



### A STUDY ON USAGE OF ONLINE BANKING AMONG THE CITIZENS OF PALGHAR CITY

**Ms. Vaishnavi Vinayak Govind & Dr. Jyoti Thakur**

*Department of Commerce  
SNDT Women's University, Mumbai*

#### **Abstract:**

*One of the main features of modern banking is online banking. Online banking helps people to carry out transactions such as paying bills, checking their account balance, and transferring money online. The aim of the study was to find out more about the usage of online banking by the people in Palghar city.*

*The research was conducted using primary data collected from 121 respondents using a structured questionnaire. The main aim of the study was to assess the level of awareness and usage, satisfaction levels, and challenges associated with the usage of online banking services. From the study, it was evident that most people using the questionnaire were aware of online banking and used the service frequently because it was easy to use and gave them access to the service. However, the service was also associated with some challenges such as insecurity, poor internet connection, and a lack of knowledge about technology.*

*The research indicated that a large number of people in Palghar city used online banking. Establishing trust and promoting the safe and effective usage of online banking services would be achieved by enhancing the security features, providing training, and creating awareness.*

**Copyright © 2026 The Author(s):** This is an open-access article distributed under the terms of the Creative Commons Attribution 4.0 International License (CC BY-NC 4.0) which permits unrestricted use, distribution, and reproduction in any medium for non-commercial use provided the original author and source are credited.

#### **Introduction:**

The rapid adoption of digital technology has greatly affected the way banking services are delivered. Online banking, which is also called digital banking or internet banking, is a type of banking service where customers can conduct banking operations like money transfer, checking their account balances, paying bills, and handling their loans through the online platform without visiting the bank physically. This banking facility is popular because of the convenience, speed, and round-the-clock availability of the facility.

The banking industry in India has witnessed significant change in adopting digital banking in recent years.

Initiatives like Digital India, Pradhan Mantri Jan Dhan Yojana, Unified Payment Interface, and the cashless economy have helped Indians embrace online banking. Banks are trying their best to come up with new technologies so that digital banking is convenient, secure, and simple for their customers. Awareness of online banking is still low among people, especially between the urban and rural populations.

Palghar district in the state of Maharashtra falls in the Konkan region. The district has both urban and rural populations. The people in Palghar district earn their livelihood by depending on agriculture, industries, services, and daily wages. After the formation of the



district in 2014, the number of banks and the availability of the Internet facility have increased in the district, especially in the cities. But it is necessary to examine the level of awareness about Internet banking services and the actual use of Internet banking services. It is necessary to know if the people in Palghar city are aware of the Internet banking services they use and if they use Internet banking services in the best possible way. It is necessary to examine the following points to know about the Internet banking services used by the people in Palghar city. These points include the level of awareness about Internet banking services, the actual use of Internet banking services, the benefits they derive from Internet banking services, the security risks involved in Internet banking services, the technical difficulties faced in Internet banking services, and the overall satisfaction they get from Internet banking services.

The aim of this research is to find out how people in the city of Palghar know about online banking services, how they accept and use these services, and what affects their behaviour and occurs while using these services. This research aims to provide important ideas for promoting online banking services in the region.

### **Objectives of the Study:**

The following are the main objectives of this research study:

1. To measure the level of awareness regarding online banking facilities among the inhabitants of Palghar City.
2. To determine the usage rate and manner of utilization of online banking services like mobile banking, net banking, UPI systems, and digital wallets.
3. To understand the various factors which affect the decision to adopt or not adopt online banking facilities.
4. To analyse the issues and problems being faced by users and non-users of online banking.

5. To measure the customer satisfaction levels of existing online banking facilities in Palghar.

### **Review of Literature:**

#### **Review of Articles:**

#### **1. Digital Banking: An Indian Perspective**

**Dr. (Smt.) Rajeshwari M. Shettar, Shri. Hurakadli Ajja Shikshan Samiti**

Research has proved that financial literacy is an important factor in individual growth. In India, people are still not financially literate. Especially, women face problems because of their low educational standard, lack of financial knowledge, and lack of opportunities. Research proved that after financial training, individuals, especially working women, can manage their money better, invest their money better, and make better decisions about their future. Overall, research proved that after financial training, individuals can grow both personally and financially by gaining confidence and becoming independent individuals.

