

DIGITAL BANKING PARADOX AMONG ELDERLY ENTREPRENEURS

Abstract

Banks reflect their unique role as the kick-starter of growth in any economy. Commercial and specialized banks always play an important role in the growth and development of entrepreneurship. The rapid proliferation of digital banking services has revolutionized the financial landscape, offering convenience and efficiency to users across all age groups. However, a paradoxical situation has emerged among elderly entrepreneurs who are simultaneously navigating the digital realm while dealing with the stress inherent in entrepreneurship. The growth of digital banking is very helpful for entrepreneurs in modern days, especially during COVID-19. The banking sector has embraced the use of technology to serve its clients faster and also to do more with less emerging technologies that have changed the banking industry from paper to “Digitalized” banking services. Entrepreneurs invariably don’t retire. Sometimes they are compelled to work even though they want to quit/terminate their business.

This paper aims to identify the digital banking issues and challenges that cause stress among elderly entrepreneurs. The paper is based on primary data. A survey has been conducted among entrepreneurs of Generation Y, Generation X, Boomers II and Boomers I to identify issues and challenges they face when engaging with digital banking. The study concluded that security concerns were omnipresent among the older adults, with many of them lacking confidence in using digital banking tools.

Keywords: Digital Banking, Technology, Stress, Elderly Entrepreneurs

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I. INTRODUCTION

Digital Banking can ensure modernity, accuracy, speed and broaden the Banking Outlook. It can escalate the banking business to new heights of growth in any economy. The contribution of banks to the growth and development of entrepreneurship is crucial.

Entrepreneurial ventures are of great importance for all modern economics. Entrepreneurs play a central role in the creation, development and survival of the business. They invariably don't retire. They have no retirement age. Most of them work until their physical well-being permits. Sometimes they are compelled to work even though they want to quit or terminate their business.

In recent years, the pandemic has made many more people move to digital banking out of necessity. However, older entrepreneurs face the issues and challenges of digital banking in their business transactions. This is because of inadequate knowledge, network issues of online banking, old age problems, language barriers and helplessness when there are chances of misuse and fraud. Some older entrepreneurs might cry 'foul' for lack of emphasis on digital literacy, training and the need to re-orient and re-vitalize the system to expand its reach to entrepreneurs of all generations and make it more meaningful and beneficial. The harms of unethical digital practices, the manipulative influences and the misleading promises of digital-based banking have become targets of public criticism leading to confusion in elderly entrepreneurs. The change over from conventional 'paper' to 'paper-less digitalized banking services' seem to have become a cause of stress among elderly entrepreneurs.

Banking habits of Boomers, Generation X and Generation Y: boomers prefer to conduct transactions in a branch. They still prefer to pay in cash.

Generation X is digitally savvy. They conduct some research and handle their finances online, but they still feel banking is a person-to-person business.

Generation Y (Millennials) believes that digital tools may help them manage their finances and that their banks are transactional rather than rational.

Further, the literature review showed the amount of research carried out is minimal. the study reviewed specific literature, as (Jaeger, 2004) explained the positive impact of technology on elderly people in the context of Denmark. Similarly, these studies(G.Hough & Kobylanski, 2009), (Heerink et al. 2010),(Wagner, Hassanein, & Head, 2010),(Chen, 2011),(Nagle & Schmidt, 2012), (Pan & Marsh, 2010) and (Ryu et al. 2009) are decorated with the drivers of using online shopping, banking and other interfaces but limited to consider the barriers. Moreover, the study conducted by(Msweli & Mawela, 2020) and (Lian & Yen, 2014)indicated the barriers which keep elderly people from using more internet banking are security issues, adaptation, and limited knowledge of technology.

II. OBJECTIVES OF THE STUDY

- To identify digital banking issues and challenges.
- To investigate stress among elderly entrepreneurs caused by digital banking issues and challenges.

Research Methodology: The research has been done with the use of various sources of information which has been bifurcated as primary source and secondary source. Further, the primary data includes Questionnaire, interview and Observations, and Secondary information has been gathered from different magazines, journals and various digital banking websites.

III. SAMPLING METHOD

The population includes male and female respondents with reference to Mangalore City, Dakshina Kannada District, and Karnataka State. In this research convenience sampling method is followed.

In convenience sampling a sample is obtained by selecting convenient elderly entrepreneurs. Moreover, the Sample size is 80 with reference to Mangalore City.

