

FOUR BOOSTERS OF NET BANKING

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ABSTRACT

The banking industry has been continually advancing and with the progress of technological advancements, particularly in the area of telecommunications and information technology, one of the latest improvement that took a beginning of quiet inevitably the internet banking. The paper objective is to study the four factor concerning users of internet banking. Findings of users show that perceived usefulness is a major influential factor as internet banking enable user's to accomplish more activities, performance of banking services are quicker, more controlled and improving customer. Convenience is another important factor, because users agreed that low service charge, interaction with site clear and understanding easy to do banking transactions, convenient service to do 24 hours and easy to maintain. The *place of accessing* of net banking services is also important for users. The *quality of internet connection* also plays an important role as more users also agree that connectivity of the internet is low, easy access to internet, internet enables to handle online financial transactions accurately, internet guarantees that all transactions to the banks have been completed, internet enables to handle their online transactions accurately, website have interactive features to help to achieve every task.

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1. Introduction

The banking industry has been continually advancing and with the progress of technological advancements, particularly in the area of telecommunications and information technology¹, one of the latest improvement that took a beginning of quiet inevitably the internet banking. This trend has attracted a number of empirical studies (Booz Allen, 1997); DeSourdy, 2001) that investigates the developments of electronic banking and its operations.

2. Literature Review

(Rao G R, 2003) He provided a theoretical analysis of internet banking in India and found that as compared to banking abroad, Indian banks offering online services still have a long way to go. The online banking to reach a critical mass, there has to be sufficient number of users and sufficient infrastructure in place.

(Mishra, 2005) The paper explained the advantages and the security concerns about internet banking. According to him, improved customer access, offering of more services, increased customer loyalty, attracting new customers are the primary drivers of internet banking. But in a survey conducted by the online banking association, member institutions rated security as the most important concern of online banking.

(IAMAI, 2006) There are 38.5 million internet users in India and the number is set to grow to a 100 million by 2007-08. An estimated 4.6 million Indian internet users are banking online today and with the efforts of the government and the industry, the number is expected to grow 16+ million by 2007-08 including both Internet and Mobile Banking. The growing number of internet users to get a better understanding of this dynamic channel and introduce it as an additional and mandatory touch point to serve their customers.

(Singhal D, 2008) He examined and determined the major contributing factors with respect to customer perception towards internet banking. Both primary and secondary data were used; structured questionnaire was suggested to gather the primary data with a sample of 61 respondents. The factor analysis technique has to be used and their result shows that major factors' like security, utility transaction as well as utility request, ticket booking and fund

¹Information Technology (IT) has been used as an encompassing term in the past to refer to computing technologies and all related artifacts. However in the current era, the role of networking and hence communicating is virtually inseparable from any other aspect of information. Thus, the term ICT is increasingly being used instead of IT or IS.

transfer. More than 50 % respondents accept that internet banking is more flexible, easily accessible and more convenient system to satisfy our customers.

(IAMAI, Report on Internet banking in India, 2009) It was found that only about 12% of online users prefer internet banking as the banking channel in 2009 as compared to 20% of the same in 2008. These figures indicate that a significant number of online users do not use or avoid the use of the internet as a banking medium in India. There has been very limited research done in this field to explore the factors that promote and also factors that inhibits the acceptance and use of internet banking in India. So, it calls for destitution to understand the reasons for not using it. (Sultan Singh, 2011) He evaluated the service quality of internet banking services in India from customers; perspectives and concluded that customers are satisfied with the service quality of four dimensions such as reliability, accessibility, privacy/security, responsiveness and fulfillment, but are least satisfied with the 'user friendliness' dimension.

(Safeena Rahmath, 2010) The customer's perspective about internet banking adoption in an emerging Indian economy by using the convenience sampling method for collecting data of the students of educational institutes was investigated by questionnaire. The variables of the research are perceived usefulness, perceived ease of use. The results show that the perceived usefulness, perceived ease of use a perceived risk are the most important factors for the adoption of online banking and also help to make a strategy formulation process.

