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Effect Of Customer Trust On Adoption Of Internet Banking In Gwalior City

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ABSTRACT:

Internet banking is about using the infrastructure for digital age to create opportunities, both in local & global market. In India a number of banks have either gone on internet banking or are on the verge of going for it. Internet banking system taking about his different from what was possible up to now –off line information or few limited services. This paper gives a diagram of the surviving exploration into the connection amongst trust and internet banking. In this paper analyze the level of trust for internet banking among various age groups and challenges too. And find out the ways to improve the functioning of internet banking.

Keywords: *Internet banking, customer trust, information technology*

INTRODUCTION:

Internet banking is a world-leading technology that is now making payments and transactions easier for people and providing them with the status of worldwide purchasers or consumers. Be it retail marketing or e-commerce this new technology is creating a kind of boom for the economies. Internet banking is an overall change in the dynamics of banking and its relationship. Banking is no longer needs a physical presence. Internet banking provides anywhere banking facility and is cheaper to afford for the consumers. Internet banking makes financial transactions performed by the customer more securely.

Internet banking has changed the monetary terms. Clients can perform most exchanges all alone on their PCs at any time they desire. Clients do not need to stand in long queues or rush to the bank during any emergency. Pulling back money, exchanges and instalments can be done by the snap of a mouse. Internet Banking helps individuals who are telecommuting, have restricted time, or need to monitor their funds 24 hours a day.

Internet banking permits account holders to exchange funds, pay charges, keep a more precise record, and report deceitful exchanges and that's just the beginning. Any individual who has a portable workstation or desktop PC with Internet gets to do their banking from anyplace on the planet. There is a potential for fraud or extortion when buyers utilize Internet Banking. Monetary establishments have programs set up to prevent

criminal movement. Account-holders can secure themselves by utilizing a firewall on their PCs. Money-related foundations favour online banking since it diminishes labour, draws in customers, and makes monetary reporting less demanding.

Anywhere Banking, Internet, and Mobile Banking are on the rise. It can be surrendered that IT is a valuable apparatus for the administration to support & upgrade its proficiency. Banks are trying hard to decrease functional expenses to protect their concerns. Banking becoming increasingly client-driven with each passing day, innovations have helped banks to dispatch an entire cluster of client-driven items, for example, ATMs, Cards, 24-hour Banking. Client Relationship Management is currently an exceptional exponential idea.

Scope of the study:

With the advent liberalization policy and RBI's easy norms several public, private and foreign bank have entered in Indian banking sector which has given birth to cut throat competition amongst banks for acquiring large customer and banking sector.

In India there is less number of studies being conducted to identify how effectively the online channels are used by banking industry to increase customer satisfaction and adoption. Hence, this study throws light on the e-banking service provided by the banks in the study area and this research study makes an attempt to analyze how banks are attracting the various age group customer and how customer are satisfied with the internet banking and what effect does their trust on internet banking make. This study will be helpful to draw up further policy for improving customer trust on e-banking practices and as a secondary data for further research.

REVIEW OF LITERATURE

The present review goes for distinguishing the indicators of Internet Banking appropriation in India through research demonstrate. To this end, a review of literature is essential to pick up knowledge into the hypotheses identified with the appropriation of innovation and the circumstance of Internet Banking selection among purchasers in India. Henceforth literature survey is done to enlighten and draw out the factors that are found to affect client appropriation of Internet Banking.

This evidence is confirmed by Ali Bayrakdaroğlu (2012), who adds awareness as an important factor. The results were obtained from questionnaires distributed among different bank users. The author states that the evaluation of factors of e-banking usage varies according to demographic characteristics of customers as well.

Eriksson et al., (2005) examined client acknowledgment of internet banking in Estonia utilizing the Technology Acceptance Model (TAM). The elements that were considered were Trust, PU, PE, and use. The discoveries introduced that internet banking expanded in so far as clients saw it as useful. The perceived usefulness is focal because it decides if the perceived ease of internet use will prompt expanded utilization of internet banking. The review likewise recommended that the models of contraption acknowledgment

ought to be reformulated to concentrate more on the key part of the Perceived Usefulness of the administration implanted in the contraption.