Limitations of the Study:

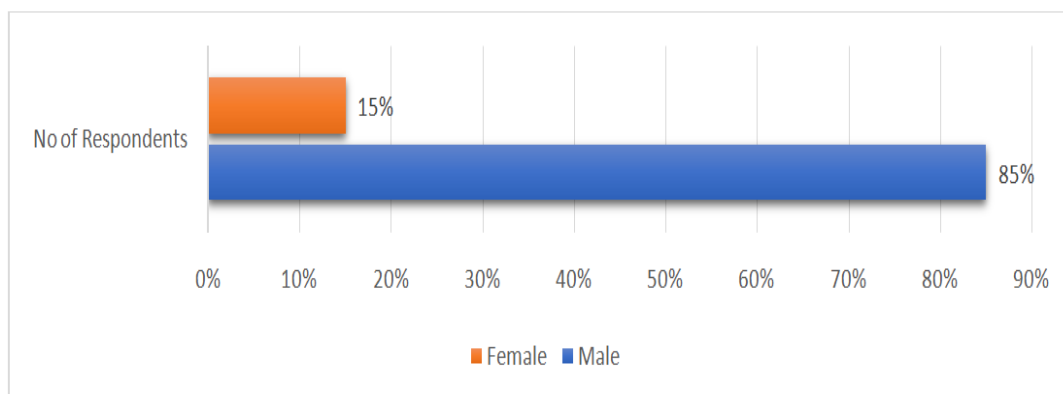
- The study is confined to a finite period
- The results are found through the questionnaire method

IV. DATA ANALYSIS AND INTERPRETATION

Table1: Gender of the Respondents

Particulars	No. of Respondents	Percentage
Male	68	85%
Female	12	15%
Total	80	100%

Chart 1: Gender of the Respondents

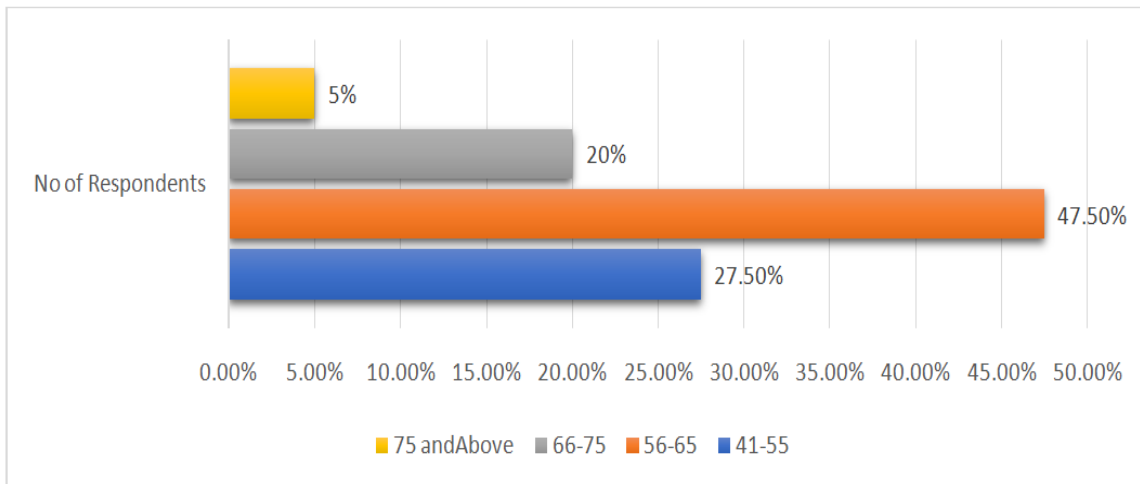


1. Interpretation: Table 1 and chart 1 show that 85% of the respondents are male and 15% of the respondents are female, in this way larger part of the respondents are male who use digital banking.

Table 2: Age of the Respondents

Particulars	No. of Respondents	Percentage
41-55	22	27.5%
56-65	38	47.5%
66-75	16	20%
76 and above	4	5%
Total	80	100%

Chart 2: Age of the Respondents

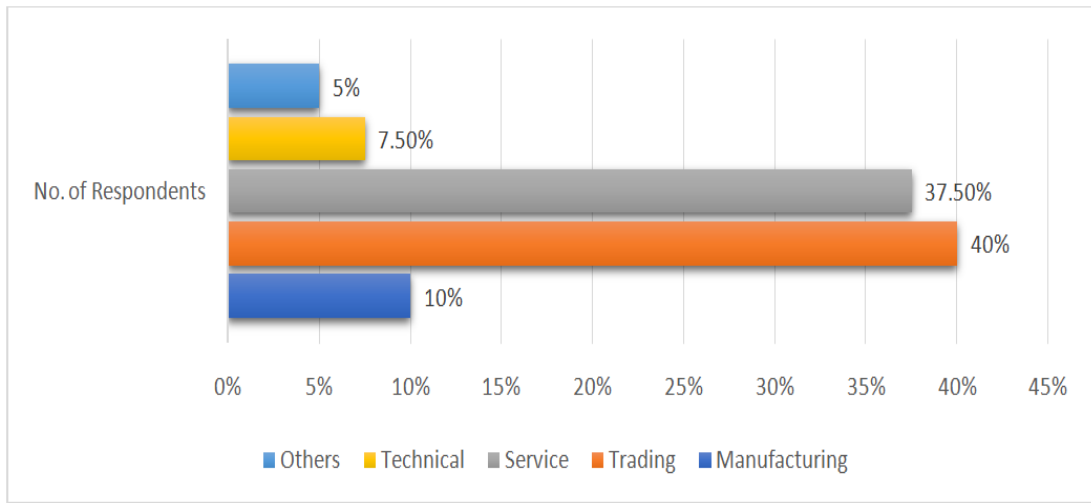


- 2. Interpretation:** Table 2 and chart 2 show that 27.5% of the respondents are of the age group 41-55 years, 47.5% of the respondents of the age group 56-65 years, 20% of the respondents are of the age group 66-75 years and 5% of the respondents are above 75 years, this shows different age groups of elderly entrepreneurs who use digital banking, the majority of the respondents are of the age group 56-65 years.

