A STUDY ON CUSTOMER PERCEPTION TOWARDS INTERNET BANKING

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ABSTRACT

Internet banking is still at an infant stage in the world. 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. The research is focused on customers’ perceptions about internet banking, the factors that drive consumers, how consumers have accepted internet banking and the ways to improve the usage rate. The purpose of this research is to determine the factors influencing acceptance level of internet banking by the bank customers. The study revealed that education, gender and income play an important role in usage of internet banking. Not much research has been done on these areas as they were focused more on the acceptance of technology rather than on people. The research corroborated the conceptual framework stating that if skills can be upgraded, there will be greater will to use internet banking by consumers. Inhibitory factors like trust, gender, education, culture, religion, security and price can have minimal effect on consumer mindset towards internet banking.

KEYWORDS: Internet Banking, Electronic Commerce, Online Service Adoption, risk, awareness

INTRODUCTION

The main objective of the Indian banking sector reforms of the 1990s was to promote a diversified, efficient and competitive financial system with the ultimate goal of improving the efficiency of resources through operational flexibility, improved financial viability and institutional strengthening, to bring it at par with global benchmarks. However, with increased d-regulation of financial markets and subsequent integration of the global economy, the period also noticed turbulence for global financial markets; 63 countries suffered from systemic banking crisis in that decade, much higher than 45 in the 1980s. It is particularly noteworthy here that India could pursue its process of financial deregulation and opening of the economy without suffering financial crisis during this turbulent period in world financial markets. Even today, the fact that current annual growth of around 8 percent can be achieved in India at
about 30 percent rate of gross domestic investment suggests that the economy is functioning quite efficiently. As the Indian economy continues on such a growth path and attempts to accelerate it, new demands are being placed on the banking sector. Higher sustained growth has contributed to the movement of a large number of households into higher income categories, and hence, higher consumption categories, along with enhanced demand for financial savings opportunities. On the production side, industrial expansion has accelerated; merchandise trade growth is high; and there are vast demands for infrastructure investment, from the public sector, private sector and through public private partnerships. Indian banks have to be encouraged to expand fast, both through organic growth and through consolidation, in order to fuel the growth of large firms and to strengthen their risk assessment systems, for catering to the requirements of smaller firms. Various policy measures are in process to help this transition along. However, at the global scenario shows that, only 22 Indian banks figure in the list of top 1000 banks and there are only 5 Indian banks in the list of top 500 banks. The biggest Indian bank, State Bank of India, has a market capitalization of under US$ 10 billion compared to the market capitalization of US$ 243 billion of Citigroup. Indian banking sector has a long way to go before they become relatively significant players. Having said that, there are sufficient reasons to believe that the Indian banking sector is poised for tremendous growth and with proper policy framework in place, it would be very soon, matching their global counterparts on most of the relevant banking indicators/parameters (except size, for some time to come).

From the perspective of banking products and services being offered through internet, Internet banking is nothing more than traditional banking services delivered through an electronic communication backbone, viz, Internet. But, in the process it has thrown open issues which have ramifications beyond what a new delivery channel would normally envisage and, hence, has compelled regulators world over to take note of this emerging channel. Some of the distinctive features of internet-banking are:

1. It removes the traditional geographical barriers as it could reach out to customers of different countries/legal jurisdiction. This has raised the question of jurisdiction of law/supervisory system to which such transactions should be subjected.

2. It has added a new dimension to different kinds of risks traditionally associated with banking, heightening some of them and throwing new risk control challenges.

3. Security of banking transactions, validity of electronic contract, customers’ privacy, etc., which have all along been concerns of both bankers and supervisors have assumed different dimensions given that Internet is a public domain, not subject to control by any single authority or group of users.

4. It poses a strategic risk of loss of business to those banks who do not respond in time, to this new technology, being the efficient and cost effective delivery mechanism of banking services.

