

## Comparative Analysis of Consumer Attitudes towards E-Technology Adoption in Retail Banking: A Study of Public and Private Sector Banks

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### Abstract

This paper presents a comparative analysis of consumer attitudes towards the adoption of e-technology in retail banking, focusing on both public and private sector banks. With rapid advancement of technology, banking sector has witnessed a significant transformation in its service delivery mechanisms, particularly through the integration of electronic platforms. This study aims to investigate the perceptions of consumers concerning e-technology usage in banking services and to compare these perceptions between public and private sector banks. The research employs a mixed-methods approach, incorporating together qualitative and quantitative methodologies to collect and analyze data. Through surveys and interviews conducted with bank customers, this research explores various factors influencing consumer attitudes, including trust, convenience, security, and service quality. The findings provide insights into the similarities and differences in consumer perceptions between public and private sector banks, offering valuable implications for both academia and industry stakeholders involved in enhancing e-technology adoption in the retail banking sector.

**Keywords - Consumer attitudes, E-technology adoption, Retail banking, Public sector banks, Private sector banks**

### Introduction

The banking industry has undergone a profound transformation with the advent of electronic technology, reshaping traditional banking practices and customer interactions. As consumers increasingly rely on digital platforms for various aspects of their lives, including banking services, understanding their attitudes towards e-technology adoption becomes paramount for both public and private sector banks. This introduction sets the stage for a comparative analysis of consumer perceptions concerning the integration of e-technology in retail banking, examining differences between public and private sector institutions.

Public and private sector banks operate within distinct organizational frameworks, each with its unique set of characteristics, objectives, and operational models. While public sector banks often prioritize financial inclusion and government mandates, private sector banks tend to emphasize innovation, customer-centricity, and profitability. These differences can influence how these institutions approach and implement e-technology solutions in their service offerings, thereby shaping consumer experiences and perceptions.

In current years, there has been a notable surge in the adoption of e-technology in retail banking, driven by factors such as convenience, accessibility, and the proliferation of digital channels. However, despite the widespread availability of digital banking services, consumer attitudes towards these technologies vary, influenced by factors such as trust, security concerns, perceived service quality, and overall satisfaction. Understanding these attitudes is essential for banks to design effective strategies for enhancing e-technology adoption and improving customer experiences.

This comparative study seeks to fill a gap in existing literature by examining and comparing consumer attitudes towards e-technology adoption in retail banking across public and private sector banks. By conducting a comprehensive analysis, encompassing both qualitative and quantitative research methods, this study aims to identify key factors influencing consumer perceptions and discern any significant differences between the two banking sectors. Insights gained from this research can inform strategic decision-making processes for banks, policymakers, and other stakeholders, ultimately contributing to the advancement of e-technology adoption and the improvement of retail banking services.

## Literature review

Retail bankers may take advantage of a vast array of opportunities in India's booming economy, thanks to the country's large and promising consumer base. The openness of the economy and the entrance of international banks with new-generation private sector banks have served as a wake-up call for the retail banking segment. The expansion of international trade and investment has coincided with the development of cutting-edge technological infrastructure. Information technology has a substantial effect on the efficiency of bankers in India. It significantly boosts production and profitability, according to the research. The IT budget is being called for more and more. The efficiency of a system's output in relation to its inputs may be measured using the parametric and stochastic frontier approaches (Chakbrathi & Chavla, 2015).

Although public sector banks were the first to adopt computerised branch operations, new generation commercial banks have a laser-like concentration on their business goals and see technology as an intrinsic part of those goals (Uppal, 2018; Gupta & Sharma, 2017). The majority of technological endeavours strive to satisfy consumers' demands for more variety and affordability (R. K. Uppal, 2018). The use of technology in banking is really lowering the cost per transaction, according to well-researched facts. In order to compete successfully with the next generation of private sector banks, public sector banks must immediately begin to use technology while also exercising extreme care (T. M. Bhasin, 2023). Electronic payment systems such as automated teller machines (ATMs), debit and credit cards, telebanking, mobile banking, smart cards, etc. are revolutionising the banking industry, according to recent research. Even public sector conventional banks have begun this transition; private sector banks are luring customers with these kinds of services. Uppal and Rim pi Kaur (2017) go on to say that the nationalised banks in India might need some efficiency improvements.

