

“A STUDY ON PERCEPTION OF POST GRADUATE STUDENTS TOWARDS INTERNET BANKING”

* Divya. U

**Dr. Noor Firdoos Jahan

Abstract

Technology plays a vital role in the financial inclusion of India. There are many hurdles for financial inclusion in our country and the mainly high cost of banking and bank ability, which is believed, can be overcome by leveraging on appropriate technology. A major technological breakthrough in banking sector is Internet banking. It has revolutionized the way banking services are offered to customers. Among other users of internet banking services student community is playing an increasing role. In this present scenario we felt it is relevant to understand the perception of students towards internet banking and a survey has been conducted among 57 post graduation students selected randomly. The data so collected was analysed and findings were reported. The major finding of our study is when it comes to gender or distance from hometown, there has not been a difference in the choice of respondents, when it comes to the choice of services over Internet banking.

Key words: Financial inclusion, Internet Banking, Customer Satisfaction, Perception,

Introduction

Financial inclusion is an important priority of Government of India for inclusive growth and

sustainable development of the economy. Financial inclusion can be better understood as the delivery of Banking and other financial services to those segments of the society who are deprived of it so far at an affordable cost and there by bringing them to the main stream of financial sector. According to K.C.Chakrabarty Deputy Governor RBI “Financial inclusion is a process of ensuring access to appropriate financial products and services needed by all sections of the society in general and vulnerable groups such as weaker sections and low income groups in particular at an affordable cost in a fair and transparent manner by main stream institutional players.”

Even after six decades of independence large sections of Indian population still remains unbanked. But in recent years RBI and Government of India have been actively pushing the concept of financial inclusion and are convincing the banks and financial service companies to actively take part in achieving the goal of attaining full financial inclusion. In order to ensure financial inclusion many initiatives were taken up by RBI and GOI such as nationalization of banks, expansion of banks branches, establishment and expansion of cooperative and regional rural banks, PS lending, formation of SHG's etc. Despite of all these measures of financial inclusion poverty and exclusion continues to dominate the economy of



Divya. U

Assistant professor,
CIMS B school
Research Scholar Mysore university
Bengaluru, Karnataka, India
Email: divya.u12345@gmail.com



Dr. Noor Firdoos Jahan

Professor
Marketing Department
RV Institute of Management
Bengaluru Karnataka, India
Email: nor.firdoos@gmail.com

India even after six decades of post economic independence era. Though Indian economy is showing massive progress during post liberalization era of 1991, the impact is not equally spread on all sections of the society and therefore India is still home of one third of world's poor.

When we speak of banking, it has a dismally poor record as witnessed by the 2011 census. Out of 24.67 crore households in the country, 14.48 crores (58.7%) households had access to banking services. Out of 16.78 crore rural households, 9.14 crore (54.46%) availed banking services. Out of 7.89 crore urban households, 5.34 crore (67.68%) households had access to banking services.

Technology and financial inclusion are the two faces of the same coin. The main hurdle for financial inclusion is the high cost of inclusion. The only way of bringing down this unaffordable cost is through leveraging the role of technology. Technology plays a vital role in the financial inclusion of any country. In order to make available the banking facilities to remote corners of the country latest technological products such as e-KYC, IMPS, AEPS Mobile banking etc., are made use of. A major technological breakthrough in the banking sector is an adoption of the core banking solutions (CBS). CBS has led to the enhancement of customer convenience through anywhere-anytime banking. It also led to the various technological products such as NEFT, RTGS, Mobile banking, Internet Banking, ATMs etc.

Internet banking has revolutionized the way banking services are offered to customers. Online banking has overcome the obstacles of time and distance. It also facilitated the easy transfer of funds, quick checking of balances, convenience in bill payments etc. However, on the other side, the growing use of Internet

Banking service has made the attacks on its security more frequent and strategic. As a way to overcome these problems, banking institutions are focused on the computer system's security. In order to provide a better service to their customers, they are alerting them, providing a matrix card and advising a frequent change of keyword (Singh and Beekhuyzen, 2006).

