

# **DIGITAL BANKING ISSUES FACED BY THE ELDERLY AND THE OPTIMAL MEASURES TO RESOLVE THEM**

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## **ABSTRACT**

Digital Banking has emerged to be of paramount importance. It plays a vital role in the Country's economy. This paper collectively portrays an evaluation of the experience that people have with Digital Banking tools and techniques. 150+ samples were collected from individuals to analyse the needs and challenges that this group of users faces when using the tools and techniques of Digital Banking. The study involved 25 questions to be answered by the target audience, and the results have been based on the careful evaluation of the same. Our results further indicate that the prime reason for not using these services stands out to be the fear of fraud amongst the elders, followed by the poor User Interface of the Applications. Our quality findings have shown that seniors face problems in digital banking. Based on that, assumptions, suggestions and recommendations were given.

## **INTRODUCTION**

This research aims to undermine the problems and hurdles faced by the elderly in the modern, digital banking era and the practical ways in which the issues can be resolved, making it feasible for older adults. Population ageing is a never-ending phenomenon, and thus a focus on the ageing sector of the society is a must.

The technological implications, as well as the advancements in the technology, are well and good for people of Gen-Z or the people who are well versed with the technology. Still, it has been observed that the Digital banking methods are not always well optimised for people and might not be adjusted to their necessities.

With their natural tendency toward digital access, India's youth, who comprise 30% of the population, is an attractive market for various services, including digital banking. However, in the post-pandemic era, the senior citizen category, which will number over 138 million in 2021, is becoming increasingly crucial to financial institutions for digital services. This number is predicted to rise to 192 million by 2031, making this a niche market that necessitates a unique strategy.

Most financial institutions now do not take a distinctive approach to digital products for seniors; they are treated the same as other ordinary consumers. It is no longer accurate to presume that elders aren't tech-savvy and won't use digital services. Although many seniors still prefer to go to the bank to check their account balances, many are more comfortable with mobile phones and applications.

Senior persons have specific financial needs, and their digital behaviour and personality are also distinct, which should be considered in financial organisations' digital activities. In this environment, looking at the senior client journey and their particular emotional demands is critical before developing a digital strategy. The primary emotional issues around which the content strategy should be created are their demands for retirement security, medical support, and ease of disbursement of monies to their family when they pass away.

Renewal of deposits or checking on essential products like savings accounts given with comparisons, facts, and reassurance are examples of product-related content demands of seniors that require specific attention.

Large typefaces, clear areas, and simple infographics should be used in presentations for seniors, which easy-to-navigate portals and ready-to-assist voice-based bots should accompany. It's just as crucial for elders to have a user-friendly experience as for any other client to feel at ease with the product provider's engagement

process. Pension Seva is a beautiful example of a specialised category of digital offering that is easy to access and understand and is developed explicitly for the elderly.

Product providers are concerned about cyber security. Many continue to send elders communications at regular intervals, warning them of fraudsters and the precautions they should take. Seniors may develop a dread psychosis due to this, leading to a distrust of the digital media. Elders' concerns must be addressed, and financial institutions must instil confidence through specially created apps and services.

Some banks have begun to discourage consumers, particularly seniors, from visiting their branches for ordinary transactions and instead push them to use digital banking, particularly during the pandemic.

While this has aided in the faster adoption of digital methods for some, it would be helpful to promote mobile and online banking capabilities through orientation sessions at branch kiosks for others unfamiliar with digital adoption or apprehensive. Seniors would be more inclined to use digital banking if messages were repeated over time through digital and branch channels, encouraging them to start small.

## **What is Digital Banking?**

Digital banking can be termed as the methodology of modern banking that uses the combined forces of Internet and internet communicator devices (POS, Mobile Phone, PC, etc.)

Digital banking provides the users with many options, including Cash Deposits and Withdrawals, Passbook printing services, Transfer of Money, Applying for Loans, Applying for Credit Cards, paying bills, etc.

