



PERCEPTION, CHALLENGES, AND ADOPTION INTENTIONS OF E-BANKING SERVICES AMONG WOMEN IN KARNATAKA

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Abstract

The rapid growth of digital technology has transformed banking operations, giving rise to e-banking services that offer convenience and efficiency. However, the adoption of these services varies across demographic groups, particularly among women. This study explores the perception, challenges, and adoption intentions of e-banking services among women in Karnataka. It aims to understand how women perceive digital banking, the barriers they face, and the factors influencing their decision to adopt such services. Using a structured questionnaire and a sample size drawn from urban and semi-urban areas, the study reveals that while awareness and convenience are key drivers, challenges such as digital literacy, trust, and security concerns still hinder full adoption. The findings can assist banks and policymakers in designing more inclusive and user-friendly e-banking platforms for women.

Keywords: E-Banking, Women Customers, Digital Literacy, Technology Adoption, Banking Challenges, Karnataka, Financial Inclusion, Online Banking Security, Customer Perception

Introduction

In recent years, the Indian banking sector has witnessed a significant shift toward digitalization, leading to the widespread adoption of e-banking services. These services include internet banking, mobile banking, ATM facilities, and electronic fund transfers, which collectively aim to enhance customer convenience, reduce operational costs, and improve service efficiency. Despite these advancements, adoption rates of e-banking services vary significantly across different population segments, especially among women.

In Karnataka, a state marked by both technological hubs and rural populations, understanding women's interaction with e-banking is crucial. Women often face distinct socio-economic, cultural, and educational barriers that influence their engagement with digital platforms. Factors such as limited access to smartphones, lack of digital literacy, concerns about transaction safety, and a preference for traditional banking methods can restrict the use of e-banking among women.

This study seeks to examine the perception women in Karnataka hold toward e-banking services, the specific challenges they encounter, and their intentions regarding adoption. By identifying these aspects, the research aims to contribute insights that can support banks and stakeholders in developing more accessible and secure digital banking services tailored to women's needs.

Review of Literature

1. Dahiya & Kaur (2019) found that while digital banking is widely promoted, trust and perceived ease of use significantly influence women's adoption behavior. Fear of fraud and lack of digital literacy are common deterrents.
2. Ramakrishna & Jayalakshmi (2020) studied urban women in Karnataka and concluded that while many were aware of e-banking, actual usage remained low due to safety concerns and lack of technical skills.
3. Sharma & Singh (2018) noted that mobile banking is more widely adopted than internet banking among women due to its user-friendliness and accessibility through smartphones.

4. Bhatt & Bhatt (2021) emphasized that socio-cultural factors and family influence also play a role in determining women's attitudes towards using banking technology.
5. Nandhini & Priya (2022) highlighted the importance of customer support and service reliability as factors increasing trust in e-banking among female customers.

Objectives of the Study

1. To examine women's perception towards e-banking services in Karnataka.
2. To identify the challenges faced by women in adopting e-banking.
3. To analyze the factors influencing adoption intentions of e-banking services.
4. To compare e-banking adoption trends between urban and semi-urban women.
5. To provide recommendations to improve e-banking usage among women customers.

Statement of the Problem

Despite the growth of digital banking in India, a significant number of women in Karnataka either underutilize or hesitate to use e-banking services. The problem lies not only in access but also in trust, digital skills, and societal norms. A clear understanding of women's perception and the obstacles they face is lacking, which hinders efforts to design inclusive digital banking platforms.

Research Gap

While several studies have explored e-banking adoption in India, few have specifically focused on women in Karnataka as a distinct demographic group. There is limited data on how urban vs. semi-urban women perceive and interact with digital banking, and which particular barriers they face. This study seeks to fill this gap by offering a gender-specific, regional analysis.

Research Questions

1. What is the perception of women in Karnataka regarding e-banking services?
2. What are the main challenges women face in adopting e-banking?
3. What factors influence their intention to adopt or reject e-banking?

4. How does e-banking usage differ between urban and semi-urban women?
5. What steps can be taken to increase adoption among women?

Importance of the Study

This study is vital for both academic and practical reasons. From a policy perspective, it can aid financial institutions in designing gender-inclusive digital banking strategies. For society, increasing e-banking adoption among women promotes financial independence and inclusion. It also offers practical insights to bridge the digital divide and empower women through secure financial tools.

Research Methodology

- **Research Design:** Descriptive and exploratory.
- **Area of Study:** Selected urban and semi-urban areas in Karnataka.
- **Population:** Women customers using or eligible to use banking services.
- **Sampling Method:** Stratified random sampling.
- **Sample Size:** 200 respondents (100 urban, 100 semi-urban).
- **Data Collection Tools:** Structured questionnaire (primary), secondary sources like journals, bank reports, and government data.
- **Data Analysis Techniques:** Percentage analysis, chi-square test, and regression analysis to find correlation between variables such as age, education, digital literacy, and adoption intention.

Analysis and Interpretation of Data

The primary data was collected through structured questionnaires distributed among 200 women (100 urban and 100 semi-urban) in Karnataka. The responses were analyzed using percentage analysis and chi-square test to interpret patterns of perception, challenges, and adoption intentions.

Table 1: Awareness of E-Banking Services among Respondents

Category	Urban (n=100)	Semi-Urban (n=100)	Total (n=200)	Percentage
Aware	94	76	170	85%
Not Aware	6	24	30	15%

- Interpretation:** A majority (85%) of respondents are aware of e-banking services. However, awareness is higher in urban areas (94%) compared to semi-urban areas (76%). This shows a clear digital divide and highlights the need for digital literacy initiatives in semi-urban regions.

