

# E-Banking in India: with Reference of Consumers Perception of Internet Banking in Visakhapatnam District.

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**Abstract:** Objective: As of late, Internet Banking has turned into a useful stage to effectively get to banking administrations. The banking business has experienced emotional changes utilizing the idea of internet banking. Internet banking is characterized a technique for banking through internet entry in which clients can use various types of banking administrations.

**Methodology:** The essential goal of this research is to recognize the central point that impact internet banking discernment in Visakhapatnam District, Andhra Pradesh, India.

**Result:** In this paper we dissect the customers' attributes of internet banking utilizations in Visakhapatnam District and likewise found that internet banking is impacted by its Perceived reliability, Perceived ease of use and Perceived usefulness.

**Conclusion:** The discoveries checked the research theories and affirmed that perceived usefulness, Perceived ease of use and Perceived Reliability, all effect mentality towards the goal of internet banking observation in Visakhapatnam District.

**Keywords:** Customers, Factors, Internet banking, Perception, Technology acceptance.

## I. INTRODUCTION

Technology has become a useful device in associations. Currently, banks operate in an exceptionally globalized, privatized and liberalized environment with extreme competition. With the end goal to exist in this intense environment banks have to use Information Technology. Data Technology has introduced different new business dimensions. Step by step Information Technology assuming more critical role in redesigning the services or items in the banking business in India. Banking industry in India has witnessed of enormous developments because of sweeping changes that are occurring in the IT. E-banking has developed from such a creative environment. Modern technology is recognized as a remedy for the vast majority of the diseases that the banking business faces today.

This paper investigates the factors that influence the customer selection of Internet banking in Visakhapatnam region. The empirical information were collected from a questionnaire survey of 250 from were sent out haphazardly. This examination examines the relationship between IB perception and the determining factors for customer selection of internet banking in Visakhapatnam area. Hence the results demonstrates that the relevant factors determined the appropriation of IB in Visakhapatnam include the level of its three factors namely PU, PEU and PR.

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## II. OBJECTIVES

This work has been undertaken with an objective to think about that the factors influence Internet Banking appropriation in Visakhapatnam District. Hypotheses are formulated based on three factors and to determine whether the hypothesis is being supported by our research model or not. The examination makes huge knowledge about perception of Internet Banking in Visakhapatnam District.

PU is recognized as having solid positive effect on Internet Banking. PU is the degree to which a person believes that utilizing a specific system would enhance their performance. According to Amin (2009) PU is the extent to which a person believes that utilizing a specific system will enhance his or her performance. Davis (1989) asserts that the decision to use new technology is determined by the extent to which a person believes that it is savvy in giving products or services compared to the current method. Therefore if consumer perceives internet banking to have perceived usefulness, then the consumer is more likely to perceive internet banking as easy to use and reliable and furthermore influence perception of internet banking.

**Therefore the following hypothesis can be stated.**

H1. Perception level of consumers on IB has a strong influence over PU.

H2. Perception level of consumers on IB has a strong influence over PEU.

H3. Perception level of consumers on IB has a strong influence over PR.

H4. PU has a strong impact on PEU.

H5. PU has a strong impact on PR.

H6. PU has a strong impact on adoption of IB.

## III. PERCEIVED EASE OF USE

PEU is dependent upon the frequency of utilizing the IB services on a regularity premise. According to Davis (1989) Perceived ease of use is defined as the degree to which a person believes that utilizing a specific system would be free of physical and mental effort. Cooper (1997) identifies "ease of use" as one of the three important characteristics from customers' perspective for reception of innovative service. Wallis (1997) identifies that technological advancement must be easy to use to ensure customer acceptance. The related hypothesis is given below.

H7. PEU has a significant relation over adoption of IB.

**IV. PERCEIVED RELIABILITY**

PR is one of the major influencing factors according to McKnight, Choudhury and Kacmar (2002) around the establishment and use of new technologies for money related exchanges is that of security and trust. The need for security of personal details and monetary information is therefore basic to the success of IB. As a result the perception of hazard involved in utilizing Internet banking, the more likely that it will be adopted. Accordingly the related hypothesis is given below.

