

# The Study on Usage of Banking Technology among Youth

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### Abstract

Recently, there has been a lot of interest in the adoption and usage of financial technology by young people, including digital payment apps, mobile banking, and online banking. The purpose of this study is to look into the benefits and drawbacks of youth banking technology use. With our study on use of a quantitative research approach, and 109 respondents were selected for the sample via purposeful sampling. A well-crafted questionnaire was used to collect the data, then percentile analysis and Garrett ranking were used to analyze it. The report also identifies the banking technology tools that young people use the most frequently and highlights any areas in which they might not be as knowledgeable as they could be. The findings demonstrate how actively young people use financial technology and how interested they are in online shopping, money transfers, and bill payment. However, a lot of youthful consumers are concerned about the privacy and security of their financial data. Financial organizations, legislators, and researchers can use the information in these studies to gain a better understanding of how young people use banking technology. They also offer recommendations on how to improve financial literacy, fortify security measures, and close knowledge gaps in order to enable youth to utilize banking technology in a safe and effective way.

**Keywords:** Banking Technology, Young People, Security, Net Banking, Fintech, Financial Literacy, Technology Barriers.

Banking technology has proliferated in the contemporary digital era, including digital payment apps, mobile banking, and online banking. Young people are usually the ones that adopt new technologies first. Growing up in a digital age, the younger generation is used to using technology for many aspects of their lives, including managing their finances. Using banking technology could benefit young people in many ways, such as increased efficiency, accessibility, and convenience when transacting money. However, there may be challenges, including concerns about privacy, security, and financial literacy. The benefits and drawbacks of youth utilizing banking technology will be examined in this study project, along with adoption and usage patterns that are impacted by the attitudes, behaviors, and preferences of the young about different banking technology platforms. The purpose of this study is to examine how youth utilize financial technology, weigh the advantages and disadvantages of it, and provide recommendations for improving youth understanding and safe usage of banking technology.

## Review of Literature

Divya MP, Mrs. CK Hebbar, Banking is essential to the economy's expansion. The advancement of information technology has brought about changes in the way businesses are currently performed. Banks are supplying state-of-the-art technology to its customers. Thanks to technology improvements, the banking industry adopted digital banking, which allows clients to access banking services whenever and wherever they choose. The banks communicate with their customers online. Digital banking is the banking method that is increasing the fastest. Young Indians who have banking apps on their phones are using cellphones at a rate that has rapidly climbed. Mobile banking has grown in popularity recently because it is so easy and comfortable to use.

S Muthuvel, Natkunarajah Umakanth, there are several advantages to online banking. Numerous pertinent studies have shown that young people's use of e-banking has expanded globally. Still uncommon in many other locations, such as Jaffna District, is the phenomenon. The purpose of this study was to determine and investigate the factors that encourage young people in the Jaffna District to utilize internet banking. The research model was based on the Unified Theory of Acceptance and Use of Technology concept. A survey questionnaire was distributed to 350 students at the University of Jaffna in order to collect data. The results show that perceived ease of use, bank type, and the use of e-banking and customer service are all positively connected.

Mobile banking is transforming the way the banking industry grows and offers value to its customers, according to Deepak Chawla and Himanshu Joshi. This banking channel has not only reduced the cost of access to financial services but also created opportunities for service differentiation. Therefore, if banks wish to guarantee the long-term survival of the banking industry, they must have a thorough awareness of client categories and the degree to which customers use various mobile banking services. This study incorporates the technology acceptance model (TAM) to develop a conceptual framework for talking about consumer attitudes and intentions around mobile banking services. A sample consisting of 367 respondents was given a survey.

H. S. Srivatsa and R. Srinivasan. The banking sector in India has grown quickly and faced intense competition. This industry has seen rapid technological breakthroughs, intense pricing rivalry that almost led to the commoditization of the sector, product improvements, the public sector losing market share to private banks, and, ultimately, a heated war for clients. Psychographics were employed in the study to look into Indian retail banking customers. The results of research conducted in the Indian state of Karnataka are presented in this empirically based study. The several psychographic client categories that were discovered are covered in the following sections of this study.

