



A STUDY ON FACTORS INFLUENCE ON PERCEPTION OF CONSUMERS TOWARDS ONLINE BANKING

Bodige Mamatha

Research scholar,
Dept. Business Management,
Osmania University,
Hyderabad

ABSTRACT

The examination study was an endeavour to recognize the purchaser discernment level on web based banking for example security, protection, value of web based banking and nature of web for internet banking in Hyderabad. Mostly the examination endeavours distinguished observation practices of web based banking were inspected for that, respondents are chosen from significant city for example furthermore, test size was 242 and tried by means of rates and multiple regressions by utilizing SPSS 20.0 Version. The after-effects of the examination indicated that internet banking is decidedly influenced on purchaser observation. In light of the outcomes, this examination can be thought of and must helpful as a best pioneer in this new zone of banking division.

KEYWORDS: consumer, consumer perception, internet banking, online banking, security

1. INTRODUCTION

In the current situation online administrations have become an additional element in the financial division. Web based banking or Internet banking permits clients to lead budgetary exchanges on a safe site. Credit goes to web that gave extreme straightforwardness to the clients at their entryway step. Web based banking permits individuals to play out all the banking related exercises, for example, cash move, past conditional data, money withdrawals and stores and so forth with an only a single tick of a mouse. Customers can without much of a stretch check the record balance each day just by visiting the site of their bank. This gives the spot and time utility to individuals gave on the off chance that one has Internet access. Web based banking likewise disposes of pointless waste, which an association causes as office supplies. This aspect has likewise helped in meeting the social concerns. Be that as it may, utilizing web for cash exchange is never been liberated from hazard. All the more significantly, security is constantly been an issue with Internet exchanges. Regardless of a few counter estimates taken by the banks as data encryption, firewalls, encoding and so forth yet at the same time hesitance wins in handing-off absolutely at internet banking particularly in creating nations like India. This prompted the establishment of this examination. The center reason for this examination study was to make sense of the most basic elements affecting purchaser observation towards web based banking in India with

the assistance of Technology Acceptance Model (TAM)(Davis and Venkatesh, 1996; Davis et al., 1989).Online banking was presented in the 80's nevertheless its development over the globe occurred during the 90's. Europe has been and still is the pioneer in Online financial innovation and utilization (Schneider, 2001). In Hyderabad city, a considerable lot of banks present internet banking. By presenting internet banking, its assistance to fabricate notoriety and expanding the clients towards banks. Web based banking, otherwise called web banking, e-banking or virtual banking, is an electronic installment framework that empowers clients of a bank or other monetary foundation to direct a scope of money related exchanges through the budgetary establishment's site. The web based financial framework will commonly interface with or be essential for the center financial framework worked by a bank and is rather than branch banking which was the customary way clients got to banking administrations. To get to a budgetary establishment's web based financial office, a client with web access should enroll with the foundation for the administration, and set up a secret key and different certifications for client check. The accreditations for internet banking is typically not equivalent to for phone or portable banking. Monetary foundations presently regularly apportion clients numbers, regardless of whether clients have demonstrated an expectation to get to their web based financial office. Client numbers are typically not equivalent to



account numbers, on the grounds that various client records can be connected to the one client number. Actually, the client number can be connected to any record with the budgetary establishment that the client controls, however the monetary foundation may restrict the scope of records that might be gotten to, say, check, reserve funds, advance, Mastercard and comparative records.

2. REVIEW OF LITERATURE

Innovation has consistently been a significant driver of bringing changes and making things simpler in opportune way. Innovative forward leaps have brought significant changes particularly from the only remaining century. Web is only one of the commitments of innovation that has reshaped pretty much every part of our lives. Innovation likewise changed banking of today from customary banking to web based banking. There can be various components that impact the utilization of internet banking. Reception of web based financial administrations can be expanded by the accessibility of value web associations like broadband (Al-Somali et al., 2009). Yet, certain boundaries exist that thwarts the acknowledgment of web based financial which vary from condition to condition. As per the investigation of Laforet and Li (2005) impression of dangers just as PC and innovative abilities are the principle factors causing obstacle in web based financial acknowledgment. Web banking administrations has not just decreased the working expenses to the banks however it additionally helped in expanding the consumer loyalty and client maintenance (Polatoglu and Ekin, 2001), Safeena (2010) decided the purchaser demeanor on web banking reception. Discovering shows that apparent value, seen convenience, shopper mindfulness and saw hazard are the significant determinants of internet banking selection and have solid and constructive outcome on clients to acknowledge the web based financial framework. Rao, K. Rama Mohana and Lakew, Tekeste Berhanu (2011) analyzes the administration quality view of clients of public part and private area banks in the city of Visakhapatnam, India. The investigation uncovers that the Reliability and Assurance measurements of administration quality scored the most noteworthy appraisals while the Tangibles measurement got the least score. Besides, the investigation found a solid divergence in administration quality discernments between clients of private segment and public area banks. Dharma lingam, S. Anand Kannan. V. (2012) assessed the administration quality in retail banking in the Tamil Nadu, in light of various degrees of clients' recognition with respect to support quality. Information are gathered from Three Private Banks, for example ICICI, AXIS and HDFC Bank. Test size of this exploration is 240. The outcome shows that clients' discernment is most elevated in the effects