H8. PR has a strong impact on adoption of IB.

**3. Research Methodology**

The information for this investigation was collected through survey conducted in Visakhapatnam area, Andhra Pradesh. An aggregate of 250 questionnaires were distributed through mail to the people repressing in the Visakhapatnam area regarding their usage of IB services, of which just 130 respondents provided their response to this survey with a 52 percent rate of response. The questionnaire consisted of two sections, in the primary section it is concerned with the personal details of the respondents whereas in the second section it consisted of just likert five point scale (1= emphatically disagree, 2 = disagree, 3= neutral, 4= agree, 5= unequivocally agree) regarding their perception with the IB

services. In this research we have utilized Microsoft Excel and Microsoft Word alongside SPSS (Statistical Package for Social Sciences) version 12 was used as the examination device to determine the results for this research think about. This SPSS software helped us to determine the effect of the considerable number of factors on selection of internet banking and furthermore to understand the relationship between the different factors on the reception of internet banking.

**V. RESULTS AND DISCUSSION**

In this section, we will analyze the information collected from the respondents of the Visakhapatnam region of Andhra Pradesh. In the beginning of this section we introduced the demographics information as appeared in Table 1. The intent behind the collection of demographic information was to capture the general information about the people of Visakhapatnam locale. Those demographics information comprises of respondents' gender, education, occupation and age. Further investigation comprises of reliability measure, examination of correlation of different factors, result of hypothesis testing and regression.

**VI. DEMOGRAPHIC PROFILE**

**Table: 01 Demographic Profile**

**1. Gender**

Gender	Category	No. of respondents
	Male	100
	Female	30

**2. Employment Status**

Employment Status	Category	No. of respondents
	Employed	84
	Unemployed	33
	Retired	1
	Not response	2
	Other	6

**3. Educational Qualification**

Educational Qualification	Category	No. of respondents
	Bachelors/UG/Diploma	58
	Masters/PG	59
	Doctorate/PHD	4
	Secondary	1
	Higher Secondary	1
	Professional	4

**4. Age**

Age	Category	No. of respondents
	under 18	2
	18-25	54
	26-35	53
	36-45	10
	46-55	7
	greater than 55	1



**Reliability Measure:** Reliability of the factors is determined by means of cronbach's alpha, a method used to measure the internal consistency of a set of items. Alpha value of 0.60 or above is considered to be reliable for any research. As

appeared in Table 2, the reliability scores of the considerable number of factors were observed to exceed the required standard reliability of 0.60 in this way showing the convergent legitimacy of the model is proven

**Table 2: Reliability Statistics**

Determinants	No. of items belonging to this determinant	Reliability measure for this determinant
PU	3	0.7894199
PEU	3	0.782839452
PR	3	0.75223
Perception	9	0.888224

**Correlation Analysis:** The correlation examination has been applied to determine the effect of perception, perceived usefulness, perceived ease of use and perceived reliability on the appropriation of internet banking by the users. The correlation results as appeared in Table 3, reveals that the

acceptance of internet banking by the users is positively correlated with perception of internet banking ( $r=0.982855$ ), perceived usefulness ( $r=0.791821$ ), perceived ease of use ( $r=0.815994$ ) and perceived reliability ( $r=0.872419$ ).

**Table 3: Correlation Matrix of Determinants**

Correlation	Perception	PU	PEU	PR	Adoption
Perception	1				
PU	0.84321	1			
PEU	0.918925	0.72446	1		
PR	0.886298	0.558931	0.731299	1	
Adoption	0.982855	0.791821	0.815994	0.872419	1