5. A new form of competition has emerged both from the existing players and new players of the market who are not strictly banks.
THEORITICAL FRAMEWORK

Internet Banking Benefits

Various benefits can be obtained by the banks by providing internet banking services. The benefits as follows:

Reduce Costs

The cost reduction occurs due to the nature of internet banking which is a fixed cost, contrast with conventional banking services which are variable costs where costs will continue to grow along with the addition of branches, number of employees, and working hours. Nature of internet banking is not limited by time (24 hours a day 7 days a week), is self-accessible, and can reach all customers network. Internet banking is able to provide solution for high cost conventional banking services providing.

Increase Customer Base

Corrocher (2002) stated that one of the benefits from internet banking is the increase in the customer base. This can occur because the nature of internet banking is that it can be accessed by all customers from anywhere and anytime. It is different from conventional banking system, in which new branch offices that are only able to reach customer base in a certain area are established.

Marketing and Communication Media

One of the benefits from internet banking is that it can be a media of marketing and communication for its banking company as a service provider. Corrocher (2002) stated that through the internet media, information process delivery and the latest updates from the bank can be performed efficiently and accurately because each message is sent directly to each user and so the message doesn’t need to be broad to target information that is not supposed to.

Increase Customer Satisfaction and Loyalty

With the use of internet banking, frequency of customer visits to bank can be reduced and so customers can save their time and cost. Banks also can create more loyal customers by offering various financial services through their website. Sites that offer a wide range of financial service will increase customer dependence on the services offered, thereby enabling banks to generate higher revenue from each customer.

Generate High Profit

By increasing the customer’s dependence frequency toward internet banking, banks can increase their profit.

Literature review

The Internet, much like the ATM that came before it, is fundamentally a new distribution channel through which banks can deliver traditional banking products and services. Consumers have
developed a high degree of comfort for using remote basic banking services, as demonstrated by the rapid proliferation of ATMs since their introduction 30 years ago. Initially, banks promoted their core capabilities, namely, products, channels and advice, through the Internet. Then, they entered the Internet commerce market as providers/distributors of their own products and services. The vast majority of the banks that avoided Internet banking in the beginning did so because they simply did not see the benefits of using it. Polatoglu & Kin (2001) state that the average internet banking transaction costs the institution only one twentieth of a teller transaction. An extensive study conducted in 2001 by the Consumer Bankers Association indicates that Internet banking usage remained stagnant from 1996 to 1998, with less than 10% of the market utilizing the service. This characterizes the early adoption phase where the banking industry, in its striking transformation, has embarked on an era of ‘anytime, anywhere’ banking. In fact, earlier researchers (Reil et al., 2001; Long & McMellon, 2004) point out that automated service is still at its infancy stage and that there is no generally accepted theoretical conceptualization of automated service quality.

Banks that had the capability of implementing such a system became the first movers and focused primarily on the technological benefits offered by such a setup in order to capture technology enthusiasts at that time. Since then, Internet banking has been able to successfully cross the chasm as a complete service within the financial services industry but not up to the mark. As mentioned above, technologies in the early market provided many single services and not complete solutions during this period. These examples demonstrate the development of a complete service that becomes widely used within a small segment of the pragmatic early majority, representing an entry into the bowling alley. Conclusions of study undertaken for European Commission on public perceptions (September, 2003) say that lack of trust has been frequently cited to be one of the key factors that discourage customers from participating in e-commerce, while cultural differences affect the formation of trust. Apart from trust, there are other variables which influence the usage of Internet banking. They are intention, beliefs, and subjective norms, trust in the bank, attitude, perceived usefulness and perceived ease of use (Journal of Services Research, 2007). Demography may also affect the usage pattern of Internet Banking. It is interpreted that the female respondents are yet to get fully involved in Internet purchase (Journal of Internet Banking and Commerce, 2006). Therefore, enhancing the level of service performance acceptance is the major issue to get competitive advantages. Service quality has received much attention because of its obvious relationship with financial performance, customer satisfaction and retentions (Al-Hawari et al., 2005). Suganthi, et al. (2001) conducted a review of Malaysian banking sites and revealed that all domestic banks were having a web presence. Only four of the ten major banks had transactional sites. The remaining sites were at the informational level. There are various psychological and behavioral issues such as, trust, security of internet transactions, reluctance to change and preference for human interface which appear to impede the growth of Internet banking Corrocher (2002) investigated the determinants of the Internet technology adoption for the provision of banking services in the Italian context and also studied the relationship between the Internet banking and the traditional banking activity, in order to understand if these two systems of financial services delivery are perceived as
substitutes or complements by the banks. According to the results of the empirical analysis, banks seem to perceive Internet banking as a substitute for the existing branching structure, although there is also some evidence that banks providing innovative financial services are more inclined to adopt the innovation than traditional banks. Technology has had a remarkable influence on the growth of service delivery portions (Dabholkar & Bagozz, 2002). Rao et al. (2003) provide a theoretical analysis of Internet banking in India and found that when compared to banks abroad, Indian banks offering online services still have a long way to go. For online banking to reach a critical mass, there has to be sufficient number of users and the sufficient infrastructure in place. IT, has introduced new business paradigms and is increasingly playing a significant role in improving the services in the banking industry. Internet banking is becoming more and more popular today, as is banking via digital television. Beyond doubt, a substantial part of the future of banking business lies in a banking environment that is less and less branch-based and where customers are able to access banking services remotely. The automated service quality research has been limited to relationship management rather than service quality or its acceptance by consumer. Even comprehensive definition of banking service quality is lacking Innovative Marketing, Volume 3, Issue 4, 2007 (Parasuraman et al., 2005).