#### **2. A Study of Online Banking in India**

**Ishaan Nirwan Rajput, Hritika Singh Shishodia, Mrs. Viveka Rohilla Rajput**

Online banking in India has made banking fast, easy, and convenient for the customers. People can easily transfer money, pay bills, and even shop anywhere and anytime with the help of internet banking. Similarly, banks can benefit from reduced costs and quality services. However, challenges like security risks and lack of awareness prevail. The research concurs with the fact that online banking helps in improving customer satisfaction in India.

#### **3. Internet Banking in India – Consumer Concerns and Bank Strategies**

**P. K. Gupta, Jamia Millia Islamia**

Internet banking is a prime example of how technology has revolutionized both banks and their customers. Studies have found internet banking to be efficient and cost-effective, providing greater



satisfaction to customers. Experts are of the view that internet banking results in a change in customer behavior, as customers increasingly opt for internet banking instead of traditional bank services. This affects the deposits received by physical banks. However, studies have found internet banking to be risky as it is prone to fraud, hacking, and security issues.

#### 4. Present Status of E-Banking in India: Challenges and Opportunities

**Mrs. Ani Smriti, Mr. Rajesh Kumar**

E-banking shows us both the advantages and disadvantages of e-banking. After demonetization, the use of debit cards, credit cards, NEFT, RTGS, and UPI is rising rapidly. These have made banking faster and easier. According to many studies, online banking is beneficial in saving time, money, and anywhere-anytime facility. But because of lack of awareness, lack of trust, and fear of online fraud, people are unable to use online banking. E-banking is growing rapidly in India, and online banking is an integral part of banking services, which is giving flexibility to customers as well as banks. But for the success of online banking, banks have to work on security, awareness, and building trust among people.

#### 5. E-Banking: Challenges and Opportunities in India By Dr. N Jamaluddin

Technology has changed the face of the banking system in India. The banking system has become more efficient and customer-friendly with the advent of e-banking. The services provided by banks include ATMs, credit cards, NEFT, RTGS,

UPI, mobile banking, and internet banking. Experts agree that e-banking helps banks cut costs and increase efficiency. However, challenges to e-banking in India include low customer awareness, fear of fraud, lack of adequate internet connectivity, and security concerns.

#### Hypothesis of the Study:

The following hypotheses are formulated for testing purposes in the present study:

1. Null Hypothesis ( $H_0$ ): There exists no significant correlation between the level of awareness regarding online banking usage and gender among the sample of respondents in Palghar city.  
Alternative Hypothesis ( $H_1$ ): There exists a significant correlation between the level of awareness regarding online banking usage and gender among the sample of respondents in Palghar city.
2. Null Hypothesis ( $H_0$ ): Security/trust issues do not significantly influence the respondents' readiness to utilize online banking services in Palghar city.  
Alternative Hypothesis ( $H_1$ ): Security/trust issues significantly influence the respondents' readiness to utilize online banking services in Palghar city.
3. Null Hypothesis ( $H_0$ ): There exists no significant difference in satisfaction levels between regular users and non-regular users of online banking services in Palghar city.  
Alternative Hypothesis ( $H_1$ ): There exists a significant difference in satisfaction levels between regular users and non-regular users of online banking services in Palghar city.



### Hypothesis Testing:

#### Hypothesis 1

Null Hypothesis ( $H_0$ ):

There is no significant relationship between awareness of online banking and gender among respondents in Palghar City.

Alternative Hypothesis ( $H_1$ ):

There is a significant relationship between awareness of online banking and gender among respondents in Palghar City.

The hypotheses set up by this study were tested through primary data collection from 121 respondents in Palghar City. This was done by carrying out analysis through percentage calculations and interpreting relevant tables.

