

INTERNET EXPERIENCE & TRUST HELPS IN POSITIVE ATTITUDE TOWARDS INTERNET BANKING

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Abstract

Internet banking being customer effective facilitates anytime, anywhere banking helps in expansion of customer base and geographical reach. It adds to choice of customers to use multiple channels of banking depending on need and urgency. **Customer adoption is a recognized dilemma for the strategic plans of financial institutions. Several studies have investigated why individuals choose a specific bank. The consumer preferences for internet banking would be dependent on the easy to understand, secure and safe transactions with website.** This paper objective is to analyze the expectations of consumer's with respect to various aspects of Internet banking services. The study evaluates that easy to understand, security, trust and online experience play an important role in selecting the any use of technology.

Key words: Ease to understand, security, trust, experience, internet banking

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Introduction

Internet banking being customer effective facilitates anytime anywhere banking helps in expansion of customer base and geographical reach. It adds to choice of customers to use multiple channels of banking depending on need and urgency. **Customer adoption is a recognized dilemma for the strategic plans of financial institutions.** According to Delvin (1995), customers have less time to spend on activities such as visiting a bank and therefore want a higher degree of convenience and accessibility.

The growth of electronic banking or e-banking in the booming economy and the consequential rapid growing number of banking institutions offering net banking services, in the public sector banks and private sector banks, foreign banks, only those who become attached to their customers, figuratively and literally and who move most aggressively to create new market will survive.

Literature Review

Doney and Cannon (1997) label trust as an order qualifier for purchased decisions is belief or expectation that the word or promise by the merchant can be relied upon and seller will not take advantage of the consumer's vulnerability (Geyskens et al 1996). The issue of security and privacy over the internet is the most overwhelming barrier facing the adoption of electronic commerce that caused them not to make any purchase on the internet.

Agarwal et al., 2000; Venkatesh, 2000; Venkatesh and Davis, 1996; Igbaria and Livari, 1995) Previous studies have shown that there is empirical evidence on the effect of computer self-efficacy on perceived usefulness and perceived ease of use that has been documented. The proposed relationship between computer self-efficacy and perceived ease of use is based on the theoretical argument by Davis (1989), Wang *et al.* (2003) and Guriting and Nelson (2006). There also exists empirical evidence of a causal link between computer self-efficacy and perceived ease of use (i.e. Venkatesh and Davis, 1996; Igbaria and Livari, 1995; Venkatesh, 2000; Aggarwal *et al.*, 2000).

Suganthi et al (2001) conducted the review of Malaysian banking sites and revealed that all domestic banks were having a web presence. Only 4% of 10 major banks were with transactional sites. The remaining sites were at informational level. There are various psychological and behavioral issues as trust, security of internet transactions, reluctance to change and preference of human interface which appear to impede the growth of internet banking.

Ongkasuwan and Tantichattanon (2002) indicate 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. However, customers' ability to subscribe to the Internet-based banking services depend on *several factors 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.*

Qureshi et al (2008) Due to increase in technology usage the banking sector's performance increases day by day .Online banking is becoming the indispensable part of a modern day banking services. Banking industry is also one of the influenced industries adopting technologies which are helpful in providing better services to customer. Quality of service is improved by using technological innovations. Online banking is time savings. He studied consumer adoption of online banking in Pakistan, a developing country. In Pakistan, the adoption ratio was found to be very high. There were many banks which provided internet banking facilities to customers. The basic purpose of their research was to evaluate the customer the customer acceptance of online banking. The study revealed that almost 50% of the clients shifted from traditional banking to online banking system. The core reason of this transfer was perceived usefulness, security and privacy provided buy online 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. In order to have a clear

and focused insight about the perceptions of users (and non-users) about Internet banking a survey was conducted. 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.

Shah Anil (2013) (Pikkarraninen, Karjalto and Pahnla and (2004) define Internet Banking (IB) as an “Internet Portal, through which customers can use different kinds of banking services ranging from bill payment to making investments.” It is the most innovative service offered by banks over the last decade. This transformation from traditional banking to e-banking has been quantum leap change. The aim of this research study is to investigate the factors influencing the adoption of IB in Vadodara, Gujarat, and Western India. The paper provides a detailed understanding of how and why specific factors affect the consumer decision. Survey /Interview data from 300 local respondents was used to accomplish this objective. The empirical findings revealed that adoption of IB is dependent on five key factors. This research study would also help to suggest that how banks would be able to manage consumer experiences by adopting IB services.