In addition to internet banking, service quality, telephone banking and ATM service quality need to be addressed in particular service environment. Black et al. (2001) performed a qualitative study on the adoption of internet services and found out that those with the highest income with a greatest use of information technology were most likely to purchase financial services using internet channel. Education and gender were not considered in this study. Earlier studies (Barczak et al., 1997; Danniell & Strong, 1997; Lia et al., 1999; Polatoglu & Ekin, 2001; Devlin & Yeung, 2003) report factors such as convenience, flexibility, security concern, complexity, and responsiveness being associated with a higher propensity to use internet banking.

In the context of the above perspective, the paper will make an attempt to analyze the evolving sphere of Internet banking and the innovations both technological and conceptual which are sweeping the financial services industry in India in the context of the changes that are taking place in this sector across the world. The regulatory and taxation issues of Internet banking present formidable problems and the paper attempts to get an insight into these two important issues.

CSFs have been defined in several ways depending on the purpose for which they were used. In this paper, Rockart’s (1979) definition will be used. He defines CSFs as "the limited number of areas in which results, if they are satisfactory, will ensure successful competitive performance for the organisation". The CSF approach represents an accepted top-down methodology for corporate strategic planning, and while it identifies few success factors, it can highlight the key information requirements of top management (Rockart, 1979). In addition, if the critical success factors are identified and controllable, management can take certain steps to improve its potential for success (Chen, 1999). This technique has been widely used in much business and technology related contexts for over four decades and its use is still common (see for example, Sung, 2005). In the context of this research, CSFs theory
will be used to pinpoint some areas that are critical for success of the e-banking. The following are some
of the most critical success factors of the Internet based services (with specific reference to e-banking)
reported in the literature. These factors formed the basis for questions included in our data collection
instrument. Of the internal factors, most important is efficient and very quick customer service.
Legislation has increased customers’ rights and technology and competition have increased their choice
of products and providers. The increasing amount of information on the Internet and changes in social
behaviour has decreased the loyalty factor considerably. These changes will result in growth in users
with sophisticated needs (Jayewardene and Foley, 2000). This proposition was also supported by (Orr,
2004).