zone and least in the Product Variety zone. Bahl, Sarita, (2013) confirmed that security and protection issues are the large issue in e-banking. On the off chance that security and protection issues settled, the fate of electronic banking can be prosperous. Qureshi, Zafar and Khan (2008) led an investigation to know the Customer Acceptance of Online Banking in Pakistan and found that apparent convenience, and security and protection are the indicator of client acknowledgment.

3. OBJECTIVES OF THE STUDY

The destinations of the investigation are to understand the accompanying

- To examine the effect of online banking services on demographical variables..
- To dissect the effect of internet banking administrations towards customer perception.
- To look at the impact of internet banking administrations towards customer recognition

TESTING OF HYPOTHESIS

The following are the hypothesis designed with above objectives

- H_{O1} : There is no significant impact of online banking services on demographic variables
- H_{O2} : There is no significant impact of online banking services towards customer perception.
- H_{O3} : There is no significant impact of factors like security, privacy, usefulness customer perception

STATEMENT OF PROBLEM

In past years, everybody went to bank in each an ideal opportunity for play out their exchange; it is absurd constantly. So it is serious issue to clients and investors. so to defeat of this significant undertaking, banking organizations receiving internet banking framework, it accommodating to gives upgraded procedures to keeping up the necessary precise data exceptional, it supportive to made simple exchanges by the client when they are embraced with the web based financial framework. So at last , this investigation uncovers that elements impact to client execution towards web based banking.

METHODOLOGY

The study is concerned with the customer perception towards online banking based on that, both primary data and secondary data, the primary data were collected directly from the sample customers through a well devised questionnaire in



Hyderabad city. Secondary data were collected from books, journals, research articles and magazines for the purpose of review of literature. Convenience sampling method is used for the study. The sample size of the bank customers is 242. The data analyzed

by using percentage method, multiple regression method used for data analysis. Data was presented in the form of tables.

ANALYSIS AND INTERPRETATION OF THE STUDY

Table 1 Respondents are using the Online Banking regularly

Age		
	No of Responses	Percentage
20-25 years	50	20.7
26-30 years	68	28.1
31-35 years	67	27.7
36-40 years	42	17.4
41 and above years	15	6.2
Gender		
Male	164	67.8
Female	78	32.2
Education		
Intermediate	49	20.3
Degree	72	29.8
PG Degree	81	33.5
Phd And Above	40	16.5
Occupation		
Govt Employee	73	30.2
Private Employee	89	36.8
Business	30	12.4
Home Maker	26	10.7
Other	24	9.9
Income For Month (In Rupees)		
Below 20,000	20	8.3
20,001-30,000	37	15.3
30,001 - 40,000	97	40.1
40,001-50,000	62	25.6
50,001 And Above	26	10.7
Total	242	100.0

Source: Authors finding

From the Table 1, It is evident that more than 28% of respondents are using the Online banking in the age group of 26-30 years, followed by 27% of respondents from the 31-35 years group, 67.8% of the respondents belonged male and 32.2% of respondents belonged female, 33.5% of respondents studied PG Degree and with followed 29% of respondents studied Degree, 36% of respondents working as a Private Employees, 30% were the Govt Employee and 12% of the Business people are using

Online banking services regularly, 40% of respondents earned Rs. 30,001 - 40,000 for month and 25% of respondents earned Rs. 40,001-50,000 using online banking services regularly.

MULTIPLE REGRESSIONS

Multiple regression analysis is a set of statistical processes for estimating the relationships among variables. It includes many techniques for modelling and analyzing several variables, when the



focus is on the relationship between dependent variables and one or more independent variables (or 'predictors'). it helps to understand how the typical value of the dependent variable (or 'criterion variable') changes when any one of the independent variables is varied, while the other independent

variables are held fixed. It also helps to determine the overall fit (variance explained) of the model and the relative contribution of each of the predictors to the total variance explained.

1. H_0^1 : There is no significant impact of online banking services on demographic variables

Table 2

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate	F	Sig.
1	.294 ^a	.086	.067	.339	4.458	.001 ^b

Source: Authors finding

a. Predictors: (Constant), Age in years, Gender, Education, Occupation, Income

R^2 value is found to be 0.072, meaning there by that 8.6% of the variation in dependent variable is explained by predictors. Since the F value found to

be significant, the null hypothesis is rejected and the alternative hypothesis accepted, meaning there is a significant in the variation caused by the predictors.