The Study By **Capgemini (2014)** In his Report “World Payments Report 2014” Indicate that Non-Cash Transactions have Reached 334 Billion Transactions. There is greater propensity of Customers to move towards Digital Channels. Banks which develop Digital Capabilities Are Going To Benefit. Customers Recognize Greater Convenience Through Digital Channels. However, Banks will need to cope up with issues of customer service and frauds which are associated with digital channels

OBJECTIVE OF THE STUDY

The research study objective is to evaluate the users’ experience towards the various aspects of internet banking services.

3. MATERIAL & METHODS

The research design constitutes the blueprint for the collection, measurement and analysis of data. The research design of the study is exploratory cum descriptive. The study is descriptive because the area of research that has been chosen by the researcher which explains the attributes,

which are associated with customer's views towards net banking in banking sector in India. The purpose of this study is to test empirically the factors that influence the adoption of Internet banking by consumers in NCR. We used Internet banking as the targeted technology. All measures were drawn from previous research and adapted for the online context.

SAMPLING CRITERIA

While targeting the customers, following variables are considered as characteristics of the respondents.

- a) Above the age of 18 years (both males and females) as non-users and Users
- b) Hands on experience in internet banking,
- c) Users of Internet banking service at least once during the previous three months
- d) Residents of Delhi, Faridabad

SAMPLE DESIGN

The research has been carried out in NCR region in the Delhi, Faridabad. Customers of the selected banks shall be studied and compared using formal questionnaire. Leading banks are selected in terms of branches and popularity from public sector and private sector banks. Banks in the study are 4 public Sector banks- State Bank of India, Punjab National Bank, Indian Overseas Bank, Oriental Bank of commerce and 4 private sector banks- ICICI, HDFC, Axis Bank, ING Vysya Bank that currently provide net banking services shall be visited and interviewed for more information. Web site provided by each bank shall also be visited and evaluated. For the aggregative analysis of the primary and secondary information which covered 8 banks comprising of four public sector banks and four private sector banks will be selected.

DATA COLLECTION

In the present study, both primary data as well as secondary sources of data has been used to make findings more scientific and accurate.

Primary data has been collected through a questionnaire, to obtain the view of the customer towards current and prospective practices of net banking in NCR. It contained both close and open-ended questions and it will be prepared to collect in-depth information for fulfilling the requirements of the study.

Questionnaire for Users

This questionnaire was formulated for collecting that data regarding the different factors affecting towards the usage of net banking among customers of banks. The questionnaire contains multiple choice questions , open ended and some statements to which the respondents filled their response on a five point scale ranging from 1(strongly agree) to 5 (strongly disagree).

Secondary data: The collection of secondary information is made through the use of all published information from the websites of the selected public and private sector banks. The collection of relevant information was also done by visiting various libraries in the city.