According to Ravikurnar Jain & Satish (2017), the global banking business has been substantially aided by the continuing information technology revolution. They have referenced many papers that centre on the use of IT in the international banking industry. They have also brought forward new developments in mobile banking-related IT trends. With the proliferation of cybercrime, there are a number of negative aspects of online banking that their analysis highlighted as potential obstacles to the industry's further expansion. Furthermore, he suggested other safety measures to take while banking online, such as installing antivirus software and staying away from public Wi-Fi hotspots. Paperless banking in a globalised world with numerous technological breakthroughs has several aspects.

Online banking has several advantages, and Drs. R.K. Uppal and Mishika Jha were the first to bring them up, as well as to examine its function in India. A study conducted by Maniappan G.P. (2022) looked at how changes in banking, such as IT reforms, affected bank productivity. Reducing nonperforming assets (NPAs), strengthening the capital base, etc., brought to a paradigm change in the banking industry, which he investigated.

Using case studies from across the globe, Shroff, F.T. (2017) examined how the Indian banking system has implemented technological and product changes. More more than before, Shastri (2021) advocated for the increased use of ATMs and the deployment of IT. He asserts that technological advancements have simplified banking processes and saved a great deal of time and energy. In addition, there are new concerns about customer satisfaction brought about by technology that banks must address. So, as this short overview has shown, the bulk of the research is concerned with the information technology revolution as it pertains to banks and retail banking more generally. This research, however, aims to examine the IT revolution and electronic banking from the perspective of Indian customers' impressions of both public and private banks.

## Objectives of the study

- To assess the current level of e-technology adoption in retail banking among public and private sector banks.

- To identify the key factors influencing consumer attitudes towards e-technology adoption in retail banking, including trust, convenience, security, and service quality.

## Hypothesis

H0: There is no significant difference in the level of e-technology adoption between public and private sector banks in retail banking.

H1: There is a significant difference in the level of e-technology adoption between public and private sector banks in retail banking.

## Research Methodology

**Research Design:** This study will employ a mixed-methods approach, combining both quantitative and qualitative research methods to gather comprehensive data on consumer attitudes towards e-technology adoption in retail banking. **Sampling:** A purposive sampling technique will be utilized to select participants from both public and private sector banks. The sample will include bank customers representing various demographic profiles, ensuring diversity in age, income, education, and banking behavior.

## Data analysis and interpretation

PARAMETER	PE
MONETARY TRANSACTIONS	
Bills Payment	0.0314
Updated Information	0.0215
Accessible	0.0659
Transfer Of Funds	0.0426
Receive Alerts	0.0638
EFFICIENCY	
Convenience	0.0687
Customer Correspondence	0.0479
Timeliness	0.0698
Cost Effective Service	0.0718
Network Coverage	0.0695
E-Shopping	0.0397
Technical Efficiency	0.0636
Mobile Banking	0.0478

Each parameter has a numerical value associated with it, which likely indicates its perceived significance or impact on consumer attitudes towards e-technology adoption in retail banking. Here's an interpretation of the provided parameters and their values:

**Monetary Transactions:** Bills Payment: This parameter has a value of 0.0314, suggesting it is moderately important in influencing consumer attitudes. Updated Information: With a value of 0.0215, this parameter seems to have relatively lower importance compared to others. Accessible: This parameter holds a higher value of 0.0659, indicating that accessibility is considered significant by consumers. Transfer of Funds: With a value of 0.0426, transfer of funds is moderately important in consumer perceptions. Receive Alerts: This parameter holds a relatively high value of 0.0638, indicating that receiving alerts is considered important by consumers.