Banks and financial institutions have been designing websites and engaging their customers in Digital banking for years. The process, which used to be cumbersome, unsafe, and more vulnerable to attacks, has no doubt been updated and is continuously updated, monitored and optimised for consumer ease of use. Also, various security protocols have been put in place to eliminate potential threats and cyber-attacks. The preventive measures put up in the interest of the safety of bankers include the issue of Digitally Signed Certificates for websites authenticating transactions. Moreover, the companies have implemented encryption methods that provide payment gateways to make the transaction safe and secure, along with 2-factor authentication comprising Security Questions and OTP authentication.

This paper aims to identify the key issues adults face in digital banking, which has led to a limited acceptance of digital banking services for older users. Human ageing is a miracle. Currently, the most experienced part of the human race is surrounded by innovation, the web, and mobile, many of which are not tailored to their needs. However, this worldwide increase in adult numbers means that the demand for the web and new creative management will grow. It has been perceived that there will be more than a billion adults, making it the basis for sites intended for adult use by 2020. Digital banking is a business that uses PCs or other mobile phones, for example, high-end mobile phones and tablets. With online banking, clients can move and earn cash, take care of tabs, start stagnant stores, and make alternatives. The concerns of older persons and their capacity to access digital banking were given more consideration when this study was done. According to an ongoing report by the Federal Reserve Board, only 18% of people over 60 use digital banking. Several variables facilitate the use of adult renaming issues, including easy access, limited capabilities, protection against change, and reliance on over-emphasis on knowledge; how to develop adult commitment and care is imaginative. Customer concerns and book improvement by successfully dealing with these concerns.

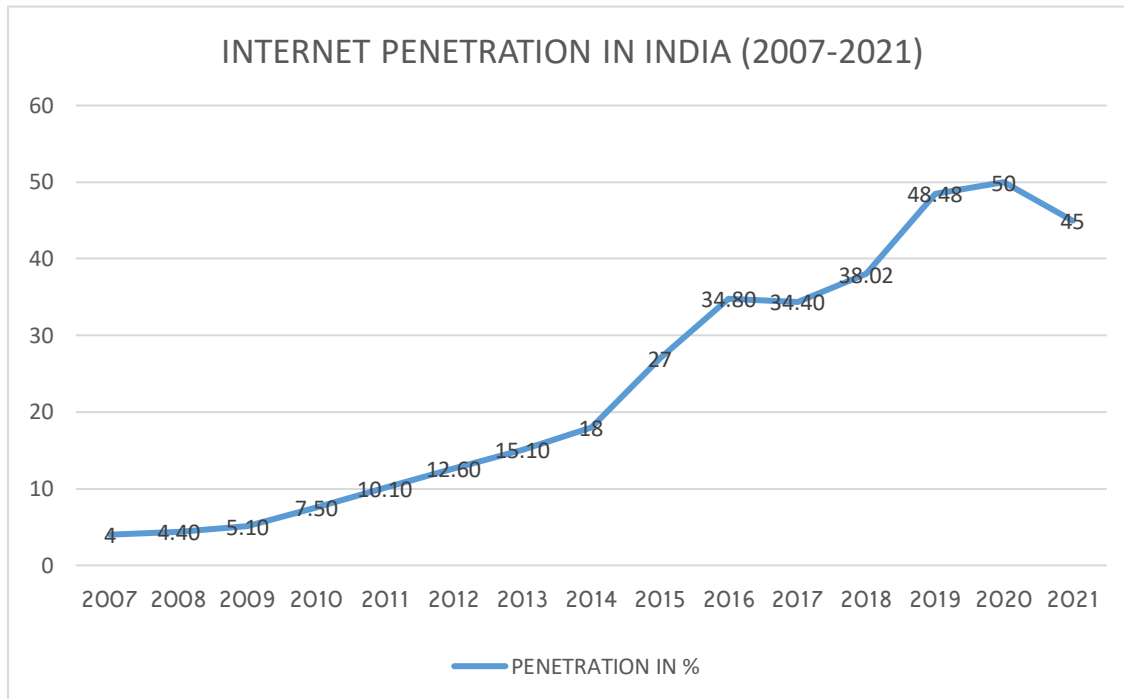
## **DIGITAL DIVERGE**

Digital Divide is nothing but the division of different aspects of society into sectors wherein the indulgence of technology is most and least.

