

Consumer Acceptance & Liking on Net Banking Services w.r.t. The Urban Areas of Chhattisgarh

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ABSTRACT

Despite the importance of E-banking and Internet banking in many financial institutions, fewer studies and research have focused on consumer adoption and customer satisfaction especially in the state of Chhattisgarh. With technology implementation, and the effect of demonetisation a new phenomenon in India's banking sector and many customers has not yet embraced it, this study was conducted to determine the factors that influence consumer adoption of Internet banking service. This paper examines the relationship between Internet banking service, customer adoption and customer satisfaction. The major instrument for the data collection was a questionnaire that was designed on a 5-point Likert scale to be able to collect good quantitative data. The study established that there was a significantly positive relationship between Internet banking and customer satisfaction. The study recommends that other factors like availability of infrastructure, internet facility, network issue as well as more emphasis and efforts be laid on targeting individual clients. In addition, Internet banking service providers ought to look out for indicators of innovative ways of creating awareness about the service through participation in trade organizations, exhibitions as well as adoption of new technologies of Internet banking.

Keywords: Internet Banking, Adoption, demonetisation, Satisfaction

Introduction

Regardless of the growing importance of Net banking among banking institutions, its implementation has remained low due to poor adaptation rates among clients. Its usage has not brought significant outputs and indeed extant literature indicates that despite such growing interest, no significant studies that have focused on consumer adoption and more so, customer satisfaction. Internet banking is still at infancy stage in the India. Many studies focused on usage of internet banking but many factors on non-usage were overlooked. This research was carried out to validate the conceptual model of internet banking. The causes were identified and researched through correcting the causative factors so that internet banking can be used by more people. This will help the banking operations to be more cost effective.

Internet Banking

Benefit of digitization can be seen across industry. It has brought huge convenience to its users as it has added comfort, saves time and money. Today's clients are empowered as they can self-service and avoid heavy dependence on various systems and procedures at organizations. Be it railway ticket booking or online shopping or flight ticket booking

everything has got simplified. Banking is no less, it has created huge convenience in dealing with their own hard earned money. Gone are the days when clients had to wait for bank to get opened only to wait in quest for basic banking transactions like cash withdrawal or deposits. Internet banking has empowered clients to access their accounts and fulfill their transaction needs round the clock at absolute convenience, with almost no cost and risk.

Rural Area: Chhattisgarh has Out of total population of Chhattisgarh, 23.24% people live in urban regions rest are in rural belt ([census2011](#)). While number of banks are getting increased steadily but the population can easily avail banking services through opening account with internet banking or mobile banking. Small traders and businessmen can remit money, transfer payments within or outside same bank. They can also withdraw cash from any ATM's around.

Women : We have good number of women who are working and would like to save money. We also have housewives who would prefer to avail individual banking services. We have married women who's husbands work in larger centers or abroad hence they wish to open bank account and full fill their banking requirement.

Today's generation stands literate and are full of confidence, they wish to be self sufficient. Our young girls and women wants to be part of decision making authority in all matters including finance.

Senior citizens : Our senior citizens have seen it all. They are experienced and understand the value of money. We have instances where they wish to keep their savings safe or their son's are posted abroad and they are maintaining their family in India. Senior citizens can open accounts with internet facility and avail these services with easy. We have seen adaptability issues on learning grounds but we have banks who are more than willing to deploy their people and train them based on their convenience.

Young children : Our youth is our future for tomorrow. They are set of educated people who wish to move along with developed world. Generally they catch up with latest happening and are very quick to adapt. Internet and mobile banking services will be of good use to our young people.

Illiterate: The beauty of latest technology is that you don't have to be read or write too often. They keys are similar to what we use on mobile or an ATM. The facility of internet banking or mobile banking is very simple to use and hence they can be availed by even an illiterate people.

Middlemen : We have seen parallel banking running in various areas, people take loan and keep money in behest of making better returns. We have come across various instances where people have lost money. Having a bank account with internet facility allows to them stay out of this and also keep tracking its progress.

Emergency : The best thing about net banking is that, it empowers you to avail the facility round the clock. Its importance cannot be over emphasized during any tragedy or emergency.

