

AWARENESS AND SECURITY ISSUES REGARDING THE NON ADOPTION OF NET BANKING AMONG NON USERS

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ABSTRACT

In world of apps and emails, use of technology plays an important role in day to day work life of consumers. Initially, people had some fear in their minds regarding the use of any new technology such as mobile, ATM, internet and its applications. The net banking is vital concept for both the consumers and banks because it is advantageous in terms of time and money savings. There are some barriers regarding the awareness of net banking among consumers. This paper is to analyse two important issues regarding the non adoption among the non users. The data is collected from 120 non- users from the NCR region where aggregative analysis of the primary and secondary information. We can conclude from the analysis that unawareness of internet banking benefits; lacks of internet accessibility, security are the main issues regarding the non adoption of net banking among non-users.

Keywords: Internet banking, unawareness, security, non-adoption, non users

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1. INTRODUCTION

As India is taking giant leaps towards globalization, Internet banking is the sector to be studied with great interest. The question of how attitude towards elements of existing banking service might influence the consumer's decision to use internet banking has not been investigated (Devlin, 2003). As consumers get more and more educated, getting insight about modern banking, via Internet banking has evolved as primary area of concern for all leading and upcoming banks in India. But still, unawareness regarding the net banking benefits and security and risk associated with internet banking adoption among non-users.

2. REVIEW OF LITERATURE

A number of researches have been conducted on net banking and its adoption, development and its perils. Due to shortage of time and resources, a review of all the past researches done is mentioned in this research study. So, a snapshot of some of the reviews has been presented.

Guru et al (2000) examined the different electronic means utilized by the local banks in Malaysia to identify the consumer's reactions to these delivery channels. It was analysed that internet banking was nearly absent in Malaysian banks due to lack of insufficient legal framework and security concerns. However, over 60% of the respondent's access the internet at home and thus represented a positive indication for PC based and internet banking in future.

Suganthi et al (2001) analysed Malaysian banking sites and revealed that all domestic banks were having a web presence. Only 4% of 10 major banks were having transactional sites and the remaining sites were at informational level. The psychological and behavioural issues considered such as trust, security of internet transactions, reluctance to change and preference of human interface which obstruct the growth of internet banking.

Ongkasuwan and Tantichattanon (2002) the study indicates that internet banking helps banks in cost saving, increase customer base, enable mass customization for e- business services, extend marketing and communication channel, search for new innovation services, and explore and development of non-core business. The *several factors considered such as user friendly interface, level of Internet experience, types of services provided, (for e-mail, file transfer,*

news, online financial services, shopping and multimedia services), attitude and perception, access and delivery time and experience with the Internet.

K V Kamth (Jul-Sept 2003) the prospect for the Indian banking system today is the Indian consumer. The demographic move in terms of income levels, cultural shifts in terms of lifestyle aspirations are changing the profile of the Indian consumer and acting as key driver of economic growth. The Indian banking sector is at stimulating point in its evolution where the opportunities are immense- to enter new markets, to widen new ways of working, to increase efficiency and to bring higher levels of customer service.

Mukherjee and Nath (2003) concentrated on the concept of trust in online relationship marketing in India and tested a model of trust in which “shared value”, “communication” and “opportunistic behaviour” were taken as antecedents of trust. It was concluded that both shared value and communication played a vital role on trust and that trust had significant positive influence on commitment.

(A, 2004) Described the various channels of e-banking services such as ATM, Telephone banking (Tele-banking), Mobile banking, Internet banking and its features. The concentration is given on e-banking challenges, opportunities and security aspects while carry out the banking transactions on the internet. The comparison of public, private, foreign and co-operative banks and barriers to the growth of e-banking in India are also discussed. Finally the paper discusses an overview of the major private sector banks such as ICICI, HDFC, IDBI, UTI & GTB banks which provides e-banking services. Findings show that Private and Foreign banks have been fast in adapting to the Internet technology. Only few public sector banks offer Internet banking services whereas none of the co-operative banks offer Internet banking services. ATM is most preferred delivery channel from the common banking services. In order to enhance the reach to the rural population in the remote areas, the banks will need to automate the delivery channels in the local language which could eventually lead to shrinking of the number of branches. The banking industry’s security is at a higher risk, due to the advent of e-banking.