(Singh, 2014) India has 100 million internet users. A social networking site, Face book aims at 1 billion users in the June 2014. India is in the second position after US in internet user base. Mobile internet users are 26 million by March 2014 and are expected to grow by 32 million by June 2014.

3. Objective of the Study

The research study will be carried out with the objective to study the users' expectation with respect to various aspects of Internet banking services.

4. 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 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 to the online context.

Data Collection

In the present study, both types of data collection (primary data as well as secondary data) are used to make findings more scientific and accurate.

Primary data

Primary data was collected through a questionnaire, to obtain the views of the customer towards current and prospective practices of net banking in NCR. In this research appropriate questionnaire was designed on the basis of existing literature and personally prepared to know their opinions regarding internet banking services offered by private and public sector banks. 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 filed their response on a five point scale ranging from 1 (strongly agree) to 5 (strongly disagree).

Secondary data was collected from secondary information through the use of all published information from the websites of the selected public and private sector banks. In addition to websites visited, information published in Journals, Periodicals, Magazines and Newspapers, etc. were also used.

5. Data Analysis of Users of net banking

The finding of user's towards the adoption of net banking. All the factors considered are discussed below.

Factor 1 Perceived Usefulness

Perceived Usefulness is the most important factor considered towards adoption of net banking among users. It has been revealed from the results of the survey that the majority of respondents of about 88% users agreed that the internet banking enables them to accomplish more activities (mean= 2.84, Z score=1.18), 83% agreed that performance of banking services is more quicker (mean= 2.89, Z score=0.96), 76% agreed that the internet banking enables to have more control and quicker banking activities (mean= 2.93, Z score = 0.73), 69% said improving customer

conversations (mean=2.91, Z score=0.5). It implies that perceived usefulness is most important attribute for the users of the internet banking.

Table 1 Percentage of user's towards Perceived usefulness of Net Banking

S. No.	Factor 1- Perceived Usefulness/ Scale	Mean	Z score	P value	Percent %
1	Internet banking enables to accomplish more activities	2.84	1.18	0.381	88.1
2	Performance of banking services more quick	2.89	0.96	0.3315	83.15
3	More control and quick banking activities	2.93	0.73	0.2673	76.73
4	Improving customer conversations	2.91	0.5	0.1915	69.15

The figure 1 below shows that percentage of users towards the perceived usefulness of net banking. The internet banking enables the customer to accomplish more activities. Then, the performance of the net banking services is quick and fast to operate. The majority of respondents are neutral for more control over banking activities and improving conversations with the bank.

Factor 2 Convenience

Convenience is the second most important factor considered for the adoption of net banking among users. The results of the survey, observed that the majority of 86% users agreed that low service charge of net banking (mean= 2.56, Z score= 1.11), 76% agreed that interaction with site clear and understandable (mean= 2.69, Z score= 0.72), then 71% said easy to do a banking transaction (mean= 2.5, Z score=0.55), 69% agreed that easy learning (mean= 2.45 Z score= 1.96), about 62% expect internet banking is easy to maintain (mean= 2.3, Z score= 0.33).