The main theme of our article is to understand the perception of post graduate students towards internet banking. India is a country with highest population belonging to young generation. It is observed that among students community with good computer literacy are widely making use of internet banking facilities for their day to day life as they perceive it as highly convenient and safe. With this the background we felt it really needed to study the perception of post graduate students towards internet banking.

Review of Literature

Fadare, Ibrahim and Edogbanya (2016) examined the impact on perceived risk and intention of adopting internet banking on post graduate students of UUM in Nigeria and found that performance risk, perceived risk, time risk, social risk financial risk and security risk were negatively influenced the intension towards internet banking. Among these risks perceived risk contributed more towards usage of internet banking.

Shirodkar (2015) analyzed the different customer segments attitude and operational risks towards electronic banking products in selected banks of Goa city. The author found that majority of customers possessed ATM cards and housewives and students faced the risk of unavailability of cash and PIN code leakage. Small percentage of customers possessed credit cards. Government and self employed customers faced the risk of inflating the due amount in using

the credit cards. A very small percentage of customers used net banking, RTGS and NEFT. They faced the risk of info being hacked and errors in transactions.

Chahal and Datta (2014) have measured the customer experience and its impact on satisfaction, brand loyalty and word of mouth in banking sector and found that customers have given highest priority to Cognitive affective behavioural factors followed by relational experience and sensory experience which has impact on creating the customer experience.

Sellapan, Devi and Prabhakar (2013) studied the association of profile variables with the service quality factors and found that service quality factor is important in retail banking while empathy was most important factor in insurance sector. In retailing sector most importantly perceived service quality factor comprised of tangibles, followed by empathy, responsiveness and reliability. In insurance sector the most important perceived factor is empathy followed by assurance and reliability.

Kabeerkazi (2013) investigated the factors influencing adaption of internet banking among students of higher education in Pakistan and found that convenience, perceived credibility and usefulness are the factors which significantly influenced students to adopt internet banking.

Nalini Daniel and Alamelumangai (2013) have made a comparative study between public and private sector banks employees perception towards service quality and found that public sector banks performed well on abstract aspects like courtesy, confidentiality, safety etc and private sector banks were better in terms of physical aspects such as ATMs, and other modern equipments of the quality dimensions. They also found that public sector banks did

better in décor, prompt and fast service, well groomed and consistently courteous employees over their private counter parts which are against the popular expectations.

Thwaites and Lizanne(1995) studied about the factors that influence the choice of students in the selection of banking services. The key factors which influenced them were convenience of location, best offers free banking, and parent's guidance has less significance. They also found students were not loyal to one bank they had conducted business with more than one bank.

Objectives of The Study

1. To understand the perception of Post graduate students towards Internet banking
2. To study the relation among factors that influence internet banking customer perception.

Hypothesis

H₁- There is significant difference between gender and Internet banking customer perception

H₂- There is significant relation between place of stay and Internet banking customer perception

H₃- There is significant difference among 'genders' with respect to customers perception towards internet banking.

H₄- There is significant difference in satisfaction towards internet banking among 'distance'.

Methodology

The study mainly targeted towards understanding the perception of post graduate students towards internet banking. Thus post graduate students were our target respondent group. The convenience sampling technique was adopted for the selection of sample and the sample size was limited to 57 students. The

questionnaire for the study was adopted from Chen, Hsiao Hwang (2012) and it was slightly modified to suit our research context. SPSS 19 was used for analysis of data. The statistical techniques such as one way T-test, one way ANOVA Testing of the significance of means and the related factors such as content, accuracy, format, ease of use, timeliness and safety were depicted in a simple correlation matrix.

