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The Impact of Electronic Payment Innovations on Investor Sentiment: Evidence from SBI

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Abstract
The study examines the factors influencing the adoption of electronic payment Services in the State Bank of India(SBI)using a mixed-methods approach, including surveys, interviews, and data from customers, employees, and managers .A survey of100 bank operations-acquainted respondents found security concerns and ease of use key drivers, emphasizing the need for continuous customer education and personalized banking solutions.
SBI should prioritize building customer trust through secure platforms, enhancing user experience, and improving infrastructure for electronic payments, with policy interventions and customer engagement strategies recommended for increased adoption. This study explores the factors influencing the State Bank of India's payments revolution, offering practical insights for banks, regulators, and policymakers promoting fintech adoption in the financial sector.
Keywords: digital payment methods, Credit cards, electronic wallets, and Commercial banks.
JEL Code:E44, G51,G21

1. Introduction

The global technological revolution is significantly impacting various aspects of life, with financial technology emerging as a major advancement area. SBI has embraced this technological change swiftly and is concentrating on building the setup required to facilitate andusetheseadvances.SBIhasmadesignificantstridesinthisareaandisnowwell-knownin the Arab world aswellas internationally(Acharya, 2024).The use of digital payment systems, which seek to create a virtual digital landscape by utilizing all available human and material resources, is a critical component of this technological advancement (Rawwash et al., 2020). The goal of this environment is to improve and develop electronic payment systems while addressing concerns about security and trust.

2. Conceptual Framework and Hypotheses Formulation:

This framework incorporates a few key elements that influence consumers' preparedness for digital payments, as determined by the literature analysis. These elements fall into the categories of obstacles and enablers for consumers' preparedness for digital payments.

Figure2.1
Conceptual Framework

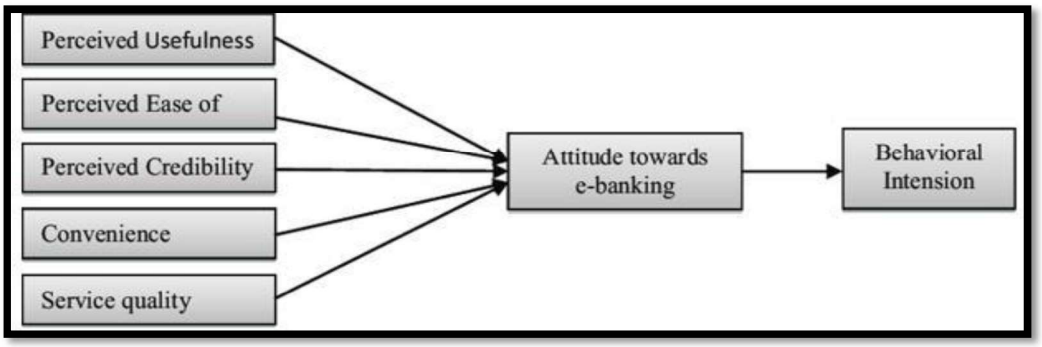
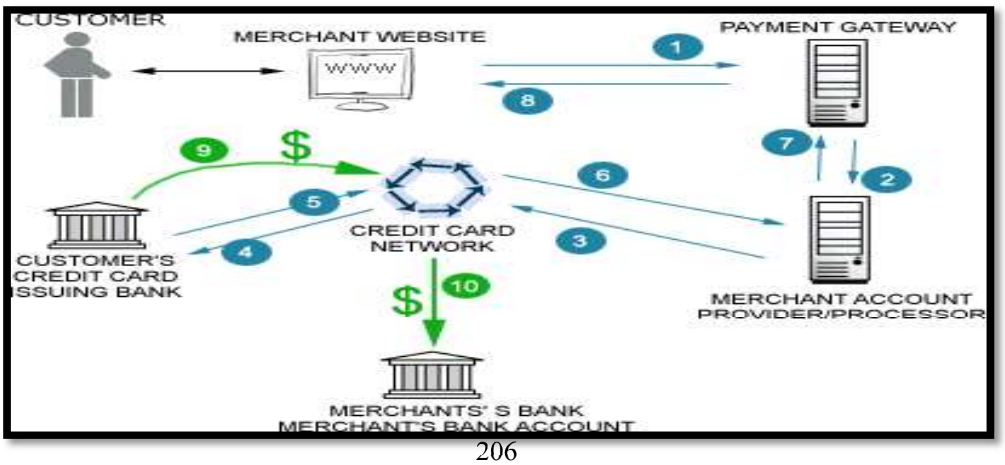


Figure2.2
Model of a digital payment system



3. Hypothesis

H1*:* Usage of electronic payment system is significantly influenced by their customers. Perceived Utility: Perceived utility is crucial for service acceptance, and banks should enhance user experience and streamline transactions through electronic payment applications. Implementingsolutionsshouldalignwithusers'financialobjectives.AstudyinNigeria found that while EPS did not significantly impact banking efficiency, financial institutions should create more electronic payment options to promote commerce.

H2: Applying of digital payment system is significantly influenced by the perceived benefits of using such methods.

Financial Literacy Culture: Central and commercial banks are promoting financial literacy andcultivatinganelectronicfinancialculture.Enhancinginvestors'understandingofelectronic payment methodsand financialinclusioniscrucial.Effectivecommunicationaboutelectronic financial products and services optimizes advantages while fostering security and trust. The Central Bank has launched initiatives to improve financial literacy across sectors.

H3: Usage of electronic banking services is significantly influenced by awareness of digital banking.