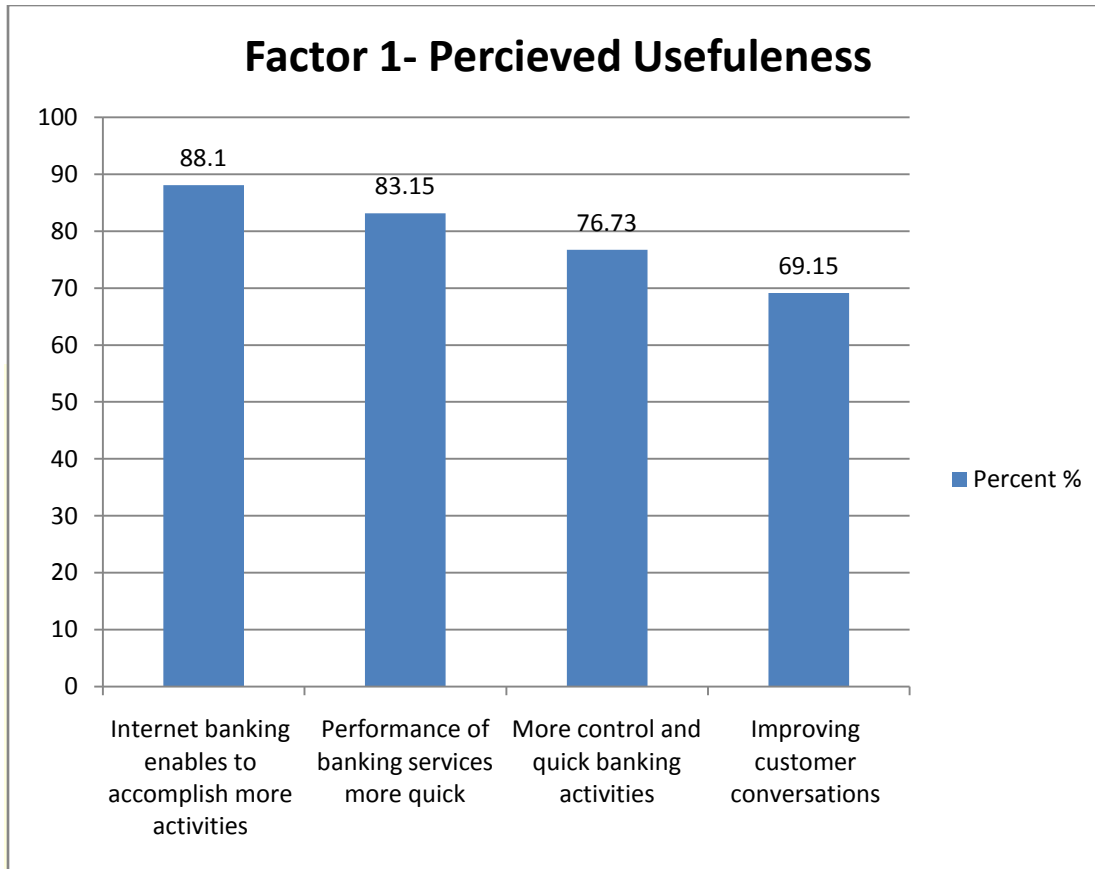


Figure 1 Percentage of user’s towards Perceived usefulness of Net Banking

Table 2 Percentage of user’s towards Convenience important for Net banking

S. No.	Factor 2- Convenient service to do (24 hours)	Mean	Z score	P value	Percent%
1	Easy Learning	2.45	0.49	0.1879	68.79
2	Easy to do	2.5	0.55	0.2088	70.88
3	Interaction with site clear and understandable	2.69	0.72	0.2642	76.42
4	Low service charge	2.56	1.11	0.3665	86.65
5	Expect Internet banking easy to maintain	2.3	0.33	0.1293	62.93

The figure 2 below shows that convenience is another important factor considered for the adoption of the net banking among users. It implied that convenience is the most important

benefit as the majority of users agreed that the internet banking is easy to learn, easy to do and interaction with site also makes it easy and understandable to the customer to accomplish more activities.