The second group of studies measures the aggregate effect of e-banking on bank performance. According to Drigă (2009), Internet banking can bring a sustainable competitive advantage in terms of market share, but not in making profits. The results are based on the World Retail Banking Report 2009 (for 8 European countries, the US and Japan). It reveals that an active Internet Banking user on average paid for transactions 34% less than an active branch user.

The impact of e-banking on a bank size in the US is evaluated in Sullivan and Wang (2005). They claim that the Internet makes it easier to serve and communicate with clients. Moreover, it saves costs for banks on conducting

low-value-added transactions. Largest banks face higher demand for their services, thus, are more likely to figure out a cost-saving opportunity, adopt Internet banking first, and enjoy a further increase in size. In long run, when innovation reaches smaller banks, the banking industry converges to new post-innovation steady-state distribution.

In that way, the whole sequence of studies from the second group shows that since Internet banking was first proposed in the early 1990s it was used to expand the customer base or not to lose those customers who want it. Mean while, the individual effects of online-banking adoption for a customer or differences between users and non-users have not been in focus.

In the third group, the levels of customers' loyalty and satisfaction with Internet banking are measured. Maroofi and Nazaripour (2012), Raza *l.* (2013) concentrate on how the quality of online services influences customer satisfaction. Looking at the individual response and controlling for such factors as trust and reputation result in a positive, but no significant effect of e-banking quality.

Studies of Internet banking adoption in India

Prema and Clement (2010) broadened the Technology Acceptance Model by joining Perceived Self-Efficacy and Awareness as elements impacting buyer's internet banking use expectations through its impact on PU, PE, and PS. The expanded TAM was bolstered in anticipating internet banking usage aims.

Singh and Malhotra (2007) concentrated the determinants of internet banking appropriation by banks in India utilizing strategic relapse procedure. The outcomes demonstrated that bigger banks, banks with more youthful age, private proprietorship, and higher costs for settled resources, higher deposits, and lower branch power confirm a higher likelihood of adoption of the innovation.

Srivastava (2007) concentrated customers' discernment on the utilization of internet banking in India. The review concentrated on the elements that drive consumers to utilize internet banking. Consumers' acknowledgment of internet banking and Improving utilization rates was another zone of core interest. The examination found that if aptitudes of customers were updated, they will be additionally ready to utilize

internet banking. What's more, the review demonstrated that inhibitory variables like trust, gender, education, culture, religion, security, and cost can have just an insignificant impact on the buyer attitude towards internet banking.

Kannabiran and Narayan (2005) look at the experiences of a private-division bank in passing on the web banking and internet business in India. The crucial game plan of business and IT systems, orchestrating and execution of e-keeping money exercises, and organization of favourable circumstances was caught, close by key responsibilities regarding progression.

Rao and Prathima (2003) gave a theoretical examination of web banking in India and found that when appeared differently about banks abroad, Indian banks offering web services have far to go. The survey revealed that for web banking to accomplish a base mass there must be a satisfactory number of customers and a sufficient establishment set up.

Research Objective:

The following are the specific objectives of the research objectives

1. To analyze the level of trust for internet banking among various age group.
2. To analyze the challenge faced by customer during internet banking.
3. To find out the ways to improve the functioning of internet banking.

RESEARCH METHODOLOGY:

The research methodology is endowing a systematic way for the researcher to continue their study in any field and any kind of research. Redman and Mory define research methodology as a 'systematized effort to gain new knowledge. Without research, a study cannot find objectives and results. It may be noted, in the context of planning and development, that the significance of the research lies in quality and not in quantity. The need, therefore, is for those concerned with research to pay due attention to designing and adhering to the appropriate methodology throughout for improving the quality of research. The methodology differs from the problem, yet the basic approach towards research remains the same, keeping in mind all these things this chapter deals in detail and its various components use in this research.

Research design: Decisions regarding what, where, when, how much, by what means concerning an inquiry or a research study constitute a research design. "A research design is the arrangement of conditions for collection and analysis of data in a manner that aims to combine relevance to the research purpose with economy in procedure". (Claire Selltiz and others, 1962). By understanding the objectives and characteristics of the research design; a **descriptive research design** is employed for this research.