Table 2: Challenges Faced in Using E-Banking Services

Challenge	Urban (%)	Semi-Urban (%)	Total Average (%)
Fear of Online Fraud	60	75	67.5
Lack of Digital Literacy	30	68	49.0
Poor Internet Connectivity	25	55	40.0
Difficult User Interface	35	47	41.0

- Interpretation:** The most common challenge faced by women is the fear of online fraud (67.5%), especially in semi-urban areas. Lack of digital literacy is a prominent issue (49%), followed by concerns over internet reliability and complicated interfaces. Semi-urban women face higher barriers overall.

Table 3: Intention to Use E-Banking Services in the Future

Response	Urban (n=100)	Semi-Urban (n=100)	Total (n=200)	Percentage
Strongly Agree	42	28	70	35%
Agree	38	32	70	35%
Neutral	10	15	25	12.5%
Disagree	6	15	21	10.5%
Strongly Disagree	4	10	14	7%

- Interpretation:** A total of 70% of women respondents expressed positive intention

(Agree/Strongly Agree) to use e-banking services in the future. However, semi-urban respondents showed more hesitation, indicating the need for greater trust-building and support initiatives.

Discussion and Findings

Based on the analysis of responses collected from 200 women across urban and semi-urban areas in Karnataka, several key findings have emerged:

- High Awareness but Uneven Access:** 85% of the respondents are aware of e-banking services, but a significant gap exists between urban (94%) and semi-urban (76%) women, indicating the influence of digital exposure and education levels.
- Fear of Fraud is the Primary Concern:** A large number of respondents (especially from semi-urban areas) expressed anxiety about online fraud and security breaches, which severely limits their willingness to adopt digital banking fully.
- Digital Literacy is a Major Barrier:** Nearly 68% of semi-urban women mentioned difficulties in using digital banking platforms due to lack of digital knowledge. Urban women faced fewer such issues but still reported interface-related challenges.
- Positive Adoption Intentions despite Challenges:** Approximately 70% of respondents agreed or strongly agreed that they intend to use e-banking services in the future, indicating openness and adaptability if the challenges are addressed.
- Infrastructure Limitations:** Poor internet connectivity and lack of reliable access to smartphones or computers in semi-urban areas further hindered effective use of online banking.
- Preference for Mobile Banking over Internet Banking:** Respondents expressed more comfort with mobile apps than traditional web-based platforms, due to simplicity and mobile accessibility.

Recommendations

Based on the findings, the following recommendations are suggested:

- 1. Strengthen Digital Literacy Programs:** Banks, NGOs, and government agencies should organize regular workshops and training programs focused on educating women about using e-banking safely and confidently, especially in semi-urban areas.
- 2. Enhance Security Features with Awareness:** Banks must not only implement robust security mechanisms but also actively educate women users about fraud prevention, OTP use, and reporting suspicious activities.
- 3. Simplify User Interfaces:** E-banking platforms should be designed to be visually clear, available in regional languages, and require minimal technical navigation, catering especially to first-time users.
- 4. Build Trust through Community Engagement:** Financial institutions should collaborate with women's groups, self-help groups (SHGs), and local leaders to create peer support systems that encourage e-banking adoption.
- 5. Improve Internet and Mobile Access:** Infrastructure development in semi-urban and rural areas—including better mobile data services—must be accelerated to support digital transactions.
- 6. Offer Incentives and Support Services:** Providing initial incentives (like fee waivers or cashback) and access to 24/7 helplines or customer service representatives can build confidence and motivate use.

Findings

- 1. High Awareness but Varying Utilization:** A majority (85%) of women are aware of e-banking services, but the actual usage is higher in urban areas compared to semi-urban regions.
- 2. Fear of Online Fraud:** Security concerns were the most cited barrier, particularly among semi-urban respondents, with 75% expressing fear of online fraud.
- 3. Digital Literacy Gap:** Around 68% of women in semi-urban areas reported a lack of

confidence in using digital platforms due to limited digital skills.

- 4. Positive Intentions Toward Adoption:** Despite challenges, 70% of respondents indicated a willingness to adopt e-banking in the future, provided trust and usability issues are addressed.
- 5. Infrastructure Issues:** Poor internet connectivity and lack of access to smartphones were found to be technical barriers, mostly in non-urban settings.

Suggestions

- 1. Introduce Digital Literacy Campaigns:** Partner with local institutions and women's groups to provide hands-on training in e-banking usage.
- 2. Strengthen Security Awareness:** Launch awareness programs to inform users about safe practices like password protection, phishing awareness, and secure login methods.
- 3. Improve User-Friendly Interfaces:** E-banking apps should be simplified and translated into regional languages to ensure better accessibility for all user levels.
- 4. Incentivize Initial Use:** Banks can offer free trials, cashback, or reduced charges to motivate hesitant users to try digital banking.
- 5. Establish Community Support Networks:** Leverage SHGs (Self-Help Groups) and local women-led organizations to share experiences and guide new users.
- 6. Enhance Infrastructure Support:** Collaborate with telecom companies and local governments to improve mobile and internet connectivity in semi-urban areas.

Conclusion

This study reveals that while women in Karnataka are increasingly aware of e-banking services, various challenges especially among semi-urban populations continue to hinder full adoption. Security concerns, lack of digital literacy, and infrastructural barriers remain significant. However, the expressed willingness to adopt e-banking if these concerns are addressed presents a strong opportunity for policymakers and financial institutions. By focusing on digital education, simplified technology,



and community outreach, stakeholders can bridge the gender gap in digital financial inclusion and empower more women through secure and accessible e-banking platforms.

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