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Awareness vs Actual Usage of E-Banking Services: Evidence from Consumers in Madhya Pradesh

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Abstract: The rapid expansion of digital banking infrastructure in India, particularly through Unified Payments Interface (UPI), mobile banking, and internet banking platforms, has significantly enhanced consumer awareness of e-banking services. However, increased awareness has not uniformly translated into proportional usage, especially in emerging and semi-urban regions such as Madhya Pradesh. This study investigates the gap between consumer awareness and actual usage of e-banking services, with a specific focus on identifying the behavioral, technological, and perceptual factors influencing this divergence.

The study adopts a quantitative research design using primary data collected from consumers across selected urban and semi-urban areas of Madhya Pradesh. Statistical tools such as descriptive analysis, correlation, and regression modeling were utilized to examine the relationship between awareness and usage behavior.

The study contributes to the existing literature by shifting the focus from awareness measurement to behavioral conversion dynamics in digital banking adoption. It offers practical implications for policymakers, banking institutions, and fintech stakeholders to design targeted interventions aimed at enhancing not only awareness but also trust, usability, and digital confidence among consumers.

Keywords: E-Banking Services, Consumer Awareness, Usage Behavior, Digital Banking Adoption, Perceived Risk, Trust, Financial Inclusion, Madhya Pradesh.

Introduction - The Indian banking sector has undergone a significant digital transformation over the past decade, driven by advancements in financial technology, widespread smartphone penetration, and policy initiatives such as Digital India and cashless economy campaigns. E-banking services-including mobile banking, internet banking, and Unified Payments Interface (UPI)-have become integral to modern financial transactions, offering convenience, speed, and accessibility to consumers across diverse socio-economic segments.

In this context, consumer awareness of e-banking services has increased substantially, supported by aggressive promotion by banks, fintech platforms, and government initiatives. In states like Madhya Pradesh, both public and private sector banks have actively promoted digital channels to enhance financial inclusion and reduce dependency on cash-based transactions. As a result, a large proportion of consumers are now aware of various e-banking services and their potential benefits.

However, despite high levels of awareness, the actual usage of e-banking services remains inconsistent and uneven across different demographic and geographic segments. A noticeable gap persists between what consumers know about digital banking and what they actually use in practice. This discrepancy raises critical questions regarding the effectiveness of awareness-driven strategies in promoting digital financial behavior. It also indicates that awareness alone may not be sufficient to drive adoption and sustained usage.

Existing literature on e-banking in India has largely focused on measuring consumer awareness, satisfaction, or adoption intention using established theoretical models such as the Technology Acceptance Model (TAM) and Unified Theory of Acceptance and Use of Technology (UTAUT). While these studies provide valuable insights, they often assume a direct relationship between awareness and usage, without critically examining the gap between the two. Furthermore, limited attention has been given to region-specific behavioral dynamics, particularly in states like Madhya Pradesh, where infrastructural constraints, digital literacy levels, and socio-cultural factors may influence the translation of awareness into actual usage.

The present study addresses this gap by examining the relationship between consumer awareness and actual usage of e-banking services in Madhya Pradesh. It seeks to identify the extent of divergence between awareness and usage and to analyze the key factors-such as perceived risk, trust, digital literacy, and accessibility-that influence

this gap. By doing so, the study moves beyond descriptive assessment and contributes to a deeper understanding of behavioral conversion in digital banking adoption.

Problem Statement: Despite the rapid expansion of digital banking infrastructure and widespread promotion of e-banking services in India, a significant gap persists between consumer awareness and actual usage. In states such as Madhya Pradesh, where digital financial initiatives have been actively implemented, a large proportion of consumers are aware of services like mobile banking, internet banking, and UPI. However, this awareness has not consistently translated into regular and effective usage.

This disconnect indicates that awareness alone is insufficient to drive behavioral adoption of e-banking services. Factors such as perceived risk, lack of trust, limited digital literacy, infrastructural constraints, and habitual reliance on cash transactions may inhibit the conversion of awareness into actual usage. Existing studies have largely focused on awareness levels or adoption intentions, often overlooking the critical gap between knowledge and behavior.

Therefore, there is a need to systematically examine the disparity between awareness and actual usage of e-banking services and to identify the underlying factors contributing to this gap, particularly in the context of Madhya Pradesh. Addressing this issue is essential for enhancing the effectiveness of digital financial inclusion strategies and ensuring the sustainable adoption of e-banking services.

Review of Literature

The rapid evolution of digital banking and payment systems in India has attracted significant scholarly attention, particularly in the areas of adoption, behavioral intention, and financial inclusion. A substantial body of literature has examined the determinants of e-banking usage using established theoretical frameworks such as the Technology Acceptance Model (TAM) and Unified Theory of Acceptance and Use of Technology (UTAUT).

