



## Acceptance And Usage Pattern of E-Banking Services in India

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**ABSTRACT**

Electronic Banking help people to interact with their banking accounts from anywhere in the world. Banks try to reach more and more customers with use of technology but still many customers did not embrace Electronic banking in positive way. With the use of internet, the possibility for banking sector to provide their products and services has increased. This research paper will examine the factors responsible for acceptance of E-Banking services and the pattern of its usage by customers. The questionnaire is designed which included open and close ended questions to collect data through convenient sampling method. The study suggests that customers are using few E- banking services and majority of them are using these only for transaction purpose and payment of utility bills. Customers still doubt about online safety and security while using internet for transactions.

### KEYWORDS

Adoption, E-Banking services, Online security, Usage Pattern.

### INTRODUCTION

Technology is like a force and it depend on people how to use it. It has important role in the growth of any sector and banks are also trying to use it more to increase their customer base. Internet is mainstream in India today .India took more than a decade to move from 10 million to 100 million and 3 years from 100 to 200 million users. Internet use is increasing at such a pace that it took only a year to move from 300 to 400 million users. The number of Internet users in India is expected to surge to 462 million by June 2016 next as more people come online, especially through their mobile devices and India will have 500 Million Internet users by 2017 (A report by Internet and Mobile Association of India (IAMAI).Currently China leads with more than 600 million Internet users.

Automated teller machines work 24 hours a day allowing customers 24 hour access to banking services. According to RBI, total number of ATMs in India in February 2014 is 1, 50,008 which increase to 190859 in October 2015 and Out of this SBI has the major share of 47857 ATMs (Report of RBI October 2015).

### REVIEW OF LITERATURE

A study conducted by Hassanuddin, Abdullah, Mansor & Hasan. (2012) on Malaysian bank Rakyat indicate that the quality of Internet connection also had strong relationship with the acceptance of internet services. In a Qualitative study by Srivastava, R.K. (2007) concluded that education, gender, income are important drivers that derive the consumers to accept internet banking. Privacy and security are the major sources of dissatisfaction, which have impacted users' satisfaction. Meanwhile, accessibility, convenience, design and content are sources of satisfaction. Besides, the speed, product features availability, and reasonable service fees and charges, as well as the bank's operations management factor are critical to the success of the e-banks. WAP, GPRS and 3G features from mobile devices are of no significance or influence in the adoption of e-banking services in this study. Results also reveal that privacy, security and convenience factors play an important role (Poon, 2008). A study conducted in ahemdabad in India suggests that majority of customer are using internet banking but they consider it risky (Prof & Khakhdia, 2015). Alsamydai, Yousif and Khasawneh (2012) depicted that the tangibles aspect, which is related to the physical facilities and appearance of the website to provide the service have little positive influence on customers satisfaction to continue deal-

ing with e-banking services. A study conducted on Non users of internet banking explore that cost, reliability, processing barriers, security issues, technological incontinence, lack of infrastructure, conventional approach, risk and resistance are the barriers in the usage of Internet Banking services in the semi-urban areas(Singh, 2013).

A study conducted in Nigeria by (Auta, 2010) suggest that users are strongly agrees that E-banking is convenient but Most banks in Nigeria are located within the city or urban centers where infrastructure is available. The main barrier in usage of Internet banking in semi-urban areas is cost. Customer having the fear towards cost to avail E banking services and due to this they were not using these services in semi-urban areas (Singh, 2013).

### RESEARCH OBJECTIVE

To study the acceptance and usage pattern of E banking services in India.

### RESEARCH METHODOLOGY

#### The Study

The study was exploratory in nature to identify the adoption and usage pattern of E-banking.

#### The Sample

Target population: The targeted sample is the bank customers who are using E-Banking services. The sample for conducting the survey contains customers from Chandigarh capital of Punjab. The survey also focused on covering the demographic factors in the sample itself. For the study sample size was 100 respondents.