Table 3: Entrepreneurial Activities of the Respondent

Particulars	No. of Respondents	Percentage
Manufacturing	8	10%
Trading	32	40%
Service	30	37.5%
Technical	6	7.5%
Any Others	4	5%
Total	80	100%

Chart 3: Entrepreneurial Activities of the Respondent

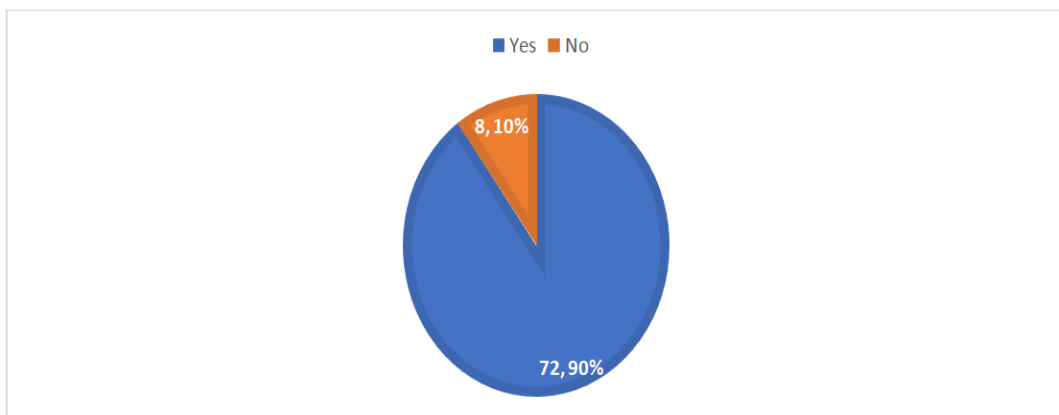


3. Interpretation: Table 3 and chart 3 show the entrepreneurial activities of the respondents which is 10% manufacturing, 40% trading, 37.5% Service, 7.5% Technical and 5% Others, this shows that the majority of the respondents are traders.

Table 4: Awareness about the Digital Banking Services

Particulars	No. of Respondents	Percentage
Yes	72	90%
No	8	10%
Total	80	100%

Chart 4: Awareness about the Digital Banking Services

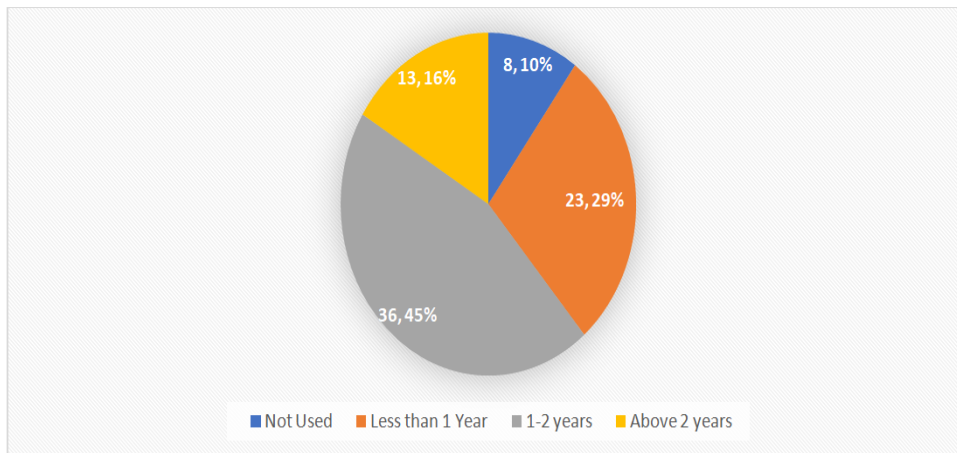


4. Interpretation: Table 4 and chart 4 show that 90% of the respondents are aware of digital banking services and 10% of the respondents are unaware.