Usage of cards : We have several transaction like ticket booking ,cooking gas booking, flight tickets, hotel booking etc which can happen through cards provided internet banking facility has been availed. These adds to the easy of doing business. Government has taken several initiatives towards Aadhaar based transactions, it has pushed direct payment to account so as

to avoids middlemen and finally giving higher benefit to beneficiaries. Internet facility will allow better tracking of the accounts and stay aligned to these upcoming changes. Farmers: Since the facility is simple to use and can be availed round the clock. Farmers can utilise these facilities at convenience. They may not wait or over rely on bank officers for help. Besides if banking can be done round the clock why should people keep idle money at home which has risk of theft etc. Its best to keep all money and valuables deposit in banks.

The research gap

Despite the growing interest and importance of Internet banking in many financial institutions the implementation of such innovations in s like Stanbic bank (U) Ltd, there has remained low adoption rates among clients and its usage has not brought significant outputs in the way clients become happy with the services offered,

Research Methodology

For the urban population a study has been conducted to check how conveniently the urban population is using net banking facilities. The research is focused on what are the customer's perceptions about internet banking and what are the drivers that drive consumers. How consumers have accepted internet banking and how to improve the usage rate were the focus of research area in this study. Qualitative exploratory research using questionnaire was applied. 110 respondents were selected for study after initial screening. They were all bank from different banks across the urban areas of Chhattisgarh.

Null Hypothesis: There is no significant difference between the male and female groups towards use of internet banking.

Alternate Hypothesis: There is significant difference between the male and female groups towards use of internet banking

Empirical Analysis and Results

The basic quantitative description of data is summarized in Table, which gives the snapshot of the descriptive characteristics of the respondents regarding use of internet in banking and other financial applications in the district of Durg and Raipur. It can be seen that out of 110 responses taken, with mean ranging from 4.34 having standard deviation of 0.978 to mean of 3.69 with standard deviation of 1.17. All the factor data set are skewed ranging from (-0.521 to -1.99), while the expected value of skewness is "0" (DeCarlo, 1997). Data set for have normal distribution as Kurtosis value is near to "3", (DeCarlo, 1997) for many questions asked.

Table1: Descriptive Statistics									
	N	Min.	Max.	Mean	Std. Dev.	Skewness		Kurtosis	
							Std. Error		Std. Error
Internet banking enables me to conduct banking transactions more quickly.	110	1.0	5.0	4.327	.9778	-1.721	.230	2.739	.457
Internet banking enables me to conduct banking transactions 24x7 hours	110	1.0	5.0	4.491	.8959	-1.999	.230	3.885	.457
Internet banking is secure to conduct banking transaction	110	1.0	5.0	3.800	1.0209	-.483	.230	-.205	.457

Effective management of My account.	110	1.0	5.0	4.027	.8616	- 1.280	.230	2.723	.457
It is easy to learn how to use Internet banking	110	1.0	5.0	3.973	1.0533	- 1.048	.230	.682	.457
Internet banking does not require a lot of mental effort.	110	1.0	5.0	3.773	1.0550	-.676	.230	.013	.457
The internet banking website is clear and understandable	110	1.0	5.0	3.909	.9340	-.917	.230	.765	.457
The interaction with the internet banking website is clear and understandable	110	1.0	5.0	3.927	.9158	-.876	.230	.831	.457
I intend to continue using Internet banking for doing some of my banking transactions	110	1.0	5.0	4.155	.8902	- 1.026	.230	1.245	.457
Internet banking as a trusted medium of financial transactions	110	1.0	5.0	3.891	1.0077	-.764	.230	.032	.457
Overall, I trust Internet banking to perform my banking transactions	110	1.0	5.0	4.118	.9260	- 1.228	.230	1.562	.457
Bank's terms and conditions regarding Internet banking protect me from problems	110	1.0	5.0	3.800	1.0119	-.831	.230	.275	.457
Internet banking website has enough safeguards to make comfortable while using it	110	1.0	5.0	3.836	1.0538	-.863	.230	.293	.457
Bank is competent to provide an excellent Internet banking services.	110	1.0	5.0	3.864	1.0089	-.867	.230	.401	.457
Bank is capable to meet Internet banking customers needs.	110	1.0	5.0	3.855	1.0823	-.855	.230	.125	.457
Bank is an expert at providing Internet banking services.	110	1.0	5.0	3.845	.9785	-.521	.230	-.423	.457
Bank is trustful when it deals with Internet banking transactions.	110	1.0	5.0	3.918	.9780	-.733	.230	.145	.457
Bank has a good intention towards their Internet banking users.	110	1.0	5.0	4.055	.9270	-.954	.230	.880	.457
The information related to banking services is accurate enough.	110	1.0	5.0	3.955	.9990	- 1.033	.230	1.039	.457
On website, It is easy to find what banking services bank provides.	110	1.0	5.0	4.018	.9672	- 1.090	.230	1.186	.457
Bank Website shows the exact meaning of each banking service.	110	1.0	5.0	3.891	.9800	-.611	.230	-.062	.457
Website never confused me on the process of conducting a bank transaction.	110	1.0	5.0	3.691	1.1231	-.589	.230	-.490	.457
I will not stop using online banking in future	110	1.0	5.0	4.327	1.0502	- 1.903	.230	3.341	.457
After sale service of internet banking in satisfactory	110	1.0	5.0	3.845	1.0509	-.940	.230	.425	.457
I recommends other to use internet banking	110	1.0	5.0	4.318	.9572	- 1.640	.230	2.656	.457
Internet banking promptly inform after every transaction	110	1.0	5.0	4.318	1.0486	- 1.547	.230	1.630	.457
Valid N (listwise)	110								

