

## **Adoption and Acceptance of Hybrid Mode of Internet Banking Users: A shift from Cash to Cashless Payments**

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### **Abstract**

**Background:** Electronic banking or E-banking is a broad category of accessing banking services via electronic means, whereas Internet banking is a part or type of electronic banking.

**Objective:** Based on the research gap identified, the main objective of this research is to track the usage of the internet banking through the IMPS (Immediate Payment Service) Hybrid mode in the past 2 years from the period January 2021 to December 2022 towards the Adoption and Acceptance of Hybrid Mode of Internet Banking Users.

**Methodology:** The outcomes of the usage of digital payments got thus have been analysed through Mean, Standard Deviation, Covariance method and it is inferred towards the acceptance and adoption of the digital payments in the Indian economy for the period of 2021 and 2022.

**Key findings:** The findings from the study reveals that huge rise or changes is recorded with the transactions in the usage of digital payments for the period 2021 and 2022 and it's highly volatile in nature.

**Implication/Significance:** The banks can focus on their bank applications for the payments for utilities like other mobile wallets. The usage rate can be increased by the facilities and offers known to people in a well clear manner.

**Keywords:** ATM, Banks, Debit cards, Digital payments, IMPS and UPI

### **Introduction**

All the banking transactions done through an electronic device from one person to another is known as e-banking or internet banking. The examination of the digital user's satisfaction and aims in using the services offered by commercial banks needs to be focussed on the internet banking because the service is used by the banking service. The emergence of competition among the banks and financial institutions is the result of the technological improvements. The introduction of the payment applications has brought forward the payment system to this greater level. The adoption of the internet banking is mainly because of many reasons like easy transfer, convenient payments, no need to stand in long queues for simple transactions, accuracy, safety and security, accessibility, time saving, transparency, quicker and instant acknowledgement. The financial institutions, public sector banks, private sector banks

and foreign banks are striving hard to provide the utmost service to the customers. The internet banking enables the users to have access to their accounts, make transactions, make bill payments, to get information regarding the different financial products available in banks. The transactions are carried out through the applications and the web browser. The internet banking is done through the bank application or through the browser through the bank website. The customer needs to enter the individual username and password while logging through the website and the MPIN for the bank applications. The concluding observation is that the internet banking usage is very much higher and also increasing day by day.

### **Objective of the Study**

Based on the research gap identified, the main objective of this research is to track the usage of the internet banking through the IMPS (Immediate Payment Service) Hybrid mode in the past 2 years from the period January 2021 to December 2022 towards the Adoption and Acceptance of Hybrid Mode of Internet Banking Users A shift from Cash to Cashless Payments.

### **Literature Review**

**Michael Benniger (2023)** "Best online banks of 2023" stated that the Convenience, price, and extra features are advantages. Maintaining records, opening bank accounts quickly, and paying bills automatically save time and money on mailing.

**Wei Yang et.al (2022)** According to a study titled "Does mobile payment adoption really increase online shopping expenditure in China: A gender-differential analysis," online shopping can be increased with the aid of increased mobile payment adoption, specific gender-specific promotional strategies, and numerous other initiatives. The use of mobile payment has increased consumer spending, which suggests that mobile payment and e-commerce platforms work in tandem.

**Jiaping Zhang et.al (2022)** "Mobile payment and rural household consumption: Evidence from China" claims that the positive impact is attributed to the advantages of mobile payment in enhancing financial inclusion and the convenience of consumption activities for rural areas, which is confirmed by carrying out several disaggregated analyses in our study. The emphasis and scope on the financial technology economic effects, along with many other developments for emerging nations will pave new way for the mobile payments.

**Chunkai Zhao et.al (2022)** Through heterogeneity analysis, the inclusive function of mobile payments is discovered, and it is found that they have a greater impact on promoting rural household consumption, particularly for socially vulnerable groups like the elderly, those with

low incomes, and those with little education. The findings have significant implications for other nations and add to the body of knowledge on consumer financing and inclusive finance.

**Liao, S., & Ho, C. (2021)**The study "Mobile Payment and Mobile Application (App) Behaviour for Online Recommendations" has shown that mobile payments are essential as both a platform for mobile applications and as a means of payment. It amply demonstrates how online operators can gradually put together mobile payment business models to enable future e-commerce online suggestions as users of mobile payment and applications grow more demand and consumption capacity.

**Vimala V (2021)**According to "An Evaluative Study on Internet Banking Security Among Selected Indian Bank Customers," internet banking enables users to finish transactions quickly, saving them both time and effort. When it comes to completing tasks like checking your balance, withdrawing money, depositing money, viewing your bank account, and keeping track of recent activities, the Internet banking system proves to be incredibly flexible. Despite all the benefits, all banks place a very high priority on the protection of consumer financial information.

**Rosio Carranza (2021)**"Adoption of e-banking: A chance to increase customer value According to Co-creation ", there are a number of variables that drive bank customers to use e-banking to streamline their banking services and promote the co-creation of value process. As a result, the authors look at five key facets of the technology adoption model to give readers a comprehensive picture of how bank customers use e-banking.

### **Research Gap**

The review of literature reveals that many numbers of studies have been carried out to study the facilities in banks and the key indicators. There were many research studies pertaining to the e-banking aspects and the application procedures, and the processes. The adoption of the digital wallets and the digitalized payment modes is because of the various advantages of these modes. Literature review suggests that there is no research done regarding the adoption and acceptance of internet banking by the consumers. The study has focussed on the internet banking usage and the acceptance by the consumers at a large pace. The primary goal of the study is to provide insights on the increase or decrease in the usage rate of internet banking and its users.