Table 5: Period of Usage of Digital Banking Services

Particulars	No. of Respondents	Percentage
Not used (0)	8	10%
Less than 1 year	23	28.75%
1-2 years	36	45%
Above 2 years	13	16.25%
Total	80	100%

Chart 5: Period of Usage of Digital Banking Services

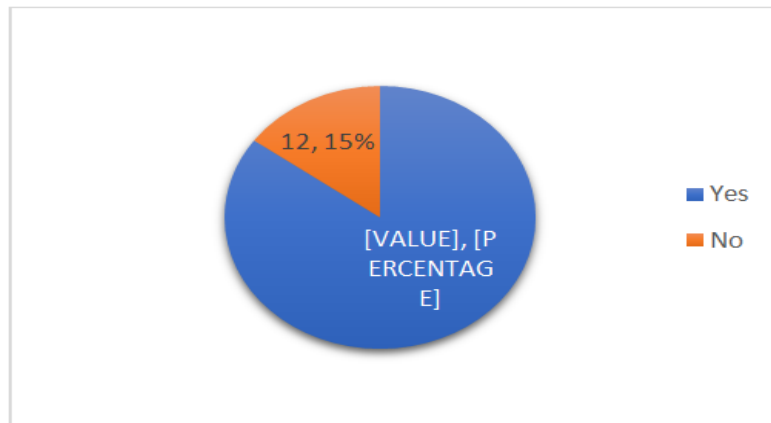


5. Interpretation: Table 5 and chart 5 show that 10% of the respondents have never used digital banking services, 28.75% of the respondents have been using it for less than 1 year, 45% of the respondents have been using it for 1-2 years, 16.25% of the respondents have been using it for more than 2 years, the majority of the respondents have been using digital banking for 1-2 years.

Table 6: Do You Find Digital Banking Useful?

Particulars	No. of Respondents	Percentage
Yes	68	85%
No	12	15%
Total	80	100%

Chart 6: Do You Find Digital Banking Useful?

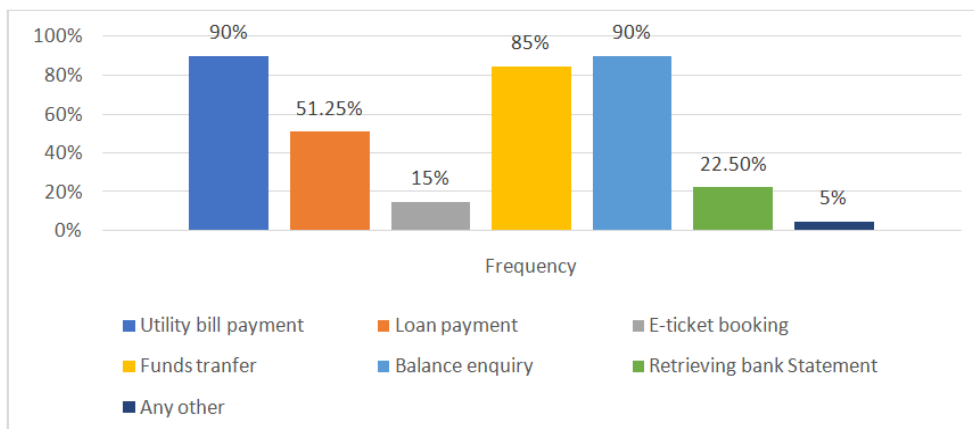


6. Interpretation: Table 6 and chart 6 shows that 85% of the respondents feel that digital banking is useful and 15% of the respondents feel it is not useful.

Table 7: Purpose of Digital Banking Service

Particulars	Frequency	Percentage of Respondents
Utility bill payment	72	90%
Loan payment	41	51.25%
E-ticket booking	12	15%
Funds transfer	68	85%
Check account balance	72	90%
Retrieving bank statement	18	22.5%
Any other	4	5%
Total	287	

Chart 7: Purpose of Digital Banking Service



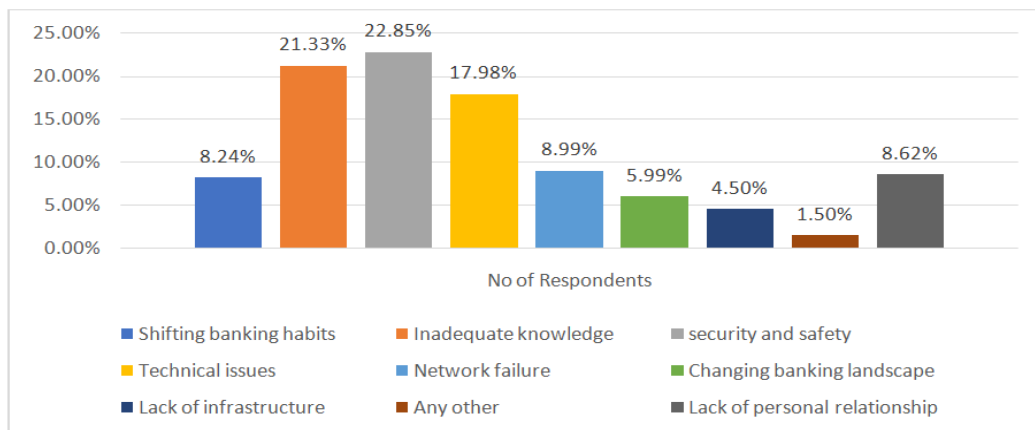
7. Interpretation: Table 7 and chart 7 show that 90% of the respondents use digital banking services for utility bill payments and to check account balance, 85% of the respondent use it for fund transfer, 51.25% use it for loan payments, 22.5% use it for retrieving bank

statement, 15% use it for E-ticket booking, 5% use it for other purposes, this implies that most of the respondents use it for the utility bill payment.