**Hypothesis Testing**

In this investigation we have performed t test to determine whether the hypothesis formulated beforehand is being supported by our research model or not. The estimated t values are provided alongside the t critical value and in addition the p value for each of the hypothesis. The results represent the affirmation of the model as appeared in Figure 1. The results of the hypothesis testing are appeared in Table 4. The relationship between perception and perceived usefulness was observed to be factually noteworthy, thereby supporting hypothesis 1 (H1) as  $t > t_{critical}$  ( $t=45.650$ ,  $t_{critical} = 1.975$ ) or  $p < 0.05$ . The relationship between perception and perceived ease of use was observed to be measurably critical, thereby supporting hypothesis 2 (H2) as  $t > t_{critical}$  ( $t=47.528$ ,  $t_{critical}=1.975$ ) or  $p < 0.05$ . The relationship between perception and perceived reliability was observed to be factually huge, thereby supporting hypothesis 3 (H3) as  $t > t_{critical}$  ( $t=48.196$ ,  $t_{critical}=1.973$ ) or  $p < 0.05$ . The relationship

between perceived usefulness and perceived ease of use was observed to be measurably noteworthy, thereby supporting hypothesis 4 (H4) as  $t > t_{critical}$  ( $t=48.196$ ,  $t_{critical}=1.973$ ) or  $p < 0.05$ . The relationship between perceived usefulness and perceived reliability was observed to be factually noteworthy, thereby supporting hypothesis 5 (H5) as  $t > t_{critical}$  ( $t=4.0605$ ,  $t_{critical}=1.9694$ ) or  $p < 0.05$ . Likewise, the relationship between perceived usefulness and reception of IB was observed to be measurably critical, thereby supporting hypothesis 6 (H6) as  $t > t_{critical}$  ( $t=59.69$ ,  $t_{critical}=1.975$ ) or  $p < 0.05$ . Likewise, there is a noteworthy relationship between perceived ease of use and selection of IB and thereby supporting hypothesis 7 (H7) measurably as  $t > t_{critical}$  ( $t=53.670$ ,  $t_{critical}=1.974$ ) or  $p < 0.05$ . Likewise, we found critical relationship between perceived reliability and reception of IB and supporting hypothesis 8 (H8) measurably as  $t > t_{critical}$  ( $t=39.258$ ,  $t_{critical}=1.973$ ) or  $p < 0.05$ . Hence the entire hypotheses are supported.

**Table 4: Result Of Hypothesis Tests**

Hypothesis	Relationship	t-statistics	T Critical two tail value	P(T<=t) two-tail	Remarks	
H1	Perception	PU	45.65083408	1.975287508	3.66898E-92	Supported
H2	Perception	PEU	47.52896588	1.975287508	1.03547E-94	Supported
H3	Perception	PR	48.19637015	1.973771337	3.3782E-102	Supported
H4	PU	PEU	4.060579562	1.969422365	6.5388E-05	Supported
H5	PU	PR	7.722930058	1.969939406	3.11077E-13	Supported
H6	PU	Adoption of IB	59.69293688	1.975905331	1.983E-106	Supported



H7	PEU	Adoption of IB	53.67082833	1.974185191	1.1557E-107	Supported
H8	PR	Adoption of IB	39.25850928	1.97369144	2.21675E-88	Supported

**Regression Analysis**

Regression investigation results affirm that there is critical effect of independent variables (perception, PU, PEU and PR) on dependent variable (Adoption of IB) because the R square is 0.966 as appeared in Table 5 is greater than 0.6 which is considered as the benchmark. In other words, all the independent variables together

explain fundamentally 96.6% of the variance on user's acceptance of internet banking services. The R value in the table demonstrates the correlation value among the dependent variable and independent variables.

**Table 5: Model Summary**

Regression Statistics	
R	0.982855366
R Square	0.96600467
Adjusted R Square	0.965732707
Standard Error	1.02299809

**VII. CONCLUSION**

In this investigation proposed an empirical model on Internet Banking use, which incorporates bank customers' perception on perceived usefulness, perceived ease of use and perceived reliability. The examination makes noteworthy knowledge in relation to appropriation of factors effecting of Internet

Banking in Visakhapatnam District. The results have supported the hypothesis that PU, PEU and PR have positive effect on the use of Internet Banking in Visakhapatnam District. The result of the regression investigation conducted on the factors indicate that PU, PEU and PR to be the most influential factors explaining the use of Internet Banking services. The results demonstrate that the standard error is 1.02299809. The discovering refers to the way that consumers use Internet Banking for the benefits and furthermore due to its easiness being used which provides in contrast with other banking delivery channels.7.

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