Sr. No.	Particular	Percentage (%)	Reference Table/ Graph
1.	Respondents aware of online banking	87.60	5.4
2.	Male respondents	58.68	5.1
3.	Female respondents	41.32	5.1
4.	Respondents not aware	12.40	5.4

### Analysis:

The data collected indicates that the majority of the population (87.60%) is aware of the existence of online banking services. On the other hand, only 12.40% do not have this knowledge. Out of the population sampled, 58.68% are male, while 41.32% are female. This shows that both have high levels of awareness regarding this topic, with no significant difference between the two.

### Conclusion:

Based on the analysis done, since this information is widespread among both genders and no significant difference is noted, the Null Hypothesis ( $H_0$ ) is accepted while the Alternative Hypothesis ( $H_1$ ) is rejected. This indicates that this factor does not affect the population significantly.

#### Hypothesis 2

Null Hypothesis ( $H_0$ )

Security and trust concerns do not have a significant impact on the willingness to use online banking services.

Alternative Hypothesis ( $H_1$ )

Security and trust concerns have a significant impact on the willingness to use online banking services.

Impact of Security and Trust Concerns on Online Banking Usage

Sr. No	Particular	Percentage (%)	Reference Table/ Graph
1.	Respondents using online banking	89.26	5.5
2.	Concerned about online fraud	51.24	5.16
3.	Security concerns affect willingness	76.03	5.17
4.	Trust bank security measures	63.64	5.18



### Analysis:

As seen from the results above, 51.24% of the respondents were worried about online fraud. Moreover, 76.03% of the respondents noted that security concerns affect their decision to use online banking. Although 63.64% of the respondents trust the security systems provided by the bank, they only trust them in parts.

### Conclusion:

This shows that security and trust concerns are significant in influencing the decision of individuals to use online banking. Therefore, the Null Hypothesis ( $H_0$ ) is rejected, and the Alternative Hypothesis ( $H_1$ ) is accepted. From the results above, it is clear that security and trust concerns affect the use of online banking services.

### Hypothesis 3

Null Hypothesis ( $H_0$ )

There is no significant difference in satisfaction levels between regular and occasional users of online banking services.

Alternative Hypothesis ( $H_1$ )

There is a significant difference in satisfaction levels between regular and occasional users of online banking services.

Satisfaction Levels Based on Usage Frequency

Sr. No	Particular	Percentage (%)	Reference Table/ Graph
1.	Regular users	74.38	5.9
2.	Occasional users	25.62	5.9
3.	Satisfied / Highly satisfied	53.72	5.19
4.	Respondents believing satisfaction differs	82.64	5.22

### Analysis:

From the results obtained from the respondents, it was clear that approximately 74.38% of the respondents used the services of online banking regularly. On the contrary, 25.62% of the respondents used the services of online banking at times. Regarding the level of satisfaction, approximately 53.72% of the respondents were satisfied with the services. Moreover, approximately 82.64% of the respondents were of the opinion that the level of satisfaction was dependent on the frequency of usage of the services.

### Conclusion:

This shows that the level of satisfaction depends on the frequency of usage of the services. Therefore, the Null Hypothesis ( $H_0$ ) is rejected, and the Alternative Hypothesis ( $H_1$ ) is accepted.

### Methodology of the Study:

The methodology section is an important part of the research report where the methodology employed to conduct the research on the awareness and usage of online banking by the citizens of Palghar city is discussed. This section describes the research design, sources of data, sampling method, data collection instruments, and techniques employed to analyse the

data. A clear methodology is important to ensure the reliability and validity of the research and to achieve the research objectives effectively.

### Sources of Data:

To conduct a precise and reliable research, data has been collected from both primary and secondary sources. These sources provide us with the required information to analyse the level of awareness about the



usage of online banking services by the citizens of Palghar city. Both primary and secondary sources have been employed to make the research accurate and precise.

