

Digital Habit: Customer Awareness and Usage of Selected Commercial Banks

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Abstract

This study examines customer awareness and usage of digital banking services by Commercial Banks in Tiruppur city. The rise of the Internet and the usage of smartphones among people has gradually increased the penetration of digital habits in the banking sector and has become the most essential one in recent years. Commercial banks are now known for their phenomenal services through digital platforms to fulfil customer needs by changing their physical banking to digitally driven banking. This study analysed the research gap between awareness and current usage of digital banking habits. Five major commercial banks were selected for the study, and primary data were collected from 125 respondents through a questionnaire using a descriptive research method. The collected data were analysed using statistical tools such as simple percentage and chi-square to determine the relationship between demographic profile and the use of digital banking. The results reveal that respondents are highly aware of essential services such as ATM, digital payments, mobile banking, and online services, whereas some services such as online enquiries and fund transfers are unfamiliar among the respondents. Additionally, gender and marital status have a significant impact on the usage and adoption of digital banking habits, although other demographic profiles have no impact on the usage of digital banking habits. This research underscores the necessity of knowing the awareness of banking adoption and digital usage among users. To boost the usage of digital habits, banks will upgrade security and promote awareness campaigns to encourage digitalisation in the financial sector. This study also prefers future researchers to explore the usage of digital banking in rural areas compared to urban areas, specify the major problems of accessing digital services, and determine the impact of banks' awareness of accessing digital services to make unexamined areas in the digital habit of the banking sector.

Keywords: Digital Habits in Banking, Mobile via Banking, Digital Payment, and ATM Awareness Campaigns

Introduction

Commercial Banks play a vital role in the development of the banking industry and boost the upgrading of the digital divide among customers. Commercial Banks, which are known for extensive branches of networks and conventional practices, are now improving digitalised channels to enhance services, increase operational efficiency, and try to meet evolving expectations of the tech savvy of customers. Digital habits in banks have become essential in modern financial scenarios due to the increasing penetration of the Internet and smartphones. It provides secure, convenient, and real-time access to digital habits such as mobile banking and online banking. India accounts for 48.5% of the world's real-time payments (RBI Report, 2025)¹, and the awareness and usage of technology-based banking services is increasing in today's digital economy. The RBI set up a targeted group containing farmers, senior citizens, students, MSME entrepreneurs, and a self-help group (SHG) to provide tailored digital awareness through the FAME booklet including images, audio-visual messages to improve usage, and create awareness for the

unserved sector (RBI, 2020)². While the digital adoption rate among customers is steadily growing, there is also a significant gap between awareness and actual usage among digital users in rural areas, older age groups, and those with low literacy. The NSFI publishes the goals of RBI related to digital banking, some key factors such as promoting universal access to payment platforms, expanding technical infrastructure to strengthen connectivity among banks and users, digital awareness and literacy, digital protection to increase adoption and trust among customers, creating innovation and digital models, and setting targets for monitoring growth and reducing discrepancies (RBI, 2020)³. Enhancing customer awareness through digital and hybrid campaigns, providing user-friendly platforms, improving user experience, and ensuring cybersecurity can build awareness and trust among customers. Previous studies focus on specific segments but lack attention in Tier II city, so there is a research gap on how commercial bank customers are aware of digital banking and its actual usage in their day-to-day activities. This study explores the awareness and usage of digital banking habits among customers in Tiruppur. In addition, we explore the awareness and usage of selected digital services provided by three public sector and two private sector banks.

Objectives

- To examine the awareness of Digital banking services of selected Commercial Banks in Tiruppur city
- To study the usage of Digital banking services of selected Commercial Banks in Tiruppur city

Research Methodology

Research questions

1. How do digital services affect banking users' awareness level?
2. How does a digital product influence usage among banking customers?

Research design: Descriptive research was used to describe the characteristics of respondents in terms of their awareness and usage of digital services by banks.

Data collection: Data were collected from five selected 5 Commercial Banks in three public sectors and two private sector banks. Banks are selected on the basis of their establishment, availability of digital services, and popularity among customers. From each bank, 25 questionnaires were distributed and 125 respondents were collected.