ANALYSIS OF DATA

Table 1: Frequency on Demographics

	Frequency	Percentage
Age		
Less than 20	8	14
Greater than 20	49	86
Gender		
Male	41	71.9
Female	16	28.1
Earning Income		
Yes	3	5.3
No	54	94.7
Education		
UG management	27	47.4
UG Sciences	13	22.8
Others	15	26.3
Hometown		
Less than 100 Kms	11	19.3
100-500 Kms	5	8.8
Greater than 500 Kms	40	70.2
Occupation of Parents		
Salaried – Private	22	38.6
Salaried Government	12	21.1
Business	6	10.5
Others	17	29.8
Owning Debit cards		
Yes	54	94.7
No	3	5.3

Owning Credit Cards		
Yes	5	8.8
No	49	86
Bank Account		
Private Bank	16	28.1
Public Sector	39	68.4
Others	1	1.8

Analysis

From the above table, it can be inferred that except for age and income other demographics factors such as gender, education, and parents' occupation has been fairly distributed among the respondents. With respect to gender we see that more number of male students (41) in comparison to the female students (16).

Many respondents have done their graduation in Management followed by science. Interestingly when it comes to their home town close to about 70% of the students come from places more than 500 kilometers away from the place of study. On the Bank Account holding pattern the table shows most students have their accounts at Public sector banks (68.4%).

Table 2: Descriptive Statistics

S no	Factors	N	Min	Max	Mean	Std Dev
1	Content	57	2	5	3.8202	.65594
2	Accuracy	57	2	5	3.5175	0.90121
3	Format	57	2	5	3.7982	0.82840
4	Ease of Use	57	1	5	3.4123	0.99158
5	Timeliness	57	1	5	3.5175	0.95415
6	Safety	57	1.67	4.67	3.5322	0.71786

Analysis

From the above table, we can infer that the mean scores for six factors namely Content, Accuracy, Format, and Ease of use, Timeliness, and Safety are above 3.5. The findings suggest that maximum number of respondents agree on higher scale score with respect to internet

banking. Standard deviation is a measure of spread from the mean. We can observe that the standard deviation is lowest for the “content “and higher for the ease of use. Hence when comes to inference and experience, the opinions are diverse and spread is more.

Table 3: Simple Correlation

	1	2	3	4	5	6
Content	1	0.530	0.651	0.288	0.508	0.423
Accuracy	0.530	1	0.704	0.571	0.607	0.579
Format	0.651	0.704	1	0.397	0.558	0.444
Ease of Use	0.288	0.571	0.397	1	0.554	0.541
Timeliness	0.508	0.607	0.558	0.554	1	0.534
Safety	0.423	0.579	0.444	0.541	0.534	1

Analysis

From the Table 3, we can observe and infer that the relationship between factors ranges between 0.35 and 0.75. Safety as a dimension has a uniform correlation with other factors indicating its strength of relationship and significance. Also, respondents view accuracy as a key factor and has a strong relationship to the format used. As expected ease of use and the content do not carry a great relationship, indicating their dependence on another is not perceived to be significant.

Table 4: Independent sample t-test for Gender and Internet Banking customer satisfaction (IBCS)

Variables	Male (41)		Female (16)		t- Value
	Mean	S. D	Mean	S. D	
Content	3.7927	0.61212	3.8906	0.77443	0.503
Accuracy	3.3780	0.87878	3.8750	0.88506	1.915
Format	3.6585	0.84734	4.1562	0.67623	2.009

Ease of Use	3.3537	0.97624	3.5625	1.04682	0.711
Timeliness	3.3780	0.99863	3.8750	0.74162	1.802
Safety	3.5691	0.68716	3.4375	0.80709	0.619

Analysis

From Table 4, we can infer that there is no significant difference of means between male and female respondents. When it comes to Internet banking customer satisfaction, the perception registered between the genders seems to be close to one another. Hence the results are not significant (Note: * $p < 0.05$; ** $p < 0.05$; *** $p < 0.001$; ns not significant). From the table, we can infer that there seems to be no difference when it comes to gender in the choice of IB. Hence we accept null hypothesis.

