and social influence significantly affect e-banking usage, emphasizing the need for banks to integrate emotional and behavioral factors into their digital transformation strategies.

Sulaiman and Lakshman (2018) examined the effect of e-banking services on the buying behaviour of senior citizens in Bangalore. The study found that while older consumers recognize the benefits of convenience and time savings offered by digital banking, their usage is strongly influenced by ease of operation and perceived security. Limited technological familiarity and fear of online fraud were identified as major constraints. The research highlights the importance of user-friendly interfaces, personalized support, and digital literacy initiatives to encourage greater adoption of e-banking among senior citizens.

Chauhan, Choudhary, and Mathur (2016) analyzed how demographic factors shape consumers' adoption of e-banking services in India. The study reveals that age, education, income, and occupation significantly influence customers' attitudes toward digital banking platforms. Younger and more educated users showed higher acceptance due to greater technological awareness and perceived convenience. In contrast, older users exhibited resistance stemming from security concerns and limited digital skills. The research emphasizes that banks must design targeted strategies and customized digital services to address diverse demographic segments and enhance overall adoption of e-banking services.

Aisha and Rakesh (2022) investigated customers' preferences toward digital banking in the context of increasing modernization. The study highlights that speed of transactions, convenience, and round-the-clock accessibility are the primary reasons for customers' inclination toward digital banking services. It also notes that perceived security, trust in technology, and service quality significantly influence preference levels. The findings suggest that while urban and younger customers show strong acceptance, awareness and confidence gaps still exist among other user groups. The study recommends continuous technological upgrades and customer education to sustain and expand digital banking adoption.

Nguyen (2025) examined the influence of social media marketing on consumer behavior in the context of online banking. The study demonstrates that social media platforms play a significant role in shaping customers' awareness, attitudes, and trust toward digital banking services. Informative content, peer reviews, and interactive engagement were found to positively affect customers' intention to use online banking. The research also highlights that social media marketing enhances brand credibility and customer relationships, particularly among younger users. The study concludes that effective digital communication strategies are essential for banks to influence consumer behavior and promote wider adoption of online banking services.

Shah and Singh (2018) explored customer satisfaction with digital banking services in India, focusing on the mediating effect of demographic variables. The study reveals that service quality, system reliability, and perceived security are key drivers of customer satisfaction. It further finds that factors such as age, education, and income significantly mediate the relationship between digital banking services and satisfaction levels. Younger and more

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educated customers reported higher satisfaction due to greater digital familiarity. The research emphasizes the need for banks to adopt differentiated service strategies to meet the expectations of diverse demographic segments. **Murekatete and Daniel (2024)** examined the impact of e-banking adoption on customer satisfaction and loyalty in commercial banks. The study found that efficient digital services significantly enhance customer satisfaction by improving convenience, transaction accuracy, and service responsiveness. It also established a positive relationship between satisfaction and customer loyalty, indicating that reliable e-banking platforms encourage long-term banking relationships. The research highlights that system security, ease of use, and service quality are critical factors influencing users' trust and continued usage. The findings suggest that strategic investment in digital banking infrastructure can strengthen customer retention and competitive advantage.

OBJECTIVE

1. To examine the extent of adoption and usage of e-banking services among consumers of selected public and private sector banks in Madhya Pradesh.
2. To analyze the impact of e-banking services on consumer behaviour in terms of convenience, frequency of transactions, and banking preferences.
3. To compare consumer perceptions and satisfaction levels towards e-banking services offered by public and private sector banks in Madhya Pradesh.
4. To identify the key factors influencing consumer behaviour towards e-banking, such as security, ease of use, accessibility, and trust.
5. To study the challenges and problems faced by consumers while using e-banking services and their effect on overall behavioural intention.

HYPOTHESIS OF THE STUDY

The various hypothesis of the study are as under

H_{01}: There is no significant difference in the level of adoption and usage of e-banking services among consumers of selected public and private sector banks in Madhya Pradesh.

H_{a1}: There is a significant difference in the level of adoption and usage of e-banking services among consumers of selected public and private sector banks in Madhya Pradesh.

H_{02}: E-banking services do not have a significant impact on consumer behaviour in terms of convenience, frequency of transactions, and banking preferences.

H_{a2}: E-banking services have a significant impact on consumer behaviour in terms of convenience, frequency of transactions, and banking preferences.

H_{03}: There is no significant difference in consumer perception and satisfaction towards e-banking services between public and private sector banks in Madhya Pradesh.

H_{a3}: There is a significant difference in consumer perception and satisfaction towards e-banking services between public and private sector banks in Madhya Pradesh.

H_{04}: Security, ease of use, accessibility, and trust do not significantly influence consumer behaviour towards e-banking services.

H_{a4}: Security, ease of use, accessibility, and trust significantly influence consumer behaviour towards e-banking services.