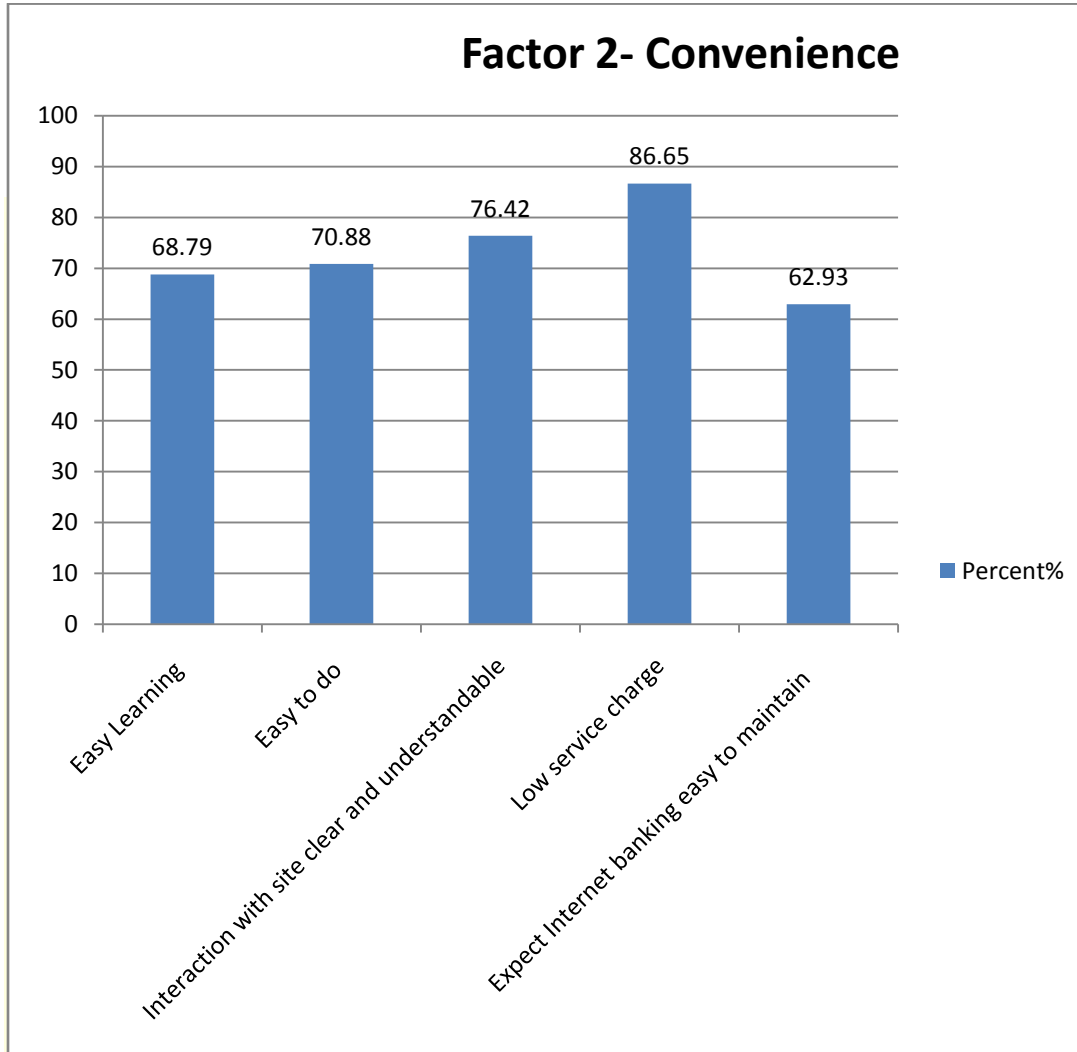


Figure 2 Percentage of user’s towards Convenience important for net banking

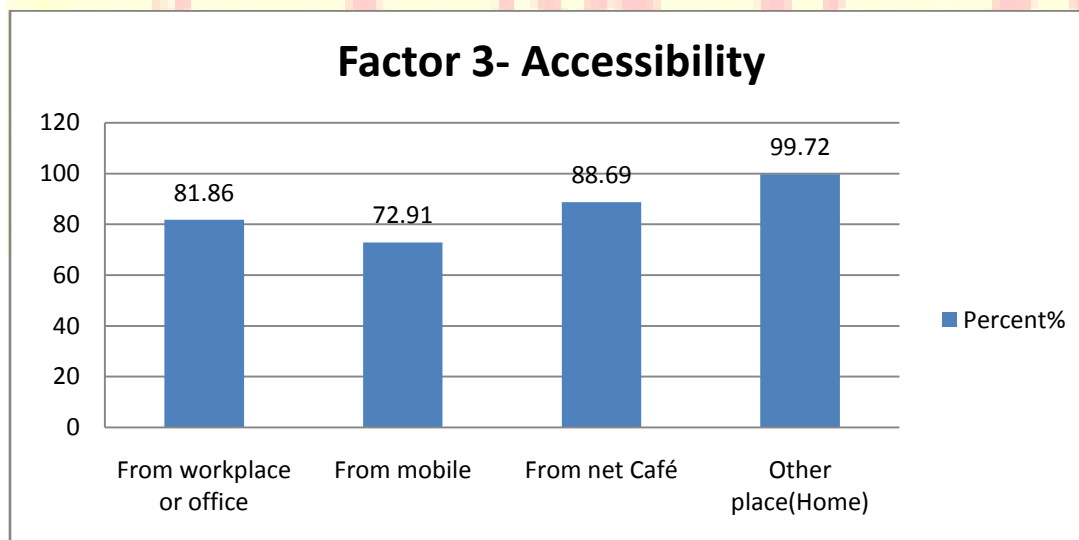
Factor 3 Accessibility

The outcome of the survey revealed that 99% of users agreed that access to the internet from home (mean= 2.77, Z score= 0.4), followed by 88% users were neutral that access to the internet account from the net café (mean= 3.44, Z score=1.21), then, about 82% of a user’s agreed that they access the internet from the workplace or office (mean= 2.85, Z score= 0.91), then 72% access the net banking account from mobile (mean= 3.03, Z score=0.61). The findings indicated that accessibility of internet connection is not significant to the users.

Table 3 Accessibility and Percentage of user's responses towards net banking

S. No.	Factor-3 Accessibility	Mean	Z score	P value	Percent%
1	From workplace or office	2.85	0.91	0.3186	81.86
2	From mobile	3.03	0.61	0.2291	72.91
3	From net Café	3.44	1.21	0.3869	88.69
4	Other place(Home)	2.77	0.4	0.4972	99.72

The figure 3 below shows that accessibility is also a more important factor as accessing the internet to do transaction online. The customer could easily access their net account from home and mobile as of earlier face difficulty in visiting the branch of the bank. It revealed that internet accessibility for the adoption of net banking among users is much easier for users.

**Figure 3 Accessibility of internet connection regarding net banking for users**

Factor 4- Quality of Internet Connection