### **Research Methodology**

The methodology adopted for the study is descriptive research and is based on secondary data which are collected from financial research reviews, [www.rbi.org](http://www.rbi.org) websites. The period of study is for the year 2021 and 2022 where the data is collected from the NPCI website and the

monthly data is compiled to compute the mean, standard deviation and the coefficient of variation. The coefficient of variance is calculated to identify the pattern of the usage of digital transactions for the period 2021 and 2022.

### Results and Discussion

<b>Table 1- IMPS Monthly Product Statistics Trended Month 2022</b>					
	<b>2022</b>	<b>2021</b>	<b>Mean*</b>	<b>Std Deviation*</b>	<b>CV*</b>
<b>Jan</b>	3,87,006.73	288537.18	3,37,771.96	40200.02545	11.90152849
<b>Feb</b>	3,84,404.04	275229.09	3,29,816.57	44570.4867	13.51371988
<b>Mar</b>	462,278.80	327234.43	3,94,756.62	55131.63319	13.96598083
<b>April</b>	444,669.88	299527.09	3,72,098.49	59254.29589	15.92435828
<b>May</b>	444,669.88	266241.36	3,55,455.62	<b>72843.13826</b>	<b>20.49289255</b>
<b>June</b>	443776.04	284033.21	3,63,904.63	65214.73726	17.92083221
<b>July</b>	444540.95	309054.12	3,76,797.54	55312.26673	14.67957234
<b>Aug</b>	445988.99	320202.97	3,83,095.98	51351.92763	13.40445484
<b>Sep</b>	454,451.31	324094.24	3,89,272.78	53218.05098	13.6711464
<b>Oct</b>	466,081.77	370712.43	4,18,397.10	38934.37002	9.305602266
<b>Nov</b>	454,678.67	364679.71	4,09,679.19	36741.92156	8.968461777
<b>Dec</b>	486,552.13	396411.41	<b>4,41,481.77</b>	36799.79484	8.335518552
<b>Source: Compiled, computed and extracted by the authors from <a href="https://www.npci.org.in/what-we-do/imps/product-statistics">https://www.npci.org.in/what-we-do/imps/product-statistics</a></b>					
<b>*Denotes computed by the authors</b>					

**Discussion:** Table 1 shows The results of the analysis from the above table indicate the standard deviation of -72843.13826 for the month of May which is widely spread to the mean value of 3, 55,455.62 indicates it is positively skewed around mean with less reliability in the month of May. The higher the CV 20.49289255, the higher the standard deviation 72843.13826 relative to the mean value 3, 55,455.62 indicates the moderate instability of usage of digital payments modes in the month of May.

The mean values of 4, 41,481.77 are higher in the month of December or the year 2021 and 2022. The standard deviation of 36799.79484 is moderate in the month of December which is relatively widely spread to the mean value of 4, 41,481.77 indicates it is positively skewed around mean with less reliability in the month of December. The higher the CV 8.335518552, the higher the standard deviation 36799.79484 relative to the mean value 4, 41,481.77 indicates

the moderate instability of usage of digital payments through IMPS modes for the adoption and acceptance of the hybrid mode of digital payments.

### **Findings from the Study**

This research highlighted the importance of digital payments and the contribution of the transactions through IMPS and UPI mode of transactions. By identifying various news reports, journals, and NPCI websites for the period 2021 and 2022 about the adoption and acceptance of the digital payments revealed the usage of the higher transactions for a particular period. The payments and transactions are increasing a lot within the specified period limit. The higher the mean, standard deviation and the CV are moderate indicating the transactions rise during a particular period. This is because of the various advantages and also the benefits sought from digital payments.

### **Concluding Observation and Suggestions**

Digital payments grew up as the increase of the Pace in the digitalization and the demonetization. It has paved the way for many ATMs (Automated Teller Machine), many POS (Point Of sale) registrations, new wallets and payment banks. The emergence of all these have led the economy into a huge growth in the financial and the technology sector. The achievement or the improvement in the usage of the digital payments has given rise to the new openings in the digital payments system. Accepting and adoption of digital payments to customers and merchants may be challenging and could take time to ensure the full growth of the digital payments.

### **Social Relevance of the Study**

The present study on adoption and acceptance of hybrid mode of internet banking users through UPI, IMPS and many more forms of digital payments information dispersed the effective contributions. This research highlighted the importance of hybrid mode of digital payments through a clear cut and better findings of the information through the IMPS mode. By studying many news reports and NPCI (National Payments Corporation of India) website concerning the use of digital payments in various banks for the period 2021 and 2022 in this research will be helpful for the analyst in various fields with the right tools to study the digital payments with the hybrid mode and make the study as a base. This will also be helpful in analysing the increase or decrease of the transactions in the digital payment modes.

### **Scope for Future Research**

This research study on Digital payments usage in the current scenario for a 2 year period through usage of credit, debit cards, UPI, IMPS mode concentrated on the calculation of the IMPS usage through various forms like using it at Pos, e-commerce websites, ATM withdrawal

and also for purchases from the period 2021 and 2022 using coefficient of variation. Further study can be attempted by using other methods and also can be taken for a five year period or a ten year period to assess the digital payments usage.

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