Supply of data: An analysis is predicated on two sources:

Primary Information & Secondary Information

Sample Size: The size of the sample is a vital facet of an empirical study in which the objective is to form population inferences from a sample. The sample may be a portion of the population or universe (Tailor et al., 2005). The population is that the assortment of comparable elements studies and outlined in terms of age, education, time, place, and sampling unit (Sudman & Blair, 1998). The initial sample size was a hundred, out of which 54 consummated the bottom criteria Customers using Internet Banking services, Gwalior region India

Data collection technique

In this research, both primary and secondary data were collected and Non- probability purposive sampling technique will be used.

A self-processed individual study strategy was utilized to gather the vital information. For this reason, proper questionnaires were outlined. Data for this study were collected by a survey conduct at Gwalior, India. This questionnaire was then sent through different online networking channels, for example, What's App, Face book, and so forth and furthermore sent through mails.

Data collection instrument: Appropriately planned Personal interviews using questionnaires to promote self-directed studies with basic standard inquiries were utilized to gather information.

DATA ANALYSIS & INTERPETATION

Descriptive Statistics

The descriptive analysis is based on various statistical measures that show the shape and size of the distribution and measure the relationship between two or more variables. percentage and frequency for categorical data. Descriptive statistics have been used to describe the key features of the data being studied. It encourages understanding of in

Formation, systematic reporting and also makes it useful for further discussion, investigation, and interpretation (Oja, 1983). Knowing about the descriptive statistics of the study can help with the visualization of the data, depending on the level of information we need.

Demographic Profile of internet banking users

Demographic data refers to statistically socio-economic data. The demographic characteristics of the trust in internet banking have been gathered through the questionnaire. This data helps in determining customer's opinions regarding Internet banking. Characteristics include gender, qualification, and working status or experience of adoption and trust in Internet banking in the Gwalior region.

present the data areas:

Demographic Characteristics

Demographic Characteristics	Classification	Frequency	Percentage
Gender	Male	34	63
	Female	20	34
Education	Graduation	23	42.6
	Post Graduation	30	55.6
	Others	3	5.6
Household Income	1-5 lakhs	41	77.4
	5-10 lakhs	9	17
	10 lakhs & Above	3	5.7

(Source: Author's calculation)

PRESUMPTION:

The result shows in table is that majority of the respondent Gender wise are male 63 percent and the qualification is Post- Graduation 55.6 percent. A major part of the sample is male 63 percent. Household income in Majority 77.4 Percent

CLASSIFICATION OF CUSTOMERS BY AGE

Age group		
Age class	No. of customers	Percentage
15-25	24	44.4
25-35	26	48.1
35 & Above	4	7.4
Total	54	100

PRESUMPTION:

It is found that 44.4 percent of the customers are 15-25 years old, 48.1 percent of the customers are 25-35 years old and the remaining 7.4 percent of the customers are 35 & Above

CLASSIFICATION OF CUSTOMERS ACCORDING TO THEIR BANKACCOUNT

Type of Bank		
Status	No. of. Customers	Percentage
PUBLIC SECTOR	33	61.1
PRIVATE SECTOR	4	37
BOTH SECTOR	20	7.4
Total	57	100

PRESUMPTION:

From the above table, we can find that 61.1 percent of the Customers have their accounts in public sector banks while only 7.4 percent of the Customers have their accounts in private sector banks. And 37 percent customer has both sector bank account.

Analysis of Majority Part-

According to the above analysis the majority of customers sector-wise, most of the people prepared public sector account. Age-wise 25-35 people frequently use internet banking once a week. Awareness of Internet Banking is 94.4 percent in people. And use internet facility is 79.6 percent.

Gender wise most women are less aware of internet banking than men when men trust more on internet banking.

Factors analysis according to questionnaire response is 62 percent people avoided visiting internet banking site which has poor navigation such as slow downloading of page poor design.