To succeed in the e-banking arena, companies need to transform their internal foundations to be
effective because of the reasons mentioned in previous paragraphs. Current business designs and
organizational models are insufficient to meet the challenges of doing business in the e-commerce era (El
Sawy et al., 1999). Therefore one critical issue is re-engineering of the business processes which also
include technological processes (El Sawy et al., 1999). Security, which may include protection of
consumers’ personal data and safe transactions to prevent frauds, is paramount for the growth of any sort
of online trade, including e-banking. This factor has been cited as very critical by Enos, (2001), Turban
et al., (2000) and Regan and Macaluso (2000). Security in this context includes secure transactions as
well as secure front end and back end systems. Enos (2001) identified several success factors for online
banking including: improving trust and security, simplifying and integrating basic services, such as
banking and lending, insurance, investment and payments, personalization and customization capabilities
in order to provide each customer with unique offerings. He also stated that, in the fierce battle over
customers, providing a unique experience is the compelling element that will retain customers.
Importance of trust in success of e-banking was also emphasised by Yoursfzai et al. (2003 & 3005). The
development of integrated, customised financial services is becoming an active area of competition
between financial sector organisations. Consumers do not want to navigate from website to website to
keep track of their finances. Web based services have to be more convenient, easier to use, and less
expensive than the alternative, to win the loyalty of consumers (Cronin, 1998). This type of real-time
integration of distributed resources is one of the greatest potential advantages of e-banking. The
interactive nature of e-banking creates an opportunity for gaining a much deeper understanding of the
customers. The data gathered about the customer during their interaction with the bank can be analyzed
using data mining techniques and this marketing decision support capability will ultimately determine the
success of the bank's electronic channel (Franco and Klein, 1999). The Internet should be integrated with
other channels such as ATMs and internal systems to increase its effectiveness. Processing across the
channels has to be real time too to avoid inconvenience. One example of such inconvenience may be that
someone might transfer money into his/her current account from a saving account over the Web and then
try to get this cash from the ATM, only to learn that those funds are not yet available (Franco and Klein,
1999). The idea of channel integration was also supported by many others, see for example, King and
Liou (2004). Regan and Macaluso (2000) and Storey et al. (2000) see excellent customer services as a
key factor in the success of e-banking. Their reason for this is that the Internet transfers power from supplier to the customer and superior customer service is absolutely essential for keeping customers loyal. The provision of a pleasant experience on this channel, according to Orr (2004), is one of the key requirements for success of the channel. This level of integration however, needs very good technological infrastructure. Franco and Klein (1999) stress the importance of upgrading current technological infrastructure (which still largely depends on slow and fragmented legacy systems) to bring it up to the speed with the Internet trade. The richness of the medium’s content has been a critical success factor in attracting a sharply growing number of websites visitors and commercial users (Stamoulis, 2000). Banks usually feed their websites with content such as corporate profile, product and pricing information, interest rates, and application forms etc. However they need to look beyond the usual contents and make their websites far richer in terms of functionality, to attract a larger number of visitors. Stamoulis (2000) sees a re-drawing of the Internet market map as a vital prerequisite for the e-banking strategy, because the Internet requires different marketing methods than other service distribution channels. He suggested identification of a niche market and focus on exploiting it is very important for banks. A similar point has been made by Fruhling and Digman (2000) when they wrote that the Internet is having significant effects on market development strategies. They define market development strategies as "attempts to promote existing products in new markets, in effect broadening the scope of the business by finding new market segments or new service delivery channels”.

Mols (1998) suggests that banks should use the Internet as an additional channel of distribution and must keep their traditional channels such as branches and phone banking intact. This gives the banks the opportunity for a gentle transition from a branch banking strategy to e-banking strategy, and it provides good market coverage. Cronin (1998) draws our attention to the social aspects, which must be considered in the virtual environment. They propose branding as a transferable resource across physical and social barriers to entry, for customers in a new and perceptibly daunting environment. The importance of a brand factor is increasingly recognized (Yousafzai et al., 2005) and many virtual financial organizations are considering opening some high street branches to enhance their brands. According to Jayewardene and Foley (2000), banks must continually invent new products and services in light of changes brought by the Internet and also make existing products more suitable for online delivery. Similarly, Riggins (1998) identified a number of critical success factors of Internet banking in the context of the Australian banking industry. These include: developing the will to innovate rapidly, aggressively marketing the bank’s website address to generate first time visitors, online decision support tools for personal financial management, the creation of an online ‘virtual’ community for financial services, and bundling of products/services. Turban et al. (2000) identified several CSFs for e-commerce initiatives. Most of these CSFs also apply to e-banking, including: only simple (Internet specific) products/services should be offered online, top management support, a project team reflecting various related functional areas, a user-friendly web-interface and appropriate promotion of the project both internally and externally. Fruhling and Digman (2000) stress similar points with the addition of a need for not treating ecommerce initiatives as IT projects only, but to intertwine them with an organizations’
strategic plans, with specific attention to value-added, differentiation, cost leadership, focus, and business growth.

