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# E-Banking and Financial Behavior Among Urban Youngsters of Hyderabad: A Study on Usage and Satisfaction

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***Abstract:***

*The rapid growth of digital financial services has changed financial transactions, particularly among tech-savvy urban young people. This study examines how e-banking affects their money management, focusing on key drivers, service satisfaction, and usage patterns. A secondary data-based methodology is utilized for gathering information about the e-banking services, such as digital wallets, web-based banking, or mobile banking apps.*

*According to the study, transaction speed, convenience, accessibility, and 24-hour availability are the main factors that influence the use of e-banking. However, there remain challenges, such as trust issues, technical challenges, security risks, and a lack of specialized service to clients.*

*Personal finance activities, which include arranging, investing, saving, and impulsive spending, are also affected by e-banking.*

*Artificial Intelligence (AI) and machine learning (ML) can provide individualized financial advice, identify fraudulent activities, and substantially increase security, with personalized financial advice to improve the quality of transactions.*

*By addressing such issues, banks, financial institutions, policymakers, and financial technology vendors can increase credibility, promote wider e-banking usage, and provide urban youth with a seamless, safe, and effective digital banking experience. Fintech companies can utilize these insights to develop more secure, user-friendly, and efficient digital banking solutions tailored to the needs of urban youngsters.*

***Keywords: E-Banking, Digital Financial Services, Urban Youngsters, Money Management***

## Introduction:

The rapid development of digital technology has transformed the banking industry, making e-banking a crucial component of financial operations. As UPI, mobile banking, and digital wallets gain popularity, Hyderabad's urban young adults are increasingly relying on e-banking to meet their financial demands. To understand the basic banking needs, banking institutions are offering corporate loans, personal loans, and Smart EMI solutions. In addition to banking activities, e-banking provides essential services like credit card payment, FASTag recharges, and life insurance, making it a complete financial ecosystem.

The banking industry has changed significantly since digital banking services were introduced. Traditional banking, which required customers to visit physical locations, is gradually being replaced by e-banking, which enables users to conduct transactions effortlessly through digital wallets, internet banking, and mobile applications.

Hyderabad, a city renowned for its IT and financial services, has seen a rise in the adoption of digital financial instruments like mobile banking and transactions via

UPI. Due to advancements in security measures, an increase in digital lending, and financial solutions driven by artificial intelligence (AI), e-banking usage is predicted to skyrocket in 2024–2025. UPI is the most widely used payment mechanism, and innovations like voice-based transactions and UPI credit have made online banking even more accessible. The country's shift to an economy without currencies, government initiatives like Digital India, and the growing use of smartphones have jointly contributed to the growth of e-banking in India.

**Objective of the Study:**

1. To analyze the usage patterns of e-banking among urban youngsters in Hyderabad.
2. To assess customer satisfaction with various e-banking services such as mobile banking, UPI, and digital wallets.
3. To identify key factors influencing the adoption of e-banking, including convenience, security, and trust.

**Scope of the Study:**

- This study focuses on the usage and satisfaction of e-banking among urban youngsters in Hyderabad.
- It examines digital banking services like mobile banking, UPI, and digital wallets.
- The study identifies factors influencing adoption, satisfaction, and challenges faced.
- The study is limited to urban youngsters and focuses on usage patterns of e-banking services.

**Advantages:**

- Helps understand digital banking behavior among tech-savvy urban youth.
- Provides insights for banks and fintech companies to enhance their services.
- Identifies key factors influencing customer satisfaction and adoption.
- Encourages financial literacy and responsible digital banking practices.

**Limitations of the Study:**

- Focuses only on urban youngsters in Hyderabad, limiting generalizability.
- Relies on secondary data and case studies, which may not capture real-time user experiences.
- Does not account for rural banking behavior or digital literacy gaps.
- Rapid technological advancements may make findings quickly outdated.
- Potential bias in data sources or case study selection.

**Review of Literature:**

This empirical study examines how mobile wallet usage dimensions—service quality, ease of use, usefulness, cost, and security—affect customer satisfaction and loyalty among B-school students in Hyderabad, India. Data from 500 respondents indicate that while these factors significantly influence customer satisfaction, only service quality, usefulness, and cost directly impact customer loyalty. Perceived cost partially mediates the relationship between satisfaction and loyalty. The study underscores the importance for m-wallet providers to enhance service quality, reduce costs, and strengthen security to boost customer satisfaction and loyalty. (*Srinivas, V. et al (2025)*

The paper effectively highlights e-banking's potential to reduce costs while addressing key challenges in developing countries, including the digital divide, security risks, regulatory issues, and SME financing. It provides valuable insights into the disparities between public and private sector banks. *(Nitsure, R. R. et al (2003)*

The paper provides a comprehensive analysis of e-banking's transformative potential while addressing critical challenges in developing countries. It effectively highlights issues like the digital divide,

security risks, regulatory concerns, and SME financing, offering valuable insights into disparities between public and private banks. *(Najib, E., et al (2021)*

The paper offers valuable insights into e-banking user satisfaction, analyzing key factors like accessibility, trust, ease of use, and usefulness. While limited to one institution, its findings contribute significantly to financial strategies and future research on customer experience. *(Rejón-Guardia, F. et al (2013).*