Research Instrument

Questionnaires were used to collect data from the respondents.

Sample Size

The sample size were framed using Cochran's formula for infinite population

$$n_0 = \frac{Z^2 p(1-p)}{e^2}$$

$Z = 1.96$ at confidence level of 95%, $p = 0.5$ and $e = 8.8\%$. The sample size was determined by the formula to be 124.0185; for five commercial banks 24.80 respondents were taken as 25 for each bank, and the final sample size was determined to be 125 respondents.

Sampling Method

A stratified random sampling technique was used to collect data from the respondents, who were divided into two strata: public and private sector banks with a sample size of 125. In each strata 25 respondents are randomly chosen from each bank, 75 respondents from public sector and 50 respondents from private sector banks were selected.

Hypothesis: Hypothesis was framed and analysed using SPSS software

Data analysis techniques: Descriptive statistics such as frequency analysis were used to find the occurrence of respondents, and percentage analysis was used to compare categories in the scale. Additionally, a chi-square test was used to analyse the relationship between the data.

Limitation of the study

The indications of this study may not be generalisable to other areas.

The study was purely based on the subjective points of the respondents.

Review of Literature

The MoSPI data (2025)⁴ interpreted the study on the usage of online banking among women. Research shows that among 68.7% of women, 63.4% of rural women used digital banking transactions which gradually increased by 17.1% in the year 2022-2023. 15-29 years of respondents are accessing 99.5% of digital payment platforms such as UPI. The study concludes that increases in digital access help to create awareness and financial inclusion among rural and urban people. The research suggests that investment in technical infrastructure, digital campaigns, and literacy programs helps improve and gain gradual reach among society.

Bhavana Raj et al. (2023)⁵ made a research in a rural Tamil Nadu study, 61% of respondents had heard of e-banking, but only 37% actively used it. The study found that digital infrastructure and schemes, such as Jan DhanYojana, played a major role in adoption. It recommends further grassroots awareness and mobile literacy campaigns.

Lakshmi and et al. (2022)⁶ conducted a study to determine the awareness and level of usage of digital services in banks among scheduled communities in Thrissur. A total of 125 samples were collected and analysed using the chi-squared test and ANOVA. The major finding was 29.8% of the respondents' access to online banking, whereas 73% of respondents were unaware of online banking because of a lack of awareness. Additionally, there was a significant relationship between usage, knowledge of digital banking, and educated respondents. This study suggests tailored awareness campaigns and improved digital infrastructure to enhance adoption.

Rawat et al. (2022)⁷ focused a research on digital banking users in Meerut. Questionnaires were distributed and data were collected from 400 respondents. The results show that 68% of respondents are aware of e-banking under the age of 35 years at a college-level education qualification. Furthermore, the study revealed that there is a demographic gap between awareness and usage which highlights the need for awareness programs to improve awareness.

Analysis and Interpretation

Table 1 Demographic profile of respondent

Profile		No. of respondent	Percentage
Gender	Male	53	42.4
	Female	72	57.6
	Total	125	100.0
Age Group	18-25	62	49.6
	26-40	21	16.8
	41-50	22	17.6
	51-60	11	8.8
	above 60	9	7.2
	Total	125	100.0
Marital Status	Married	50	40.0
	Unmarried	75	60.0
	Total	125	100.0
Educational Qualification	Upto Higher Secondary	30	24.0
	Under Graduate	47	37.6
	Post Graduate	34	27.2
	Professional Course	8	6.4
	Others	6	4.8
	Total	125	100.0

Occupation	Employed	35	28.0
	Professional	5	4.0
	Business	12	9.6
	Student	51	40.8
	Retired	7	5.6
	Home Marker	15	12.0
	Total	125	100.0
Income of the respondents	<2000	62	49.6
	20001-35000	43	34.4
	35001-50000	15	12.0
	>50000	5	4.0
	Total	125	100.0

Source: Primary Data

The demographic profile showed that the majority of respondents were female (57.6%), young (49.6% aged 18–25), and unmarried (60%). Most had undergraduate education (37.6%), followed by postgraduates (27.2%). A significant portion (40.8%) were students; the respondents had a monthly income below 20,000 (49.6%), followed by an income of 20001-35000 (34.4%), indicating financial dependency, likely due to their student status. Additionally, the majority of respondents are young and have a higher secondary level of education, with an income of less than 20,000, which influences the usage and awareness of digital services in banks.