It is termed as the gap between the households, generations, businesses and areas residing at different socio-economic levels regarding their access to and usage of Information and Communication Technology (ICT).

A significant percentage of the population comes under the category of sporadic users, and the availability of modern technology is not accessible to a substantial population of people.

## **INTERNET PENETRATION RATE IN INDIA (2007 – 2021)**



## **LITERATURE REVIEW**

**CENTENO (2004)** says speed, the convenience of long-distance access, 24/7 availability and price promotion are key factors that encourage consumers to use an online banking system.

**Durkin et al. (2008)** Consumers are more likely to use internet banking because of the ease of available services.

**Calisir and Gumussoy (2008)** compare Consumer perceptions of online banking and conventional banking channels are mixed, with some claiming that internet banking, ATMs, and phone banking are all interchangeable.

**Maenpaa et al. (2008)** consumer impressions of internet banking in Finland were investigated, and the findings revealed that familiarity has a moderating influence on perception.

**Guerrero et al. (2007)** examined the results of a study on Europeans' use of online banking to show that having a variety of financial products and services, a positive attitude toward money, and faith in the internet as a banking channel all influence clients' use of the internet.

**Sohail and Shanmugham (2003)** documented that Malaysians' use of internet banking is influenced by internet accessibility, understanding of e-banking, and resistance to change.

(Nilsson, 2007)documented Seller assistance is another feature that encourages customers to use internet banking.

The rapid expansion of web banking can be seen in developed countries such as the United States, where the availability of PCs and easy access to the internet has made it easier for banks to embrace web banking. The use of web banking administrations in developing countries appears to be progressing slower. Regardless of the challenges they experience, banks in developing countries are increasingly giving web banking administrations.

**POLATOGLU AND EKIN (2001)** stated that a few leading Turkish banks have successfully given web-based banking administrations since 1997. According to the Turkey banks association, 27 out of 47 banks offered web banking services in 2006, accounting for 58 per cent of all Turkish banks (Banks Association of Turkey, 2006).

**JOSEPH AND STONE (2003)** investigated the client's perspective on the impact of innovation on administration delivery in the banking sector. According to the findings of this study, high scores on the ability to deliver administration through innovation are associated with increased satisfaction with services deemed to be generally necessary to clients. As a result, the accessibility of web banking administrations appears to be

essential for banks in terms of customer loyalty and retention. However, the availability of digital banking services is insufficient in increasing customer loyalty. The ease of use of web banking services appears to significantly influence clients' decisions to use these services.

**Lang and Colgate (2003).** Clients who don't have any IT skills believe that using web banking services is more accessible; thus, they are more satisfied than those who don't have any IT skills.

**Broderick and Vachirapornpuk (2002)** Furthermore, the quantity and character of a client's investment in web banking services impact their perception of service quality.

## NEED FOR THE STUDY

Digital banking aids in the digitalisation of the economy in the future, and it encourages and supports society's preference for cashless transactions and online payment or transactions. It has a good impact on business and society and greater human resource development.

- Factors that made the elderly reluctant to use digital banking services.
- Determine the elder's perspective on digital banking services.

## STATEMENT OF THE PROBLEM

Some elders face challenges with digital banking transactions due to a lack of understanding of digitalisation, network issues with online banking transactions, and needing external help to manage their accounts. However, bank employees are not available to assist or answer their questions due to their busy schedules. Also, because they cannot use digital banking, they must give their account information and ATM cards to others to obtain cash. At this time, the card user risks misusing the card, stealing money, and having their accounts hacked. These issues cause elders to have difficulties and fear using digital banking.