**OBJECTIVES OF THE STUDY**

1. To measure the awareness level of the customers towards services provided by the bank
2. To analyze the satisfaction level of the customers with reference to banks.

**RESEARCH METHOD**

**Population, Sample, and Sampling**

The population comprises of bank customers who use internet banking service. The sample is not restricted to how long they have used internet banking, because there are equal respondents between long-time internet banking users and customers who have used internet banking for just a few months. Thus, data variability can be obtained to describe customers decision to continue using internet banking in the future or not.

**Sample size.** Bank customers were the respondents for study. A survey was conducted among 125 bank customers from different banks and from different localities and analysis was done. The respondent profile who participated in the study is given in Table 1.

**Table 1: Respondent profile of internet banking users**

<table>
<thead>
<tr>
<th>Sex</th>
<th></th>
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</tr>
</thead>
<tbody>
<tr>
<td>Male</td>
<td>85</td>
<td>68%</td>
</tr>
<tr>
<td>Female</td>
<td>40</td>
<td>32%</td>
</tr>
<tr>
<td>Age</td>
<td></td>
<td></td>
</tr>
<tr>
<td>21-30 years</td>
<td>60</td>
<td>48%</td>
</tr>
<tr>
<td>31-40 years</td>
<td>30</td>
<td>24%</td>
</tr>
<tr>
<td>41-50 years</td>
<td>25</td>
<td>20%</td>
</tr>
<tr>
<td>Above 50 years</td>
<td>15</td>
<td>8%</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Banks</th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>State Bank</td>
<td>30</td>
<td>24%</td>
</tr>
<tr>
<td>ICICI</td>
<td>25</td>
<td>20%</td>
</tr>
<tr>
<td>Indian Bank</td>
<td>20</td>
<td>16%</td>
</tr>
<tr>
<td>Indian overseas bank</td>
<td>15</td>
<td>12%</td>
</tr>
<tr>
<td>Canara bank</td>
<td>15</td>
<td>12%</td>
</tr>
<tr>
<td>Axis bank</td>
<td>10</td>
<td>8%</td>
</tr>
<tr>
<td>Bank of Baroda</td>
<td>5</td>
<td>4%</td>
</tr>
<tr>
<td>Karur Vysya Bank</td>
<td>5</td>
<td>4%</td>
</tr>
<tr>
<td>Educational background</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Higher secondary</td>
<td>30</td>
<td>24%</td>
</tr>
<tr>
<td>Under graduate</td>
<td>80</td>
<td>64%</td>
</tr>
<tr>
<td>Post graduate</td>
<td>15</td>
<td>12%</td>
</tr>
</tbody>
</table>
DATA ANALYSIS AND DISCUSSION

A general description of respondents profile is shown in Table 1. A majority (68%) of respondents are male, while the remaining of them are female. 48% of the Internet banking respondents belongs to the age group between 21-30 years, while 8% respondents from the age group above 50 years. Majority of respondents (24%) are internet banking users from State bank. Internet banking users are customers who have relatively high educational background because majority of respondents (64%) educational background is under graduate. The respondents from this study perform various in private and public sectors (48%), While 24% of them are entrepreneurs.

Smallest number of respondents came from a class of others (12 percent). Internet banking users Surabaya have a varied monthly income, starting from the lowest income class below Rs 5000 per month (20 percent) to the highest income class that is more than Rs 25,000 per month is (8%). A majority of the individual clients, (88 percent), and only a small percentage of respondents (12%) are corporate customers.

Statistical analysis using the program Smart PLS 2.0 was preceded by validity and reliability test to determine the consistency of measurement tools. This is used to describe whether it has been precise or not with the variables analyzed. The test results show that overall convergent validity indicator in this study meets the requirements of validity because it has a loading factor value above 0.5 (> 0.5), results from validity test.

HYPOTHESES

The following hypothesis were formulated for the study.