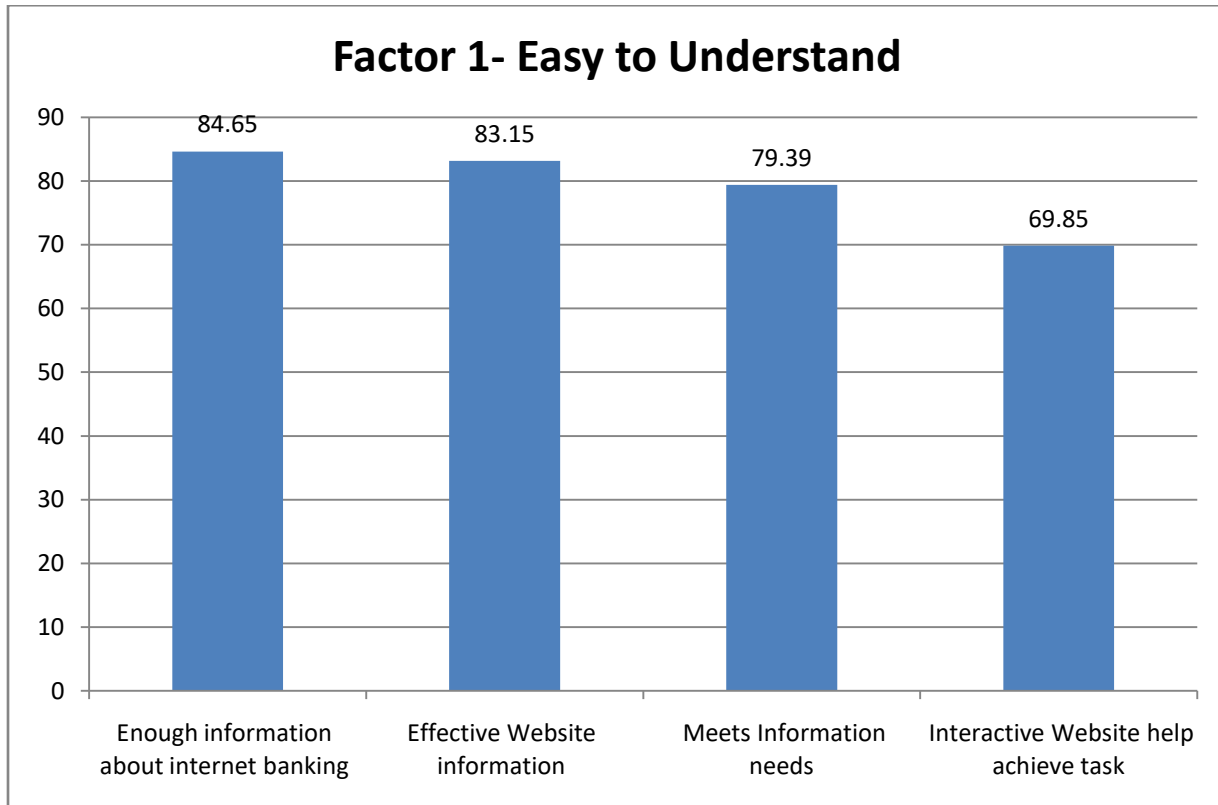
4. RESULTS

The data collected has been analyzed in connection with study. Descriptive statistical methods were considered like mean, standard deviation. Chi square test, Z score, p values and Mann Whitney test coefficient has been applied keeping in view the purpose of the study. The data has been represented pictorially with the help of bar and pie diagrams.

Factor 1 Website Easy to Understand

It has been revealed that the respondents were asked about the information that aids users in better facility of net banking by banks on their website. Majority of about 85% user's agreed that the top most reason is enough information about the internet banking transactions (Mean= 2.96, Z score= 1.01), 83% users agreed that effective website information (Mean= 2.89, Z score= 0.96), 79% agreed that meets information needs (Mean= 2.78, Z score= 0.82), 70% agreed that interactive website helps to achieve task more quickly (Mean= 2.97, Z score=0.52).

S. No.	Factor 1 Easy to Understand	Mean	Z Score	P value	Percent%
1	Enough information about internet banking	2.96	1.01	0.3438	84.65
2	Effective Website information	2.89	0.96	0.3315	83.15
3	Meets Information needs	2.78	0.82	0.2939	79.39
4	Interactive Website help achieve task	2.97	0.52	0.1985	69.85

Table 1: Factor 1 -Easy to Understand**Chart 1 User's Factor 1- Easy to understand net banking for users**

It has been seen from the Chart 1 above that internet banking has more benefits than traditional banking had. Easy to understand and use is important for the adoption of net banking where customers can use net banking site with user-friendly so that customers can operate effectively.

Factor 2 Security

Security is also important for the user's perspective as the top most important issue is 93% user's agreed that to do money transaction online is secure (Mean= 3, Z score= 1.43), 91% user's agreed that bank's policy to compensate losses (Mean= 2.83, Z score= 1.37), 89% agreed that clear understandable instructions for secure transactions (Mean= 2.8, Z score= 1.25), 87% feel secure transaction over the internet (Mean= 2.78, Z score= 1.15), 86% agreed that polices of internet banking are available to customers (Mean= 2.79, Z score= 1.11), 85% agreed that security is important for net banking (Mean= 2.65, Z score= 1.04).