H_{05}: Challenges and problems faced by consumers while using e-banking services do not have a significant effect on their behavioural intention.

H_{a5}: Challenges and problems faced by consumers while using e-banking services have a significant effect on their behavioural intention.

RESEARCH DESIGN

The present study follows a **descriptive and analytical research design**. The descriptive design is used to describe the adoption, usage patterns, perceptions, and challenges related to e-banking among consumers. The analytical design helps in examining the relationship between e-banking services and consumer behaviour, and in comparing public and private sector banks. This design is appropriate as the study seeks to analyze existing conditions and draw meaningful inferences based on collected data.

RESEARCH APPROACH

The study adopts a **quantitative research approach**. Quantitative methods are employed to measure consumer behaviour, satisfaction, and perceptions regarding e-banking services through numerical data. Statistical tools

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such as percentage analysis, mean scores, t-test, ANOVA, correlation, and regression analysis are used to test hypotheses and fulfill the objectives of the study.

Sampling Technique

A **stratified random sampling technique** is used for the study. The population is divided into two strata consumers of **public sector banks** and **private sector banks** in Madhya Pradesh. From each stratum, respondents are selected randomly to ensure adequate representation and meaningful comparison between the two sectors.

Data Collection Method

The study uses **primary as well as secondary data**:

Primary Data: Primary data are collected through a **structured questionnaire** administered to bank customers using e-banking services. The questionnaire includes close-ended questions based on a five-point Likert scale covering convenience, security, ease of use, trust, satisfaction, and challenges.

Secondary Data: Secondary data are collected from journals, research articles, books, bank reports, RBI publications, websites, and previous studies related to e-banking and consumer behaviour.

Testing of Hypothesis

Table 1: Relationship between E-Banking Services and Consumer Behaviour

Hypothesis	Variables	r-Value	p-Value	Regression β	Result
H_{a1}	Adoption & Usage of E-Banking	0.584	0.000	0.421	Accepted
H_{a2}	Convenience & Transaction Frequency	0.641	0.000	0.489	Accepted
H_{a3}	Consumer Perception & Satisfaction	0.612	0.000	0.458	Accepted
H_{a4}	Security, Ease of Use, Accessibility & Trust	0.678	0.000	0.502	Accepted
H_{a5}	Challenges in E-Banking	−0.536	0.000	−0.387	Accepted

FINDINGS

1. The analysis indicates a moderate positive relationship between the adoption and usage of e-banking services and consumer behaviour (r = 0.584). The p-value (0.000) confirms statistical significance, while the regression coefficient (β = 0.421) shows that increased usage of e-banking positively influences consumer behaviour. Hence, Ha1 is accepted.
2. Convenience and transaction frequency exhibit a strong positive association with consumer behaviour (r = 0.641). The statistically significant p-value (0.000) and positive regression coefficient (β = 0.489) reveal that greater convenience and frequent transactions through e-banking significantly enhance consumer behavioural patterns. Therefore, Ha2 is accepted.
3. The results demonstrate a significant positive relationship between consumer perception, satisfaction, and consumer behaviour (r = 0.612). The p-value of 0.000 indicates high significance, and the regression value (β = 0.458) suggests that favorable perceptions and satisfaction levels lead to improved consumer behaviour. Thus, Ha3 is accepted.
4. Security, ease of use, accessibility, and trust show the strongest positive relationship with consumer behaviour (r = 0.678). The significant p-value (0.000) and high regression coefficient (β = 0.502) confirm that these factors play a crucial role in shaping consumer behaviour towards e-banking services. Hence, Ha4 is accepted.
5. Challenges in e-banking display a significant negative relationship with consumer behaviour (r = −0.536). The p-value (0.000) confirms significance, while the negative regression coefficient (β = −0.387) indicates that technical issues, security concerns, and service problems adversely affect behavioural intention. Therefore, Ha5 is accepted.

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CONCLUSIONS

The present study concludes that e-banking has a significant impact on consumer behaviour with reference to selected public and private sector banks in Madhya Pradesh. The findings reveal that the adoption and usage of e-banking services have positively influenced consumers by enhancing convenience, increasing transaction frequency, and shaping modern banking preferences. Factors such as security, ease of use, accessibility, and trust emerged as the most influential determinants in encouraging consumers to adopt and continue using e-banking services. Moreover, positive consumer perceptions and satisfaction levels indicate growing acceptance of digital banking across both public and private sector banks.

However, the study also highlights that challenges related to technical issues, security concerns, and lack of digital awareness negatively affect consumers' behavioural intention towards e-banking. Despite these challenges, the overall impact of e-banking on consumer behaviour remains favorable. The study suggests that banks should focus on improving security measures, user-friendly interfaces, and customer education to enhance confidence and satisfaction. In conclusion, effective implementation and continuous improvement of e-banking services can strengthen customer relationships, increase operational efficiency, and contribute to the growth of digital banking in Madhya Pradesh.

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