Table 2 Usage of banks

Usage of Banks		No. of respondent	Percentage
Name of the Banks	SBI Banks	25	20.0
	Canara Bank	25	20.0
	India Bank	25	20.0
	HDFC Bank	25	20.0
	ICICI Bank	25	20.0
	Total	125	20.0
Types of Account	Savings Bank Account	103	82.4
	Current Account	13	10.4
	Recurring Deposit	5	4.0
	Fixed Deposit	4	3.2
	Total	125	100.0
Usage of Banks	<Year	3	2.4
	1-3 year	24	19.2
	3-5 years	21	16.8
	5-7 years	34	27.2
	7-10 years	25	20.0
	Total	125	100.0
Adoption of DBS	2-3 years	30	24.0
	3-5 years	10	8.0
	More than 5 years	5	4.0

Adoption of DBS	Total	125	100.0
Frequency of Accessing DBS	Daily	15	12.0
	Weekly Once	29	23.2
	Fortnightly	11	8.8
	Once in month	39	31.2
	Occasionally	31	24.8
	Total	125	100.0

Source: Primary Data

The above table contains details of banks, account types, usage of banks, adoption, and frequency of digital services provided by the bank. A total of 125 respondents were selected from three Public Sector Banks (SBI, Canara Bank, and Indian Bank) and two Private Sector Banks (ICICI Bank and HDFC Bank), and 25% of the respondents were selected for the study. The results show that 82.4% of respondents have savings bank accounts, followed by 10.4% and 4% with current and recurring deposit accounts, respectively, and only 3.2% of respondents access fixed deposit accounts. While 27.2% were availing banking services for 5-7 years, 20% were accessing banking services for 7-10 years, and only

2.4% of users had an account in less than a year. The percentage of adopting digital banking services shows that 32% of the users were recently adopted to digital services, whereas 24% and 16.8% of respondents adopting over 2-3 years and 1-2 years, and only 4% of users adopted digital services for more than five years. Of the respondents, 31.2% used digital services once a month, followed by 24.8% and 23.2% availing the services occasionally and once per week, respectively, and 12% and 8.8% of respondents accessed digital services daily and fortnightly, respectively. The data reveal that the adoption and frequency of digital services have increased in recent years.

Table 3 Awareness of Digital Services

Digital Services	Frequency	Percentage
Online Banking	434	87.0
Account Balance Checking	443	88.8
ATM and Card Services	463	92.8
Fund Transfer	277	55.5
Online Payment (UPI, QR code)	357	71.5
Online Enquires	283	56.7
Banking Application	328	65.7
Mobile Banking	383	76.8
Online Customer Care	345	69.1

Source: Primary Data

The table shows the awareness of digital services among the selected bank users, which undertakes frequency and user engagement. Among the above services, 92.8 % of respondents were highly aware of ATM and Card services, where as 88% and 87% were familiar with balance checking and online banking services. Mobile Banking services and Online Payment facilities have adoption rates of 76.6% and 71.5%, respectively. Online Customer Care (69.1%), banking applications (65.7%), and

online enquiries (56.7%) had a moderate level of awareness. Furthermore, online credit facilities and fund transfers had lower awareness levels at 47.9% and 55%, respectively, and the results show that customers are more likely to avail services by frequently accessing and conveniently using digital services, while highly advanced or less frequently needed services receive comparatively less engagement.