Table 8: Challenges Faced While Using Digital Banking Services?

Particulars	No. of Respondents	Percentage
Shifting banking habits	22	8.24%
Inadequate knowledge	57	21.33%
Security and safety	61	22.85%
Technical issues	48	17.98%
Network Failure	24	8.99%
Lack of personal relationship	23	8.62%
Changing banking landscape	16	5.99%
Lack of infrastructure	12	4.50%
Any other	4	1.50%
Total	267	100%

Chart 8: Challenges Faced While Using Digital Banking Services?

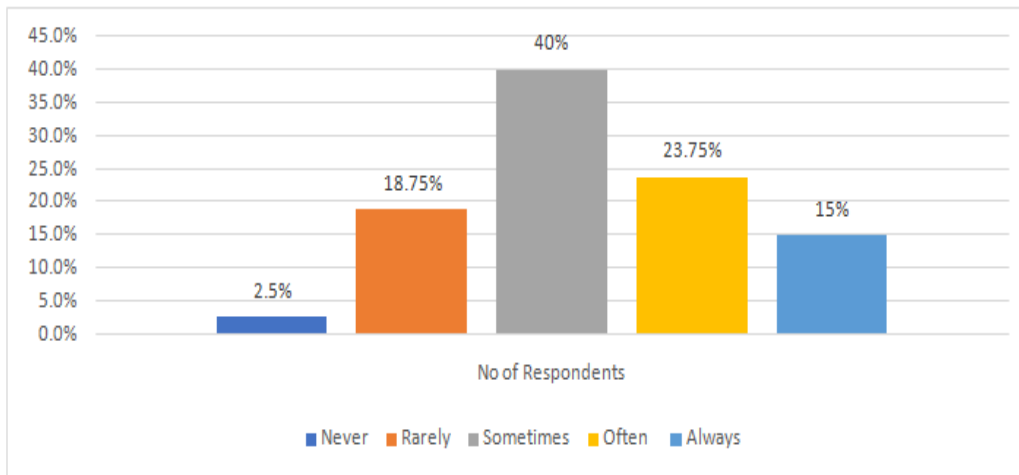


8. Interpretation: Table 8 and chart 8 show the challenges faced by the respondents by using digital banking 22.85% security and safety, 21.33% inadequate knowledge, 17.98% technical issues, 8.99% network failure, 8.62% lack of personal relationship, 8.24% shifting banking habits, 5.99% changing banking landscape, 4.50% lack of infrastructure, 1.50% other challenges, this shows that majority of the respondents face the challenge of security and safety.

Table 9: Do You Make Mistakes While Using Digital Banking Services?

Particulars	No. of Respondents	Percentage
Never	2	2.5%
Rarely	15	18.75%
Sometimes	32	40%
Often	19	23.75%
Always	12	15%
Total	80	100%

Chart 9: Do You Make Mistakes While Using Digital Banking Services?

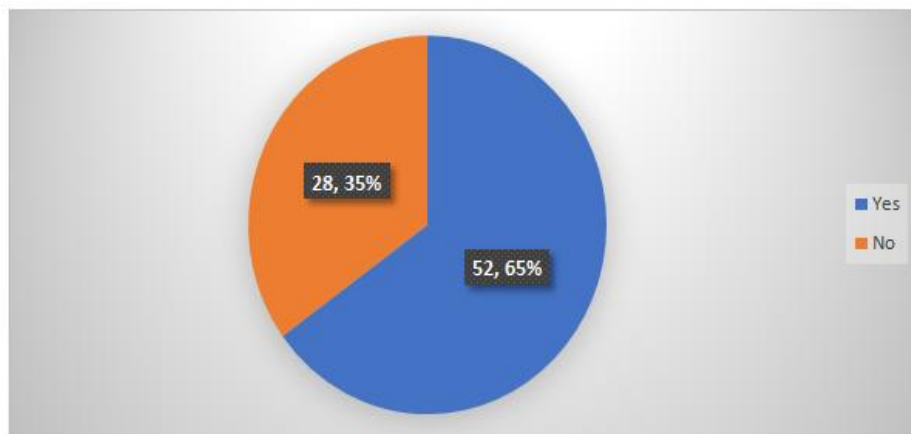


9. Interpretation: Table 9 and chart 9 show that 40% of the respondents do make mistakes sometimes, 23.75% make mistakes often, 18.75% rarely make mistakes, 15% always make mistakes, and 2.5% never make mistakes.

Table 10: Do You Feel Stressed While Using Digital Banking Services?

Particulars	No. of Respondents	Percentage
Yes	52	65%
No	28	35%
Total	80	100%

Chart 10: Do You Feel Stressed While Using Digital Banking Services?