Ease of Use and Security: Electronic payment methods are essential in today's society, enablingtransactionslikeonlineshoppingandpurchases.However,users must understand their operation and feel secure while using the system .Central and commercial banks should provide guidance, eliminate barriers, and ensure a user-friendly experience. Research shows that website information, language, and ease of use significantly influence investors' perceptions, affecting electronic banking activities. User-friendliness positively influences adoption of new applications.

H4: utilization of electronic banking services is significantly influenced by their user experience and security.

Cost of Service: The banking industry must prioritize cost reduction for electronic payment methods to increase investor adoption. Factors like user-friendliness, security, and cost efficiency are crucial for successful implementation. Lowering expensesand addressing user-friendliness, security issues, and cost efficiency can also motivate users to adopt digital financial solutions.

4. Statistical analysis

Table4.1.
Demographicsurveydata

Variable	Methodological Synthesis for Holistic Analysis	Frequency	Percentage
Gender	Male	414	79.5
	Female	106	20.5
	Total	520	100
Educational Level	High school or less	46	7.8
	Intermediate or diploma	33	4.3
	Bachelor's	55	31.9
	Master's	92	15.7
	Total	226	33.2
Number of years dealing with the bank	less than five years	54	10.4
	From 5 - 10 years	71	12.6
	From 11 - 15 years old	63	12.1
	More than 15 years	333	62.9
Any of the electronic payment methods used in the bank that you have previously used more than once	Credit cards	153	27.4
	Electronic money transfers	59	11.3
	Electronic wallets	53	10.2
	Electronic money	10	1.90
	Total	275	47.1

Solidity of the study: The study utilized Cronbach's Alpha to evaluate reliability, ensuring high internal consistency among scale items, and demonstrating their effectiveness and suitability for subsequent analytical phases.

Table 4.2

Internal consistency stability coefficient

Questions	Dimension	N	Cronbach Alpha
1-8	Adopting electronic payment methods compared to traditional payment methods	8	0.885
9-12	Confidence in the electronic payment methods provided by the bank	4	0.877
13-16	Perceived interest by investors	4	0.777
17-20	Electronic financial culture	4	0.784
21-25	Ease of use and security	5	0.894
26-29	Service cost	4	0.781

Normal Distribution Test

Table4.3

Normality Distribution of the Study Variables

Variables	Skewness	Kurtosis
Confidence	-0.124	0.014
Perceived interest by Investors's	-0.942	1.485
Electronic financial culture	-0.264	-0.004
Ease of use and security	-0.815	0.851
Service cost	-0.322	-0.124
Adopting electronic payment methods compared to traditional payment methods	-0.574	0.863

Descriptive analysis

The data shows that 80.4 percent of respondents prefer electronic payment methods over traditional ones, primarily due to time and effort savings. Factors influencing this preference include ease of use, trust, financial literacy, and service cost.

Table4.4

Payment methods by SBI

Dimensions	absolutely do not agree	Disagree	Agree to some extent	Agree	Agree completely	Mean	Std.Div.	Rank
Confidence in the electronic payment methods provided by the bank	0.20%	4.00%	21.20%	46.30%	24.30%	3.706	0.655	2
Perceived interest by Investors	0.40%	2.00%	9.20%	45.10%	43.30%	4.18	0.683	2
Electronic financial culture	1.00%	7.80%	24.50%	44.90%	14.80%	2.625	0.76	3
Ease of use and security	0.80%	4.70%	15.00%	44.00%	35.50%	4.029	0.752	3
Service cost	1.40%	11.20%	24.00%	35.20%	24.00%	2.597	0.807	4

Multicollinearity Test

The study found no significant correlation amongst the independent variables, as specified by

variance Inflation Factor (VIF) values.

Table 4.5.

VIF and Tolerance

Variables	VIF	Tolerance
Confidence in the electronic payment methods provided by the bank	1.845	0.51
Perceived interest by Investors'	1.838	0.534
Electronic financial culture	2.445	0.605
Ease of use and security	2.555	0.38
Service cost	2.055	0.478

5. Hypothesis testing Result

The tests ensure data accuracy and integrity, followed by multiple regression analysis for the first main hypothesis, as detailed in below.

Table5.1

Hypothesized Test Study

Variables	Unstandardized Coefficients		Standardized Coefficients			R	R^2	F	Sig.
	B	Std. Error	B	T	Sig.				
(Constant)	0.646	0.125	0.141	5.163	0.000				
Perceived interest by Investors'	0.08	0.036	0.083	2.222	0.027	0.764	0.614	154.132	0.000
Electronic financial culture	0.24	0.037	0.275	6.421	0.000				
Ease of use and security	0.137	0.04	0.155	3.400	0.001				
Service cost	0.073	0.032	0.047	2.279	0.023				

In this study reveals a strong correlation between trust in digital transaction, investor interest, security, and service costs in Indian commercial banks' adoption.

6. Suggestions

- The government's capacity to ensure that digital payment transactions are free of charge benefits consumers of various transactions by enabling them to make

purchases online.

- Through a variety of media outlets, the government can regularly disseminate informationabouttheadvantagesofdigitalpaymentsforbothindividualsandsociety.
- Make customer care channels easily accessible to users so they can receive prompt assistance for any queries or worries they may have regarding digital payments.
- To teach the public how to use digital payments, the government may set up training courses.
- In addition to following the guidelines for digital payment methods, consumers should be able to monitor their electronic payment balance sand promptly report any lossor theft.

7. Conclusion

The study explores issues influencing the implementation of electronic payment methods among Indian banking sector investors. It found that subjectivity, confidence, perceived benefits, electronic economic attitude, ease of use, and cost of use significantly influence these decisions. However, factors like gender, banking relationship duration, and frequency did not significantly affect adoption. The findings could inform policymakers to promote innovative electronic payment solutions and assist countries in developing electronic payment systems.

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