H1: Awareness of service (AW) has positive effect on perceived usefulness (PU).
H2: Security (SE) has positive effect on perceptions usefulness (PU).
H3: The quality of Internet connection (QIC) has positive effect on perceived ease of use (PEU).
H4: Computer self efficacy (CSE) has positive effect on perceived ease of use (PEU).

H5: Perceived ease of use (PEU) has positive effect on perceived usefulness (PU).

H6: Perceived ease of use (PEU) had positive effect on perceived enjoyment (PE).

H7: Perceived usefulness (PU) has positive effect on attitude towards using (ATU).

H8: Perceived ease of use (PEU) has positive effect on attitude towards using (ATU).

H9: Perceived enjoyment (PE) had positive effect on attitude towards using (ATU).

H10: Trust (TR) has positive effect on attitude towards using (ATU).

The results show that hypothesis 3 up to 10 are accepted, because it has t statistics above 1.96 (>1.96), but only hypothesis 1 and hypothesis 2 do not comply with the proposed hypothesis because it has t statistics less than 1.96 (<1.96). This proves that awareness of service and security has no significant effect on perceived usefulness. No significant relationship between awareness of service and perceived usefulness is caused by majority internet banking users. This has fairly high awareness of internet banking facility provided by the bank. Yet, this does not affect significantly the perceived usefulness because usefulness can only be felt when internet banking has been used. After using the internet banking, the customers can feel whether the internet banking is useful for them or not and not before using or only from the information per se.

No significant relationship between security and perceived usefulness is caused by majority of respondents. They are not comfortable with the transaction security while using internet banking. Internet banking cannot be perceived by the customers as a system that is completely safe. Customers are considering the security risks to be covered along with its benefits (risk benefit analysis). As a result of these concerns, there are terms that arise among the customers, namely, pure and non-pure internet banking users. Pure internet banking users are customers who utilize all the facilities of internet banking transactions such as check balances, transfer, bill payments, and others. On the contrary, the non-pure internet banking users are customers who use internet banking only for the purpose of checking balances. Majority of respondents are customers of non pure type.

There is a significant relationship between quality of internet connection and perceived ease of use caused by the majority of respondents who have easy and good quality internet connection to access internet banking. This is because internet development in Indonesia is currently on booming stage and many internet service providers provide cheap rates which makes it easier for customers to get a good internet connection at low price. Significant relationship between computer self efficacy and perceived ease of use is caused by the majority of respondents since they have a good enough computer mastery to be able to operate internet banking only by following the instructions provided within the site without having received help from others.
Significant relationship between perceived ease of use and perceived usefulness exists because the customers feel the internet banking is easy to use. The easier the operation of internet banking, the better it will attract customers to continue using it.

Significant relationship between perceived ease of use and perceived enjoyment is because the ease of use in operating internet banking will encourage the customer to use internet banking again and again. Interests that arise due to the perceived ease of use make customers happy and enjoy the internet banking.

There is also a significant relationship between perceived usefulness and attitude towards using it. This is because a customer will have a positive acceptance attitude of internet banking when they feel that using it will give benefits for them (Al-Somali, et al. 2008). These results are consistent with the research results conducted by Wang, et al (2003), Al-Somali, et al (2008), and Davis, et al (1989) which stated that there is a significant relationship between perceived

Significant relationship between perceived ease of use and attitude towards using internet banking is because customers who feel that it is not easy to use it will tend to have the rejection attitude, but customers will have a positive acceptance attitude of internet banking when they feel that using internet banking is so easy (Reid, Michael and Yair Levy, 2008).

Another significant relationship between perceived enjoyment and attitude towards internet banking. This occurs when a customer enjoys internet banking which encourages them to have an acceptance attitude of it (Qureshi, et al. 2008). Results of this study do not support the research results conducted by Qureshi, et al (2008) and Pikkarainen, et al (2004) which stated that there is no significant relationship between perceived enjoyment and attitude towards using.

The difference in the results might be due to which the research was carried out have high internet banking adoption rate. Which shows that internet banking usage is already a habit and does not require a perceived enjoyment to establish a positive attitude.