S. No.	Factor- 2 Security regarding net banking	Mean	Z score	P value	Percent%
1	Policies of Internet banking are available to customers	2.79	1.11	0.3665	86.65
2	The security is very important	2.65	1.04	0.3508	85.08
3	Feel secure information over the internet	2.78	1.15	0.3749	87.49
4	To do money transaction is secure	3	1.43	0.4236	92.36
5	Clear & understandable instructions	2.8	1.25	0.3944	89.44
6	Bank's Policy to compensate for losses	2.83	1.37	0.4147	91.47

Table 2: Factor 2 Security and Percentage of user's responses

The Chart 2 below showed that percentage of users in terms of security is another critical factor for the adoption of net banking among users. The majority of customers are neutral towards bank's policy to compensate for losses. It implied that security is more important for the customers as majority users agreed that feel secure while transacting online.

The security software used by banks to maintain their customer identity and account felt secure for customers to transact online. It would further help to build trust among users of net banking.

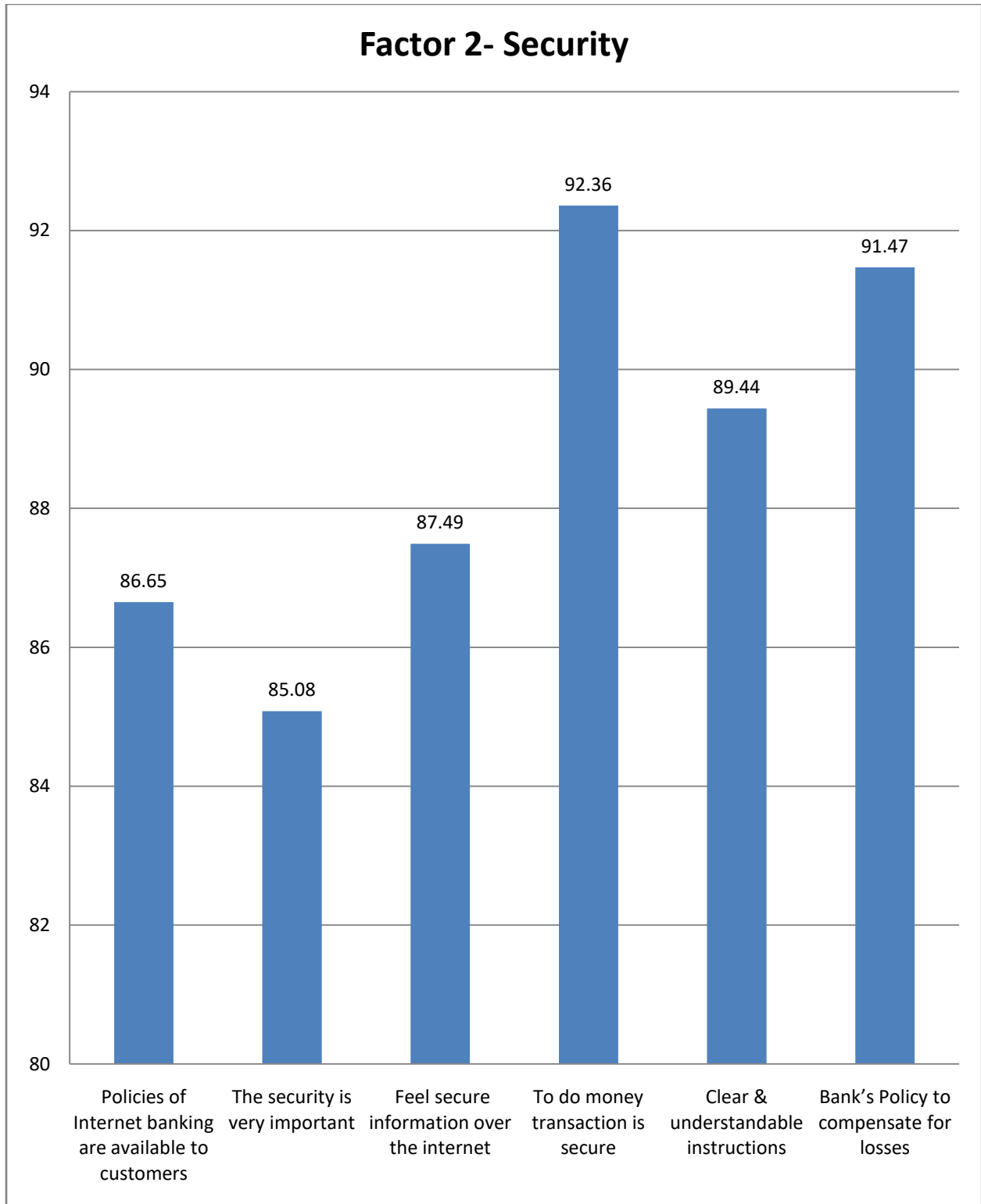


Chart 2 User's Factor 3- Security important for net banking for users

Factor 3- Trust

It has been revealed from the results of the table below shows that 79% of user's agreed that safe in website transaction (Mean= 2.5, Z score = 0.81), 77% agreed willing to provide information over phone only to authorized bank (Mean= 2.62, Z score= 0.77), 68% of