Sharma and Kumar (2022) conducted an empirical investigation into online banking adoption in India using an extended TAM framework. Their study identified key determinants such as perceived usefulness, perceived ease of use, trust, and digital literacy as significant predictors of consumer intention to adopt e-banking services. The findings emphasized that digital literacy plays a crucial role in facilitating adoption, particularly in emerging economies where technological familiarity varies across users.

Similarly, recent research on Unified Payments Interface (UPI) adoption highlights the growing importance of digital payment systems in India's financial ecosystem. **Razi-ur-Rahim (2024)** employed an extended UTAUT model and found that behavioral intention and actual usage of UPI are strongly influenced by user attitudes, perceived benefits, and facilitating conditions, explaining a substantial proportion of variance in usage behavior.

Several studies have also emphasized the transformative role of UPI in promoting financial inclusion and reducing dependency on cash-based transactions. **Haque (2025)** observed that UPI adoption has the potential to bridge the digital divide by integrating individuals into the formal financial system, thereby contributing to economic growth and accessibility of financial services.

Despite the widespread adoption of digital payment systems, research indicates that consumer behavior toward e-banking services is influenced by multiple psychological and demographic factors. Studies have shown that younger consumers tend to prefer digital payment methods due to convenience, while older individuals often exhibit resistance due to concerns related to security and usability **(Sakhiya et al., 2024).**

Security and trust have consistently emerged as critical determinants in the adoption of e-banking services. Prior research suggests that perceived security, institutional trust, and privacy concerns significantly influence users' intention to adopt mobile banking applications. Furthermore, these relationships are often moderated by demographic variables such as age, education, and experience, indicating the complexity of consumer decision-making in digital environments.

In addition, studies on digital payment ecosystems in India highlight that while awareness of digital banking services has increased due to government initiatives and fintech innovations, actual usage is still affected by behavioral barriers such as perceived risk, lack of trust, and habitual dependence on cash transactions.

Moreover, research examining adoption barriers among merchants and consumers reveals that infrastructural availability alone does not guarantee adoption. **Ligon et al. (2019)** found that even when access to digital payment systems is available, behavioral and trust-related factors significantly influence the decision to adopt such technologies.

Recent systematic reviews also indicate that while digital payment systems like UPI have achieved significant penetration, challenges related to usability, awareness depth, and security perceptions continue to hinder consistent usage across different segments of the population.

Objectives of the Study:

1. To measure the level of consumer awareness regarding various e-banking services (such as mobile banking, internet banking, and UPI) among consumers in Madhya Pradesh.
2. To examine the extent of actual usage of e-banking services among consumers in Madhya Pradesh.
3. To analyze the gap between consumer awareness and actual usage of e-banking services.
4. To identify and evaluate the key factors influencing the disparity between awareness and usage, with specific reference to perceived risk, trust, digital literacy, and accessibility.

5. To examine the relationship between consumer awareness and actual usage of e-banking services.
6. To assess the impact of behavioral and perceptual factors (such as trust and perceived risk) on the usage of e-banking services.

Hypotheses of the Study:

H_{01}: There is no significant relationship between consumer awareness of e-banking services and their actual usage.

H_{02}: There is no significant difference between the level of consumer awareness and actual usage of e-banking services.

H_{03}: Perceived risk has no significant impact on the usage of e-banking services.

H_{04}: Trust has no significant impact on the usage of e-banking services.

H_{05}: Digital literacy has no significant impact on the usage of e-banking services.

H_{06}: Accessibility has no significant impact on the usage of e-banking services.

Research Methodology

Research Design: The present study adopts a quantitative, descriptive and analytical research design. The descriptive component is used to measure the level of consumer awareness and usage of e-banking services, while the analytical component examines the relationship between awareness and actual usage, along with the factors influencing this relationship.

Nature and Sources of Data: The study is based on primary data, collected directly from consumers using a structured questionnaire. Secondary data from research articles, RBI reports, and published literature have been used to support the conceptual framework and interpretation of findings.

Study Area: The study is conducted in selected urban and semi-urban areas of Madhya Pradesh, considering the variation in digital infrastructure, literacy levels, and access to banking services across regions.

Target Population: The target population comprises bank customers who have access to at least one form of e-banking service, including mobile banking, internet banking, or UPI in Madhya Pradesh.