It has been observed that the majority of 83% users agreed that low connectivity of internet (mean= 2.55, Z score=0.62) has emerged as the most important issue for net banking users followed by 73% agreed that easy access (mean= 2.35, Z score= 0.62), again 73% agreed handling online transactions accurately (mean= 2.35, Z score=0.62), 72% agreed that guaranteed complete transactions (mean= 2.37, Z score=0.59), 71% agreed that the efficient handling of transactions (mean= 2.45, Z score=0.54), about 66% agreed that customer's access 24/7 (mean= 2.37, Z score=0.4).

Table 4 Percentage of users towards Quality of Net Connection

S. No.	Factor 4- Quality of Internet Connection	Mean	Z score	P value	Percent%
1	Easy Access	2.35	0.62	0.2324	73.24
2	Handle online transactions accurately	2.35	0.62	0.2324	73.24
3	Efficient handling online transactions	2.45	0.54	0.2054	70.54
4	Customer's Access 24/7	2.37	0.4	0.1554	65.54
5	Guarantee completed transactions	2.37	0.59	0.2224	72.24
6	Low Connectivity	2.55	0.96	0.3315	83.15

The figure 4 below shows that the quality of internet connection for adoption of net banking with percentage of users. The internet banking enables the customer to accomplish an online transaction accurately and access 24/7.

Hence, it can be concluded that the quality of the internet connection is important factor for the users for accessing their net banking account. The internet accessibility of bank makes it easier for the customers and increases their customer base. The quality of internet connection is must for users to access their account; otherwise it would lead to dissatisfaction among users.