users agreed that trust the benefits of internet banking, bank's website don't misuse your personal information, bank's site keeps promises and commitments (Mean= 2.36, Z score= 0.44), 68% agreed that willing to provide credit card information through email only authorized bank (Mean= 2.33, Z score= 0.48), 65% agreed that banking site is trust worthy (Mean= 2.25, Z score= 0.39), 62% agreed that trust website to keep personal information safe (Mean= 2.29, Z score= 0.31).

S. No.	Factor 3-Trust in net banking	Mean	Z score	P value	Percent%
1	Willing to provide information Over telephone	2.62	0.77	0.2794	77.94
2	Willing to provide credit card through e-mail	2.33	0.48	0.1808	68.08
3	Safe in Website transaction	2.5	0.81	0.291	79.1
4	Trust website to keep personal information safe	2.29	0.31	0.1217	62.17
5	Banking site is trustworthy	2.25	0.39	0.1517	65.17
6	Trust the benefits of Internet banking	2.36	0.48	0.1844	68.44
7	Bank's site keeps promises and commitments	2.36	0.48	0.1844	68.44
8	Trust website don't misuse your personal information	2.36	0.48	0.1844	68.44

Table 3 Factor 3- Trust is important factor for users

The Chart 3 below showed that Trust acts as another important factor for the adoption of net banking among users. The internet banking enabled the customer to trust the bank that they would not misuse their personal information and willing to provide information through credit card and through mail and telephone only to authorized website and person.