Reliability

Table:2 Reliability Statistics

Cronbach's Alpha	N of Items
.964	26

Internal Consistency of all the factors measured is 0.964 (acceptable range 0.6 to 1) (Lee Chronbach, 1951) and hence all the responses are consistence to measure the same concept of their use and their preference towards internet banking. Thus there is fair degree of interrelatedness of various scores of individual factors.

Statistical Test

As the response is ordinal in nature i.e. non-parametric test with two independent samples as male and female response related to use and comfortability of internet banking. Mann-Whitney U test is used non-parametric test that is used to compare two sample means that come from the same population, and used to test whether two sample means are equal or not.

The **Ranks** table is the first table that provides information regarding the output of the Mann-Whitney U test. It shows mean rank and sum of ranks for the two groups tested (i.e., Male and Female group):

Table3: Ranks

Questions	Gender	N	Mean Rank	Sum of Ranks
Internet banking enables me to conduct banking transactions more quickly.	1.0	62	59.90	3713.50
	2.0	48	49.82	2391.50
	Total	110		
Internet banking enables me to conduct banking transactions 24x7 hours	1.0	62	53.42	3312.00
	2.0	48	58.19	2793.00
	Total	110		
Internet banking is secure to conduct banking transaction	1.0	62	57.88	3588.50
	2.0	48	52.43	2516.50
	Total	110		
Effective management of My account.	1.0	62	60.96	3779.50
	2.0	48	48.45	2325.50
	Total	110		
It is easy to learn how to use Internet banking	1.0	62	58.97	3656.00
	2.0	48	51.02	2449.00
	Total	110		
Internet banking does not require a lot of mental effort.	1.0	62	58.06	3600.00
	2.0	48	52.19	2505.00
	Total	110		
The internet banking website is clear and understandable	1.0	62	57.73	3579.00
	2.0	48	52.63	2526.00
	Total	110		
The interaction with the internet banking website is clear and understandable	1.0	62	58.27	3613.00
	2.0	48	51.92	2492.00
	Total	110		
I intend to continue using Internet banking for doing some of my banking transactions	1.0	62	63.07	3910.50
	2.0	48	45.72	2194.50
	Total	110		
Internet banking as a trusted medium of financial transactions	1.0	62	59.16	3668.00
	2.0	48	50.77	2437.00
	Total	110		
Overall, I trust Internet banking to perform my banking	1.0	62	61.44	3809.00

transactions	2.0	48	47.83	2296.00
	Total	110		
Bank's terms and conditions regarding Internet banking protect me from problems	1.0	62	58.31	3615.00
	2.0	48	51.88	2490.00
	Total	110		
Internet banking website has enough safeguards to make comfortable while using it	1.0	62	59.28	3675.50
	2.0	48	50.61	2429.50
	Total	110		
Bank is competent to provide an excellent Internet banking services.	1.0	62	58.02	3597.00
	2.0	48	52.25	2508.00
	Total	110		
Bank is capable to meet Internet banking customers needs.	1.0	62	57.96	3593.50
	2.0	48	52.32	2511.50
	Total	110		
Bank is an expert at providing Internet banking services.	1.0	62	56.85	3524.50
	2.0	48	53.76	2580.50
	Total	110		
Bank is trustful when it deals with Internet banking transactions.	1.0	62	55.32	3430.00
	2.0	48	55.73	2675.00
	Total	110		
Bank has a good intention towards their Internet banking users.	1.0	62	59.45	3686.00
	2.0	48	50.40	2419.00
	Total	110		
The information related to banking services is accurate enough.	1.0	62	57.97	3594.00
	2.0	48	52.31	2511.00
	Total	110		
On website, It is easy to find what banking services bank provides.	1.0	62	55.82	3461.00
	2.0	48	55.08	2644.00
	Total	110		
Bank Website shows the exact meaning of each banking service.	1.0	62	55.60	3447.00
	2.0	48	55.38	2658.00
	Total	110		
Website never confused me on the process of conducting a bank transaction.	1.0	62	60.13	3728.00
	2.0	48	49.52	2377.00
	Total	110		
I will not stop using online banking in future	1.0	62	55.35	3432.00
	2.0	48	55.69	2673.00
	Total	110		
After sale service of internet banking in satisfactory	1.0	62	59.86	3711.50
	2.0	48	49.86	2393.50
	Total	110		
I recommends other to use internet banking	1.0	62	56.24	3487.00
	2.0	48	54.54	2618.00
	Total	110		
Internet banking promptly inform after every transaction	1.0	62	57.48	3564.00
	2.0	48	52.94	2541.00
	Total	110		