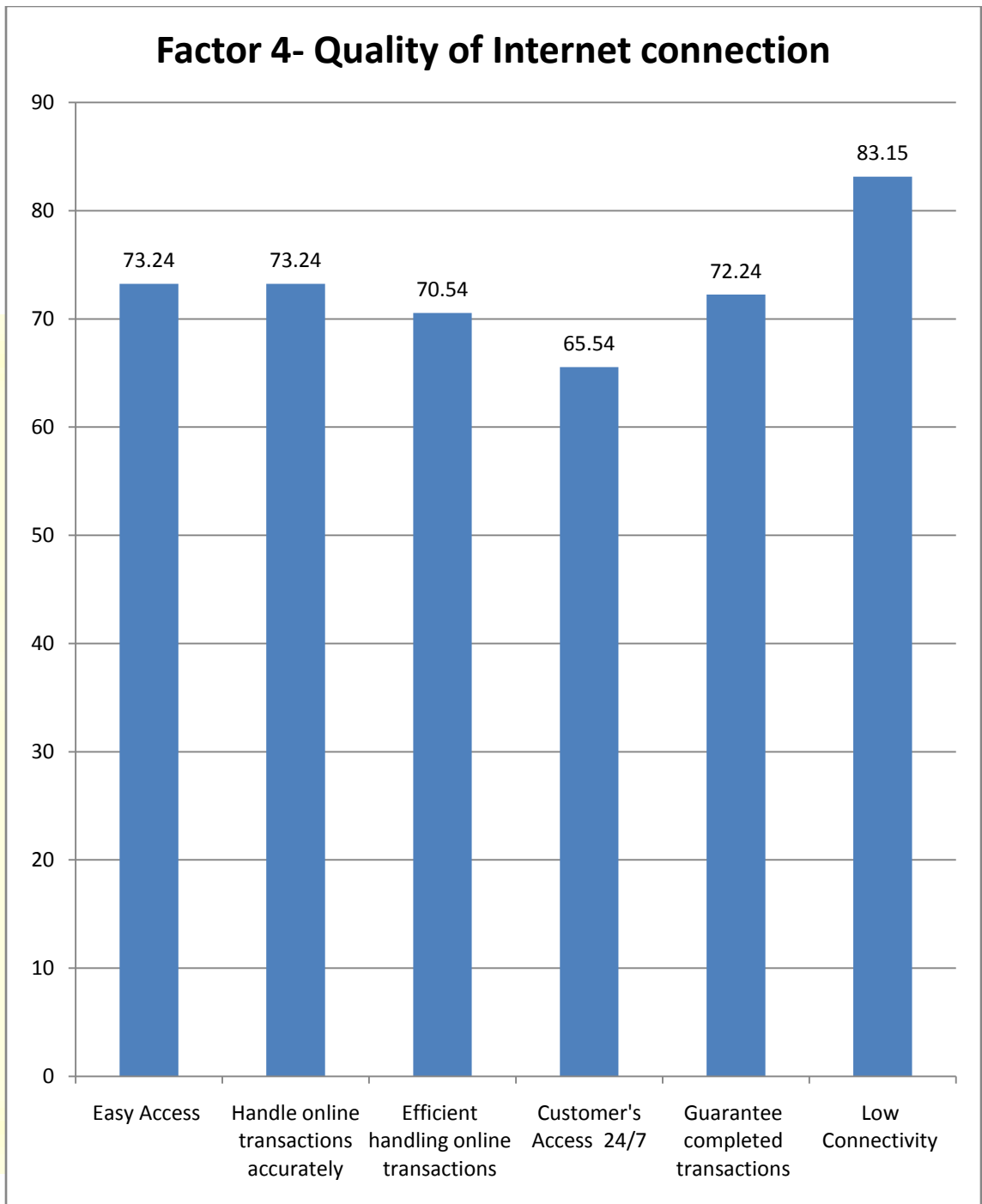


Figure 4 Percentage of users towards Quality of Net Connection

Conclusion

- Findings of users show that perceived usefulness is a major influential factor as internet banking enable user's to accomplish more activities, performance of banking services are quicker, more controlled and improving customer.

- Convenience is another important factor, because users agreed that low service charge, interaction with site clear and understanding easy to do banking transactions, convenient service to do 24 hours and easy to maintain.
- The *place of accessing* of net banking services is also important for users. The majority of the users accesses their internet account mainly from home, then from net cafe and then from the workplace and mobile.
- The *quality of internet connection* also plays an important role as more users also agree that connectivity of the internet is low, easy access to internet, internet enables to handle online financial transactions accurately, internet guarantees that all transactions to the banks have been completed, internet enables to handle their online transactions accurately, website have interactive features to help to achieve every task.

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