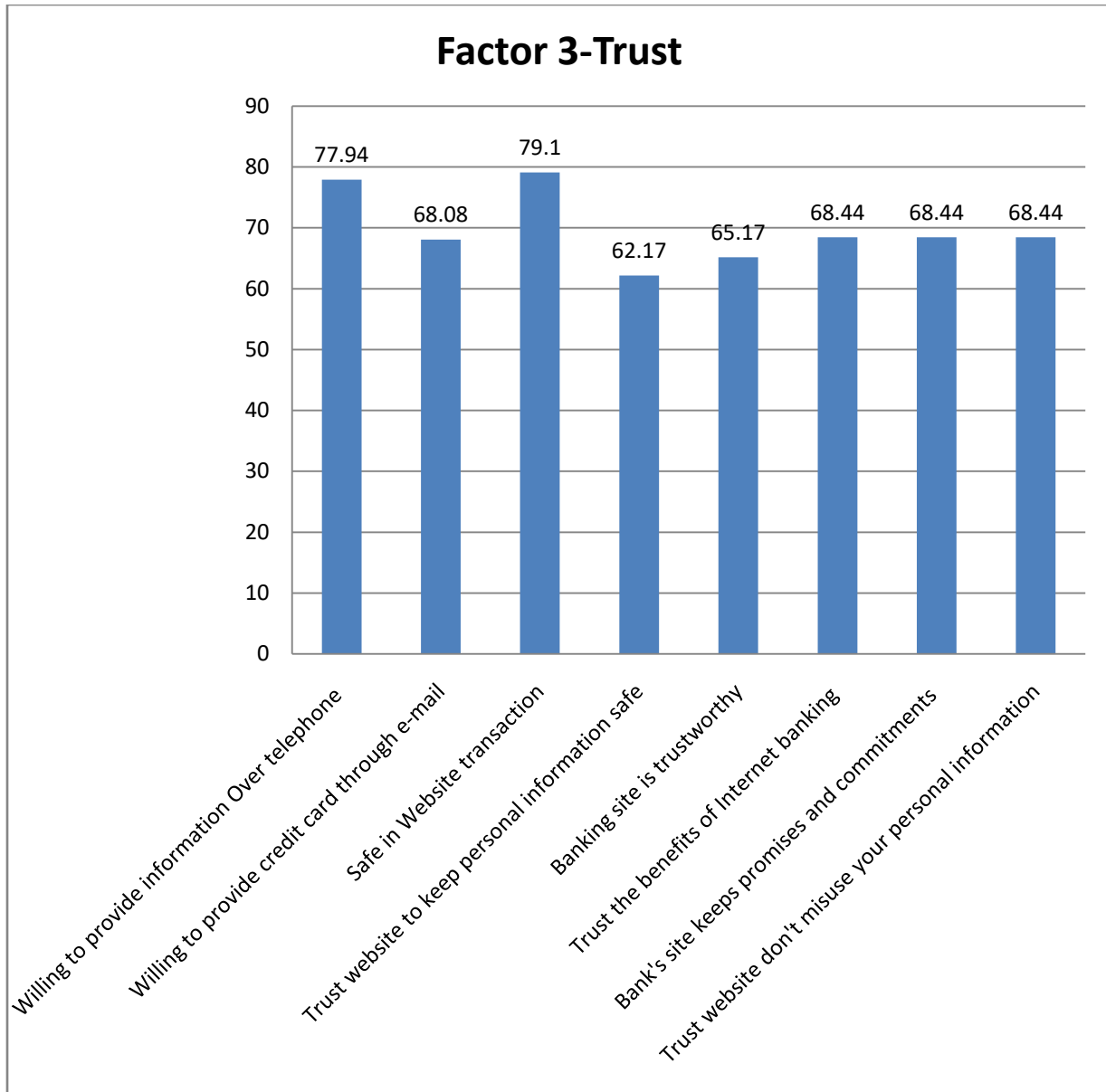


Chart 3 User's Factor 3- Trust regarding net banking for users

Factor 4 Internet Experience

Results from the survey in the questionnaire showed that 94% user's top priority is to continue to use net banking in future (Mean= 3, Z score= 1.56), 92% agreed that mis-happening while transacting (Mean= 2.76, Z score= 1.41), 92% agreed also faced difficulty earlier transacting online (Mean= 2.76, standard deviation= 1.35), 90% recommended to others (Mean= 2.65, Z

score= 1.288), 88% agreed that error in transaction doing online (Mean=2.76, Z score=1.41), 86% agreed satisfied and use on regular basis (Mean= 2.56, Z score= 1.09).

S. No.	Factor-8 Internet experience	Mean	Z score	P value	Percent%
1	Face difficulties Earlier	2.76	1.41	0.4207	92.07
2	Error in transaction	2.65	1.18	0.381	88.1
3	Mis happening while transacting.	2.76	1.41	0.4207	92.07
4	Satisfied and Use Regular basis	2.56	1.09	0.3621	86.21
5	Continue to use in future	3	1.56	0.4406	94.06
6	Recommend others	2.65	1.28	0.3997	89.97

Table 4 Factor 4- Internet experience and user's percentage

The Chart 4 below indicated that Internet Experience in terms of percentage. User's response towards internet experience has improved a lot and satisfied users would continue to use in future and even recommend others for net banking adoption.

