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Awareness on Online Banking - Study with special reference to Customers of ICICI Bank in Chennai

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Abstract

ICICI Bank became the first bank in India to introduce utility bill payment through Internet. The Bank has entered into tie-ups with leading telecom companies such as MTNL, Tata teleservices, VSNL and cellular operators. Corporate sector can issue letter of credit and make inquiries regarding bills sent for collection via this service. It also provides facility for nicknaming all accounts to avoid remarking lengthy accounts number. The Bank has emerged leader in B2B and B2C initiatives. B2B solutions (i-payments) aim at facilitating online supply-chain management to it corporate clients by linking them with their suppliers and dealers in a closed business loop. In this study respondent's knowledge in the field of internet, attitude and their internet banking practices of pioneered ICICI Bank were selected. Data collected form 200 ICICI bank Customers of Chennai city through structured questionnaire and analyzed using SPSS - ANOVA, Chi square test, Independent't' test, Factor analysis and regression analysis applied for its validity. Author concluded that E-banking knowledge has influence the Internet banking awareness to the extent of 8% and Attitude influences to the extent of 68.1%. An internet practice has no any impact awareness on online banking/ Internet banking of ICICI bank in Chennai.

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Introduction

Internet banking is a kind of systems that enable financial institution customers, individuals or businesses, to access accounts, transact business, or obtain information on financial products and services through the Internet. the Internet banking is also called as online banking and it is an outgrowth of PC banking. Internet banking uses the internet as the delivery channel by which to conduct banking activity, for example, transferring funds, paying bills, viewing checking and savings account balances, paying mortgages and purchasing financial instruments and certificates of deposits (Haque et al, 2009). Internet banking is a result of explored possibility to use internet application in one of the various domains of commerce. It is difficult to infer whether the internet tool has been applied for convenience of bankers or for the customers' convenience. But ultimately it contributes in increasing the efficiency of the banking operation as well providing more convenience to customers.

E banking has become an important channel to sell the products and services and is perceived to be necessity in order to stay profitable in successful. The perception is the formed as a result of interpreting the experience. There is a growing interest in understanding the users' experience (Hiltunen et al., 2002.); as it is observed as a larger concept than user satisfaction. From this perspective, assessing the user experience is essential for many technology products and services (Wilson & Sasse, 2004). In a survey conducted by the Online Banking Association, member institutions rated security as the most important issue of online banking. There is a dual requirement to protect customers' privacy and protect against fraud (Mishra). Faster transfer: Another important factor that contributes the framework of the perception is the faster transfer of fund. The fundamental advantage of the internet banking is the transfer of the information about the money's worth to any place at any time with a mouse click's distance. The convenience of online banking facilitates people to gain greater control of their finances and contributing to changing patterns in cash withdrawal and day to day cash management.

According to IAMAI report's – online banking '2006', customers prefer to view account balances, transaction history and updates get e-statements, credit card and debit card transaction history and updates, checking the status of their credit card accounts, viewing information regarding their demat account, information on their fixed deposits. In short Online banking users say that convenience is the most important factor, online banking lets

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them access their accounts from anywhere and at any time and majority of the customers prefer on-line banking channels to transfer funds to third party.

E- Banking can be defined as "delivery of bank's services to a customer at his office or home using Electronic Technology." The quality, range and price of these electronic services decide a bank's competitive position in the industry. Technology in banking has been used in following four major ways, they 1) To handle a greatly expanded customer base, 2) To reduce substantially the real; cost of handling payments, 3) To liberate the banks from the traditional constraints on time and place and 4) To introduce new products and services. Electronic banking is the wave of the future. It provides enormous benefits to consumers in terms of the ease and cost of transactions. But it also poses new challenges for country authorities in regulating and supervising the financial system and in designing and implementing macroeconomic policy. Various authors have found that i-banking is fast becoming popular in India (Gupta, 1999; Pegu, 2000; Dasgupta, 2002).

ICICI Bank, the first bank to offer e-banking services in India has more than one lakh regular internet user accounts, of which more than 25 percent are of NRIs. The bank has viewed advanced information technology as a managerial and competitive tool and has tried to harness technology to the maximum possible extent to deliver superior customer services. The Bank has emerged leader in B2B and B2C initiatives. B2B solutions (i-payments) aim at facilitating online supply-chain management to it corporate clients by linking them with their suppliers and dealers in a closed business loop. All members in this loop are required to maintain the account with the bank. This product has gained considerable market acceptance and the bank has already entered into memorandum of understanding with over 100 large Indian companies.

Review of Literature

Williamson et al (2006) explained the Convenience way of operating banking transactions through Online banking with digital signature, which will be the form of enhanced authentication and also stated the uses of virtual banking system and its highly profitable channel for financial institutions. It provides customers convenience and flexibility and the services be provided at a lower cost than traditional banking. i e Financial institutions have spent a great deal of time and money developing online banking functionality to allow customers an easy and convenient way to manage their money.

