ONLINE BANKING BEHAVIOUR OF MILLENNIAL CUSTOMERS DURING COVID PANDEMIC IN KOLAR DISTRICT

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ABSTRACT

Most traditional banks now provide digital services, and the government encourages cashless transactions in everyday life, particularly during COVID-19 pandemics when people are more inclined to avoid face-to-face interactions. Establishing businesses that only take digital payments is growing in popularity. bank that operates entirely online, with no distinct physical branches and all banking operations conducted via mobile apps. Fully virtualised processes change how customers interact with the service, which in turn changes how they spend and consume. Simply put, the major finding is that lengthier lockout times can be associated with a higher probability of continuing to use e-banking. We provide important insights to financial services providers by identifying the key factors that influence changing banking and financial behaviour, including female gender, age, living in a metropolitan area, and employment security status.

Introduction

A nation's whole development can be directly linked to how advanced and sophisticated its technology infrastructure is. Establishing regulations to restrict competition and private players' access to an economy is advantageous. It is useful for formulating policies. According to Knewtson and Rosenbaum (2020), "financial technology" is a state-of-the-art, innovative, and contemporary system that makes financial transactions more effective and seamless. Fintech is a combination of the terms financial technology and digital technology. Technology, corporate processes, and natural communities come together to significantly increase the accessibility, approachability, efficiency, and creativity of business interactions. Financial services that could be significantly impacted by the innovative fintech sector include currency exchange, stock purchases and sales, advances, financing, and payment distribution, to name a few.

In Switzerland, COVID-19 has greatly accelerated the digitisation of banking. Online banking was a crucial component of retail banking even prior to the pandemic, but as our April 2020 poll revealed, people have been switching to online banking in significantly greater numbers throughout the pandemic. Online banking is here to stay, but consumers want it to be a part of a variety of services. This drastic change is still happening. The number of people in Switzerland who used internet banking services for the first time during the pandemic is increasing annually, according to our most recent study, which polled 2021 people of working age. However, despite rising consumer demand, not everyone wants to bank online, and even those who do would not select it for all banking services, demonstrating the limitations of this growing digitalisation. The results demonstrate how crucial a convincing multi-channel approach including hybrid solutions is to meeting the demands of various clientele groups, especially when it comes to intricate financial transactions like mortgages or more complicated investments.

Digital banking

Technology makes it possible for organisations to become more productive and efficient. Digital banking is one of the technologies used in banking. Users of digital banking can conduct financial transactions without physically visiting the branch office. Online banking is available for account opening, bank transfers, e-commerce payments, power payments, and even the opening of credit cards and other banking products. These days, both big and small companies are modernising by setting up online platforms. For instance, employing mobile banking as a payment method is a much-needed substitute. The community will undoubtedly benefit much from this ease, particularly the very mobile millennial age. Naturally, from a banking perspective, digital banking can also lower other significant expenses including resource usage, space rental, and branch office operations. Additionally, the business can expand its consumer base, boost revenue, and attract more new clients, particularly from the millennial age. Users must now use digital banking in order to do a variety of financial tasks. The reason for this is that banks themselves are well-secured. But according to the Bank Indonesia research, there were still a lot of security issues in 2018 alone, including responsible parties misusing data. As a result, personal information is exchanged.

In addition to the instances of skimming that resulted in the loss of client funds, some users continue to maintain the belief that ATM transactions are safe, which makes them reluctant to use digital banking services. If the technology being used has significant security flaws, it is different. Additionally, users worry that it causes them discomfort. Due to the technology's lack of utility, this reality has resulted in a change in intent.

Review of literature

Convenience has always been a priority for Gen Zers in meeting their everyday needs (Priporas et al., 2019), and they are also very interested in using technology to improve their quality of life (Mohannad et al., 2020). However, even though there is a greater amount of research examining how e-banking services affect adoption, the majority of these studies only looked at Millennials, Generation X, or both adopting e-banking (Salimon et al., 2017; Patel et al., 2017; Makoto et al., 2018). Particularly in HCMC, Vietnam, there aren't many databases or efforts to measure the use of e-banking by Generation Z customers.