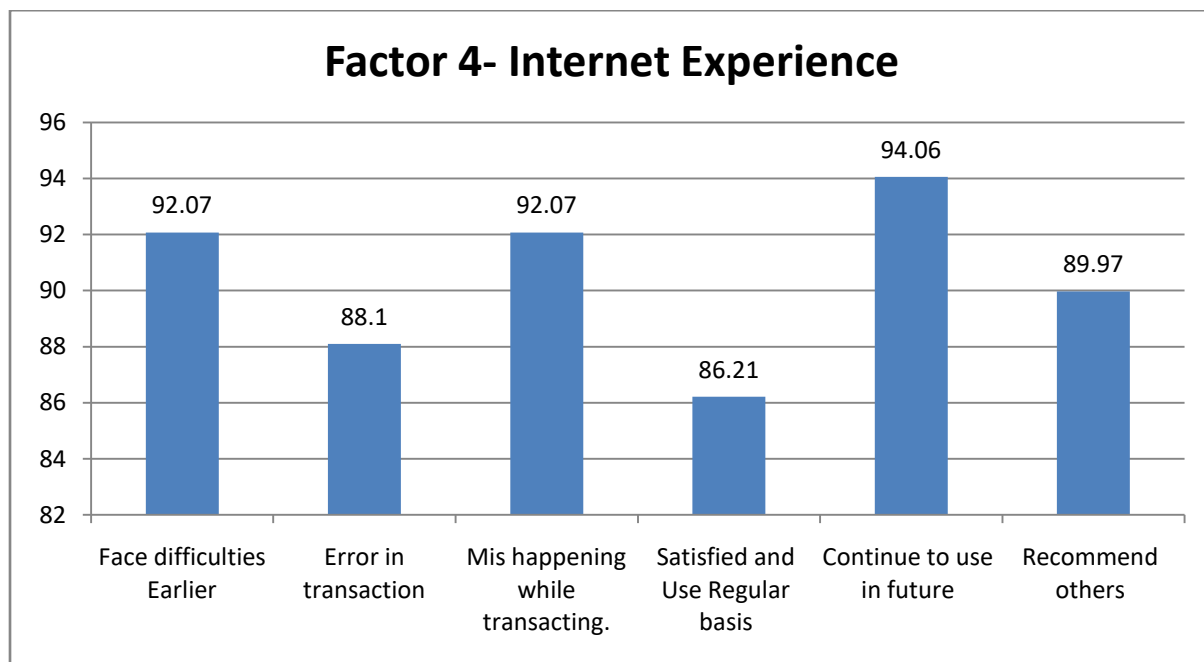


Chart 4 Users' factor Internet Experience regarding net banking for users

Factor 5 Bank's response queries

It indicates that bank's response to queries also play important role for the satisfaction of customers towards net banking. Results from the survey shows that 86% user agreed that less waiting time in net banking transactions has top priority (Mean= 2.84, Z score= 1.06), 85% agreed that website loads quickly (Mean= 2.73, Z score= 1.05), 81% agreed that sometimes it takes long to load website (Mean= 2.71, Z score =0.9) and followed by 80% users were neutral as net banking improve customer conversations (Mean= 2.73, Z score= 0.84 and 79% agreed for ethical and professional conduct (Mean= 2.67, Z score= 0.79).

S. No.	Factor 5- Bank's response to queries?	Mean	Z score	P value	Percent%
1	Less waiting time	2.84	1.06	0.3554	85.54
2	Website loads quickly	2.73	1.05	0.3531	85.31
3	Takes long to load	2.71	0.9	0.3159	81.59
4	Improving customer conversations	2.73	0.84	0.2995	79.95
5	Ethical & professional conduct	2.67	0.79	0.2852	78.52

Table 5 Factor 5 Bank's response to net banking

From the Chart 5 below, we observed that bank's response to net banking account holders play an important role for satisfaction of net banking customers.

The majority of respondent's agreed as less waiting time in doing transaction online. Instant response to queries would help the bank to maintain the relation with customer in long run. This implied, that if bank's response to queries of customers is instant and then help improve conversation with customers in future.