H. Kalaiarasi and V. Srividya, virtually all Indian banks now provide internet banking, which is a modern take on the nation's traditional branch banking structure. Indian banking consumers have been shown to be reluctant to use internet banking services, despite the fact that it provides superior convenience and customer support. This study uses Roger's innovation diffusion theory to investigate the factors influencing the adoption of online banking services. One of the dimensions, in addition to Roger's innovative qualities, is the perception of risk, which significantly affects the rate at which new technologies are accepted. The results of the survey show that young customers use online banking when it fits into their schedule and if the website is user-friendly.

## Statement of the Problem

Given the growing acceptance of digital banking and mobile payment systems among teenagers, it is imperative to comprehend how they are adopting and using these technologies. The goal of the study is to identify the factors that influence young people's adoption of banking technology and look into the benefits and drawbacks of doing so. The study will specifically look at how young people use different banking technology tools, including digital wallets, online payment

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platforms, mobile banking apps, and other developing financial technologies. The research will provide insight into the ways in which youth now utilize banking technology, identify areas in which improvements could be made, and expand our understanding of the ways in which banking technology influences the financial behavior and overall well-being of youth.

### Objectives of the Study

The project's goal is to look into how young people use banking technologies in both urban and rural settings.

- To ascertain which banking technology are most frequently used by youth.
- To look at the psychological, socioeconomic, and demographic factors that influence how young people use banking technology.
- To investigate the advantages and difficulties related to the application of banking technology.
- To examine how young people use financial technology across various nations and regions and to pinpoint any regional variations in adoption and usage trends.

### Methodology of the Study

Only primary and secondary data were used in this investigation. There were one hundred responders in the sample, representing a range of social classes and economic brackets. The respondents were chosen from various regions of the country. The purpose of the questions was to ascertain the respondents' level of familiarity with banking technology. The chosen respondents received the questionnaire, and the information gathered was examined. Prior to statistical procedures like percentile analysis, Garrett ranking, and graphical and tabular display, the data was modified, encoded, and tabulated.

### Scope and Limitations of the Study

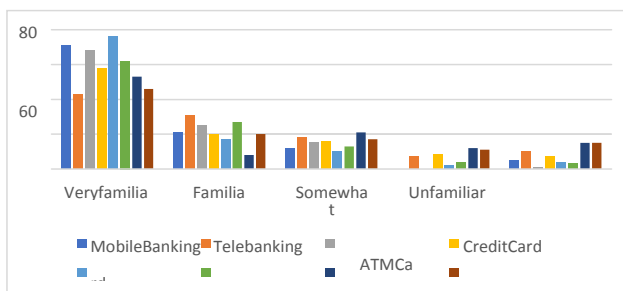
The subject area of the study is limited to the 100 survey respondents who answered questions on their use of financial technologies. Because they are limited to this specific sample size, the study's findings and conclusions could not apply to the entire population. It's possible that the survey did not fully capture the richness and nuance of respondents' viewpoints and experiences regarding the usage of financial technologies by young people.

Furthermore, the survey questions were insufficiently comprehensive to address every facet of the topic, leading to findings that were not fully formed. The banking technology sector is always evolving, with new platforms and technologies being produced on a regular basis. The fact that banking technology is always changing could mean that the study has certain limitations.

## Findings

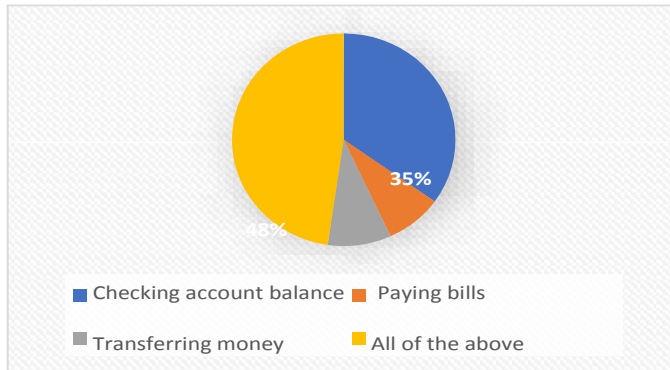
### Familiarity with Types of Banking Technology

Chart 1.1



**Interpretation:** The analysis of the familiarity on banking technology of the respondents are presented in the Chart 1.1. Nearly (72 in value) of the respondents are very familiar with debit cards and the second most nearly (71 in value) are familiar with online banking. This shows young people are very familiar among technologies introduced by banks and it influences a lot among teenagers.