Gen Z will greatly influence the future market of Vietnam and usher in a new era of purchasing since they are the country's next generation of consumers and have a huge need for online purchases (Pradeep Mamgain, 2021). Commercial banks should therefore focus especially on providing excellent customer service to their prospective clients. Other service businesses that have app development and e-commerce channels with significant market effects, such Shopee, Lazada, and Tiki, can also benefit from the research's findings since they can better comprehend and identify the wants of their customers.

Trinh The Luong (2022) assessed the theories put out and ascertained the connection between the elements influencing Generation Z's desire to use e-banking and their adoption of it. One service that commercial banks have created and implemented is e-banking. It is a tool to take the place of conventional bank branch transactions. It is quickly enhanced to satisfy the growing demand from consumers, particularly during pandemics. When the government restricts travel and face-to-face interaction during complex illnesses, e-banking offers a platform for online payments for distant transactions, boosting trade for the Vietnamese economy. It is also a necessary prerequisite for commercial banks to expand internationally.

Ayatulloh Musyaffi Michael et al. (2022) The study's findings demonstrate that increasing the convenience and utility of digital banking channels depends heavily on technological preparedness, particularly the INNV element. The banking industry must therefore work to adapt its digital banking channel to the demands of the millennial generation, including the rapid advancement of technology in the present and the future. Relationships between data are also appealing to the millennial generation, which facilitates banking transactions. In order to promote a secure atmosphere in the banking industry, this also takes into consideration the government's responsibility to establish safe banking conditions through suitable laws. As part of the primary contribution that the measurement scale in this study has been validated and reliably evaluated, this discovery is also significant from the researcher's point of view. in order for the questionnaire to be modified for use by more researchers, particularly those studying digital banking. Second, the study's findings demonstrate how widely the Technology Acceptance Model (TAM) is used to gauge technology adoption, particularly in the banking industry.

The relationship with service users and how they view the service is the greatest way to understand how technology, such digital banking, is used in service innovation to suit clients' demands (Ababa, 2018). However, the digitalisation of the bank also has consequences for users, including concerns related to time, performance, privacy, and security (Alkhowaiter, 2020).

Employee-customer engagement, brand trust, perceived usability, perceived risk, perceived value, perceived quality, perceived speed, perceived quality, and functional quality are all components of digital banking experiences (Mbama & Esepue, 2018).

Younger customers' affective commitment is developed by customer experience, but not that of older customers. Customers with varying age profiles react differently to brand-related stimuli, as evidenced by the larger effect of customer experience on affective commitment for younger (as opposed to older) customers. Young consumers appear to be the most potential group for the development of experiential, value-laden interactions (Khan, Hollebeek, Fatma, Islam, & Riivits-Arkonsuo, 2020).

Windasaria, N.A. (2022), This study investigates how generation Y and Z's experiences impact digital-only banking services. Empirical surveys and semi-structured interviews were used in a mixed-method approach. After conducting 20 customer interviews to learn more about their experiences, we administered a survey to 402 respondents, ages 17 to 35, who had used digital banking during the previous six months in order to test the hypotheses derived from the suggested criteria. Eight factors—economic value, simplicity of use, social influence, business reputation, promotion, features, curiosity, and reward—were examined in connection to digital-only banking. The findings indicate that every variable has a substantial impact on intention to use digital-only banking, with the exception of curiosity and sales promotion.

Statement of the Problem

The COVID-19 pandemic has had a significant impact on consumer behaviour in a number of industries, including banking services. Because of social alienation, lockdowns, and safety concerns, online banking has become increasingly popular among many demographic groups. Of these, millennials—those born between 1981 and 1996—make up a sizable section of the populace that is generally tech-savvy and more likely to use digital banking services. However, there hasn't been much research done on how millennial consumers behaved when using online banking during the epidemic, especially in areas like Kolar District. Understanding how millennials used online banking services during this crisis is essential for banking institutions and policymakers in Kolar District, which is a mix of urban and rural locations with differing degrees of digital infrastructure.