Significant relationship between trust and attitude towards using internet banking was found. This is because internet banking is related to the transfer of specific data that is confidential and has the ability to perform multiple transactions. Customers trust will grow as internet banking can solve all these problems. This trust to encourages a customer to have an acceptance attitude of internet banking.

Significant relationship between attitude towards using internet banking and adoption intention is because the positive attitude that is formed by the customer will determine the decision whether to continue using internet banking or not. Intention to continue using internet banking in the future will arise when a customer has a positive attitude of internet banking.
<table>
<thead>
<tr>
<th>Perceived Usefulness (PU)</th>
<th>Mean</th>
<th>Loading</th>
<th>reliability</th>
</tr>
</thead>
<tbody>
<tr>
<td>Using internet banking in my jobs increase my performance</td>
<td>4.44</td>
<td>0.754</td>
<td></td>
</tr>
<tr>
<td>Using internet banking in my jobs increase my effectiveness</td>
<td>4.62</td>
<td>0.683</td>
<td></td>
</tr>
<tr>
<td>Using internet banking in my jobs increase my productivity</td>
<td>4.52</td>
<td>0.689</td>
<td></td>
</tr>
<tr>
<td>Find the internet banking system useful in conducting banking transaction</td>
<td>4.53</td>
<td>0.694</td>
<td>0.723</td>
</tr>
<tr>
<td><strong>Awareness of service (AW)</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Knowing that bank had internet banking services</td>
<td>4.7</td>
<td>0.72</td>
<td></td>
</tr>
<tr>
<td>Knowing benefits and risk from using internet banking</td>
<td>4.44</td>
<td>0.871</td>
<td></td>
</tr>
<tr>
<td>Knowing application procedure from internet banking</td>
<td>4.59</td>
<td>0.845</td>
<td></td>
</tr>
<tr>
<td>Knowing how to use internet banking</td>
<td>4.59</td>
<td>0.847</td>
<td>0.824</td>
</tr>
<tr>
<td><strong>Quality of internet connection (QIC)</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>My access to internet is easy</td>
<td>4.83</td>
<td>0.735</td>
<td></td>
</tr>
<tr>
<td>My internet connection is fast</td>
<td>4.5</td>
<td>0.674</td>
<td></td>
</tr>
<tr>
<td>My internet connection is stable</td>
<td>4.8</td>
<td>0.983</td>
<td></td>
</tr>
<tr>
<td>Internet guarantees that all transaction to the bank have been completed</td>
<td>4.73</td>
<td>0.654</td>
<td>0.316</td>
</tr>
<tr>
<td><strong>Security (SE)</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Bank gives security guarantee to do transaction over internet banking</td>
<td>4.48</td>
<td>0.813</td>
<td></td>
</tr>
<tr>
<td>Would feel secure sending sensitive information over the internet</td>
<td>4.26</td>
<td>0.764</td>
<td></td>
</tr>
<tr>
<td>Using internet to do money transaction is secure</td>
<td>4.74</td>
<td>0.731</td>
<td>0.719</td>
</tr>
<tr>
<td><strong>Computer self efficacy (CSE)</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Could complete my bank transaction using internet banking system if I had only online help for reference</td>
<td>4.7</td>
<td>0.746</td>
<td></td>
</tr>
<tr>
<td>Item</td>
<td>Mean</td>
<td>SD</td>
<td>Cronbach's Alpha</td>
</tr>
<tr>
<td>----------------------------------------------------------------------</td>
<td>------</td>
<td>-----</td>
<td>-----------------</td>
</tr>
<tr>
<td>I could conduct my banking transaction using the internet banking system if I had only the system manuals for reference</td>
<td>3.82</td>
<td>0.696</td>
<td>0.25</td>
</tr>
<tr>
<td>Interacting with internet banking does not require a lot of mental time</td>
<td>4.58</td>
<td>0.677</td>
<td></td>
</tr>
<tr>
<td>Interaction with internet banking is clear and understandable</td>
<td>4.7</td>
<td>0.646</td>
<td></td>
</tr>
<tr>
<td>It is easy for one to become skillful at using internet banking</td>
<td>4.54</td>
<td>0.718</td>
<td></td>
</tr>
<tr>
<td>Learning to use internet banking system is easy for me</td>
<td>4.8</td>
<td>0.983</td>
<td>0.19</td>
</tr>
<tr>
<td>Perceived enjoyment (PE)</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Using internet banking is interesting activities</td>
<td>4.39</td>
<td>0.839</td>
<td></td>
</tr>
<tr>
<td>Using internet banking is fun</td>
<td>1.82</td>
<td>0.683</td>
<td></td>
</tr>
<tr>
<td>Using internet banking can be enjoyable</td>
<td>3.68</td>
<td>0.691</td>
<td></td>
</tr>
<tr>
<td>Using internet banking is positive activities</td>
<td>4.72</td>
<td>0.668</td>
<td>0.319</td>
</tr>
<tr>
<td>Trust (TR)</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Trust my bank’s internet banking site</td>
<td>4.75</td>
<td>0.96</td>
<td></td>
</tr>
<tr>
<td>Internet banking site keep customers best interest in mind</td>
<td>4.73</td>
<td>0.705</td>
<td></td>
</tr>
<tr>
<td>Internet banking site keeps its promises and commitments</td>
<td>4.75</td>
<td>0.626</td>
<td>0.379</td>
</tr>
<tr>
<td>Trust in the benefits of the decision of the internet banking site</td>
<td>4.54</td>
<td>0.603</td>
<td></td>
</tr>
<tr>
<td>Attitude towards using (ATU)</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>It is desirable for every customer to use internet banking</td>
<td>4.42</td>
<td>0.721</td>
<td></td>
</tr>
<tr>
<td>Attitude towards internet banking usage is positive</td>
<td>4.75</td>
<td>0.697</td>
<td></td>
</tr>
<tr>
<td>Using internet banking is a wise idea</td>
<td>4.75</td>
<td>0.658</td>
<td>0.175</td>
</tr>
<tr>
<td>Adoption intention (AI)</td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>
Use internet banking on regular basis in future  |  4.8  |  0.983  
Strongly recommend other to use internet banking  |  4.5  |  0.53  
Whenever I have an access to internet, I intend to use internet banking  |  3.67 |  0.703  
Feels satisfied with the benefits I can get from internet banking  |  4.75 |  0.96  |  0.113