Indian World Stats, (August 2005) Millions of web users in its cities, the internet penetration rate for India remains well below 5%. Despite India’s technology outsourcing power, the country’s internet penetration rate is low. JuxtConsult, a research firm based in New Delhi, surveyed urban internet users in April 2005 by talking to 30,000 Indian web users about their lifestyle and their web use. There are about 17.5 million urban dwellers in India who use the

internet consistently with an additional 5.2 million who use it occasionally. Among the urban users surveyed by JuxtConsult, about one half are involved in business income way, and students make up 20% of the total. Three out of four users have a car and 50% have a credit card.

Lohse, G.L (2007) and spiller P (1999) According to the study, 2007 being declared as the broadband year in India various initiatives were undertaken by Indian government to increase internet penetration. Currently there are approx 42 million active internet users and over 47 million broad band internet connections in India. Nearly 77% of all internet users belong to the age by 18 to 35 with majority being in socio economic classes A, B, C. The average internet usage has been 25 days a month with each visit average 28 minutes. Of the internet users in India approximating 8-10 million 25% shopped online during the year 2006-07, an increase of 76% over the previous year. During 2007-08 major metropolitan cites namely Mumbai (24%), Delhi (20%) Chennai (9%) and Bengal run (6%) contributed to the bulk of online commerce of shoppers were made.

Rajesh Kumar Srivastava (2007) studied consumer's perception on usage of internet banking. The study focused on the factors that drive consumers to use internet banking and how to improve the usage rate were also another area of focus. The research found that skills of consumers can be improved so that consumers are more willing to use internet banking. In addition, the study shows that inhibitory factors like trust, gender, education, culture, religion, security and price can have only minimal effect on the consumer mindset towards internet banking.

Geetika et al (2008) discussed the concept of Internet Banking, perception of Internet bank customers, non-customers and issues of major concern in Internet banking. The state of Internet banking in India has been explored using various concepts like e-banking scale, and gap analysis related to the various services and the security features offered. A survey was conducted in order to have a clear and focused insight about the perceptions of users and non-users about internet banking. The findings of the survey provide valuable insights into concern for security, reasons for lower penetration, and likeliness of adoption, which have been used to make useful recommendations.

Uppal R. K. (2009) the study found that in the post-LPG (Liberalization, Privatization and Globalization) era and Information Technology (IT) era, transformation in Indian banks is taking place with different parameters and the contours of banking services are

dynamically altering the face of banking, as banks are stepping towards e-banking from traditional banking. On the basis of five-point likert-type scale, this paper empirically analyzes the quality of e-banking services in the changing environment. The different statistical tools such as weighted average method and ranking, the paper concludes that most of the customers of e-banks are satisfied with the different e-channels and their services, but the lack of awareness is a major obstacle in the spread of e-banking services. The paper also suggests some measures to make e-banking services more effective in the future.

Prema C (2011) the quick adoption of internet banking can lead to success for the banks, consumers as well as for the economy. The evidence for consumer's reluctance to use internet banking for scholarly inquiry about the underlying factors influencing individual consumer's decision to adopt internet banking. People are cautious and often reluctant to move from traditional ways of banking to internet banking. On the other hand, globalization and its impact on the use of information technology in the banking industry compel banks to "push" clients towards internet banking.

Irani Mahafreed (2012) According to the research, internet users in India spend an average 58 hours a week –more than half their waking hours-online a new survey has revealed. Half the netizens interviewed by antivirus company Norton admitted that they suffered from withdrawal within the first three hours of being cut off from the web. "Indian spends 12.9 hours browsing, 9.7 hours socializing and 6.1 hours on email every week," said David Hall of Norton didn't make comparisons, a survey by market research firm comScore put Canadians at 45.3 hours a week online, Americans at 38.6 hours and British at 35.4 hours.

