

Factors that Influence Adoption of Online Banking

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Abstract: Online banking, an innovation to traditional branch banking system, is now used as a channel for delivering financial services by virtually all banks. The shift from formal banking to e-banking has been a leap change. This study determines the factors influencing the customer's adoption of internet banking and hence investigates the influence of perceived usefulness, perceived use & perceived risk on use of internet banking.

Keywords: online banking

1. Introduction

Rapid expansion of information and communication technologies had a huge change in all areas of human life. [5] Information technology (IT) based changing financial service sector has altered the way banking services are delivered. Advanced technology in combination with information technology causing transformation of traditional banking into online banking [1].

Conducting the business of banking over the internet is called online banking [2]. Internet banking software provides personal and corporate banking services offering features such as viewing account balances, obtaining statements, checking recent transactions, & making payments. This causes less physical work to a busy man as there is no need to go to bank and also saving their time [5]. Consumer satisfaction and consumer retention are the successful factors in online banking [3].

Digital India campaign launched by government of India on July 2015 in order to ensure the government services are made available to citizens electronically by improved online infrastructure and by increasing internet connectivity there by improving the online banking service sector.

Many other private online banking publications like google pay, paytm, phonepay came into trend due to their easy payment options causing cashless transactions.

Previous survey was conducted on general population but not on dental students. So this survey is being conducted on dental students to know the extent of awareness about online banking services.

The main aim of this research study is to know the factors

that influence the adoption of online banking.

The objective of the present study is to assess the factors that influence the adoption of online banking on undergraduate dental students to know whether they are using online banking services provided by the banks and level of students trust on the security of online banking.

2. Methodology

A. Permission

Permission was taken from the head of the department, Department of Public Health Dentistry. Questionnaire is explained and informed consent was taken prior to study from study subjects.

B. Study Design

A cross-sectional questionnaire based study was conducted among students of Mamata Dental College, Khammam, Telangana.

C. Pilot Study

Framed questionnaire is distributed among 30 students to know reliability of questionnaire.

D. Inclusion Criteria

All interns, 4th year, 3rd year students who were present during the day of the survey are included in the study. The duration of the study was from 29th May 2019 to 7th June 2019.

E. Exclusion Criteria

Students who were absent during the day of survey were excluded.

F. Study procedure

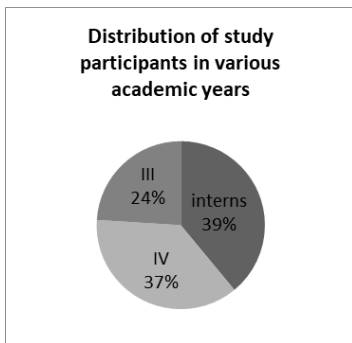
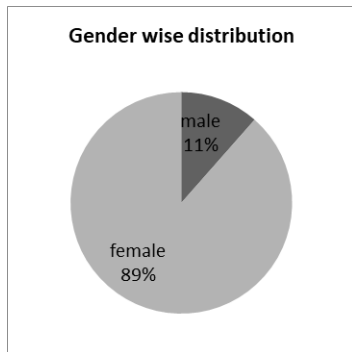
The study was conducted among 200 dental students. Questionnaires were distributed to 3rd, 4th year students and interns during their working hours i.e., 9:00am to 4:00pm. Questionnaire includes personal data and questions pertaining to the current study.

G. Statistical Analysis:

The data collected through the questionnaire is tabulated into an Excel sheet and sent for analysis.

3. Results

The total of 200 students were included in the study, of which 23 were males (11.5%) and 177 were females (88.5%) undergraduate dental students.



From the table 1 given below, majority of them regularly uses online banking 158 members (79%) and least usage is 42 members (21%) and statistically significant difference observed was $p < 0.05$ (T-1).

Table 1

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Yes	158	15.8	79.0	79.0
	No	42	4.2	21.0	100.0
	Total	200	20.0	100.0	

The table 2, shows that, very less of them are more convenient with manual than internet banking system they are of 10 members (5%). Many of them have no opinion about which banking system is more convenient, they are of 76 members (38%) & statistically significant differences observed was $P < 0.05$.

According to table 3, many of them think that internet banking system is difficult to access they are about 31.5% and only some believe that it is a complicated technique they are 20% & statistically significant difference observed was $p < 0.05$.

The table below 4, shows that, most of them i.e., 44.5% transact once per month and few of them i.e., 9% transact daily

& statistically significant difference observed was $p < 0.05$.

Table 2

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Strongly agree	12	1.2	6.0	6.0
	Agree	38	3.8	19.0	25.0
	Neutral	76	7.6	38.0	63.0
	Disagree	64	6.4	32.0	95.0
	Strongly Disagree	10	1.0	5.0	100.0
	Total	200	20.0	100.0	

Table 3

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Complicated Technique	40	4.0	20.0	20.0
	Difficult to accessibility	63	6.3	31.5	51.5
	Rigidity	49	4.9	24.5	76.0
	Poor feedback	48	4.8	24.0	100.0
	Total	200	20.0	100.0	

Table 4

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	2-3 times per week	45	4.5	22.5	22.5
	Once per week	48	4.8	24.0	46.5
	Once per month	89	8.9	44.5	91.0
	daily	18	1.8	9.0	100.0
	Total	200	20.0	100.0	

4. Discussion

This study is to know the factors that influence adoption of online banking.

Many (79%) of them are aware and use online banking and only some of them (21%) are unaware about online banking.

41% of them prefer internet banking system due to the empowerment. 29% of them feel that internet banking provides best services. 19.5% people are convenient with online banking.

Maximum members are aware of internet banking system before opening an account i.e., 73%, minimum are unaware i.e., 27%.

People think that both public and private sector banks are almost equally technologically advanced. 48% for private sector and 54% for public sector.

Online banking is known to people through friends (38%), through mass media (24%) and through family (29%).

Most of them transfer funds with their family members (48%) and only some of them pay in shops (5%). This may be due to security issues.

Adoption of online banking is mainly due to decrease in internet handling charges (72%)

Availability of technology support is also the main reason for adoption of online banking (89%).

5. Conclusion

Students are commonly using online banking services nowadays one should be aware of online banking benefits, security issues and risks associated with online banking to use it affectively.

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