

## CONSUMER PERCEPTION AND ADOPTION OF ONLINE BANKING TECHNOLOGIES

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### Abstract

The rapid advancement of digital technologies has transformed the banking sector, leading to the widespread adoption of online banking services. This study examines consumer perception and its impact on the adoption of online banking technologies. Key factors such as perceived usefulness, ease of use, trust, security, accessibility, and risk perception are analyzed. The study adopts a descriptive research approach based on secondary data from existing literature. Findings indicate that consumer perception plays a critical role in shaping adoption behavior, with technological, psychological, and demographic factors significantly influencing user acceptance. The study concludes with strategic recommendations for enhancing customer trust and increasing adoption rates.

**Keywords:** Online Banking, Consumer Perception, Technology Adoption, Digital Banking, Trust, Security

### 1. Introduction

Online banking, also known as internet or e-banking, has become a vital component of modern financial systems. It enables customers to perform banking transactions through digital platforms without visiting physical branches.

With increasing internet penetration and smartphone usage, particularly in developing countries like India, online banking adoption has grown significantly. However, despite its advantages, many consumers remain hesitant due to concerns related to security, trust, and usability.

Understanding consumer perception is therefore essential for banks to design effective strategies that encourage adoption and enhance user experience.

### 2. Objectives of the Study

- To examine consumer perception towards online banking technologies.
- To identify key factors influencing adoption of online banking.
- To analyze the relationship between perception and adoption behavior.
- To provide recommendations for improving adoption rates.

### 3. Literature Review

Previous studies have highlighted various factors influencing online banking adoption:

- The **Technology Acceptance Model (TAM)** identifies perceived usefulness and ease of use as primary determinants of adoption .
- Research shows that **security, risk perception, and trust** significantly affect consumer willingness to adopt online banking .

- Studies on digital transactions indicate that **technical knowledge, perceived usefulness, and transaction risk** influence consumer perception and readiness .
- Demographic factors such as **age, education, and innovativeness** also impact adoption behavior .
- Social and behavioral factors, including **trust and compatibility with lifestyle**, play a crucial role in shaping adoption intentions .

These studies confirm that consumer perception is multidimensional and significantly influences online banking adoption.

#### **4. Research Methodology**

This research is based on **secondary data analysis**, using academic journals, research articles, and reports related to online banking adoption. A qualitative approach is used to synthesize findings and identify key influencing factors.

#### **5. Factors Influencing Consumer Perception and Adoption**

##### **5.1 Perceived Usefulness**

Perceived usefulness refers to the degree to which a consumer believes that using online banking enhances their banking efficiency. It is one of the strongest predictors of adoption.

##### **5.2 Perceived Ease of Use**

Ease of use relates to how simple and user-friendly the online banking system is. Studies show that systems that are easy to navigate encourage higher adoption rates .

##### **5.3 Trust and Security**

Trust is a critical factor in online banking adoption. Consumers are concerned about data privacy, fraud, and unauthorized access. Perceived security significantly influences trust and adoption decisions .

##### **5.4 Perceived Risk**

Perceived risk includes financial risk, privacy risk, and performance risk. High perceived risk discourages consumers from adopting online banking technologies.

##### **5.5 Accessibility and Convenience**

Accessibility refers to the availability of online banking services anytime and anywhere. Convenience is a major motivating factor for adoption, especially in urban populations.

#### **6. Discussion**

The analysis reveals that consumer perception is shaped by a combination of **technological, psychological, and social factors**. While perceived usefulness and ease of use drive adoption, concerns related to security and risk act as barriers.

Modern consumers increasingly value convenience and accessibility, but trust remains a fundamental requirement. Therefore, banks must balance innovation with security and transparency.

## 7. Conclusion

Consumer perception plays a crucial role in the adoption of online banking technologies. While technological advancements have made online banking more accessible and efficient, concerns related to security and trust continue to influence user behavior. Banks must adopt a customer-centric approach that addresses these concerns while enhancing usability and accessibility to ensure widespread adoption.

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