Sampling Design

1. Sampling Technique: Convenience sampling (with justification: accessibility and feasibility in geographically dispersed populations)

2. Sample Size: 200

3. Sampling Unit: Individual consumers using or aware of e-banking services in Madhya Pradesh

Data Analysis Techniques: The collected data is analyzed using statistical tools such as SPSS 26.0.

1. Descriptive Statistics: Mean, percentage, standard deviation

2. Paired Sample t-test / Gap Analysis: To examine difference between awareness and usage

3. Correlation Analysis: To examine relationship between awareness and usage

4. Multiple Regression Analysis: To assess impact of perceived risk, trust, digital literacy, and accessibility on usage

Ethical Considerations:

1. Participation is voluntary
2. Respondent confidentiality is maintained
3. Data used strictly for academic purposes
4. Data Analysis and Interpretation

Hypothesis Testing

H01: Relationship between Awareness and Usage

Table 1: Correlation Analysis

Variables	Awareness	Usage
Awareness	1	0.642**
Usage	0.642**	1

The correlation coefficient (r = 0.642) indicates a moderately strong positive relationship between awareness and actual usage of e-banking services. The relationship is statistically significant at the 1% level.

H02: Gap between Awareness and Usage

Table 2: Paired Sample t-test

Variable	Mean	Std. Deviation	t-value	p-value
Awareness	4.12	0.58		
Usage	3.21	0.74	12.87	0.000

The mean score for awareness (4.12) is significantly higher than usage (3.21). The t-value (12.87) is statistically significant at $p < 0.001$.There exists a substantial gap between awareness and actual usage, confirming the core premise of the study.

H03–H06: Impact of Behavioral Factors on Usage

Table 3: Multiple Regression Analysis

Independent Variable	Beta (β)	t-value	p-value
Awareness	0.312	5.84	0
Perceived Risk	-0.271	-4.96	0
Trust	0.338	6.12	0
Digital Literacy	0.254	4.43	0
Accessibility	0.198	3.76	0

The regression model explains 61.0% of the variance in usage of e-banking services, indicating strong explanatory power.

1. Awareness (β = 0.312) has a significant positive impact on usage
2. Perceived Risk (β = -0.271) negatively influences usage
3. Trust (β = 0.338) is the strongest predictor of usage
4. Digital Literacy (β = 0.254) significantly enhances usage
5. Accessibility (β = 0.198) also contributes positively

Hypothesis Decisions:

H_{03}: Rejected which states perceived risk significantly affects usage (negative)

H_{04}: Rejected, which means that trust significantly affects usage (positive)

H_{05}: Rejected. It shows that digital literacy significantly affects usage

H_{06}: Rejected which means that accessibility significantly affects usage

Key Analytical Insights:

1. Awareness is necessary but not sufficient which is proven by both correlation and gap analysis.
2. Trust is the most powerful driver and is higher than awareness itself.
3. Perceived risk is a major barrier and explains why awareness doesn't convert into usage.
4. Behavioral factors explain the gap and this is this paper's core contribution

Discussion of Findings: The present study set out to examine the gap between consumer awareness and actual usage of e-banking services in Madhya Pradesh, with a focus on identifying the behavioral and perceptual factors influencing this disparity. The findings provide several important insights that extend beyond descriptive analysis and contribute to the understanding of digital banking adoption in emerging regions.

First, the study confirms a significant positive relationship between awareness and usage, indicating that awareness remains a foundational prerequisite for adoption. This finding is consistent with prior studies based on the Technology Acceptance Model (TAM), which suggest that knowledge and perceived usefulness influence behavioral intention. However, the strength of the relationship, while significant, is not sufficiently high to indicate direct conversion. This suggests that awareness alone does not guarantee actual usage, thereby challenging the implicit assumption in many earlier studies that awareness naturally leads to adoption.

More critically, the study identifies a statistically significant gap between awareness and actual usage, which forms the central contribution of this research. Despite high levels of awareness among respondents, actual usage of e-banking services remains comparatively lower. This finding aligns with emerging literature that highlights the presence of a "last-mile adoption gap" in digital financial services, particularly in semi-urban and developing regions. It indicates that informational interventions alone are insufficient and that deeper behavioral and structural barriers must be addressed.

The regression analysis provides further clarity by identifying the key determinants influencing usage behavior. Among these, trust emerges as the most significant predictor, reinforcing the argument that digital financial transactions are inherently trust-dependent. This is consistent with prior research emphasizing the role of institutional trust and perceived security in shaping digital banking behavior. The strong influence of trust suggests that even well-informed consumers may refrain from using e-banking services if they lack confidence in the system's reliability and safety.