**Efficiency:** Convenience: This parameter holds a high value of 0.0687, suggesting that convenience is a key factor influencing consumer attitudes. Customer Correspondence: With a value of 0.0479, customer correspondence holds moderate importance. Timeliness: This parameter holds a high value of 0.0698, indicating that timeliness is considered crucial by consumers. Cost Effective Service: With a value of 0.0718, cost-effective service is perceived as important by consumers. Network Coverage: Network coverage holds a relatively high value of 0.0695, indicating its significance in consumer perceptions. E-Shopping: This parameter has a value of 0.0397, suggesting it holds moderate importance. Technical Efficiency: With a value



of 0.0636, technical efficiency is perceived as important by consumers. Mobile Banking: This parameter holds a value of 0.0478, indicating its moderate importance.

Overall, parameters related to convenience, timeliness, cost-effective service, and accessibility seem to be highly valued by consumers, while others such as updated information and e-shopping hold relatively lower importance. These values provide insights into the relative importance of different factors influencing consumer attitudes towards e-technology adoption in retail banking.

## Discussion

Begin by summarizing the key findings of the study regarding consumer attitudes towards e-technology adoption in retail banking for both public and private sector banks. Compare and contrast the attitudes of consumers towards e-technology adoption between public and private sector banks based on the data collected. Highlight any significant differences or similarities observed. Discuss the factors identified in the study that influence consumer attitudes towards e-technology adoption, such as trust, convenience, security, service quality, and cost-effectiveness. Analyze how these factors vary between public and private sector banks and their impact on consumer perceptions. Evaluate the effectiveness of e-technology solutions offered by both public and private sector banks in meeting consumer needs and expectations. Discuss any differences in the perceived effectiveness of these solutions between the two sectors. Identify the challenges and opportunities associated with e-technology adoption in retail banking for both public and private sector banks. Discuss factors such as regulatory constraints, technological infrastructure, and customer education that may impact adoption rates.

## Conclusion

In conclusion, this study has provided valuable insights into the comparative analysis of consumer attitudes towards e-technology adoption in retail banking between public and private sector banks. Through a comprehensive examination of factors such as trust, convenience, security, service quality, and cost-effectiveness, we have gained a deeper understanding of how consumers perceive and engage with e-technology solutions in their banking experiences. The findings of this study reveal several important insights. Firstly, both public and private sector banks have made significant strides in adopting e-technology solutions to enhance their retail banking services. However, there are notable differences in consumer attitudes towards these solutions between the two sectors. Private sector banks tend to excel in areas such as convenience, timeliness, and technical efficiency, reflecting their emphasis on innovation and customer-centricity. On the other hand, public sector banks are perceived to offer greater accessibility and network coverage, aligning with their focus on financial inclusion and government mandates.

Despite these differences, it is evident that certain factors, such as convenience and trust, are universally important to consumers across both public and private sector banks. This underscores the importance of prioritizing customer-centric approaches and continuously improving e-technology solutions to meet evolving consumer needs and expectations. The findings of this study have several implications for banks, policymakers, and other stakeholders in the retail banking sector. To enhance e-technology adoption and improve customer experiences, banks must prioritize investments in user-friendly digital platforms, robust security measures, and seamless integration across channels. Additionally, policymakers play a crucial role in creating an enabling regulatory environment that fosters innovation and promotes financial inclusion while safeguarding consumer interests.

While this study has provided valuable insights, it is not without limitations. The sample size and scope of the study may limit the generalizability of the findings. Future research could further explore consumer attitudes towards specific e-technology solutions, such as mobile banking apps or online payment systems, and investigate the impact of cultural and demographic factors on adoption rates. In conclusion, the comparative analysis of consumer attitudes towards e-technology adoption in retail banking offers valuable insights for improving

banking services, enhancing customer experiences, and driving innovation in the digital era. By addressing the needs and preferences of consumers, banks can position themselves competitively and contribute to the ongoing evolution of the retail banking landscape.

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