The main question this study aims to answer is how the COVID-19 pandemic affected the online banking habits of millennial clients in Kolar District. This includes elements like the frequency of online banking usage, preferences for digital banking services, difficulties encountered, and the pandemic's overall effect on their banking practices.

This study aims to answer the following important questions:

- How did the epidemic affect the frequency and mode of online banking use among Kolar District's millennial customers?
- What aspects of online banking during the epidemic affected millennials' trust and satisfaction?
- During this crisis, how did millennials view the dependability and security of online banking platforms?
- During the epidemic, what obstacles and difficulties did millennials encounter when utilising and adopting online banking services?

By looking at these topics, the study hopes to shed light on how millennial consumers' banking habits are changing and have ramifications for how banks and other financial organisations will develop future plans for customer interaction, service provision, and technology advancements in the post-pandemic environment.]

Objectives of the Study

1. To examine the extent of online banking adoption among millennial customers in Kolar District during the COVID-19 pandemic.
2. To identify the factors influencing the decision of millennials to use online banking services during the pandemic.
3. To analyze the challenges faced by millennial customers in using online banking services during the pandemic in Kolar District.

Research Methodology

In this study, both descriptive and analytical methodologies were applied. Additionally, primary and secondary data were used to achieve the study's objective. Using social media, the questionnaire was distributed to bank customers in Kolar District in order to collect the primary data. Secondary data has been gathered via a variety of Internet polls, as well as current events, newspapers, and several online marketing publications. The necessary information was supplied by 165 respondents using a convenient sampling technique. The gathered data is analysed using a percentage analysis and correlation coefficient.

Hypothesis of the Study

- There is no correlation among Safety Concerns, Ease to Use, Convenience, Digital Banking Features and Rewards of online banking behaviour of Millennials during Covid Pandemic

Limitations of the Study

The study was limited to Kolar District in Karnataka. There could only be 165 respondents in total.

Results and Discussions

Table – 1: Demographic Profile of the Respondents

Particulars		Respondents	Percentage
Gender	Male	80	48.5
	Female	85	51.5
	Total	165	100.0
Age	27 – 32	62	37.6
	33 – 37	59	35.8
	38 – 42	44	26.6
	Total	**165**	**100%**
Marital Status	Married	61	37.0
	Un married	96	58.2
	Single parent	8	4.8
	Total	165	100.0
Types of Family	Nuclear family	127	76.97
	Joint family	38	23.03
	Total	165	100.0
Education Level	Up to School Level	19	11.5
	UG Degree	70	42.4
	PG Degree	39	23.6
	Professional	21	12.7

	ITI / Diploma	16	9.7
	Total	165	100.0
Occupational status	Government employee	13	7.9
	Privet employee	72	43.6
	Business / Profession	17	10.3
	Home maker	13	7.9
	Others	50	30.3
	Total	165	100.0
Monthly Income	Up to Rs. 25,000	85	51.5
	Rs. 25,001-50,000	30	18.2
	Rs.50,001-75,000	18	10.9
	Rs.75,001-1,00,000	17	10.3
	Rs.1,00,001-1,25,000	5	3.0
	Above Rs. 1,25,000	10	6.1
	Total	165	100.0
Area of Living	Urban	109	66.1
	Semi-urban	27	16.4
	Rural	29	17.6
	Total	165	100.0

The above table 1 shows that, out of 165 respondents:

- **Gender Wise Classification:** Majority 51.5% of the respondents are female and least 48.5% of the respondents are male based on their gender.
- **Age Wise Classification:** Maximum 37.6% of the respondents belongs to the age group between 27-32 years and least 26.6% of the respondents belongs to the age group between 38-42 years.
- **Marital status Wise Classification:** Majority 58.2% of the respondents are unmarried and least 4.8% of the respondents are single parent.
- **Types of family Wise Classification:** Majority 76.97% of the respondents is belongs to nuclear family and least 23.03% of the respondents are belongs to joint family.
- **Educational Qualification Wise Classification:** Maximum 42.4% of the respondents are UG degree holders and least 9.7% of the respondents are ITI/Diploma holders.
- **Occupation Wise Classification:** Maximum 43.6% of the respondents are Private employees and minimum 7.9% of the respondents are home makers.
- **Monthly Income Wise Classification:** Majority 51.5% of the respondent's monthly income are up to Rs. 25,000 and least 3% of the respondent's monthly income are between Rs. 1,00,001 – 1,25,000.

- **Area of living Wise Classification:** Majority 66% of the respondents are living in urban area and least 16.4% of the respondents are living in semi-urban area.

Table – 2: Level of Difficulties faced by the respondents among the challenges had in the online banking transactions during the Covid Pandemic

Challenges Faced	Very Difficulty	Difficulty	Moderate	Easy	Very Easy
Internet access	15	28	68	50	4
Insufficient proficiency in digital literacy	50	43	38	19	15
Fear of Cybersecurity Risks	16	23	67	24	35
Fraud & Phishing Scams	20	34	63	26	22
Issues with Data Privacy	76	46	43	-	-
Insufficient Understanding of Features	56	33	64	12	-
Challenges with Emerging Technologies	45	43	75	2	-
Payment failures and delayed transactions	15	34	65	34	17
Difficult Refund Procedures	78	45	34	8	-
Problems with Digital Banking Trust	45	78	31	11	-

The above table 2 examined that, out of 165 respondents, maximum 75 respondents feel the difficulty level is moderate in Challenges with Emerging Technologies **(75)** followed by Internet access (68), Fear of Cybersecurity Risks (67), Payment failures and delayed transactions (65), Insufficient Understanding of Features (64) and Fraud & Phishing Scams (63). Maximum 78 respondents are feels very difficulty with Difficult Refund Procedures, followed by Issues with Data Privacy (76) and Insufficient proficiency in digital literacy (50). 78 respondents are feeling difficulty Problems with Digital Banking Trust. Few respondents are feels it easy and very easy to handle the online banking transactions during Covid pandemic.

H0: There is no correlation among Safety Concerns, Ease to Use, Convenience, Digital Banking Features and Rewards of online banking behaviour of Millennials during Covid Pandemic

Table – 3: correlation among the factors influencing online banking behaviour of Millennials during Covid Pandemic.

		Safety Concerns	Ease of Use	Convenience	Digital Banking Features	Rewards
Safety Concerns	Pearson correlation	1	.525**	.401**	.510**	.546**
	Sig. (2-tailed)		**.000**	**.000**	**.000**	**.000**
	N	165	165	165	165	165
Ease of Use	Pearson	.525**	1	.559**	.445**	.587**

	correlation					
	Sig. (2-tailed)	**.000**		**.000**	**.000**	**.000**
	N	165	165	165	165	165
Convenience	Pearson correlation	.401**	.559**	1	.551**	.569**
	Sig. (2-tailed)	**.000**	**.000**		**.000**	**.000**
	N	165	165	165	165	165
Digital Banking Features	Pearson correlation	.510**	.445**	.551**	1	.635**
	Sig. (2-tailed)	**.000**	**.000**	**.000**		**.000**
	N	165	165	165	165	165
Rewards	Pearson correlation	.546**	.587**	.569**	.635**	1
	Sig. (2-tailed)	**.000**	**.000**	**.000**	**.000**	
	N	165	165	165	165	165

Note: ** Correlation is significant at the 0.01 level (2-tailed).