## OBJECTIVES OF THE STUDY

- I am finding the issues faced by the older adults in the modern digital banking Solutions.
- To provide adequate measures to tackle the problem faced by the Seniors.

## SCOPE OF THE STUDY

The study entitled challenges faced by elders towards digital banking services aims to determine the awareness level and effectiveness of digital banking; this analysis will help to know the awareness level of elders regarding the digital banking service and the elders' perception regarding the digital banking services.

## RESEARCH DESIGN

Research design can be termed as the structure, arrangement and procedure of examination that are considered for us to look into the questions by acquiring responses. Research configuration is an absolute arrangement or structure for study that leads to the assortment of information. Enlightening examination configuration is embraced for investigating the report.

## RESEARCH METHOD

The research design is Descriptive Research. Elucidating measurements were tabular, graphical, and numerical rundowns of information. Its main reason for its existence is to promote the presentation and CONTACT of information. Specifying the configuration of the study includes disclosing the components that make up the component and the profile of the sample area.

## SOURCE OF DATA

- **PRIMARY DATA:** The Primary information has been gathered legitimately from individuals via organized surveys comprising several questions.



- **SECONDARY DATA:** The Secondary data will be gathered from various Research Papers, Journals, online sources, print media, etc.

## **TYPE OF QUESTIONS ASKED :**

### **1. Multiple choice questions.**

The respondents were handed off with varying multiple choice questions for them to answer and for us to make the questionnaire less cumbersome and easy to get hands-on.

### **2. Dichotomous questions or yes or no questions.**

The respondents were also given dichotomous options for questions about generic data.

## **PLAN OF ANALYSIS:**

The data collected so on and so forth will be converted into tabular and graphical formats. Pie Charts and tables will be significant in portraying the data.

The data above will then be analysed, and conclusions will be drawn.

## **LIMITATIONS OF THE STUDY:**

The study, however, done with immaculate work and perseverance, does possess a few limitations :

- The research Conducted hereof, and the results/conclusions drawn hereof mean to be valid for a finite period of time.
- The Research is Opinion Based as it relies on the respondent's answers to the survey questions.
- The analysis of the present study is bound by the geographical boundaries of the Country.

## DATA INTERPRETATION :

### GENDER

	Frequency	Percent	Valid Percent	Cumulative Percent
Female	70	38.7	38.7	38.7
Male	111	61.3	61.3	100.0
Total	181	100.0	100.0	

It is ascertained that over 38% respondents were females and over 61% respondents were Males.

### Branch Visits

	Frequency	Percent	Valid Percent	Cumulative Percent
	1	.5	.5	.5
1 to 3 times	49	26.8	26.8	27.3
3 to 8 times	30	16.4	16.4	43.7
8 to 12 times	22	12.0	12.0	55.7
Less than 1	56	30.6	30.6	86.3
over 12 times	25	13.7	13.7	100.0
Total	183	100.0	100.0	

It was ascertained that majority of the population visits banks less than 1 time a week.

### Reason For Visits

	Frequency	Percent	Valid Percent	Cumulative Percent
	1	.5	.5	.5
to get advice for investment options	36	19.7	19.7	20.2
to inquire about bank balance	36	19.7	19.7	39.9
to make a deposit	70	38.3	38.3	78.1
to transfer cash	5	2.7	2.7	80.9
to withdraw cash	35	19.1	19.1	100.0
Total	183	100.0	100.0	

The major reason for the visit was said to be for making deposits.

## Frequency Of Transactions (DIGITAL)

	Frequency	Percent	Valid Percent	Cumulative Percent
	1	.5	.5	.5
Daily –Several times	90	49.2	49.2	49.7
Monthly-once	8	4.4	4.4	54.1
Monthly-several times	13	7.1	7.1	61.2
Occasionally (less than once a month)	16	8.7	8.7	69.9
Weekly-Once	19	10.4	10.4	80.3
Weekly-several times	36	19.7	19.7	100.0
Total	183	100.0	100.0	

Majority of people reportedly agreed to the fact that they process digital transactions several times daily.