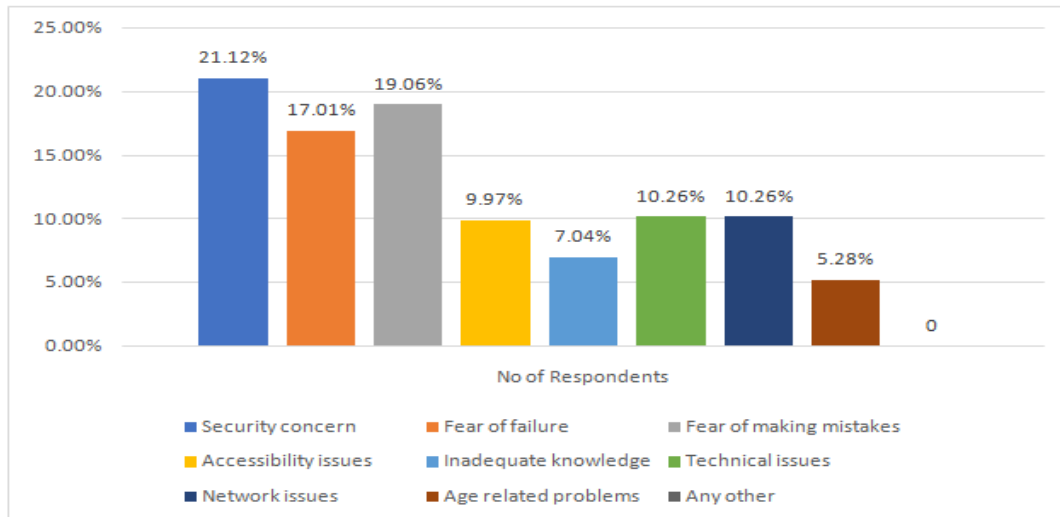


10. Interpretation: Table 10 and chart 10 shows that 65% of the respondents feel that they are stressed while using digital banking services and 35% of the respondents don't feel stressed.

Table 11: What Factors Cause Stress in You While Using Digital Banking?

Particulars	No. of Respondents	Percentage
Security concerns	72	21.12%
Fear of failure	58	17.01%
Fear of making mistakes	65	19.06%
Accessibility issues	34	9.97%
Inadequate knowledge	24	7.04%
Technical issues	35	10.26%
Network issues	35	10.26%
Age-related problems	18	5.28%
Any other	0	0%
Total	341	100%

Chart 11: What Factors Cause Stress in You While Using Digital Banking?

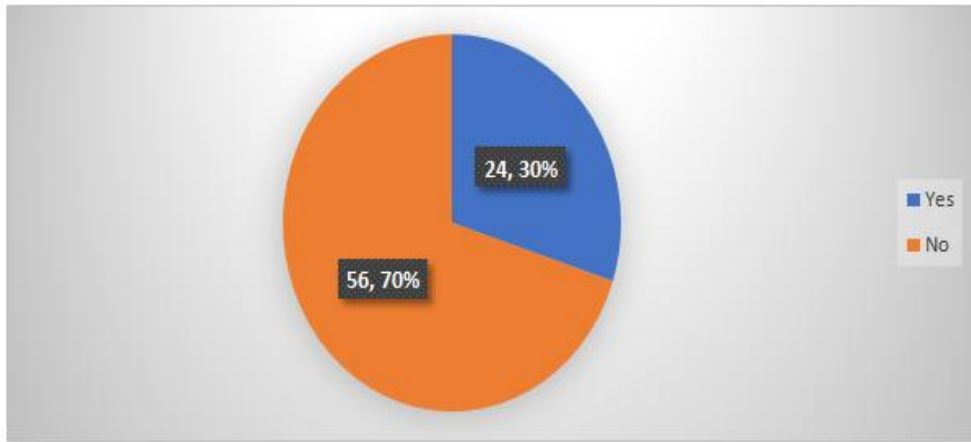


11. Interpretation: Table 11 and chart 11 show the factors that cause stress in the respondents while using digital banking 21.12% mentioned security concerns, 19.06% fear of making mistakes, 17.01% fear of failure, 10.26% technical issues, 10.26% network issues, 9.97% accessibility issues.

Table 12: Have You Ever Come Across Fraud Or Scam Due To Digital Banking?

Particulars	No. of Respondents	Percentage
Yes	24	30%
No	56	70%
Total	80	100%

Chart 12: Have You Ever Come Across Fraud Or Scam Due To Digital Banking?