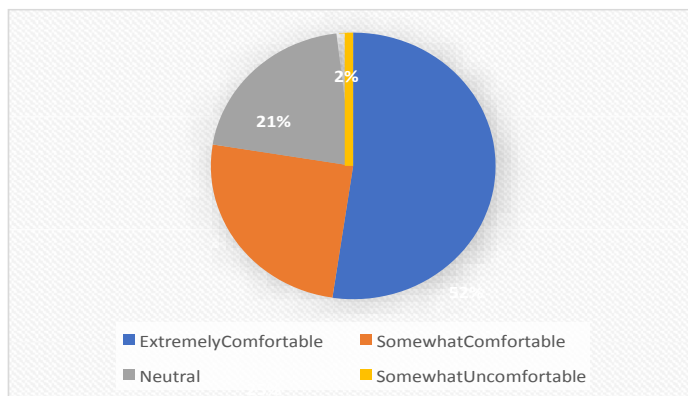
### Most Common Transactions that Young People Use



**Chart 1.2**

**Interpretation:** The view on most common transaction that young people use banking technology for is presented in the Chart 1.2. It is observed that (48%) of the respondents have responded that all of the above, i.e., for checking balance, paying bills & for transferring money.

### Comfort Level with Modern Banking Technologies



**Chart 1.3**

**Interpretation:** The view on comfort level with banking technologies is presented in the Chart 1.3. It is observed that (52%) of the respondents have responded that extremely comfortable i.e., they are extremely comfortable using modern banking technologies.

## Differences in Technology Across Age Groups

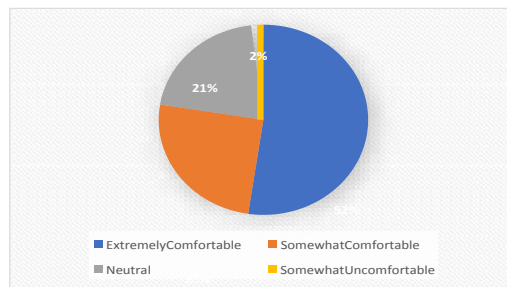


Chart 1.4

**Interpretation:** The perspective on how technology varies among youth age groups is shown in Chart 1.4. It is noted that only a small percentage of respondents (54%) replied differently. That is to say, they don't perceive many differences in technology. Furthermore, even they know more about technology.

### Results and Discussions

- The results of the study on the usage of financial technology showed that a sizable portion of respondents, primarily city dwellers, stated they used it frequently or extremely frequently.
- Accessibility and convenience were determined to be the primary drivers of banking technology use, with smartphones being the most widely used device for this purpose. Concerns about cybersecurity and fraud were also mentioned as possible problems associated with the usage of financial technology.
- These results highlight the increased reliance on banking technology for financial operations and the need for robust security safeguards to counter potential threats. Subsequent research endeavours may examine the impact of demographic factors such as income, gender, and occupation on the applications of banking technology, and explore avenues for enhancing customer education and support initiatives.
- This underscores the importance of financial institutions implementing robust security protocols and endorsing client education and awareness initiatives to mitigate potential risks associated with the utilization of banking technology. The widespread use of banking technology for financial transactions can be promoted by increasing user trust and confidence through additional research and the implementation of robust security measures.

### Recommendations and Conclusion

Finding out whether individuals are aware of financial technology and how young people use it was the aim of this study. Financial institutions should keep making investments in robust security measures, such as multi-factor authentication, regular security updates, and fraud detection/prevention strategies, to safeguard customer data and transactions. Initiatives for consumer education and awareness should be increased in order to increase user awareness and vigilance against potential threats.

The findings highlight the increasing utilisation of banking technology due to factors such as convenience, simplicity of access, and heightened financial literacy. Effective security measures, client education, and support services should be employed to tackle problems pertaining to cybersecurity threats, fraud, and social connections. Better customer experiences and increased use of these technologies in the future are possible outcomes.

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