Table 5: ANOVA – Testing the mean of groups for difference based on the distance from their hometown and IBCS

Variables	Distance	N	Mean	S. D	F-Value
Content	Less than 100 km	11	4.1818	0.52549	2.534
	100-500 km	5	3.4	0.78262	
	Greater than 500 km	40	3.7938	0.63772	
	Total	57	3.8202	0.65594	
Accuracy	Less than 100 km	11	3.7727	0.87646	0.752
	100-500 km	5	3.1	0.41833	
	Greater than 500 km	40	3.4875	0.95062	
	Total	57	3.5175	0.90121	
Format	Less than 100 km	11	4.1364	0.74468	1.026
	100-500 km	5	3.8	0.67082	
	Greater than 500 km	40	3.725	0.86194	
	Total	57	3.7982	0.82840	

Ease of use	Less than 100 km	11	4.0909	0.86076	3.007
	100-500 km	5	2.7	0.75829	
	Greater than 500 km	40	3.3125	0.97854	
	Total	57	3.4123	0.99158	
Timeliness	Less than 100 km	11	4	0.59161	1.398
	100-500 km	5	3.2	0.27386	
	Greater than 500 km	40	3.4125	1.05543	
	Total	57	3.5175	0.95415	
Safety	Less than 100 km	11	3.5455	0.29899	1.617
	100-500 km	5	2.9	1.17615	
	Greater than 500 km	40	3.6167	0.71631	

Analysis

According to table 5, we have taken the distance from hometown is assumed to play an inferential role in opening and operating of internet banking. Hence we accept alternate hypothesis. Not surprisingly, it had less influence on respondents' perceptions towards the use of Internet Banking and its attendant problems. We can run an ANOVA on the education levels, to see if a difference exists between and within the groups.

Scope and Conclusion

The paper has focused on student community, especially in the higher education segment. We infer that, most of the students have chosen the Internet Banking due to its convenience and timeliness. Our respondents are from millennial group, and it's understandable that they do not averse in adapting to technology unlike elderly

people. Though the sample size was relatively small, it gave out results that seem to be in consonance with previous literature. However, when the sample size be increased, we would have results that may be more accurate. Further, other variables can be included in the research such as aspiration of the student along with the service quality to bring a holistic view of the internet banking and customer satisfaction.

Bibliography

Chahal. H and Dutta.K (2015), "Measurement and impact of customer experience in banking sector", *Decision*, 42(1) PP.57-70.

Chen Hsiao & Hwang (2012), "Measuring customer satisfaction of internet banking in Taiwan: scale development and validation", *Total Quality Management*, vol 23, no.7

- Fadare, Ibrahim & Edogbanya (2016), "A Survey on Perceived Risk and intention of Adopting Internet Banking", Journal of Internet Banking and Commerce, vol. 21, no. 1
- Fatema Akbar (2013), "what affects student's acceptance and use of technology? A test of UTAUT in the context of a higher education institution in Qatar", Dietrich College Honors Thesis,
- <http://repository.cmu.edu/hsshonors>, part of the Data bases and Information systems commons.
- Kabeer kazi (2013), "An Empirical Study of Factors Influencing Adoption of Internet Banking among Students of Higher Education: Evidence from Pakistan", Journal of Internet Banking and Commerce vol. 18, no.2
- Nalini & Alamelumangai (2013), "Employee perception of service quality A comparison between public sector banks and private sector banks in Karnataka India" ,AIJBSR,vol-5,68-78
- Sellapan, Devi & Prabhakar (2013), "Service Quality in Retailing, Banking and Insurance: A comparative study", Sona Global Management review, volume 7, Issue 4.
- Shirodkar (2015), "A Comparative Analysis of Customer Perception and Operational Risks of E-Banking Products: A Study of Select Banks in Goa", IUP Journal of Bank Management, Vol. XIV, No. 3.
- Thwaites & Vere (1995), "Bank Selection Criteria: a Student Perspective", The Dryden Press, Journal of Marketing Management, vol 11, 133-149.