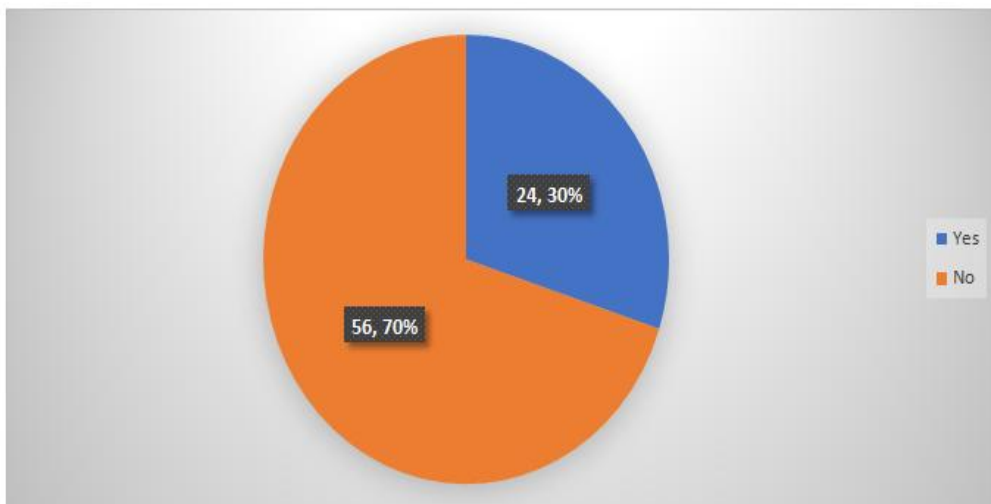


12. Interpretation: Table 12 and chart 12 show that 24% of the respondents come across fraud or scam due to digital banking and 70% have not.

Table 13: Are You Dependent On Others To Use Digital Banking Services?

Particulars	No. of Respondents	Percentage
Yes	24	30%
No	56	70%
Total	80	100%

Chart 13: Are You Dependent On Others To Use Digital Banking Services?

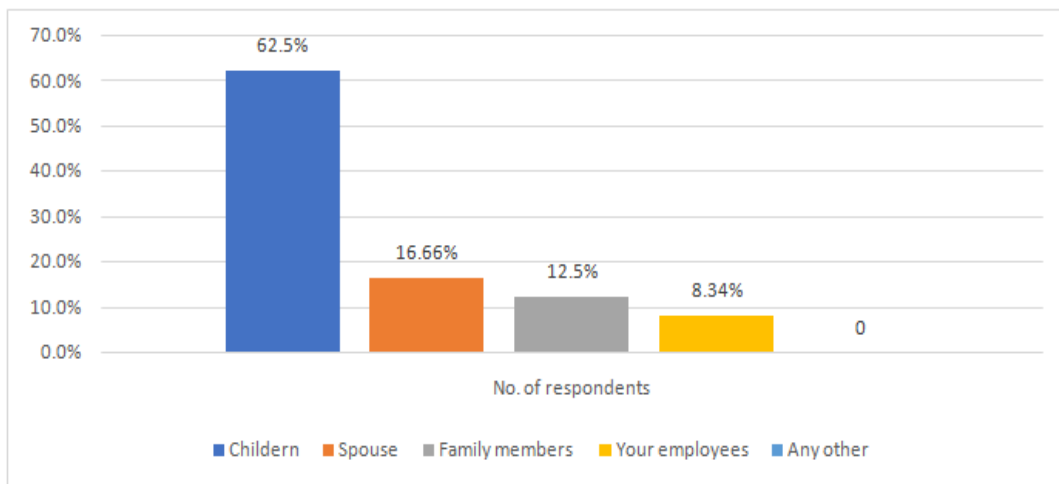


13. Interpretation: Table 13 and chart 13 show that 30% of the respondents are dependent on others to use digital banking services and 70% of respondents are not dependent on others.

Table 14: If Yes On Whom?

Particulars	No. of Respondents	Percentage
Children	15	62.5%
Spouse	4	16.66%
Family member	3	12.5%
Your employees	2	8.34%
Any other?	0	0%
Total	24	100%

Chart 14: If Yes On Whom?

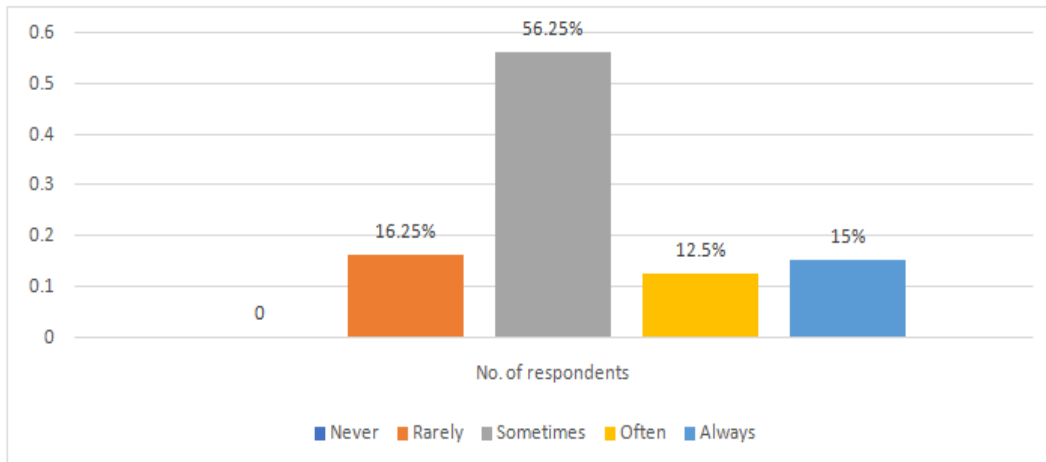


14. Interpretation: Table 14 and chart 14 shows whom the respondents are dependent on for using digital banking services, 62.5% depend on their children, 16.66% on their spouse, 12.5% on family members, and 8.34% on their employees.