Statistical analysis using the program SmartPLS 2.0 was preceded by validity and reliability test to determine the consistency of measurement tools. This is used to describe whether it has been precise or not with the variables analyzed. The test results show that overall convergent validity indicator in this study meets the requirements of validity because it has a loading factor value above 0.5 (> 0.5), results from validity test as shown in Table 3. While the construct reliability test have also meets internal construct consistency because each construct has a cronbach alpha value above 0.7 (> 0.7) (Ghozali, 2008). The Table 2 is the research instrument that we used in this study including the results of reliability test from each construct.

CONCLUSIONS

While investigating all the variables and responses given by the consumers, this study reveals that the perception of the consumers can be changed by conducting awareness program, friendly usage, less charges, proper security, and the best response to the services offered. As per our basic assumptions we consider only those consumers who know how to use Internet and have accessibility of Internet. This study considers only to those banks which provide Internet banking Facility. By grouping the variables less than one relevant question may result in proper implication for the bankers. The bank should be very concerned about the requirement of awareness to the customers. Even though these people are inclined towards the manual banking, these can be turned to potential customers, it is well proved. The study says that the surrounding people will influence the individual’s behavior or in India only environment that surrounds the public determines the behavior and decisions of the individuals. So if consumer meets most of their colleagues or friends who are using Internet banking. Which may influence their decision to follow Internet banking option? The data which is provided will be useful for worldwide. Results through this study will help to understand customer’s perception and some actions can be initiated to improve the usage of internet banking. If the above data is used, it will be helpful for the banks in reducing the cost of operation where as manual banking is more costly compared to internet banking.

REFERENCES


38. “Banking Sector in Global Perspective” - Inaugural address by Dr Y V Reddy, Governor RBI, at Banker’s Conference, New Delhi, 10 November 2004