Hypotheses is rejected in the case of

1. Safety Concerns of the respondents is correlated with Ease to Use, Convenience, Digital Banking Features and Rewards of online banking behaviour of Millennials during Covid Pandemic.
2. Ease to Use of the respondents is correlated with Safety Concerns, Convenience, Digital Banking Features and Rewards of online banking behaviour of Millennials during Covid Pandemic.
3. Convenience of the respondents is correlated with Safety Concerns, Ease to Use, Digital Banking Features and Rewards of online banking behaviour of Millennials during Covid Pandemic.
4. Digital Banking Features of the respondents is correlated with Safety Concerns, Ease to Use, Convenience and Rewards of online banking behaviour of Millennials during Covid Pandemic.
5. Rewards of the respondents is correlated with Safety Concerns, Ease to Use, Convenience, and Digital Banking Features of online banking behaviour of Millennials during Covid Pandemic.

Major findings

- Majority 51.5% of the respondents are female and least 48.5% of the respondents are male based on their gender.
- Maximum 37.6% of the respondents belongs to the age group between 27-32 years and least 26.6% of the respondents belongs to the age group between 38-42 years based on their age group.
- Majority 58.2% of the respondents are unmarried and least 4.8% of the respondents are single parent based on their marital status.

- Majority 76.97% of the respondents is belongs to nuclear family and least 23.03% of the respondents are belongs to joint family.
- As per educational qualification, Maximum 42.4% of the respondents are UG degree holders and least 9.7% of the respondents are ITI/Diploma holders.
- Regarding occupation, Maximum 43.6% of the respondents are Private employees and minimum 7.9% of the respondents are home makers.
- Concerning with monthly income, Majority 51.5% of the respondent's monthly income are up to Rs. 25,000 and least 3% of the respondent's monthly income are between Rs. 1,00,001 – 1,25,000.
- Majority 66% of the respondents are living in urban area and least 16.4% of the respondents are living in semi-urban area based on their residence area.
- Out of 165, maximum 75 respondents feel the difficulty level is moderate with New Technologies **(75)** followed by internet connectivity (68), Fear of Cybersecurity Threats (67), Delayed Transactions and Payment Failures (65), Lack of Knowledge About Features (64) and Phishing Scams and Fraud (63). Maximum 78 respondents are feels very difficulty with Complicated Refund Processes, followed by Data Privacy Issues (76) and Lack of digital literacy (50). 78 respondents are feeling difficulty Trust Issues with Digital Banking. Few respondents are feels it easy and very easy to handle the online banking transactions during Covid pandemic.
- There is no correlation among Safety Concerns, Ease to Use, Convenience, Digital Banking Features and Rewards of online banking behaviour of Millennials during Covid Pandemic in Kolar District.

Suggestions

- The government ought to examine and implement the appropriate policies that encouraged digital banking, such financial literacy initiatives or rewards for online banking.
- Banks to guarantee internet services' security and accessibility. The Kolar District's local banks should improve their internet presence and provide their clients with new online services.
- It is crucial to take the appropriate actions to educate all types of individuals and make online banking services easy to understand.
- It is advised that banking institutions and the government encourage their clients to investigate using online banking services.

Conclusion

Digital banks provide more financial and psychological advantages than traditional banks, in addition to ease. Although Gen Yers are tech-savvy, this does not imply that they enjoy complexity in technology use. According to the respondents, they are productive individuals who appreciate short instructions and don't want to spend a lot of time learning how to use the digital bank features. Long instructions can occasionally result in unsuccessful transactions due to misunderstandings. For these generations, programs that are straightforward, practical, and easy to use are therefore preferable. This empirical study set out to investigate the factors influencing millennials in the Koolar district's inclination to use digital payments during the COVID-19 pandemic. To investigate their impact on millennials' behavioural intention to use digital payments, the direct and indirect effects of subjective norms, perceived utility, perceived ease of use, and perceived COVID-19 risk were evaluated. Lastly, our research offers useful recommendations for online payment systems in times of emergency, like COVID-19. As the pandemic persists, shifting payment practices are being reinforced. We think that by increasing knowledge of the dangers of using conventional payment methods, COVID-19 has influenced Gen X intentions and increased society's acceptance of smart payment alternatives.

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