Table 3

Coefficients

Model		Un standardized Coefficients		Standardized Coefficients	t	Sig.
		B	Std. Error	Beta		
1	(Constant)	3.201	.089		37.573	.000
	Age in years	.084	.023	.078	2.633	.009
	Gender	.195	.025	.225	5.978	.000
	Education	.205	.015	.064	2.992	.007
	Occupation	.132	.017	.055	2.902	.000
	Income(in rupees)	.082	.012	.142	3.968	.001

Source: Authors finding

a. Dependent Variable: Customer perception

From the Table 3, it is evident that Education (.205) emerged as the most important demographic variable, followed with gender (.195) and Occupation (.132). Hence, It can be concluded that higher education qualification of consumers will have higher positive

impact on online banking, and followed by gender and occupation of consumers also having positive impact on online banking. So finally, there is a significant impact of all demographic variables on online banking.

2. H_0^2 : There is no significant impact of online banking services towards customer perception.

Table 4

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate	F	Sig.
1	.221 ^a	.149	.037	.345	4.079	.008 ^b

Source: Authors finding

a. Predictors: (Constant), Easy accessibility, Time and money saving, Provide efficient service

Thus, R^2 value is found to be 0.149, meaning there by that 14% of the variation in dependent variable is explained by predictors. Since the F value found to be significant, the null hypothesis is rejected and the

alternative hypothesis accepted, meaning there is a significant in the variation caused by the predictors.

Table 5
Coefficients

Model		Un standardized Coefficients		Standardized Coefficients	t	Sig.
		B	Std. Error	Beta		
1	(Constant)	2.287	.081		30.973	.000
	Easy accessibility	.027	.012	.023	.630	.001
	Time and money saving	.229	.019	.019	1.380	.000
	Provide Efficient service	.160	.014	.175	14.855	.003

Source: Authors finding

a. Dependent Variable: Customer perception

From the Table 5, it is evident that Time and money saving (.229) emerged as the most important motivational factor of banking, followed with Provide Efficient service (.160) and Easy accessibility (.027). It concluded that higher

maintenance of Time and money saving, Efficient service, and Easy accessibility online banking will have higher positive impact on customers perception towards online banking.

3 H₀³: There is no significant impact of factors like security, privacy, usefulness customer perception

Table 6

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate	F	Sig.
1	.681 ^a	.464	.461	.21409	184.283	.000 ^b

Source: Authors finding

a. Predictors: (Constant), Quality of services, Accurate information, Security and Privacy.

R² value is found to be 0.464, meaning there by that 46% of the variation in dependent variable is explained by predictors. Since the F value found to

be significant, the null hypothesis is rejected and the alternative hypothesis accepted, meaning there is a significant in the variation caused by the predictors.

Table 7

Model		Un standardized Coefficients		Standardized Coefficients	t	Sig.
		B	Std. Error	Beta		
1	(Constant)	1.128	.106		10.642	.000
	Quality of Services	.037	.015	.079	2.420	.006
	Accurate information	.264	.024	.302	10.813	.000
	Security and Privacy	.483	.027	.523	17.726	.000

Source: Authors finding

a. Dependent Variable: Customer perception

From the Table 7, it is evident that Security and Privacy (.483) emerged as the most important factor of banking, followed with Accurate information (.264) and Quality of Services (.037). It concluded that higher maintenance of Security and Privacy,

Accurate information and Quality of Services of banks will have higher positive impact on customer's perception towards online banking. So finally, there is a significant impact of factor influence on online banking



LIMITATION

1. As the geological territory of the investigation is restricted to Hyderabad region just, hence the discoveries and end has its own impediments.
2. A comfort test strategy was utilized for the information assortment, which makes the outcomes not promptly generalizable
3. The examination completed to comprehend the client execution towards web based banking.

CONCLUSION

Now days, Internet banking has become a major weapon for survival of banking institutions. The major theme of the research was to study consumer perception towards online banking in Hyderabad city. There are three major objective and data were collected through questionnaire. It was analysed by the percentages and multiple regression. As per the results 28% of respondents are using the Online banking in the age group of 26-30 years, followed by 27% of respondents from the 31-35 years group, 67.8% of the respondents belonged male and 32.2% of respondents belonged female, 33.5% of respondents studied PG Degree and with followed 29% of respondents studied Degree, 36% of respondents working as a Private Employees, 30% were the Govt Employee and 12% of the Business people are using Online banking services regularly, 40% of respondents earned Rs. 30,001 - 40,000 for month and 25% of respondents earned Rs. 40,001-50,000 using online banking services regularly. The results of the multiple regression analysis found that there is significant impact of demographical variables on the online banking, followed with consumer perception also impact on online banking. finally, it concluded that most of the respondents have positive perception and they are satisfactory with online banking in Hyderabad city, but most of the people from this area, not having awareness on online banking because lack of the computer and internet knowledge. So they face problem, while using online banking.

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