Raza Syed Ali, Hanif Nida (June 2012) this study investigates the determinants which attract the customers to adopt internet banking in Pakistan by employing internal and external customers, on the sample size 210 for internal and 151 for external respondents through using the survey research instrument questionnaire. The confirmatory factor analysis with multiple regression technique has been applied. The result of regression analysis shows that perceived usefulness (PU), information of internet banking (INF), perceived risk (PR), security and privacy (SP) shows that more influence to increase the intention of external customers to adopt internet banking services while government support (GS) provide more influence for internal customers to adopt internal customers in adoption of internet banking services. This study proves that external customers can be more emphasize, if they believe convenient in adopting the services. It

is recommended that, bank should take some consideration to apply internet banking by delivering the information in an easier way, provide more usefulness and benefits and also minimize the fraud as providing more security and privacy. This will help the bank to increase their profit by reducing its costs, time saving and retain more potential users.

3. Research Methodology

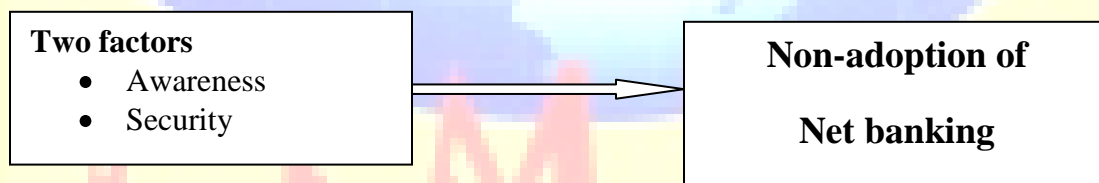
The study is descriptive because the area of research that has been chosen by the researcher explains the attributes, which are associated with non user's views towards net banking in banks in NCR. The purpose of this study is to test empirically the factors that influence the adoption of Internet banking by consumers in NCR.

Sample size: 120

Area: NCR

Sampling instrument: This questionnaire was formulated for collecting the data regarding the two important factors affecting towards the non adoption of net banking among consumers of banks. The purpose is to know reasons and two issues of non-users towards net banking. The questionnaire contains multiple choice questions and some statements to which the respondents filled their response on a five point scale ranging from 1 (strongly agree) to 5 (strongly disagree).

Research framework for non users



4. FINDINGS OF THE STUDY

There are some of the important reasons considered in the study that indicates that is why people are not using net banking. According to the Z score and P values calculated in table 1 shows that 98% of non users agree that non availability of internet connection is important reason then, 96 % of non users are neutral as they have lengthy procedure or time to open net banking account, 93% are neutral towards the reason not aware of net banking benefits, 92% found no utility in net banking service, 90% of non users are neutral that not available with their bank, 83% agree

towards under age, 79% non users agree that risk with net banking, 57% non users agree that security is major reason for not using net banking.

Table 1 Reasons for non adoption among non users with P values

S. No.	Reasons for non usage	Mean	Z Score	P values
1	Not aware of net banking benefits	3.17	1.55	0.9349
2	Non-availability of internet	3.08	1.97	0.9756
3	Security is main reason	2.13	0.2	0.5793
4	Lengthy Processing time to open	2.93	1.74	0.9591
5	Found no utility	2.46	1.38	0.9162
6	Not Available bank	3.15	1.31	0.9049
7	Under age	2.72	0.97	0.834
8	Risk with I-banking	2.57	0.79	0.7852

4.1 Awareness of internet banking

In the survey an attempt has been made to gain insight regarding the awareness of net banking linked to non usage among non-users. It is evident from the results that the lack of internet confidence how to use net banking has the top value (Mean=3.88, Std. Deviation = 1.91) and then unawareness of its benefits (Mean=3.42, Standard deviation=1.88), followed by lack of basic know how (Mean=3.35, Standard Deviation= 1.98) and lack of internet access (Mean=3.04, Standard deviation=1.94), and the last non user's agree that the lack of information provided from banks regarding the benefits (Mean= 2.52, Standard deviation=1.99).

Table 2 Awareness is related to non user's responses

S.No.	Factor 1 Awareness about net banking	Mean	Variance	Std Deviation
X101	Unawareness of its benefits	3.42	3.52	1.88
X102	Lack of basic know how	3.35	3.94	1.98
X103	Lack of internet access	3.04	3.78	1.94
X104	Lack of information from banks	2.52	3.95	1.99
X105	Lack of internet confidence	3.88	3.63	1.91

Results from the survey also indicated that in case of some of the variables standard deviation values are very consistent such as unawareness of its benefits (1.88), lack of internet confidence (1.91), lack of internet access (1.94), lack of basic know how to use net banking (1.98), lack of information from the banks (1.99), the respondents have high divergence of opinion regarding the awareness of internet banking.