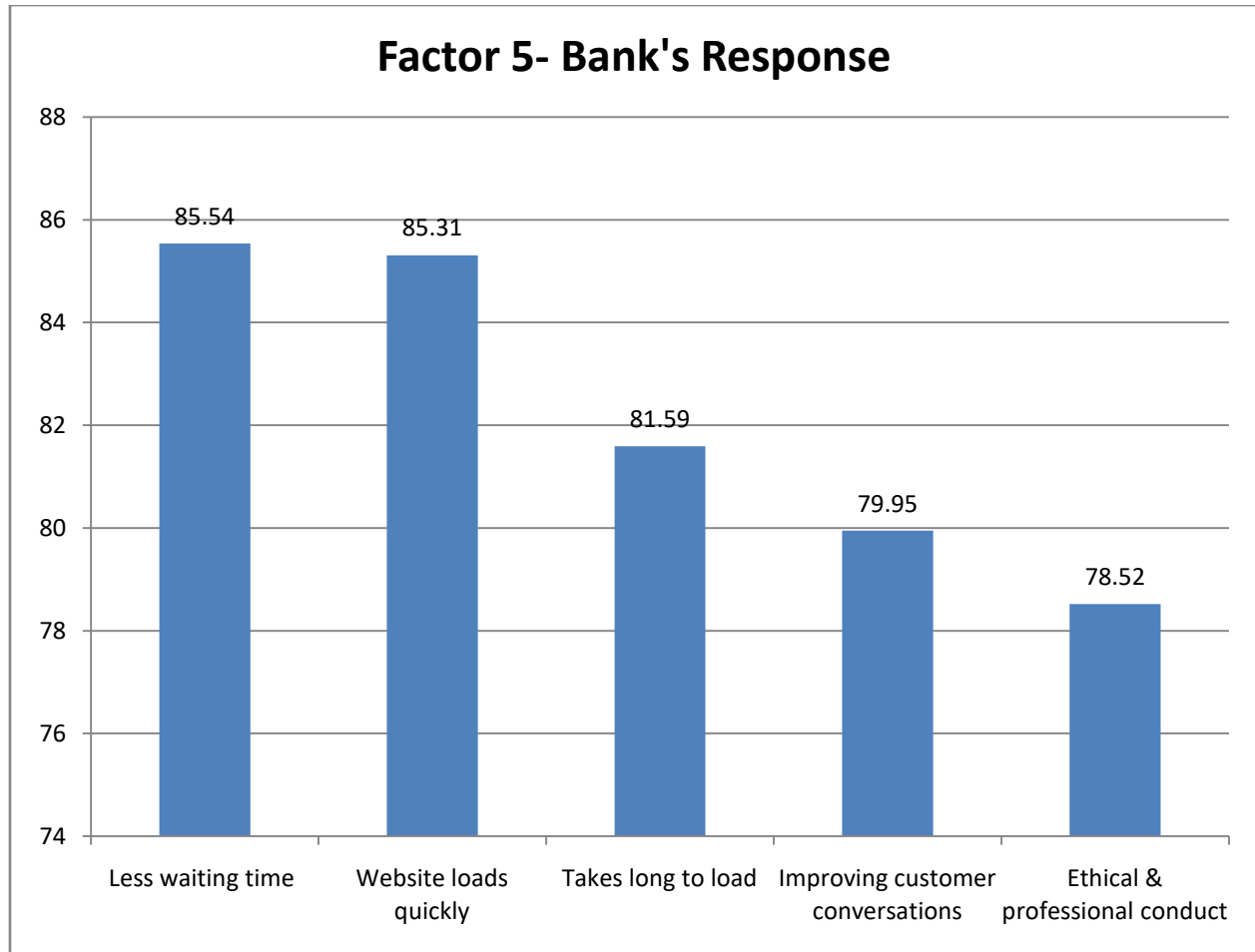


Chart 5 User's Factor 5- Response to wards net banking of users

Conclusion

It is vital to extend this new banking feature to clients for maximizing the advantages for both clients and service providers (Qureshi et al, 2008). The Internet has an ever-growing importance in the banking sector because of the advantages it brings to both the entities and their customers. User friendly website is also important for the adoption of net banking where customer's customers can operate effectively. The software used by banks to help customers to transact online. Trust with bank website that they would help maintain long term relationship with bank. In the end, this implied that if bank's response to queries of customers is instant and then conversation with customers would be ease in future.

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