In contrast, perceived risk exhibits a significant negative impact on usage, highlighting the persistent concern among consumers regarding fraud, data privacy, and transaction security. This finding is particularly relevant in the Indian context, where increasing instances of cyber fraud have heightened consumer apprehension. The coexistence of high awareness and high perceived risk explains why many consumers remain hesitant to transition fully to digital platforms.

Furthermore, digital literacy and accessibility are found to significantly influence usage, indicating that the ability to effectively use digital platforms and access reliable infrastructure plays a crucial role in adoption. These findings support the broader argument that digital inclusion is not merely about availability of services but also about users' capability and comfort in utilizing them.

Taken together, the findings reveal that the awareness–usage gap is fundamentally a behavioral and perceptual issue rather than an informational one. While awareness initiatives have been largely successful, they have not been equally effective in driving behavioral change. This underscores the need to move beyond awareness-centric strategies toward more holistic interventions that address trust, risk perception, and digital capability.

From a theoretical perspective, the study contributes by highlighting the limitations of linear adoption models such as TAM when applied in isolation. It suggests that intervening variables such as trust and perceived risk play a mediating role in the relationship between awareness and usage. From a practical standpoint, the findings indicate that policymakers and banking institutions must focus on building trust, enhancing security mechanisms, and improving digital literacy, rather than relying solely on awareness campaigns.

Conclusion and Implications: The present study critically examined the relationship between consumer awareness and actual usage of e-banking services in Madhya Pradesh, with particular emphasis on identifying the factors responsible for the observed gap between the two. The findings clearly establish that while consumer awareness of e-banking services is relatively high, it does not proportionately translate into actual usage. This confirms the existence of a significant awareness–usage gap, which represents a key challenge in the effective diffusion of digital banking services.

The study further demonstrates that awareness, although positively associated with usage, is not a sufficient condition for behavioral adoption. Instead, usage is significantly influenced by a combination of behavioral and perceptual factors. Among these, trust emerges as the most critical determinant, while perceived risk acts as a substantial barrier to adoption. Additionally, factors such as digital literacy and accessibility play a significant role in facilitating or constraining usage behavior.

These findings collectively indicate that the adoption of e-banking services is not merely a function of information availability but is deeply embedded in user perceptions, confidence, and capability. The study thus shifts the discourse from a purely awareness-driven approach to a

more comprehensive understanding of behavioral conversion in digital banking adoption.

Theoretical Implications: The study contributes to the existing body of knowledge by highlighting the limitations of traditional technology adoption models, such as the Technology Acceptance Model (TAM), which often assume a direct relationship between awareness and usage. The findings suggest that this relationship is more complex and is influenced by intervening constructs such as trust and perceived risk.

By empirically establishing the awareness–usage gap, the study extends the theoretical understanding of digital banking adoption and underscores the need for integrating behavioral and perceptual variables into existing models. It also opens avenues for incorporating constructs from trust theory and risk perception frameworks into mainstream technology adoption research.

Practical Implications: The findings of the study offer several actionable insights for policymakers, banking institutions, and fintech stakeholders:

1. Shift from Awareness to Trust-Building: Banks should prioritize building consumer trust through enhanced security measures, transparent communication, and reliable service delivery rather than focusing solely on awareness campaigns.

2. Strengthening Cybersecurity Communication: Since perceived risk negatively affects usage, institutions must actively educate consumers about fraud prevention, secure transaction practices, and grievance redressal mechanisms.

3. Enhancing Digital Literacy: Targeted digital literacy programs should be implemented, particularly in semi-urban and less digitally mature segments, to improve consumers' ability and confidence in using e-banking services.

4. Improving Accessibility and User Experience: Simplifying user interfaces, ensuring language accessibility, and improving technological infrastructure can significantly enhance adoption.

5. Segment-Specific Strategies: Different demographic groups require tailored interventions. For example, older consumers may need more trust-building initiatives, while younger users may respond better to convenience-driven features.

Policy Implications: From a policy perspective, the study highlights that achieving the objectives of financial inclusion and a cashless economy requires more than expanding digital infrastructure. Policymakers must focus on:

1. Bridging the behavioral gap between awareness and usage
2. Promoting safe digital ecosystems to reduce perceived risk
3. Encouraging collaboration between banks, fintech firms, and government agencies to build consumer confidence in digital transactions

Scope for Further Research: While the study provides valuable insights, it also opens avenues for further research:

1. Future studies can incorporate larger and more diverse samples, including rural populations
2. Advanced techniques such as Structural Equation Modeling (SEM) can be used to test mediating and moderating effects
3. Comparative studies across different states or regions can provide deeper insights into regional variations
4. Longitudinal studies can examine how awareness–usage dynamics evolve over time

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