Interpretation: After analysis first objective is defined. In this research, we collected 54 responses and some responders have not given any response. If we look at Age-wise collection between 25 to 35 people used more web banking for paying bills, transactions, and online selling and purchasing. After this result youth reflects their trust in internet banking. 37.7% of customers strongly agree with ease of use and web designs are important in the adoption of internet banking. But Majority is 56.6% only agree with this condition. 64.2% of customers think that internet banking provides unique, integrated, and customized financial services are important in the adoption of internet banking. 94.4 %customer aware about internet banking and 7.4% customer not aware of this. 79.6% customer prefer internet banking then offline banking. The frequency of using web banking is 38.4% once in a week. 56.6% customer consider that navigation and website are important in the adoption of Internet banking. 62.3% customer avoid visiting internet banking site which have poor navigation such as slow downloading of page poor design. 35.8% customer strongly agree to trust on the bank plays an important role in the adoption of internet banking. But 39.6% think that offline banking service is more strong then online banking service. 64.2% customer considered that internet banking also provide unique, integrated and customized financial service and these service play important role to adopt web banking.

CONCLUSION & IMPLICATION: The research results were presented and major Analysis reported in previous chapters have summarized in this chapter. The question of questionnaire and main finding are linked to the research objective along with the highlight the result. Finally generalize the result

Data summary: write interpretation

This analysis is about age details of the bank customers. It has been observed that 24(44.4%) bank customers belong to below 25 yrs age group. Above 25 yrs and below 35 yrs age group have 26(48.1%) bank customers and Above 35 yrs age group have 4(7.4%) bank customers. This is the correct mix of age groups for this study. Naturally younger generation will get more importance because of techno savvy generation. But other age groups also got sufficient representation. This analysis is about the gender details of the bank customers. It has been observed that 63% bank customers are male and 37% bank customers are female. It is 63% male and 37% female pattern in this study. So each section has enough representation in this study. The following analysis shows the education details of the bank customers. It has been observed that 30(55.6%) bank customers are postgraduate, 23(42.6%) bank customers have bachelor degree, 3(5.6%) bank customers are 10th class pass. It can be concluded that most of the respondents are highly educated. This attribute surely helped the research to be more consistent and authentic.

Findings related to customer satisfaction on internet banking:

Objective 1: To analyze the level of trust for internet banking among various age group.

Interpretation: Age wise

According to the data analysis, working generation .i.e. 25-35 age groups have more trust on internet banking as compare to other generation. 58.1 percent out of 54 respondents.

2. The younger generation age group 15-25 years shows less trust on inter banking .i.e. 44.4 percent, as compare to working generation, one of the reason for less trusting the internet banking is may be most of them are dependent to others income.

3. The age group of 35 & above shows less trust as compare to younger generation and working generation .i.e. 7.4% this is may be because they have a fear of fraud while using internet banking.

Objective 2: To analyze the challenge faced by customer during internet banking.

Interpretation: Challenge wise

1. According to the data analysis, navigation (ease of use) and website design are important but most of people not aware to web page function.
2. When internet processing getting slow during the searching customer avoid to visiting web banking site because of poor navigation such as slow downloading.
3. Many bank display advertisement on their web page. And sometime these advertisement are caused by account hacking.

Objective3. To find-out the ways to improve the functioning of internet banking.

Interpretation: Improvement of internet banking

1. If banks simplify the format of their webpage which is easy for the user to use. So this would be a good option to make internet banking easy.
2. If the bank or financial institution suspects fraud, a hacker, or other issue with a customer's account, many will call customers to alert them of suspicious the specific activity. Whether this is a phone notification, call, email, text message, etc. it can help save customers from being the victim of fraud, or it can help them confirm that they did indeed mean to initiate that transaction. Remember, protecting People's personal information and assets is a key to great customer service.
3. For people who have vision difficulties that make it hard or impossible to read small screens (especially using mobile devices) having the option of having the content on the page read to them can make a massive difference in the accessibility of mobile banking. Providing customers with that option makes your service more accessible to them. Also include voice-over service for any security codes that must be entered to access one's banking information can help people access their accounts easily and readily.

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