Result of Chi Square Analysis

Demographic Profile and Usage of Banking Hypothesis

H_0 : There is no significant relationship between

demographic profile and usage of banks

H_1 : There is a significant relationship between demographic profile and usage of banks

Table 4 Association between Demographic Profile and Usage of Banks

Demographic profile	Calculated value	Table value	Degree of freedom	Inference
Gender	55.527	11.07	5	Significant
Age group	2.934	31.41	20	Not Significant
Marital status	1.238	11.07	5	Not Significant
Education qualification	1.055	31.41	20	Not Significant
Occupation	2.451	37.65	25	Not Significant
Income of respondents	1.029	24.99	15	Not Significant

Source: Primary Data

The table shows the chi-square result of the association between the demographic profile and bank usage. The results reveal that gender alone has a significant relationship with the usage of banks, with a high calculated value of 55.527 (table value: 11.07), and the null hypothesis (H_0) is rejected. However, age group (2.934), marital status (1.238), educational qualification (1.055), occupation (2.451), and income of the respondent (1.029) have lower calculated values compared to the table value at the 5% significance level, showing that these factors have no significant relationship with the usage of

banks. Thus, the null hypothesis (H_0) was accepted.

Demographic Profile and Period of Adopting Digital Banking Services Hypothesis

H_0 : There is no significant relationship between demographic profile and adoption of digital banking services of banks

H_1 : There is a significant relationship between demographic profile and adoption of digital banking services of banks

Table 5 Association between Demographic Profile and Adoption of Digital Banking Services

Demographic Profile	Calculated value	Table value	Degree of freedom	Inference
Gender	39.737	11.070	5	Significant
Age group	2.510	31.410	20	Not Significant
Marital status	85.350	11.070	5	Significant
Education qualification	1.499	31.410	20	Not Significant
Occupation	2.959	37.652	25	Not Significant
Income of respondents	1.543	24.996	15	Not Significant

Source: Primary Data

The table shows the chi-square result of the association between demographic profile and adoption of digital banking services. The results reveal that gender and marital status have a significant relationship with the usage of banks, with high calculated values of 39.737 and 85.350 (table value: 11.07), and the null hypothesis (H_0) is rejected. However, age group (2.510), educational qualification (1.499), occupation (2.959), and income of the respondent (1.543) have a lower calculated value compared to the table value at the

5% significance level, showing that these factors have no significant relationship with the adoption of digital banking services by banks. Hence, the null hypothesis (H_0) is accepted.

Demographic Profile and Frequency of Accessing Digital Banking Hypothesis

H_0 : There is no significant relationship between demographic profile and frequency of digital banking services of banks

H_1 : There is a significant relationship between services of banks demographic profile and frequency of digital banking

Table 6 Association between Demographic Profile and Frequency of Accessing Digital Banking Services

Demographic Profile	Calculated value	Table value	Degree of freedom	Inference
Gender	14.346	9.488	4	Significant
Age group	1.413	26.296	16	Not Significant
Marital status	43.042	9.488	4	Significant
Education qualification	1.255	26.296	16	Not Significant
Occupation	3.313	31.410	20	Not Significant
Income of respondents	1.430	21.026	12	Not Significant

Source: Primary Data

The table shows the chi-square result of the association between the demographic profile and the frequency of accessing digital banking services. The results reveal that gender and marital status have a significant relationship with the usage of banks, with high calculated values of 14.346 and 43.042 (table value: 9.488), and the null hypothesis (H_0) is rejected. However, the age group (1.413), education qualification (1.255), occupation (3.313), and income of the respondent (1.430) have a lower calculated value compared to the table value at the 5% significance level, showing that these factors have no significant relationship between the frequencies of accessing digital banking services of banks; thus, the null hypothesis (H_0) is accepted.

Findings

1. Of the 125 respondents, 57.6% were female.
2. The results indicated that the majority of respondents (49.6%) were in the age group of 18 -25 years.
3. Most of the unmarried respondents used digital banking services.
4. The demographic profile shows 37.6% respondents having undergraduate level of education and with the income level of less than 20,000 at 49.6%
5. The majority of the respondents had savings accounts (82.4%).
6. Most have used banks for 5–10 years, and 24% have recently adopted digital banking services.
7. In total, 31.2% used digital services once a month.
8. Based on the study the respondents are highly aware about ATM and Card services (92.8%)

9. The respondents were also aware of account balance checking (88.8%) and online banking (87%).
10. Fund transfers (55.5%) and online enquiries (56.7%) were the least aware of respondents.
11. The results show that gender has a significant relationship with the usage, adoption, and frequency of digital banking services, and marital status has a significant relationship with the adoption and frequency of digital banking services.