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. **Sree Kumar et al (2009)** evaluated the service quality of internet banking (i-banking) services in India from customer's perspective. A structured questionnaire containing 44 quality items is administered and identified based on principal component factor analysis intoseven dimension viz. reliability, accessibility, user friendliness, privacy/security, efficiency, responsiveness and fulfillment. To assess the overall service quality used regression analysis and concluded that that customers are satisfied with quality of service on four dimensions such as reliability, accessibility, privacy/security, responsiveness and fulfillment, but least satisfied with
the 'user-friendliness' dimension.

Vijay M Kumbhar (2011) evaluated Service quality, Brand perception and perceived value affecting on customers satisfaction in E banking setting in India and collected data through structured questionnaire and applied Principle component analysis using SPSS 19 and found that Perceived Value, Brand Perception, Cost Effectiveness, Easy to Use, Convenience, Problem Handling, Security/Assurance and Responsiveness are important factors in customers satisfaction in e-banking it explains 48.30 per cent of variance. Contact Facilities, System Availability, Fulfillment, Efficiency and Compensation are comparatively less important because these dimensions explain 21.70 per cent of variance in customers' satisfaction

Ankmit Heshwarni et al (2011) explored the extent of technology acceptance model in the context of Internet Banking in India under security and privacy threat and also considered the role of the bank website as a key determinant of perceived risk and found that perceived risk has a negative impact on behavioral intention of internet banking adoption and trust has a negative impact on perceived risk.

Nupar Arora et al (2016) studied online purchase behavior and emphasized how men and women differ in their perception and concluded that WOMEN are more likely to Save products for later, take longer to buy and be very sensitive to shipping and handling costs whereas MEN are more likely to Compare prices and not abandon shopping cart and also stated that shopping orientations of online consumers have expanded beyond convenience and variety-seeking. Recreational, economic, and even social-oriented consumers can all be active online shoppers.

S M Fatah Uddin et al (2016) focused on examining the gender difference and considered attitude as a tri – component construct to contain cognitive, affective and

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behavioral constituents and differentiated these three components and collected data from 98 respondents through questionnaire and applied Exploratory factor analysis concluded that Significant difference were not found to exist between males and females with respect to the cognitive, affective and behavioural online shopping attitudes suggesting the consistency in the attitude of management students towards online buying.

Dr. Suresh Chandra Bihari et al (2016) empirically identified the factors affecting customer satisfaction in retail banking and to measure the level of customer satisfaction through well structured questionnaire from 60 respondents with different banks in Bhubaneshwar city, and applied ranking of service quality attributes, which having lowest mean have been ranked at the very first rank and the one with highest mean has been ranked the least and concluded that SERQUAL dimensions are useful tool to predict overall service performance of Banks.

Dr. Sumangla Rathore et al (2016) an attempt has been made to characterize the customers with respect to their gender, age and preference of time for posting comments one Commerce companies through Netnography and the study indicated that the frequency of posting comments on e - Commerce companies by male participants is significantly higher than the female participants and participation of the younger generation (between 20 to 30 years) is significantly higher than the older generation (45 years and above). The most active age group of participants involved in posting comments on e commerce companies is between 26 to 30 years, for both male and female participants. The most preferred timing for posting comments was between 12 pm to 4 pm for the female participants, and between 4 pm to 8 pm for male participants.

Statement of the Problem

The banking industry is now a very mature one and banks are being forced to change rapidly as a result of open market forces such as competition, consumer demand and technological innovations such as growth internet banking. If banks have to retain their competitiveness, they must focus on consumer retention and relational management, grade and offer integration and value added services. With the increasing consumer demands, banks have to constantly think of innovative customized service to remain competitive. Most of the researcher conducted research study on consumer attitude and perception among internet banking, but in this study respondent's knowledge in the field of internet, attitude and their internet banking practices of pioneered ICICI Bank were considered.

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Objectives of the study

Internet banking is increasingly becoming popular because of convenience and flexibility. The present paper explores the major factors responsible for internet banking based on respondents 'awareness and their perception on various internet applications.
Study also tries to examine whether there is any relation with the demographic variable (e.g. gender) and respondents' awareness and perception about internet banking

1. To study the demographic profile of the respondents towards internet banking of ICICI in Chennai.
2. To examine to what the extent consumer transact through online banking services of ICICI in Chennai.
3. To examine the consumer knowledge, attitude and practices of internet banking transactions of ICICI in Chennai.
4. To explore the factors which influencing internet banking services of ICICI in Chennai.

