



# The Influence of Customer's Attitude and Perceived Ease of Use on the Usage of Internet Banking

\* Preethi Sheshadri \*\* Sheela Rani

\* Research Scholar ,Sathyabama University

\*\* Professor,MEASI Institute of Management Studies, Chennai, Tamil Nadu, India

## ABSTRACT

*Service Industries have seen an unbelievable growth with the usage of Information Technology (IT) mostly referring to computers and peripheral equipments in the recent past. The use of technology in the delivery of banking services is becoming familiar as it is being engaged to trim down costs and remove uncertainties. The arrival of Internet has changed the way banking is done. Internet banking is defined as doing banking transactions through the Internet. This paper discusses the factors that are contributing towards the effectiveness of the usage of Internet Banking. The major factors discussed in this paper include the perceived ease of use and the attitude to use internet banking and their effect on the usage of Internet banking.*

**Keywords : Internet Banking, Perceived ease of use, attitude, Customer**

## I.INTRODUCTION

Service Industries have seen an unbelievable growth with the usage of Information Technology (IT) mostly referring to computers and peripheral equipments in the recent past. The use of technology in the delivery of banking services is becoming familiar as it is being engaged to trim down costs and remove uncertainties. (Mathew Joseph, Cindy McClure, Beatriz Joseph, 1999).

Delivering banking services through electronic channels is one of the most important implications of technological progress in the banking sector. A large customer base and a rapid delivery of bank service is the advantage of service through e channels. In today's scenario e banking has achieved mounting esteem in delivering banking services to the customers (Ong Hway-Boon, Cheng Ming Yu 2003)

Earlier studies have revealed that the employing technology services have facilitated banks. For example, a study on the US retail banking sector shows that the transaction cost of telephone banking is only 40% of the cost through physical branch (Talmor, 1995).

### 1.1 Perceive ease of use

Davis et al., 1989; Mathieson, 1991; Gefen and Straub, 2000; Gahtani, 2001) have discussed that perceived ease of use is the extent to which a person believe as true that using an accurate method would be at no cost to that individual. (Rogers, 1983). stated that perceived ease of use is the extent to which consumers perceive a new product or service as better than its alternatives. The degree to which a new idea is easy to use or understand is measured as perceived ease of use. (Zeithaml et al. 2002)

### 1.2 Attitude

Attitude is defined as an individual's positive or negative feelings about performing a target behavior It is associated to behavioral intention because people form intentions to perform behaviors toward which they have positive affect. (Fishbein and Ajzen 1975).

Triandis (1977) stated that attitude depicts the perceptions of

usefulness of electronic banking, adaptation features, bank electronic features, risk and privacy, and personal preferences.

## 2. METHODOLOGY

### 2.1 OBJECTIVES OF THE STUDY

- To find out the differences in the perceived ease of use based on Age and income.
- To find out the differences in the attitude based on Age and income.

### 2.2 DATA COLLECTION

Primary data was collected from potential internet banking users. The survey yielded 140 usable responses among the responses 66.4% were males and 36.6% were females. The demographic profile showed that users are relatively young and generally well educated. In general, young users easily accept new technology. Such young users will very likely become the most active Internet banking users and the most influential consumers in the internet application field. Understanding the needs and preferences of these future opinion leaders is desirable and important. (Chin – lung Hsu . et al 2006)

### 2.3 Reliability

The reliability of all instruments was assessed by the Cronbach alpha reliability coefficient. The coefficient alphas (Cronbach alphas) for the perceived ease of use, and attitude were 0.92, 0.96, respectively, which exhibited an acceptable level of reliability (alpha >0.70)

### 2.4 Hypothesis for the Study

- There is no significant difference in the perceived ease of use based on income.
- There is no significant difference in the perceived ease of use based on different age group.
- There is no significant difference in the attitude of internet banking users belonging to different age groups.
- There is no significant difference in the attitude of the respondents belonging to different income group.

### 2.5 Tools Used For Analysis

To find out the significant difference in the perceived ease of

huse and attitude based on income and age Analysis of variance test was applied.

### 3. ANALYSIS AND INTERPRETATIONS

Table 1 ANOVA - Influence of Age on Perceived ease of use

	Age Groups				F- value	p value
	<20	21-40	41-60	>60		
Perceived ease of use	19 <sup>2</sup>	18 <sup>2</sup>	17 <sup>2</sup>	8 <sup>1</sup>	41.588	0.000**

Source: Primary Data Note \*\* denotes significance at 1 per cent level

The ANOVA table reveals that there is significant difference in the perceived ease of use of (at 1 per cent level of significance) between the respondents belonging to different age group. We can infer that age significantly influences the perceived ease of use.

The Duncan post-hoc analysis shows that the perceived ease of use of the respondents belonging to >60 age group was lower and significantly different from the other groups. The highest mean value (19) in the less than 20 age group signifies that the perceived ease of use is the lowest in this group.