Table 15: Do You Get Support From Your Bank When You Need Help To Transact Digitally?

Particulars	No. of Respondents	Percentage
Never	0	0%
Rarely	13	16.25%
Sometimes	45	56.25%
Often	10	12.5%
Always	12	15%
Total	80	100%

Chart 15: Do You Get Support From Your Bank When You Need Help To Transact Digitally?

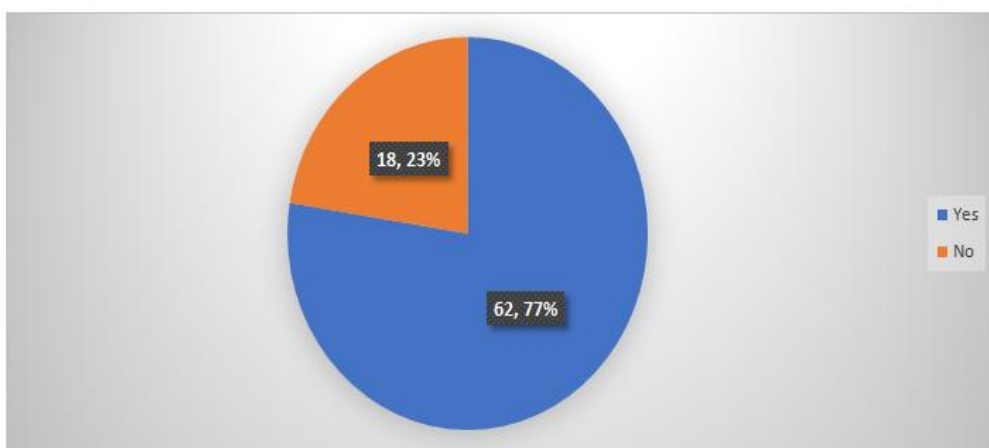


15. Interpretation: Table 15 and chart 15 show the support they get from the bank when they need help to transact digitally, 56.25% of the respondents get help sometimes, 16.25% get rarely, 15% always get it, and 12.5% often get help.

Table 16: Do You Prefer Digital Banking In Future?

Particulars	No. of Respondents	Percentage
Yes	62	77.5%
No	18	22.5%
Total	80	100%

Chart 16: Do You Prefer Digital Banking In Future?



16. Interpretation: Table 16 and chart16 show that 77.5% of the respondents do prefer digital banking in future and 22.5% would not prefer it, this implies that the majority of the respondents prefer digital banking.

V. FINDINGS

After studying and analyzing various responses within the questionnaire survey of the elderly entrepreneurs of Mangalore city, A brief summary is given below:

- From the study, we found out that the majority of respondents are male 85% and are of the age group 56-65
- Majority of the respondents are aware of the digital banking services and have been using them for 1-2 years
- Majority of the respondents find digital banking useful and they use it for the purpose of utility bill payments, checking account balance, and funds transfer
- Security and safety are the major challenges they face, as well as inadequate knowledge
- Majority of the respondents state that they are stressed while using digital banking services
- The factors that cause stress are security concerns, fear of making mistakes, fear of failure, technical issues, network issues, accessibility issues, inadequate knowledge and age-related problems
- Thirty percent of the respondents have experienced fraud and scam regarding digital banking
- Thirty percent of the respondents depend on others to use digital banking tools and majority of them depend on their children
- Majority of the respondents mention that they get support from the bank when they need help
- Majority of the respondents prefer digital banking in the future, which is a very good response

VI. RECOMMENDATIONS

- Banks need to ensure that their system is well maintained and upgraded to counter any threats from cybercrimes.
- Designers of digital banking services should do more to offer better safety nets that will offer actual protection and more reassurance to older users. They should design user-friendly apps so that elderly customers find them easy to navigate and they won't be afraid of making expensive transaction mistakes or exposing themselves to cyberattacks.
- A chatbot can assist elderly customers to simplify the use of digital banking. This can make the user's experience easy and intuitive, requiring minimum effort on the user's part to receive the maximum desired outcome. Chatbots work on scam warning and prevention, which strengthen security aspects and makes financial procedure stress-free.
- Bank should provide adequate support and knowledge to the customers so that they can use digital banking services without any hesitation.
- A digital banking literacy program should be conducted. This can be done by banks and NGOs.

VII. CONCLUSION

The digital transformation has brought tremendous changes in the banking scenario. Digital banking is the need of the hour. Technology has become familiar to most individuals, while entrepreneurs face some issues and challenges as their businesses are mainly dependent on banking services. Due to this, the elderly entrepreneurs have been experiencing stress. If digital banking services are available efficiently, there won't be any challenges to face. These challenges can be easily counterbalanced by adopting more innovative solutions, technical security, and providing adequate knowledge.

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