The study effectively examines financial literacy among Hyderabad-Secunderabad college students, analyzing socio-demographics, parental influence, and financial planning attitudes. Using logistic regression, it finds positive impacts of demographics and parental influence, while financial planning attitudes unexpectedly show a negative correlation. *(Raveendran, J. et al (2017)*

The study highlights college students' moderate to poor financial literacy in Hyderabad, despite early exposure at home. Using financial indicators, it emphasizes the need for integrating financial education into curricula to equip students for better financial decision-making and economic contribution. *(Kanduri, S. (2021)*

The study effectively highlights the growing trend of Indian youth working while studying, driven by outsourcing opportunities. It explores financial independence, work experience, and evolving attitudes, identifying a distinct "Emerging Youth" generation that gains independence earlier than previous generations. *(Verma, A. (2009).*

The report provides a comprehensive analysis of customer perceptions of electronic banking services in Hyderabad, highlighting the convenience, efficiency, and service quality of public and private banks. The structured survey approach and use of both primary and secondary data enhance the study's reliability. However, a larger sample size and more diverse sampling techniques could improve the generalizability of the findings. (*Papunuka Lakshmi (May 2022)*

The study explores factors influencing youth perception of E-Banking in India, focusing on convenience, usability, and social norms. Using an innovation acknowledgment model, data from 434 respondents highlights the rapid digital transformation in banking and its impact on customer experience.*(Balamurugan, S* ***et al (2024)***

The study examines customer perception of HDFC Bank's e-banking services in Hyderabad using a structured questionnaire and ANOVA analysis in SPSS 20.0. Findings indicate that education, gender, and income significantly influence e-banking usage, highlighting a shift from traditional banking due to growing awareness and convenience of digital services. (*Rambabu Lavuri .(2018)*

**Research Methodology:**

This study follows a secondary research approach to analyze the usage and satisfaction levels of urban youngsters in Hyderabad with e-banking services. The methodology includes data collection from various credible sources, ensuring a comprehensive understanding of the subject.

**Research Design:**

The study employs a descriptive research design to examine the trends, challenges, and satisfaction levels of young urban customers using e-banking services. This approach helps in understanding consumer preferences and identifying factors influencing e-banking adoption.

It examines the relationship between customer satisfaction and e-banking service quality using existing research and industry reports.

**Data Collection Method:**

Since the study is based on secondary data, information was gathered from the following sources:

- Bank Websites: Official websites of major banks such as SBI, HDFC, ICICI, and Axis Bank were reviewed to understand the e-banking services provided.
- Research Articles & Journals: Published papers from reputed journals like Elsevier, Springer, and Indian banking research publications were analyzed for insights into e-banking adoption trends.
- Government Reports: Reports from the Reserve Bank of India (RBI) and National Payments Corporation of India (NPCI) were reviewed to study digital banking growth and security measures.
- News Articles & Industry Reports: Financial news portals like The Economic Times, Business Standard, and industry reports from KPMG, Deloitte, and PwC were examined for recent developments in e-banking.

**Key Findings:**

- According to a recent survey done by the Times of India, 67% of the urban youth in Hyderabad between the ages of 30 years use e-banking services.
- After the formation of the state TELANGANA, it became the only state to introduce T-Wallet. T Wallet is available as an Any Time, Anywhere digital payment option for everyone
- Most urban customers in Hyderabad are aware of e-banking services provided by major banks such as SBI, HDFC, ICICI, and Axis Bank.
- While awareness is high, the usage of advanced e-banking features like investment tracking and loan management remains moderate.
- Customers prefer banks that offer seamless and user-friendly digital interfaces with fewer technical glitches.
- Security concerns, such as fraud and unauthorized transactions, continue to be a primary issue affecting customer trust.
- Mobile banking applications have gained more traction than traditional internet banking due to their ease of access and real-time transaction capabilities.
- At end-March 2024, India's commercial banking sector consisted of 12 public sector banks (PSBs), 21 private sector banks (PVBs), 45 foreign banks (FBs), 12 SFBs, 6 PBs, 43 RRBs, and 2 LABs. Out of these 141 commercial banks, 137 were classified as scheduled banks, while four were non-scheduled.

**Conclusion:**

The study, "E-Banking and Financial Behavior Among Urban Youngsters of Hyderabad: A Study on Usage and Satisfaction," highlights the growing reliance of young urban customers on digital banking services. E-banking has revolutionized financial transactions by providing convenience, accessibility, and efficiency. While most urban youngsters are comfortable using digital banking services, factors such as security concerns, ease of navigation, and service reliability play a crucial role in their satisfaction levels. Public sector banks like SBI excel in providing essential e-banking services with higher customer trust, whereas private banks like HDFC and ICICI lead in offering advanced digital features. Although mobile banking adoption is high among youngsters, security risks and technical issues continue to be key concerns. To further enhance satisfaction and adoption rates, banks must focus on strengthening security, improving user experience, and conducting awareness campaigns to educate customers about safe digital banking practices. The seamless integration of e-banking with e-commerce, digital payments, and investment platforms influences their financial decisions, making

it easier to manage savings, investments, and expenses. Additionally, peer influence, financial awareness through social media, and the growing preference for cashless transactions contribute to the shift toward digital banking. However, security concerns and data privacy remain key factors that affect their long-term confidence in e-banking services.

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