4.2 Security issue regarding net banking

Security is the main important factor that influences non adoption towards internet banking among non-users. The question no. 12 from non user's questionnaire was related to security issue from non user's perspective. It may be evident that security is the main issue for the non users as the lack of computer knowledge (Mean=3.57, Standard. deviation=1.91), loss of personal information to others (Mean=3, Standard Deviation= 2.35), no secure transaction (Mean= 2.62, Standard deviation= 1.85), threat of being fraud while transacting online (Mean= 2.5, Standard deviation= 1.76), password leak may occur (Mean=2.47, standard deviation= 1.72). Some more variables results from the figure indicated that standard deviation value are consistent such as password leak may occur during transaction (1.72), threat of being fraud (1.76), the respondents have high divergence regarding the security of doing transaction online such as no secure transaction while transacting online (1.85), lack of computer knowledge (1.91), loss of personal information to others (2.35).

Table 3 Security and Non users Preferences

X12	Factor 3- Security of transaction/Responses	Mean	Variance	Std Deviation
X121	Lack of computer knowledge	3.57	3.64	1.91
X122	Loss of personal information to others	3	5.53	2.35
X123	No secure transaction	2.62	3.42	1.85
X124	Threat of fraud while transacting while online	2.5	3.09	1.76
X125	Password leak may occur	2.47	2.96	1.72

Awareness and Security issues are considered in the study towards non adoption of net banking among non-users displaying the Z score and P values are shown in table 4.

Table 4 Awareness and security issues influencing the non adoption of net banking among non users showing Z score and P values.

S.No.	Factor1- Awareness about net banking/ responses	Mean	Z score	P value	Percent %
1	Unawareness of its benefits	3.42	1.54	0.4382	93.82
2	Lack of know how	3.35	1.37	0.4147	91.47
3	Lack of internet access	3.04	1.1	0.3643	86.43
4	Lack of information from banks	2.52	0.53	0.2019	70.19
5	Lack of internet confidence	3.88	1.97	0.4756	97.56
S.No.	Factor 2-Security of transaction	Mean	Z score	P value	Percent%
1	Lack of computer knowledge	3.57	1.66	0.4515	95.15
2	Loss of personal information to others	3	0.65	0.2422	74.22
3	No secure transaction	2.62	0.77	0.2794	77.94
4	Threat of fraud while transacting while online	2.5	0.74	0.2704	77.04
5	Password leak may occur	2.47	0.75	0.2734	77.34

According to the Z score and P value calculated indicated that 97.56% non users agree that lack of internet confidence among non users (Mean= 3.88, Z score= 1.97) then 94% agree that unawareness about the benefits of internet banking (Mean= 3.42, Z score= 1.54), 91% also agree that lack of basic know- how (Mean= 3.35, Z Score=1.37), 86% agree that lack of internet access (Mean= 3.04, Z score= 1.1), 70% agree that lack of information from the banks (Mean= 3.88, Z score= 0.53). Security is the third main important factor that influences non adoption towards internet banking among non-users. It may be evident that security is the main issue for the non users as the 95% are neutral that lack of computer knowledge (Mean= 3.57, Z score= 1.66), then 78% agree that no secure transaction (Mean= 2.62, Z score= 0.77), 77% threat of being fraud while transacting online (Mean= 2.5, Z score= 0.74), 77% agree that password leak may occur (Mean= 2.47, Z score= 0.75), 74% non users are neutral that loss of personal information to others (Mean= 3, Z score= 0.65).

5. RESULTS AND CONCLUSION

The inferences are made that reasons and barriers/ factor considered in the study are important for non users towards net banking. We conclude that 97.56% non users agree that lack of internet confidence among non users, 94% agree that unawareness about the benefits of internet banking, 91% also agree that lack of know-how, 86% agree that lack of internet access, 70% agree that lack of information from the banks. It may be evident that security is the main issue for the non users as the 95% are neutral that lack of computer knowledge, then 78% agree that no secure transaction, 77% threat of being fraud while transacting online, 77% agree that password leak may occur, 74% of non users are neutral that loss of personal information to others.

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