## Cash Withdrawal Technique

	Frequency	Percent	Valid Percent	Cumulative Percent
	1	.5	.5	.5
Agent for Mobile banking (e.g., pay outlet, retail shop)	10	5.5	5.5	6.0
At the bank teller	16	8.7	8.7	14.8
Automatic teller machine (ATM)	145	79.2	79.2	94.0
Point of Sale (POS)	11	6.0	6.0	100.0
Total	183	100.0	100.0	

It was ascertained that over 79% people prefer ATMs to withdraw cash.

## Where Did You Hear About Digital Banking

	Frequency	Percent	Valid Percent	Cumulative Percent
	1	.5	.5	.5
An Agent	9	4.9	4.9	5.5
Bank directly	42	23.0	23.0	28.4
Friends or Family	33	18.0	18.0	46.4
Mass media (television, radio, newspaper)	81	44.3	44.3	90.7
SMS from Mobile Operator	17	9.3	9.3	100.0
Total	183	100.0	100.0	

It was ascertained that over 44% people got to know about digital banking services via mass media.

## How do you Prefer To Be Contacted

	Frequency	Percent	Valid Percent	Cumulative Percent
	1	.5	.5	.5
By bank branch	1	.5	.5	1.1
E-mail	32	17.5	17.5	18.6
Hu	1	.5	.5	19.1
Mail	9	4.9	4.9	24.0
Person-to-person interaction	95	51.9	51.9	76.0
SMS	24	13.1	13.1	89.1
Telephone call	20	10.9	10.9	100.0
Total	183	100.0	100.0	

It was ascertained that over 51% of people prefer person-to-person interaction for coordination.

## Physical Banking Knowledge

	Frequency	Percent	Valid Percent	Cumulative Percent
	1	.5	.5	.5
1	2	1.1	1.1	1.6
2	8	4.4	4.4	6.0
3	38	20.8	20.8	26.8
4	44	24.0	24.0	50.8
5	90	49.2	49.2	100.0
Total	183	100.0	100.0	

On a scale of 1 to 5, over 49% of respondents believed their physical banking knowledge and ability to be 5.

## Digital Banking Knowledge

	Frequency	Percent	Valid Percent	Cumulative Percent
	1	.5	.5	.5
1	1	.5	.5	1.1
2	6	3.3	3.3	4.4
3	30	16.4	16.4	20.8
4	54	29.5	29.5	50.3
5	91	49.7	49.7	100.0
Total	183	100.0	100.0	

On a scale of 1 to 5, over 49% respondents believed their digital banking expertise to be above par at level 5.

## FINDINGS

- After conducting the survey, the results showcased that over 78% of people reckon that Elders do face difficulties in availing of Digital Banking Services.
- **Fear of Fraud** is a significant factor contributing to the non-adoption of digital banking techniques.
- The key challenges faced by the elders stand out to be the Increasing no. of cybercrimes as well as the poor User Interface of the Apps/Websites.

- Lack of Education and Literacy further contributes to the denial of Digital Banking Services.
- Furthermore, it is suggested that providing Relationship Managers to the older people and bringing improvements in the overall User Interface of the Apps/Websites will facilitate problem-solving and bring elders on board the Digital Banking Journey.

## RECOMMENDATION

- Both Public and Private Banks should come together and provide dedicated Relationship Managers to their elderly customers.
- A Grievance Redressal System that fast tracks any cases of frauds/phishing attacks.
- Banks should take feedback from their older customers and implement it in their future updates of mobile applications and websites.

## LIMITATIONS

The study, however, done with excellent work and perseverance, does possess a few limitations :

- The Research Conducted hereof and the results/conclusions drawn hereof mean to be valid for a finite period.
- The Research is Opinion Based as it relies on the respondent's answers to the survey questions.
- The geographical boundaries of the Country bind the analysis of the present study.

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