Research Design

The research has been conducted as a quantitative research and the data collection method was simple random survey method through structured questionnaire. The questionnaire was administered among 235 ICICI bank customers in Chennai city and 200 customers responded representing 85 percent represent rate. Data relating to the present study's hypothesis have been analyzed using ANOVA, Chi square test, Independent't' test, Factor analysis and regression analysis applied for its validity.
Population of the study : ICICI Bank customers of Chennai city (Chennai South)
Sample Size: 200 Bank customers
Questionnaire: This is divided into two parts

1. Demographic information of the respondents
2. Level of knowledge, Attitude and Internet practices of the respondents

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Analysis and Interpretations

Table-1 Distribution of respondents based on the Demographic factors

Socio-Economic variables	Category	No of respondents (%)
Gender	Male	134 (67%)
	Female	66 (33%)
Age in years	Below 30	80 (40%)
	Between 31-40	60 (30%)
	Between 41-50	40 (20%)
	Above 50	20 (10%)
Qualification	School Level	47 (23.5%)
	Under Graduate	90 (45%)
	Post Graduate	38 (19%)
	Professional	25 (12.5%)
Income per month	Below 10,000	41(20.5%)
	Between 10,001 – 30,000	73(36.5%)
	Between 30,001 – 50,000	66(33%)
	Above 50,000	20(10%)

(Source: Field Survey 2019)

Table 1 presents the demographic characteristics of the 200 respondents. About 67 percent of the respondents are males and 33 percent respondents are females. Table 1 also shows that all respondents are adults with 40 percent of the respondents in the age of below 30 years, 30 percent between 30- 40 years, 20 percent between 40-50, 10 percent above 50 years.. The highest category using online banking services are in the age group of 20-30 years. Majority of the users of e-banking services were graduates (45percent) and were earning a monthly salary of Rs. 10,000-30,000.

Table – 3: Independent T test analysis result

Table -2 : Group Statistics

	Gender	N	Mean	Std. Deviation	Std. Error Mean
Online Banking Exp	Men	134	2.10	0.812	0.070
	Women	66	2.15	0.769	0.095

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Null Hypothesis: There is no any significant difference between the genders and online

		Levene's test		T value	df	Sig (2 tailed)
		F value	Sig			
Annual Investment	Equal Variance assumed	0.488	0.486	-0.454	198	0.650
	Equal variance not assumed			-0.462	135.91	0.645

banking awareness and knowledge of ICICI customers in Chennai

Levene's test for equality of variances(Homogeneity) result shows that significant value is 0.486, which means both the gender are heterogeneous, so t test for equal variance assumed considered.. The mean value Men is 2.10 and that of Women is 2.15, the mean difference is -0.15 which is insignificant. Based on the result, the significant value is 0.650 and it is greater than 0.05. So accepts the null hypothesis and concluded that the internet banking knowledge of the both gender were equal.

Table-4: ANOVA(Age of the respondents)

Online Banking Knowledge

	Sum of Squares	df	Mean Square	F	Sig.
Between Groups	2.542	3	0.847	1.342	0.262
Within Groups	123.813	196	0.632		
Total	126.355	199			

Null Hypothesis: There is no any significant difference between the age and online banking awareness and knowledge of ICICI customers in Chennai

Interpretation: From the above table, the value of ANOVA is greater than 0.05.(0.262) So accepted the null hypothesis and concluded that there is no any significant difference between the Age of the respondents and their internet banking awareness and knowledge. So customer age factor is nor does affecting the e banking services on ICICI bank and respondents have equal knowledge about internet banking in Chennai.

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Table -5 : ANOVA (Educational Qualification)

Online Banking Knowledge

	Sum of Squares	df	Mean Square	F	Sig.
Between Groups	3.008	3	1.003	1.593	0.192
Within Groups	123.347	196	.629		
Total	126.355	199			

Null Hypothesis: There is no any significant difference between the Educational qualification and online banking awareness and knowledge of ICICI customers in Chennai

Interpretation: From the above table, the value of ANOVA is greater than 0.05.(0.192) So accepted the null hypothesis and concluded that there is no any significant difference between the Educational qualification of the respondents and their internet banking awareness and knowledge.

Table- 6 : Annual Income * Annual spent through online banking Crosstabulation

Count

		Annual spent through online banking			
		Lees than 1,00,000	Between 1,00,001 - 2,00,000	Between 2,00,000 - 3,00,000	Total
Annual Income	Less than 1,20,000	21	14	6	41
	Between 120,000 - 3,60,000	38	30	5	73
	Between 3,60,000 - 6,00,000	43	17	6	66
	Above 6,00,000	11	7	2	20
Total		113	68	19	200

Table – 7: Chi-Square Tests

	Value	df	Asymp. Sig. (2-sided)
Pearson Chi-Square	5.4400	6	0.489
Likelihood Ratio	5.362	6	0.498
Linear-by-Linear Association	1.220	1	0.269

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Null Hypothesis: There is no any significant association between the Annual Income and online banking transaction cost of the respondents of ICICI customers in Chennai

Interpretation: From the above table, the value of ANOVA is greater than 0.05.(0.489) So researcher accepted the null hypothesis and concluded that there is no any significant association between the Annual Income and online banking transaction cost of the respondents of ICICI customers in Chennai.