The table above is very useful because it indicates out of male or female group which group can be considered as having the higher concentrations, overall; namely, the group with the highest mean rank.

Test Statistics Table

The table shows the actual significance value of the test. Specifically, the **Test Statistics** table provides the *U* statistic, as well as the asymptotic significance (2-tailed) *p*-value.

Null Hypothesis: There is no significant difference between the male and female groups towards use of internet banking.

Test Statistics ^a												
Questions	1	2	3	4	5	6	7	8	9	10	11	12
Mann-Whitney U	1215.50	1359.00	1340.50	1149.50	1273	1329	1350.00	1316.00	1018.50	1261.00	1120.00	1314.00
Wilcoxon W	2391.50	3312.00	2516.50	2325.50	2449	2505	2526.00	2492.00	2194.50	2437.00	2296.00	2490.00
Z	-1.84	-0.95	-0.93	-2.25	-1.37	-1.00	-0.90	-1.11	-3.03	-1.44	-2.40	-1.12
Asymp. Sig. (2-tailed)	0.07	0.34	0.35	0.02	0.17	0.32	0.37	0.27	0.00	0.15	0.02	0.26
a. Grouping Variable: Gender												

Questions	13	14	15	16	17	18	19	20	21	22	23	24	25	26
Mann-Whitney U	1253	1332.0	1335.50	1404.5	1477.00	1243	1335.00	1468.0	1482	1201.00	1479	1217.50	1442.00	1365.00
Wilcoxon W	2429	2508.00	2511.50	2580.5	3430.00	2419	2511.00	2644.0	2658	2377.00	3432	2393.50	2618.00	2541.00
Z	-1.49	-1.00	-0.97	-0.53	-0.07	-1.57	-0.98	-0.13	-0.04	-1.80	-0.06	-1.73	-0.31	-0.85
Asymp. Sig. (2-tailed)	0.14	0.32	0.33	0.60	0.94	0.12	0.33	0.90	0.97	0.07	0.95	0.08	0.76	0.39

The above table having **p-value less than 0.05** we reject the null hypothesis that there's no difference between the means and conclude that a significant difference does exist. On the other hand as it can be seen that most of the questions are with p-value greater than 0.05, hence there is no significant evidence to reject null hypothesis and can be concluded that both male and female do not have much difference in the use of internet banking.

Conclusion

Banking has seen some real transformation in past ten years and the change is constant, it is believed that these changes are still in process. We are already witnessing biometric

transactions and are moving towards eye scan based transaction hence it's important that we keep progressing based on technology progress so as to remain attuned to the global progress happening.

When investigating all the variables and the response by consumers, this study reveals that the perception of the consumers can be changed by awareness program, friendly usage, less charges, proper security, and the best response to the services offered. The study also provides the kind of correlation between different factors. As per our basic assumptions we consider only those consumers who know how to use Internet and have an access to Internet, and our study considered only the situation wherein banks provide Internet banking services. By grouping the variables less than one relevant question may result in proper implication for the bankers. In case of the consumers who don't use Internet banking services, having all facilities at their disposal, technology was not the biggest issue.

The first thing that all bankers should concern about is the requirement of awareness. Even though these people are inclined towards the manual banking, these can be turned to potential customers, it is well proven thing, which says the surrounding influences the individual's behaviour or in India only environment that surrounds the public determines the behaviour and decisions of the individuals. So if consumer sees most of their colleagues or friends who surround him using Internet banking then it may influence his decision to follow Internet banking option.

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