**Tools for Data Collection:** The study was based on the primary data. To collect primary data a self-designed structured questioner is used.

### DATA ANALYSIS

**Table 1: Age of Respondents**

	Frequency	Percent
20 or less than 20	7	7.0
20-40	52	52.0
40-60	34	34.0
more than 60	7	7.0
Total	100	100.0

**Table 2: Sex of Respondents**

	Frequency	Percent
Male	67	67.0
Female	33	33.0
Total	100	100.0

**Table 3: Education of Respondents**

	Frequency	Percent
Graduate	47	47.0
Degree	37	37.0
Any other	16	16.0
Total	100	100.0

**Table 4: Profession of Respondents**

	Frequency	Percent
Student	15	15.0
Job	66	66.0
Housewife	4	4.0
Unemployed	6	6.0
Retired	4	4.0
Any other	5	5.0
Total	100	100.0

**Table 5 : Time span for using E-Banking**

	Frequency	Percent
> 6 month	12	12.0
6 month to 1 year	26	26.0
more than 1 year	62	62.0
Total	100	100.0

**Table 5 shows that 62 % customers are using E-banking services since more than 1 year and only 26 % have joined these services 6 month back.**

**Table 6: Frequency to Visit Bank Website**

	Frequency	Percent
once in a day	6	6.0
multiple times in a day	5	5.0
Once in a week	10	10.0
multiple times in a week	29	29.0
once in a month	30	30.0
multiple times in a month	20	20.0
Total	100	100.0

**Table 6 shows that 30 % of the customers visit the bank website once in a month and 20 % visit more than one time in a week.**

**Table 7: Services preferred by customers**

Service	Frequency	Std. Deviation
Electronic fund transfer through NEFT and RTGS	52	.502
Utility payment services like telephone bill, credit and debit card bill etc.	56	.499
System inquiry	32	.469
New credit or debit card issue application	30	.461
Internet Banking	78	.416
Online tax payment	48	.502
Foreign Exchange system	24	.429
Any Other	18	.386

**Table 7 depicts the usage pattern of the E-banking services. Results suggest that most of the customers are using Internet banking and utility payment services.**

**Table 8: Security Problem exit in using E-Banking services**

Sr. No	Response	Frequency	percent
1	Yes	22	22.0
2	No	78	78.0
	Total	100.0	100.0

**FINDINGS**

1. Maximum users of E-banking services are youngsters and belong to age category 20-40.
2. Results shows that Males are more frequently using the E-Banking services as compared to females.
3. Study shows that Education motivates the people to use E-banking services.
4. Profession has relationship with the use of E-Banking services. Maximum customers who use E-Banking fall in the category of job.
5. Study depicts that internet banking, ATM and mobile banking having edge over Tele Banking. There are very few customers who use Tele banking.
6. 62 % customers from the total respondents are using E-Banking services from 1 year.
7. Results shows that 29 % of customers visit website multiple times in a week and only 6% use once in a day.
8. Only 22 % respondents feel unsafe while using the Website and 78 % feel that there is no security issue involve in using E-Banking services.
9. Study shows that 78% customer are using internet Banking and 56 % are using for paying utility bills.
10. 48% are using for paying online tax and 52% are using for RTGS and NEFT. .

**CONCLUSION**

Due to increase in Education level people like to use technology to avail the banking services. Banks should design a system to educate the customer about theft and security issues involved and how to avoid these while using services. Banks should make efforts to sort out the problems related to the security and safety through online support to save customer's time and money. Banks can make arrangement to provide training to nonusers to make them active users of E-Banking services. There are so many others services available at ATMs but customers are using it only for withdrawing of cash. Website of banks should be more informative and contain easy content. If the customer will adopt more services, it will lead to their satisfaction and hence banks can achieve more growth and will play the major role in the development of economy of India. The government should provide support to service providers to improve the quality of internet connection and it will encourage employees and customers to accept the Internet banking especially in rural area. (Hassanuddin, Abdullah, Mansor & Hassan, 2012)

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