Suggestion

Short –Term

The RBI takes initiatives such as electronic awareness and training programs for the rural sector through E-BAAT (DFS, 2020)⁸.

To improve literacy, the RBI provides financial knowledge through financial literacy centres (CFL). (DFS, 2020)⁸.

To improve acceptance, Kehta Hai designed media campaigns to create public awareness using radio, TV adds, SMS, online platforms, and social media. (RBI, 2020)⁹

Banks must conduct awareness campaigns in less targeted areas of their vernacular languages to improve the usage and adoption of digital services.

To gain customer support, the bank must simplify the on-board process (RBI-NSFI, 2020)³.

Long- Term

To build trust among people, banks enhance cybersecurity measures to protect against cyber-attacks and phishing.

The bank has to conduct multilingual media campaigns for convenient and safe digital environments. (DFS, 2020)⁸.

Banks have to monitor the awareness and usage rate to know the level of adoption which helps to identify unnoticed areas in digital services and try to upgrade them. (RBI-NSFI, 2020)³.

Banks improve digital infrastructure to provide user-friendly platforms and interfaces to provide efficient services (RBI-NSFI, 2020)³.

Promote employee training to customise services for unserved groups.

This research points out the awareness and usage level of digital habits among banking customers, but it is geographical and subjective as a shortcoming. To rectify these drawbacks, more studies will be conducted on this topic related to women users in digital services, comparing rural and urban services, financial and saving knowledge through digital mode, loan processing and payment through digital platforms, and government initiation through the banking sector in all geographical areas, which will upgrade the research context and add direction and value to the field.

Conclusion

The research points out that digital habits in the banking sector have gradually increased over the years and the level of awareness among the respondents of selected commercial banks in Tiruppur City. The finding states that most of the respondents were female (57.6%), age group of 18-25 (49.6%), and unmarried with an undergraduate level of education. 82.4% of respondents have savings bank accounts in the banks which shows that respondents are using the bank account for more than 5-10 years and are aware of the basic digital services offered by the banks. The study reveals that 24% of respondents adopted digital banks within to 2-3 years. After the pandemic, a significant number of users have adopted digital banking, indicating a slow but steady growth trend. The research was conducted among 125 commercial bank users, and the results show that female respondents had a high level of awareness and used basic banking services such as ATM (92.8 %) and account balance checking (88.8 %). However, the use of digital services,

such as fund transfers (55%) and online enquiries (56.7%), remains low among the selected users. Gender alone has a significant impact on the usage of banks which indicates that 57.6% of females access digital habits that make there is no gender gap and increase digital women empowerment. Gender and marital status have a significant relationship with the adoption and usage frequency of digital banking services which highlights that 60% of unmarried respondents have higher access to digital services than married ones. Other demographic factors such as age, education, and income had no significant impact. Most respondents are young, educated, and financially dependent, which may shape their digital behaviour. This research was conducted only in Tiruppur city, and the data are based on the respondents' perceptions, so the results of the study are not conclusive and are limited to selected digital services provided by the banks. Despite good awareness, usage frequency was monthly and occasional, suggesting limited engagement. The imbalance between the awareness and usage of digital habits in the banking sector needs to be resolved through ongoing education, user-convenient platforms, and environment-friendly interfaces. Ease of use, security, and trust are important factors that drive the adoption of digital services. Commercial Banks should invest in strategic outreach and digital proficiency programs to achieve digital accessibility in the banking sector. The imbalance between the rural and urban sectors, the gender gap in digital inclusion, the challenges of using digital habits in the banking sector, the effective level of awareness campaigns, technical adoption, and cost effectiveness are some research gaps that give future researchers a deeper understanding of this digital banking topic. Additionally, in the future, researchers can extend the research to other Tier II and Tier III areas to understand the variation of awareness, adoption, and usage of digital habits in banking. To extend the study, researchers try to explore the security, service quality, trust, and satisfaction related to digital adoptions, and some less explored areas such as AI-driven banking and blockchain technology on digital habits offer scope for future exploration.

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