Internal consistency tests were conducted using Cronbach alpha tests (Cronbach, 1946) for the three multi-item measures and are presented in table 8.

Table -8: Reliability statistics

Measures	**No.of Tests**	**Reliability for the sample**
Knowledge	10	0.856
Attitude	04	0.789
Practice	06	0.749

(Source : Estimation Based on Field Survey)

The alpha values for all factors vary from 0.75 to 0.86 which are considered acceptable for this type of study (Nunnally 1978). This reveals that the variables load properly on these four factors

To determine the underlying structure, the correlation matrix was initially examined to determine how appropriate it was for factor analysis. The Kaiser- Meyer- Oklin (KMO) value was 0.749, which was higher than the recommended minimum of 0.60 (Kaiser, 1974) indicating that the sample size was adequate for applying factor analysis. In addition, the value of the test statistic for sphericity (Bartlett, 1954) on the basis of a Chi-square transformation of the determinant of the correlation matrix was large (1.632E3). Bartlett's test of sphericity was significant, supporting the factorability of the correlation matrix and the associated significance level was extremely small (0.000). For factor extraction, principal component method was used, under the restriction that the eigen value of each generated factor was more than one. A factor analysis was conducted to develop constructs that will help to evaluate factors that will influence customer's usage of e-banking. Three factors were generated, which explained 60.08 percent of the variance. The extracted factors were then rotated using variance maximizing method (Varimax). These rotated factors with their variable constituents and factor loadings are given in table 9. These factors are labeled Knowledge, Attitude and Practice.

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Table- 9: Factor Analysis for Acceptance Factors of e-banking

Measurement	Knowledge	Attitude	Practice
Safety	0.820		
Reliability	0.790		
Liquidity	0.716		
Insurance coverage			0.782
Transparency	0.815		
Security	0.841		
Privacy is maintained			0.792
Bill Payment	0.748		
E- Ticket	0.603		
Innovative Service			
One stop Banking	0.758		0.312
Demat Holding			0.832
Quick Transaction			0.612
Time saving		0.826	
Convenient		0.765	
No need to carry Cash		0.815	
Order cheque book .	0.782		
Apply for Loans	0.751		
Wide Area Network		0.534	
Online Trading			0.508
Eigen Value	3.913	1.770	1.297
Percentage of Variance	48.413	06.17	05.49
Cumulative Variance	48.413	54.590	60.08

(Extraction Method: Principal Component Analysis, Rotation Method: Varimax with Kaiser Normalization, Rotation converged in 20 iterations)

The regression analysis was conducted to reveal how different factors identified through factor analysis affect the use of online banking. The respondents‟ intention to intensify the acceptance of e-banking services was regressed on the three independent variables, namely Knowledge, Attitude and Practice. The results are reported in table 10.

Table-10: Regression Analysis on E-banking Acceptance Factors

Variables		Regression Co efficient	t- value	Sig
Constant		2.653	64.153	0.001
Knowledge		0.082	02.421	0.024
Attitude		0.681	18.742	0.011
Practice		0.043	0.265	0.847
R square	**0.671**			
F ratio	**95.816***			

(Sig @ 1% level)

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The regression equation was significant at 1% levels with the f value of 95.816 and the independent variables account for 67.1% of the variance in the degree of acceptance and awareness about e banking by the ICICI respondents in Chennai. Knowledge has influence the Internet banking awareness to the extent of 8% and Attitude influences to the extent of 68.1%. An internet practice has no any impact awareness on online banking/ Internet banking of ICICI bank in Chennai.

Conclusions and Recommendations

Different channels of banking operations have started but they are in maiden stage due to varied reason. The lack of human touch and technical assistance has emerged as primary hurdles in the process. The dominance of e banking over m- banking is mainly due to security concern of handsets. Further visit of customers are also not economical all the time since very often they come for balance inquiry and bank statement. This study recommend that the bank should ensure higher security by avoiding poor networking, delay in complaint handling process, lack of clarity in process and create technical awareness to encourage customer to use online banking. In short banks need to improve the simplicity and operational convenience of bank's online platform.

Consumer were more concerned about attributes of web site associated with perceived risk than those associated with perceived gain, which underlies the most importance of reducing online banking uncertainty and risks.

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