Table 2 ANOVA - Influence of Age on attitude

	Age Groups				F- value	p value
	<20	21-40	41-60	>60		
Attitude	13 <sup>2</sup>	13 <sup>2</sup>	12 <sup>2</sup>	6.5 <sup>1</sup>	22.38	0.000**

Source: Primary Data Note \*\* denotes significance at 1 per cent level

The ANOVA table reveals that there is significant difference in the attitude (at 1 per cent level of significance) of the respondents belonging to different age group. We can infer that age significantly influences the attitude of the respondents.

The Duncan post-hoc analysis shows that the perceived ease of use of the respondents belonging to >60 age group was lower and significantly different from the other groups. The highest mean value (13) in the less than 20 age group and 21- 40 age group and signifies that the attitude is the highest in this group.

Table 3 ANOVA - Influence of Income on Perceived ease of use

	Income groups				F- value	p value
	Zero Income	100001-300000	300001-500000	>500000		
Perceived ease of use	19.0 <sup>2</sup>	19. <sup>2</sup>	17.2 <sup>1</sup>	18.21 <sup>12</sup>	156.057	0.000**

Source: Primary Data Note \*\* denotes significance at 1 per cent level

The ANOVA table reveals that there is significant difference in the perceived ease of use (at 1 per cent level of significance) between the respondents belonging to different income group. We can infer that income significantly influences

the perceived ease of use.

The Duncan post-hoc analysis shows that the perceived ease of use of the respondents belonging to 300001-500000 income group was lower and significantly different from the other groups. The highest mean value (19) in the 1 lakhs – 3 lakhs income group and no income group (Unemployed) signifies that the perceived ease of use is the highest in this group.

Table 4 ANOVA - Influence of Income on attitude

	Income groups				F- value	p value
	Zero Income	100001-300000	300001-500000	>500000		
Attitude	13.0 <sup>1</sup>	15 <sup>2</sup>	12 <sup>1</sup>	13.43 <sup>1</sup>	107.81	0.000**

Source: Primary Data Note \*\* denotes significance at 1 per cent level

The ANOVA table reveals that there is significant difference in the attitude of the (at 1 per cent level of significance) respondents belonging to different income group. We can infer that income significantly influences the attitude of the respondents.

The Duncan post-hoc analysis shows that attitude of the respondents belonging to 100001-300000 groups was higher and significantly different from the other groups. The lowest mean value (12) in the 3 lakh – 5 lakhs income group signifies that the attitude is the lowest in this group.

### DISCUSSIONS

Most of the respondents have used almost all the internet banking services provided by their banks. There is significant difference in the perceived ease of use and attitude of the respondents belonging to different Age group and Income group. We can infer that Age and income significantly influences the perceived ease of use and attitude of the respondents. People who are in the age group of greater than 60 have a different attitude towards these services. Their usage of internet banking services will be less. This age group generally do not have much business transactions to be made. People who are in the 3 – 5 lakhs income group have a high usage of the internet banking services. This is the middle level group and majority of the customers are placed in this group. The attitude of these group customers is of a normal range and they do not have much expectation about these services. The banks can create awareness regarding the services amongst customers. Some people feel that there is lots of falsification happening in the electronic clearance system. Banks can take necessary measures to avoid this. Better security and awareness can be provided for the procedure and usage of internet banking. Net security can be improvised for transactions and payments made through internet.

### REFERENCES

- Chin-Lung Hsu, Judy Chuan-Chuan Lin Acceptance of blog usage: The roles of technology acceptance, social influence and knowledge sharing motivation Information & Management 45 (2008) 65–74 | • Davis FD (1989). Perceived usefulness, perceived ease of use, and user acceptance of information technology. MIS Quarterly, 13(3): 319-339. | • Fishbein, M., and Ajzen, I. Belief, Attitude, Intention and Behavior: An Introduction to Theory and Research, Reading, MA: Addison-Wesley, 1975. | • Gahtani SA (2001). The applicability of TAM outside North America: an empirical test in the United Kingdom. Info. Resour. Manage. J. 2 (July- September), pp. 37-46. | • Gefen D, Straub D (2000). The relative importance of perceived ease of use in IS adoption: a study of e-commerce adoption. J. Assoc. Info. Syst. 1(8): 1-28. | • Mathew Joseph, Cindy McClure, Beatriz Joseph, (1999) "Service quality in the banking sector: the impact of technology on service delivery", International Journal of Bank Marketing, Vol. 17 Iss: 4, pp.182 - 193 | • Mathieson K (1991). Predicting user intentions: comparing the technology acceptance model with the theory of planned behavior. Info. Syst. Res. 2(3): 173-191. | • Ong Hway-Boon, Cheng Ming Yu, (2003) "Success factors in e-channels: the Malaysian banking scenario", International Journal of Bank Marketing, Vol. 21 Iss: 6/7, pp.369 – 377 | • Rogers EM. (1983) Diffusion of Innovations (4th ed.): The Free Press, New York, NY. | • Triandis, H. C. "Values, Attitudes and Interpersonal Behaviour" in Nebraska Symposium on Motivation, Beliefs, Attitudes and Values, Lincoln, NE: University of Nebraska Press, 1979, pp. 195-259. | • Zeithaml VA, Parasuraman A, Malhotra A (2002). Service quality delivery through Web sites: a critical review of extant knowledge. J. Acad. Mark. Sci. 30(4): 362-375. |