### A. Primary Data

Primary data is defined as the data collected directly from the sources to conduct this research. This type of data is very important to understand the actual views and experiences of the people regarding the usage of online banking services.

Methods of Primary Data Collection:

- Structured questionnaires
- Surveys (both offline and online, such as Google Forms)
- Interviews

### B. Secondary Data:

Data has also been collected from secondary sources related to online banking services. These sources have provided necessary information for conducting research on the selected topic.

Sources of Secondary Data include:

- RBI reports on digital banking and financial inclusion
- Government websites such as Digital India and NPCI (UPI-related data)
- Bank websites and annual reports (e.g., SBI, HDFC Bank)
- Research papers and journal articles on online banking
- Newspapers, online reports, and statistical websites

### SAMPLE SIZE:

OCCUPATION	MALE	FEMALE	TOTAL
Student	15	15	30
Employee	15	15	30
Business	15	15	30
Homemakers	15	15	30
Total	60	60	120

### Geographical Area:

The research is conducted in Palghar City, which is the district headquarters of Palghar district in the state of Maharashtra. The district is located 90 kilometres away from Mumbai and is a developing region with both urban and semi-urban populations. The region has greater connectivity in terms of internet facilities and digital banking services. The population comprises students, working professionals, business class people, homemakers, and daily wage earners. Thus, the present research can be conducted in this region.

### Sampling Technique:

The research will be conducted based on the Stratified Random Sampling method. This method will be used to ensure proper representation of all the different segments in the Palghar region. The population will be divided into different strata based on gender and other parameters. This method will be used to reduce bias while collecting data.

### Statistical Tools For Data Analysis:

The primary data collected will be analysed based on effective statistical tools. These tools will be used to



interpret the data clearly and draw meaningful conclusions.

1. Percentage method
2. Graphical presentation

Graphical presentation

Graphical tools used include:

- Pie charts
- Bar graphs
- Line graphs
- Tables

### Findings of the Study:

The study based on the responses received from the 120 respondents in Palghar has found a high level of awareness pertaining to the service of online banking. A total of 87.60% respondents have been found to be aware of the digital banking system. Among the different modes of digital payment, the UPI system has been found to be the most popular.

The results obtained using the Chi-Square method have found that the educational qualifications have a significant impact on the awareness levels. Cybersecurity and fraud factors have been found to be the main factors affecting the usage. Younger people have been found to be using the digital banking system more than the others.

### Conclusion:

The study has revealed that the usage of online banking services is becoming popular among the people in Palghar. Most of the people in the study group are aware of digital banking, and therefore technology is

slowly reaching semi-urban areas. Gender factors have been found to affect the awareness levels to a minimal extent, but education levels play a significant role in the usage of online banking services.

However, the majority of the people are concerned about the fraud and security risks associated with the internet. Hence, it is the responsibility of the banks to spread more digital awareness and also provide more secure internet services.

### References:

1. Reserve Bank of India. (2023). *Annual Report 2022–23*. Mumbai: RBI Publications.
2. National Payments Corporation of India. (2023). *UPI Product Statistics and Digital Payment Reports*. NPCI Publications.
3. Government of India. (2023). *Digital India Programme Report*. Ministry of Electronics and Information Technology.
4. Gupta, P. K. (2008). *Internet banking in India: Consumer concerns and bank strategies*. *Global Journal of Business Research*, 2(1), 43–51.
5. Nithya, C. (2021). *A study on customer perception towards online banking services*. *International Journal of Research in Commerce and Management*, 12(4), 15–20.
6. Smriti, A., & Kumar, R. (2021). *Growth of digital payments in India: A study on UPI adoption*. *Journal of Emerging Technologies and Innovative Research*, 8(6), 112–118

### Cite This Article:

**Ms. Govind V.V. & Dr. Thakur J. (2026).** *A study on the usage of online banking among citizens of Palghar city*  
**In Electronic International Interdisciplinary Research Journal: Vol. XV** (Number II, pp. 210-216).